

Manitoba Study Confirms Suppression of Workers' Comp Claims



When workers get hurt or sick on the job, they're supposed to report it to the workers' comp system to claim their benefits. But too many injuries and illnesses can increase the employer's workers' comp premium and cost them benefits, such as rebates.

So employers have an incentive to suppress the submission of workers' comp claims, which is illegal. Unfortunately, a study by Manitoba's WCB confirmed that workplace injury claim suppression is occurring in that province and it's likely happening elsewhere in Canada, too.

The researchers whose findings are compiled in *Claim Suppression in the Manitoba Workers Compensation System* conducted telephone surveys with workers, analyzed various samplings of workers' comp claims, and held employer and worker focus groups.

They found that there appears to be significant under-claiming of workers' comp benefits in Manitoba and that claim suppression is a material and germane factor in that under-claiming.

The study defines overt claim suppression by employers to include:

- Providing misinformation as to eligibility
- Asking workers not to submit a claim (or to withdraw a claim)
- Threatening workers if they submit or refuse to withdraw a claim
- Eliminating or reducing bonuses or 'perks' if lost time is reported.

'Soft' suppression consists of wage continuation in lieu of Lost Earnings Benefits and the use of benefit plans in lieu of Medical Benefits.

The incidence of overt claims suppression is estimated as ranging from 6.0% to 29.8%. For example, a general population-based survey of injured workers found that 11.5% of respondents had experienced or were aware of instances of overt claim suppression. This proportion increases to 36.3% if wage continuation is included as a form of claim suppression.

It's no surprise that the employer and worker focus groups had very different

views of claims suppression.

The employers all described 'by the book' practices for reporting to the WCB. They were highly skeptical that under-reporting and claim suppression are significant occurrences in the workers' comp system. If claim suppression occurs, they believe that it's confined to a small minority of small employers who account for only a minor fraction of the Manitoba work force.

In contrast, workers see claim suppression as systemic. In their view, it's common for employers to encourage workers to use sick leave and benefits plans in lieu of workers' comp benefits. They believe the driver behind claim suppression is the incentive to reduce claims costs so employers may enjoy benefits or avoid penalties under the experience rating system. And they'd like to see more stringent penalties for claim suppression.