

# The Liversidge Letter

An Executive Briefing on Emerging Workplace Safety and Insurance Issues

February 5, 2024

An ongoing policy discussion for the clients of L.A. Liversidge, LL.B.

6 pages

## Interview with former WSIB President & CEO Tom Teahen

### The interview, Part 2



In the last issue of [The Liversidge Letter](#), Tom and I addressed his earlier professional years and his time at the Board as Chief Corporate Services Officer. Our discussion about the Harry Arthurs **Funding Review** continues, followed by his time as WSIB President & CEO.

**LAL:** What came out of the Harry Arthurs review is that governments have a general approach, keep premiums low and benefits as rich as possible. I went back and re-read the Cam Jackson reports of 1996. One thing was striking. He reported he had the buy-in in the employer community who fully supported the WSIB goal of retiring the UFL by 2014, but at the same time demanding that the WSIB reduce premium rates. The two things were way out of sync. Labour basically said the same thing: don't worry about the UFL at all.

So, you had that disconnect. The tail was not really nailed down. The Arthurs report brought some intellectual discipline into it. But you didn't just wait, hire him and go do your thing and we'll just muddle along until we get your report. You were still managing significant change.

At the same time the **Funding Review** was announced, and before it even commenced, the Board announced that premium rates would rise in 2011 and 2012. There was little if any employer push-back. How did you manage that – increase premiums not only without employer anger but in fact with a large measure of employer support? I had not seen that before.

**TT:** Well, I think it was because we made the Arthurs process just one part of a larger overall strategy. When we announced the Arthurs review, we also announced other

components of the strategy that included: premium rate increases, and a new service delivery model. So, because we were able to say, “look we are not just going to do this review and sit back for a year and hope for the best and not do anything. We know we have the responsibility to get things done and make things better in the system and we are going to start to do that. We don't know all of the answers yet, but we are not going to stop. We know some things we need to start doing or keep doing to keep momentum going. If we have to shift, we will shift”.

Certainly, there were some who said, “don't get ahead of Arthurs.” But by committing to some action, including raising premiums, it helped employers see that we were serious about what we were doing. And it also demonstrated to the worker community that we weren't just letting employers off the hook and seeking to reduce benefits. All of that was part of a package we put together to build some confidence around our plan.

**LAL:** Concurrent with this, the Board was about the busiest I can recall. In the same announcement announcing the Funding Review and higher premium rates over the next few years (see [NEWS RELEASE: WSIB Announces Comprehensive Funding Review and Premium Rates, September 30, 2010](#)), the Board also laid out a very ambitious plan:

The WSIB's UFL Action Plan For the first half of 2010, the WSIB engaged in an intensive study to identify the key drivers of the UFL and options to eliminate it while working towards safer and healthier workplaces for Ontario.

The WSIB has analyzed its current financial situation and developed a plan to address some of the concerns raised in the Auditor General's report.

This plan is focused on key internal operational initiatives that, as administrators of the system, the WSIB has a responsibility to address and improve. These include:

#### Administrative Efficiencies

- Improvements to WSIB business practices to enhance customer service and ensure operational efficiency.

- Comprehensive policy review and renewal.
- Development of new eServices.
- Introduction of a new Strategy Cluster to consolidate WSIB data resources and analyze trends.
- A greater focus on promoting compliance with legislative and policy requirements, including a review of key activities to ensure compliance by stakeholders and the WSIB.
- Commitment to transparency and stakeholder consultation – building a reputation as a trusted, accountable and value-added agency for Ontario's workers and employers.

### Case Management

- Continuing focus on case management to reduce claim duration; specialized teams to manage long term cases.
- New Work Reintegration program addressing Return to Work and Labour Market Re-entry with clear targets to measure success.
- A Value for Money Audit on the efficiency and effectiveness of WSIB claims administration processes.
- Identifying top four serious injuries (High Impact Claims) with a focus on targeted prevention and streamlined case management.
- Taking action on health care to promote early intervention, reduce dependence on narcotics, provide timely, specialized care, and continue to focus on strategic procurement of medical supplies and treatments.
- Focus on timely decision making and service excellence for occupational disease claims.

### Investments

- Ongoing commitment to a conservative investment strategy with a focus on reduced volatility.
- Investment in infrastructure projects, private equity and real estate to better match timeframes of benefit payments with income streams from investments.
- Setting a long-term (10 year) investment return target of 7%, reporting investment returns at one, five, and 10 year intervals.

### Incentives

- Modify current incentive programs to ensure self-funding of incentive programs by balancing rebates with incentive payments and to reflect – as accurately as possible – the full costs of claims.

**LAL:** Much of that, as far as I can tell, fell under your scope of responsibilities. It was quite ambitious, to say the least. And, as we saw over the next decade, most of it was quite successfully developed and implemented.

Why did you develop such an ambitious plan at the very time the **Funding Review** was underway? How did you motivate your internal people and develop the internal infrastructure for such a plan? It certainly wasn't business as usual. How did you plan to measure the results to avoid this

being just a series of processes? How were you going to know your initiatives were successful?

**TT:** I talked about those long executive committee meetings David would have. That is where it started. We started to map out the plan in those meetings.

At the same time that the Funding Review was looking at critical policy questions about the UFL, we knew that regardless of the answers to those questions, we had to improve our operations. So, we focused on how we could manage claims more effectively and at the same time we dug deep into understanding the impact of claims duration on outcomes and costs.

We also looked at our investment strategy.

And so, we started to map it out in a very systematic way, and those elements became a critical part of the plan. We recognized that we couldn't do it all, so we had to be focused on where we could have the most immediate impact.

If the plan was to resonate it also had to focus on improving the customer service experience. I was strongly of the view, and I still am, that while getting the UFL under control was critically important, this was not an end in itself. The UFL was an impediment to the WSIB's ability to think about things differently and focus on improving the service experience.

**LAL:** When you came back in as CEO that was very much your focus.

**TT:** That focus on service started in 2010 - 2011. Service excellence had to be an element of what we were doing. And we had to measure the service experience and the impact of improvements.

A critical element of the overall plan was the development of a very sophisticated score card. It started small, maybe 5 or 6 measures: durations, durations at different times. We had a couple of service measures. But durations were a really big focus.

We developed that score card internally, and it started to grow and become more sophisticated. Then a very critical part of journey was, you will recall, that we started to share the scorecard. We did not share it publicly, but we started to share it with the CACs.

That wasn't without some internal concerns. However, we concluded that if we are going to have measures, and people were asking for measures, let's share the results. It was important to start sharing because, quite frankly, as we started sharing them stakeholders started to get their heads around them and understand the business better also. And the measures became real, and we became accountable for them. This was not just an exercise for a few people on the executive team, but an accountability to the broader community and to stakeholders who were watching what we are doing. If we are going to tell them we are going to make progress, lets show them where we are making progress and

where we aren't making progress. This was another element of building trust for sure.

### **2013 – 2016: Chief of Staff to the Premier**

**LAL:** In 2013, you moved from the WSIB to the Premier's Office. During that period, WSIB was still a hot button issue. Yet, there seemed to be no political meddling. None.

The Board was very much left to continue with the solution. You saw the WSIB from inside and from a political vantage. Based on that extraordinarily unique vista, can you comment on the distinctive roles between the government and the Board on a file that we know always attracts a lot of political heat? How is that managed? There was no evidence of political meddling. The Board was following its mandate. Obviously, you would have maintained an interest.

**TT:** There was, no doubt, some benefit from me being in the Premier's Office and purposefully drawing a clear line between me and the WSIB. I was very conscious to avoid any conflict. Because I had stepped into the Premier's Office and quite frankly, understanding the history of political meddling with the WSIB at times, and recognizing the need for the WSIB to execute on its plan, it would have been completely inappropriate for me to be meddling politically. I was very conscious to stay out of it and quite frankly I implemented a "wall" between WSIB issues and me to ensure there was not that meddling by me, or by anyone else for that matter.

I knew the WSIB had a strong plan, the minister of the day (I think it was Kevin Flynn at the time), he had a good staff, they were working well with the Ministry of Labour and the Board. They just needed to be left alone to deal with the plan.

### **January 2016 – 2021 as CEO and President of WSIB**

**LAL:** From the Premier's Office, you moved back to the WSIB as President in January 2016. After six years, David was moving on, although his public service was far from finished. What was the primary driver for you to return to the WSIB? In your appearance before the **Standing Committee on Government Agencies** on [January 27, 2016](#), you said this in looking to the future which I thought was very insightful:

For the past two decades, beginning as a labour lawyer and continuing through my time at the Ministry of Labour, then as a senior executive at the WSIB and finally working directly for the Premier, much of my professional life has been focused on working with and trying to bring together the interests of workers, labour and employers. It is for this reason that I am so enthusiastic about the opportunity to return to the WSIB, because I think it is an organization that is poised to achieve tremendous things. I want to be part of that, I want to help shape that and I want to lead that.

As we all know, the board and executive team have made huge strides in recent years. The speed and quality with

which claims are addressed has improved substantially, workers are recovering and returning to work more rapidly, and quality of care has been strengthened. Most notably, the enormous unfunded liability that had piled up has steadily eroded. The WSIB is now on a clear path to being fully funded. Challenges remain but the momentum is clear. Clearly, job one is to complete that critical task but I believe there is also a huge opportunity to plan and prepare for what that change represents. A self-financing WSIB is one with exciting new possibilities. Premiums could be lowered, benefits fortified and new innovations can be realized, all in a way that serves the interests of workers and employers, and all in a way that serves the broader public interest.

**LAL:** Now that it was going to be fixed, it was literally a brave new world.

**TT:** I saw it exactly as that, Les, and I think I mentioned earlier, I was always of the view that eliminating the UFL was not an end in itself. Yes, it was an important accomplishment, but more significantly it would lay the foundation for a lot of other opportunities, and that was what I was excited about. When I said that in the Hansard, I could see that coming.

At the time, I had the benefit of experiencing many conversations over the years about improvements at the WSIB. I would ask how can we enhance service, or what should we do. Unfortunately, in 90% of those conversations, the answer was always influenced by the reality of the UFL: "if we make this change or that change, what will it do to the UFL" or "we can't do that because it will cost too much and contribute to the UFL." The reality of the UFL stifled the ability to think creatively about different kinds of enhancements and operational approaches and improvements.

The government, any government, has very clear authority to make policy decisions about what happens with WSIB benefits. The Board in turn has decisions to make about the implications of those in relation to what to do with premiums. When you have a stable system that is fully funded, then the government can make policy decisions in a much more stable environment where the implications for premium rates shouldn't result in dramatic changes, you plan for them, you don't create unmanageable new obligations. The system is able to maintain necessary balance.

We often get so wrapped up in policy discussions, we overlook the impact of day-to-day service interactions on the system and the system's reputation. Looking back to 2010, I believe the WSIB customer satisfaction measure hovered around 70%. I would look at that and think, we are never going to improve that number by eliminating the UFL alone. If the UFL were gone tomorrow, our service to customers would still be lacking, so how are we going to fix that. So that was my hope, really lean

into how we make the experience of the system better – and getting the UFL behind us was a critical step.

**LAL:** There is a lot there. Let me unpack it a bit. You said that the Board was an organization “*poised to achieve tremendous things.*” You were looking at the Board in the context of a post-unfunded-liability era. I was also optimistic at that time, and for about five or six years after. What was your vision? What did you think the Board was able to achieve that the UFL hobbled it from achieving in the past? You also had a customer service vision for the Board, which you commented on just before assuming leadership of the WSIB.

Customer service has been an issue of focus going right back to the Aird Task Force of 1972. A few questions. What was your broad customer service vision, what did you do to try and achieve that and why has improving customer service been a problem for 5 decades, notwithstanding continuous effort? Why is it so hard?

**TT:** From my perspective and, with the greatest of respect to those other discussions about service, I think I had something different in mind.

I was talking about really looking at service from the perspective of comparing the WSIB, not just with other agencies, but other service entities, particularly in the digital age. Too often we are locked in a paradigm where we don’t think the WSIB – or government agencies for that matter – have competition. That’s wrong.

There is competition, certainly in the minds of customers or clients. WSIB clients or customers are dealing with numerous organizations every day where their interactions are so much smoother and easier and address their needs much more quickly and effectively, and they are comparing those experiences with their experience of the WSIB.

So, we need to look at the customer experience in the same way that other service delivery organizations do, particularly digitally. So, inside the WSIB we started to do customer mapping and develop customer profiles, to really start to understand our customers better - both injured people and employers - and understand how they interact with the WSIB and their expectations. The result is that you might learn that policy sometimes doesn’t align with the customer service expectation. However, rather than say no to the customer expectation, you start to explore opportunities to have the customer need inform policy and not the other way around.

**LAL:** So, you were doing more than just service, you were raising the ability to deliver, and you were also raising the bar. Raising your sights. Public conversation seemed to shift once the Board was kind of out of the woods, there was a theme advancing, well the Board is not treating its workers very well.

Almost on the day you got the President’s job, the public conversation seemed to start to shift, from the very

sustainability of the system to a host of worker related complaints. Just before you took the job, the OFL released a scathing report called “[Prescription Over-Ruled](#)” which alleged that the Board was overruling or ignoring patient medical advice. How did you deal with that?

**TT:** That was a big concern for me because it didn’t align with what my own understanding and experience, and certainly not my expectation. So, I focused a lot of attention on examining the facts and being open to recognizing where there was validity to the criticism that the WSIB was not meeting the standard we should meet.

I held the strong view that if we had made a mistake or not lived up to our own expectations or that of our customers, we must own up to that and address that.

But it also meant to me that if we wanted to ensure we were meeting our own expectations in terms of excellence and of having integrity, I had to get out and be the face of that conversation and take those things on directly.

And so that was a number one priority for me because I did not want us to be going through this great journey and then have the whole thing be undermined because there was criticism that we weren’t taking the time to examine and understand where we could still improve. That was my accountability as the leader of the organization.

**LAL:** I remember that. You came out regularly and hit all major controversies head on. You were engaged in conversation.

I read a [transcript](#) of a TVO program of December 14, 2016 on that very subject. You didn’t hide in the shadows. You were right out there, taking the heat and explaining.

Why did you choose to personally be the face of the WSIB in these controversial arenas? There were lots of spokespeople available to you but I noticed that throughout your term, you always were right there, in public.

**TT:** It’s critical to leadership. When the issues involve systemic questions about how the whole organization operates, or the culture of the organization, the leader has a responsibility to address those issues and set the tone for that. There are times when there are “one off” issues when you can have spokespeople deal with them.

However, these were fundamental issues and criticisms about how the system was operating, and I thought it was my responsibility to get out there and deal with them and try to help manage them more effectively.

I think it proved successful.

In our chats, one of the things you mentioned was the Ombudsman Report, complaints to the Ombudsmen. Well, I did something that internally people said was risky. I went and met with the Ombudsman and said OK, I am going to manage this, before you go down the road further, I commit to keeping you informed about what we are doing.

I then developed a strong relationship with the head of the OFL. Again, going back to building trust, there was no

trust there at the time. He and I developed a relationship of trust - we weren't friends, but we trusted each other and that helped address the concerns so that we could work together to try to achieve the outcomes that were beneficial to the system and not be fighting with each other.

**LAL:** You appeared before the **Standing Committee on Public Accounts** on [October 5, 2016](#), which was examining the 2015 Annual Report of the Auditor General, with the AG still very much interested in the financial affairs of the WSIB.

You explained how the Board brought the return to work business back into the Board. That was a reversal of an approach commenced in the mid to late 1990s (Bill 99). What changes did you make? It was a massive shift and required the reordering of resources and focus.

**TT:** I think that shift was demonstrative of our overall plan to address the UFL. There was a shift from a focus on process to a focus on good outcomes.

With respect to RTW, we recognized that the outcomes were not good. The thinking was – and the big credit goes to Chief Operating Officer John Slinger at the time, and that team – recognizing that the WSIB needed to return to delivering return to work services internally in a more proactive way, to deliver better outcomes and reduce durations.

As return to work came back into the WSIB, what still had to happen was the rigours of measuring outcomes and a focus on outcomes. We started to refine our measurements. I remember talking to one of the senior people, and asking how many people got jobs after going through the RTW or LMR program. This was 2011, 2010. I recall them saying to me “We don't measure how many get jobs, we just measure how many people go through the process.” I thought, wow, don't we know how many people are actually getting jobs. That was not the right focus. The process has to drive to an outcome and you don't get a checkmark just because you have a process in place. That was a big shift and a huge part of the success of the plan. There's no question.

**LAL:** We know it was successful. The numbers soon showed that. You advised the committee that in 2016, 92% of workers returned to work within one year and noted that “before we reintegrated that program into our system, that was about 55%”. That was a remarkable success. How did you drive that change and deliver results so quickly?

**TT:** A big part of that was proactive and direct management of the claims process and a direct management of the return-to-work process between employers and workers and healthcare providers. We set very strong measures that we were expecting the program to meet. It was not without controversy.

I recall many conversations about this, because there were times when the WSIB was getting very involved in the return-to-work process, but we strongly believed that we had

to be actively engaged in this to do well and get to better outcomes.

**LAL:** You had a very full plate in your first year as CEO. Not only were you continuing the strong effort to eliminate the UFL, all the while revamping the Board's approach to return to work, you also focused on mental injuries. This was a focus throughout your tenure.

I recently re-watched an April 26, 2018 video where you were being interviewed by the great Rob Ellis, one of the strongest advocates for workplace safety Ontario has produced. It was clear from watching that video, entitled “[Mental Health at Work](#),” that you spoke with passion, with no notes, the messaging was straight from Tom Teahen.

Mental stress injury and PTSD were areas of obvious passionate concern of yours. You spoke about the need of the Board to eliminate or minimize the severe disruption an on-the-job injury creates. Why was the issue of mental injury such a priority to you? What changes did you lead?

**TT:** This was an issue where leading the shift was embraced from within very openly. Part of that was just giving the Board and the people managing claims enough permission and latitude to integrate mental health concerns into the overall claims management approach.

You'll recall there was a legislative change as well to expand coverage for mental stress claims, so there was a bit of a companion to that. There was also an understanding, and ongoing recognition that one of the big challenges with claims durations and helping get people back to work was that mental health issues were often associated with injuries and illnesses, particularly long duration claims. Effectively treating the physical injury or illness required also addressing mental health issues, because if the goal was a RTW, you had to look at the person more holistically and figure out ways to do that.

This was a natural inclination of people inside the Board because they saw it in their day to day work, how challenging those cases could be. So, we decided to develop more relationships and new relationships were formed with psychologists across Ontario to ensure we had access to more resources to support better outcomes.

**LAL:** When you started as WSIB President in 2016, the Ombudsman of Ontario received about 594 complaints that year about the WSIB. Not a lot, but not a number to be ignored. By 2020, complaints were cut nearly in half. I interpret this as resulting from a cultural shift. I have always observed over the course of my time on the WSIB file, that WSIB leadership changes the culture of the Board. How did you view the Board's culture, first when you arrived in 2010 and then during your term as President in 2016 – 20? How was it changed for the better?

**TT:** I described it earlier. I worked very hard to instill a mindset where we embraced a goal that we would be the organization of choice, even if people didn't have to choose

us. I constantly talked about that. If I had a speech, I would repeat it.

We couldn't deviate from our commitment to retire the UFL, because this would set us up with greater opportunities to improve service. But I emphasized that we should always be thinking about achieving service excellence.

**LAL:** Just when things were going along pretty well at the WSIB – continuous improvement in return to work, WSIB financials exceeding expectations by a long shot - - BAM - - COVID hit. That required a massive scramble everywhere and certainly at the WSIB.

Almost with a flick of a switch you transformed and reconfigured the organization. From an operational standpoint alone, just considering the Board as an operating business, that was massive. But your attention was also as a service provider and an insurance provider.

In looking back, and I was engaged with you from the outside in the very beginning of COVID, the Board's ability to carry on appeared seamless. You made it look easy. I know it wasn't. Can you take us through that incredible time?

**TT:** That does not happen without an unbelievable group of people – an unbelievable team. Everyone on that senior team and everyone in the entire organization. It was so amazing how everyone came together to get it done.

It did happen in a flick of a switch. I remember sitting in our boardroom on Front Street thinking about how rapidly the crisis was unfolding – we didn't even appreciate it at the time. I asked the team to come back to me with a plan to transition some people home because you could see that there was going to be some anxiety about coming to office.

Literally, four days before that we were dealing with only one person with COVID and questions about how we would deal with these single cases. Then, it went to: let's transition a few people out, then the next day, ok, we need to get our act together because we are all going to be out. Within days we had to figure it out and modify as we went.

We were not equipped for a complete transition to work from home. We had some people with the ability to work from home, but a small group in the context of the whole workforce.

It took people coming together and committing to getting it done. Literally packing up desktops at people's desks, putting stuff in boxes and having people come to pick them up, or shipping them to people's homes. We did that over the course of 5-6 days and people stood up rapidly ready to work from home.

Our IT was unbelievable, our operations team was unbelievable. We stood up in a matter of a week and people were at home. Everything was going through flux, so we were able to move quickly and still manage what was happening. No one at the time would have guessed three years later how it would be a whole new environment of work.

There were a lot of amazing people working together and good fortune for sure, but it was an amazing group of people. I was proud of the way people came together and I think because we had been doing such a great job in the years leading up to that in terms of building a strong strategy and team, when we really had to execute, we did it.

**LAL:** Looking back, it was almost seamless. I don't think it could have happened, but for the cultural changes and the connections you nurtured and developed throughout the organization in the 10 years prior to that. Tom, can you share what you have been doing since leaving the Board? For one, I hope your work in public service has not come to an end.

**TT:** It is over two years now. Since I left the Board, I have been doing some consulting work and I joined a company called Greenfield Global where I have been working on the development of next generation renewable fuel projects. This is a very new space for me, with a great company, and it has been very exciting to learn about and be part of the renewable energy transition. It has been fun and rewarding thing to do. And I am confident there will be other great things in store for me.

**LAL:** I know you do a lot of volunteer work. I see your name on all sorts of things you are involved in, and that tracks right back to how we started this conversation. I hope your public service has not come to an end. I mean this very sincerely.

### **Concluding comments**

You join Steve Mahoney, David Marshall and Elizabeth Witmer as the team that literally saved the Ontario WSIB. Ontario thanks you for that and I thank you for this. It is a remarkable achievement, and the way that came together, serial engagement and the continuity over a 10 year period of time was tremendous. My hat is off to you on that. It is a very important, significant leadership role both in 2010 and later as CEO. I really enjoyed this. David said – let's keep the interaction going, so I committed with him to see him at least once or twice a year and I would like to do the same with you.

**TT:** I would love to do that.

**LAL:** I do believe the Ontario people should be grateful and thankful of the tremendous work that the four of you did. I think you did a great thing.

**TT:** Thank you

The next issue of **The Liversidge Letter** will discuss [Bill 149](#), the **Working for Workers Four Act, 2023**, an omnibus bill that, among other reforms, provides the government with the discretionary power to increase worker benefits *beyond* the rate of inflation. This is an incredible development and, in my view, runs counter to the discipline practiced since the release of [2009's Auditor General report](#).