



Press release

For immediate release

**“From Compensation to Rehabilitation – A Social Review of the Employees’
Compensation Insurance System in Hong Kong”**

HKU Department of Social Work and Social Administration releases latest research results and recommendations on building a workers-centred system

In Hong Kong, there are 200 fatalities and 55,000-60,000 non-fatal cases resulting from occupational accidents and diseases each year. Occupational rehabilitation with the focus on early and comprehensive intervention for workers post injury has long been regarded as the best practice in managing occupational injuries to prevent workplace disabilities internationally, but this practice has not been widely adopted locally. In search of the reasons behind the slow uptake of occupational rehabilitation in Hong Kong, the Department of Social Work and Social Administration (SWSA) of the University of Hong Kong (HKU) has undertaken a consultancy project with the Employees’ Compensation Insurance Residual Scheme Bureau (ECIRSB) to conduct a social review of the local Employees’ Compensation (EC) system. The Department held a press conference today (December 14, Monday) to release the latest research findings and recommendations on restoring the well-being of an injured worker.

According to summary statistics from the Labour Department (LD), about 14.2 EC insurance claims were filed on non-fatal injuries among every 1,000 workers in 2013 (annual claim rate). This figure put Hong Kong in the middle when comparing with data from other countries collected by the International Labour Organization (ILO)¹. As for claims involving fatality, there were 5.03 to 5.43 filed among every 100,000 workers per annum from 2007 to 2013. This number was similar to that reported by Lithuania (5.8 in 2013) and Macau (5.0), but higher than a lot of developed countries, such as Singapore (2.1) and Australia (1.7) according to statistics from the ILO¹.

Professor Paul Yip Siu-fai, of the HKU Department of SWSA, pointed out that Hong Kong did show some improvement in occupational accidents in recent years. The annual claim rate per 1,000 workers for non-fatal claims gradually decreased from 17.1 in 2007 to 14.2 in 2013. The decrease was shown to be more obvious among male and workers aged less than 40. However, the fatality rate is still much higher than other countries. Also, the average cost to settle an EC claim increased in every aspect, including statutory benefits, common law award, medical expenses and legal costs. Large costs incurred in relatively small number of cases in construction industry, which accounted for 7 to 9% of the total number of claims per annum, due to the



severity of these injury cases. On the other hand, large proportions of claims were filed for injuries of less severity and accumulating costs. Statistics from the LD showed that about 57% of claims had a temporary incapacity less than 2 weeks, and around 70% of settled claims did not result in any permanent incapacity. Furthermore, data provided by a large-size insurance company showed that, musculoskeletal disorders (sprains and strains) accounted for one-third of claims in recent years. This type of injury requires a long time to rehabilitate and can easily turn into chronic conditions, and more importantly, can greatly influence the daily life and psychosocial well-being of the workers. Its recent rise in number in many countries poses a new challenge internationally.

Engaging a wide range of stakeholders of the local EC system

Professor Yip and his research team engaged a wide range of key stakeholders of the local EC system in the current project, including LD, employers, legislators, NGOs, insurance companies, rehabilitation service providers, medical professionals and legal professionals, to identify barriers and seek their opinions on some of the major challenges faced by the system today. The focus should be on the well-being of the injured workers and sometimes, their voices have not been heard and represented. Therefore, we have also interviewed 24 workers suffering from workplace injuries.

Challenges in the current system

Professor Yip mentioned two major challenges in the current system. The first challenge is the compensation-focused culture in the current system. Without a central policy outlining return-to-work (RTW) as the goal of recovery after occupational accidents, the legislations developed for injury management are stagnant around compensation. Various stakeholders also feed into the compensation-oriented culture due to poor concept and knowledge of rehabilitation, and design their own organizational processes and practices primarily around compensation. This culture leads to poor rate of successful RTW, misuse of the EC, and dependence on social security system. In addition, it creates opportunities for recovery agent and lawyers to take advantage of the workers' vulnerability to encourage litigation action, which incurs high costs to the system and does not necessarily bring much gain to workers themselves.

The second challenge is the barriers for RTW experienced by workers. These barriers are not only results of the compensation-focused culture, but also those of workers' personal psychological factors and availability of resources. For instance, negative impacts of injury on health and moods greatly affect their readiness for RTW. The public healthcare system lacks focus on work rehabilitation in their approach of treatment. Inefficient service delivery within the healthcare system results in long



wait of assessment and treatment, leading to frustration of workers and missing the golden time of rehabilitation. Furthermore, some workplaces lack support for RTW such as incapacity for providing modified duties, and acceptance from both employers and coworkers.

Last but not least, Professor Yip stressed that a more active approach in preventing workplace disability is to prevent injuries from happening in the first place. Although there has been systematic efforts in promotion of safety led by various bodies such as the Occupational Safety & Health Council (OSHC), his research findings showed that poor awareness of workplace safety in local communities undermines these efforts. Hong Kong's efficiency is sometimes achieved at the expense of workers' safety. Both employers and workers take safety issues too lightly.

The MORE programme

Hong Kong do have some models of good practice for meeting the needs of injured employees. The Multidisciplinary Orthopedics Rehabilitation Empowerment (MORE) programme, led by the Department of Orthopaedics and Traumatology, the Chinese University of Hong Kong is one of the examples. Dr. Law Sheung Wai, clinical associate professor (honorary) of the Department, shared the concept of the MORE programme at the press conference. Dr. Law stated that work injury cases receive treatment by different healthcare providers in the public healthcare system. Lacking coordination and communication among the referring doctors and the healthcare professionals are common. The worker cannot gain the maximum benefit, and the situation usually leads to ineffective management and poor outcomes. With an orthopedics work rehabilitation ideology, the MORE programme utilizes the basic concepts of coordination and collaboration, and bridges the communication gap between hospital, worker and workplace. The programme provides early diagnosis, prompt case management, timely and effective rehabilitation for injured workers, with emphasis on RTW and functional restoration. Study showed that the MORE programme increases the opportunity of RTW, shortens the time required for RTW, and decrease the impact of medical postponement.

Recommendations on building a workers-centred system

To build a system focusing on workers, Professor Yip recommends setting the priority in establishing a culture of safety-first in workplace to prevent injuries from happening in the first place. While education and training on safety measures are important, stringent inspection and timely reports and correction of risks are also effective in making safety behaviour habits.

When accidents unfortunately happen, the system should not only provide financial protection for workers after injury in forms of compensation, but also facilitate their



re-integration into work. Returning workers back into work in a safe and timely manner should be the primary goal of recovery after injury. To achieve this goal successfully, the correct understanding of RTW's parallel and complimentary role to compensation needs to be promoted and emphasized to the public. A central policy combining RTW and compensation as injury management measures should be in place in order for necessary legislations to be set up. Current successful RTW models in Hong Kong are only available to specific groups of workers and need to be expanded for more workers to be benefited. Improving cohesiveness in delivery of healthcare services is also essential in reducing delays in assessment and treatment, so to prevent chronicity of injuries. The project also sees the need to revisit and realign the roles of stakeholders as needed with the goal to improve the effectiveness of the system.

In summary, Professor Yip emphasized that workplace disability is not a new problem. Modern day EC management should shift the focus from compensation to safety at work and RTW. We should act now and learn from good practice of other countries to shorten our learning curve. He calls for collaborative efforts from all stakeholders to start making meaningful changes for workers' health and the social well-being in Hong Kong.

¹ *International Labour Organization. (2015). ILOSTAT Database. Retrieved from: http://www.ilo.org/ilostat/faces/oracle/webcenter/portalapp/pagehierarchy/Page131.jspx?_af.ctrl-s_tate=141zkfp23_275&clean=true&_afLoop=237326320936972&clean=true*

The softcopy of this press release and the slides used in the press conference can be downloaded from the below URL after 15:00 on 14th Dec, 2015:

<http://csrp.hku.hk/press-conference-from-compensation-to-rehabilitation>

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