

For information on  
16 December 2004

## **LegCo Panel on Manpower**

### **Voluntary Rehabilitation Programme for Employees Injured at Work**

#### **Purpose**

This paper briefs Members on the progress of the pilot Voluntary Rehabilitation Programme (VRP) for injured employees in the construction industry, and the extension of the VRP to the catering, transport and manufacturing industries.

#### **Background**

2. Members were briefed in the meeting of 18 December 2002 on the VRP which aims at providing timely rehabilitation services to injured workers for better and speedier recovery, and facilitating their safe and early return to work.
3. The VRP was launched in March 2003 on a pilot basis for injured employees in the construction industry. Eight insurers who are active in underwriting employees' compensation insurance for the construction industry have joined the programme to provide free rehabilitation services to injured workers, as appropriate. Such rehabilitation services include specialist treatment, physiotherapy or occupational therapy.
4. Participating insurers have subscribed to the VRP's basic framework which embodies the following five major principles -
  - (a) **Voluntary participation** by injured workers under the auspices of individual insurers;
  - (b) **Mutual responsibility** by insurers, injured workers and employers, i.e. insurers to provide free rehabilitation service; injured workers to participate actively in the programme; and employers to provide work trial opportunities to injured workers wherever possible;
  - (c) **Professionally administered** by qualified rehabilitation personnel;

- (d) **Management** through clear and objective goal-based rehabilitation plan, with co-ordination and support from insurers to both injured workers and employers; and
- (e) **Transparency** to allow injured workers to access information on the progress and operation of the rehabilitation services provided to them.

5. The statutory entitlements of injured employees will not be affected by the VRP. Assessment of permanent incapacity will still be conducted by an independent Employees Compensation Assessment Board appointed by the Commissioner for Labour under the Employees' Compensation Ordinance.

### **Review of the Programme**

6. The Labour Department (LD) conducted a review of the pilot programme after it had run for a year. The review included a survey of participating insurers and some of the injured workers who had joined the programme. It showed that participating insurers offered rehabilitation service to 224 injured workers and 147 (or 66%) of them accepted the offer in the first year of operation of the programme. A total of 65 injured workers completed the programme and returned to work while eight injured workers<sup>1</sup> withdrew from the programme before completion. As the rehabilitation programmes typically lasted for three to six months, a number of injured workers were still receiving rehabilitation service at the time of the survey.

7. One of the features of the VRP is the arrangement for early return to work in appropriate situations. Under this arrangement, employers are encouraged to provide work trial opportunities to their injured employees who are certified by a medical practitioner to be fit for early return to work. Of those 65 workers who returned to work during the year, 24 of them had been provided with work trials.

8. Feedback collected from participating insurers and workers indicated that the programme is effective, to various extent -

- facilitating early and speedier recovery for injured workers;
- reducing the duration of sick leave due to early recovery;
- helping injured workers to develop positive attitude towards their injury and enhancing their confidence in recovery;

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<sup>1</sup> The reasons for withdrawal varied among the workers. Individual reasons included the clinic was too far away from home, the injured worker considered public hospital service already sufficed, or the injured worker took out litigation and decided to withdraw from the programme.

- cultivating positive attitude in the employers concerned and fostering better employer-employee relationship;
- reducing litigation cases;
- strengthening the management of injury claims; and
- bringing down the overall claims costs borne by insurers in the long run.

9. Overall speaking, 76% of the injured workers who responded to the survey considered that VRP facilitated speedier recovery and 73% reported that it facilitated better recovery. Furthermore, 78% indicated that they would recommend the programme to fellow workers if the latter sustained work injury.

10. During the implementation of the pilot programme, progress reports were made to the Working Group on Construction Site Safety and Employees' Compensation Insurance under the Provisional Construction Industry Co-ordination Board. The Working Group, comprising representatives of construction employers, employees, insurers and the Government, also supported the extension of the programme to more insurers, employers, and workers.

### **Consultation**

11 The review indicated that the objectives of the VRP had by and large been achieved and injured workers could enjoy timely rehabilitation services for better and speedier recovery. Except for one participating insurer who has withdrawn from the employees' compensation insurance market, all the other seven participating insurers have given their support for the continuation of the VRP and extension to the catering, transport and manufacturing industries.

12. We have also reached out to other major insurers in the employees' compensation insurance market that have not yet joined the programme. So far, seven of these insurers have indicated interest in participating in the VRP upon extension of the programme to some other industries. Together with the seven insurers that have already joined the programme for the construction industry, 14 insurers covering over 60% of the local employees' compensation insurance market will be providing rehabilitation service to injured workers in appropriate cases in the next phase of the VRP.

13. We have briefed labour unions, safety officers, human resources management practitioners, employers and insurers on the VRP and the results of our review in a seminar and a briefing session. Participants are supportive of the Programme. Some trade unions would like to see the VRP further extended to other industries.

14. In view of the positive outcome of the VRP and the support towards the programme, we propose to extend it to some other industries so that more injured workers could be benefited. Having considered the number<sup>2</sup> and nature of work injuries<sup>3</sup> sustained by injured workers in different industries and the response of insurers and labour unions, we proposed to the Labour Advisory Board at its meeting on 20 October 2004 to extend the pilot programme to the catering, transport and manufacturing industries. Having gained LAB's endorsement, the VRP has been extended to the catering, transport and manufacturing industries last month.

### **Measures to promote and further improve the VRP**

15. In the new phase of implementation of the VRP, efforts will be made to further enhance communication between stakeholders, strengthen education and promotion to target group of employers and employees to ensure its effective implementation without jeopardising the interests of injured employees.

16. As the concept of the VRP is still new to many employers and employees, we will continue to organise seminars and deliver talks to trade union officials, human resources practitioners, safety officers and employers of the relevant industries so as to enhance their understanding and receptiveness of the VRP. We will also promote the programme and work trial through employers associations and relevant industry-based tripartite committees.

17. In order that timely rehabilitation service could be provided to injured workers, participating insurers have involved private independent rehabilitation service providers to provide the service. LD recognises the need to enhance the public-private interface in order that the rehabilitation services could be provided in a coordinated manner without unnecessary duplication. To this end, LD has worked out an interface framework with the objective of establishing a communication channel between the public hospitals and private rehabilitation service providers and fostering public-private collaboration. Under the framework, subject to the injured workers' consent, there will be a mutual exchange of information and feedbacks on the rehabilitation plans and progress between the public and private counterparts. This coordinated approach would help to ensure that the rehabilitation services are offered in time and without duplication. So far LD has visited and explained the framework to the Department of Orthopaedics & Traumatology of 13 hospitals of the Hospital Authority (HA). We will continue to promote the adoption of this

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<sup>2</sup> The catering industry recorded the highest number of work injuries (9 009 cases) in 2003, representing 20% of all reported cases in that year. The transport and manufacturing industries each accounted for 9% of the reported cases in 2003.

<sup>3</sup> Workers who suffered from serious injuries would benefit most from early rehabilitation services. Work injuries in the manufacturing and transport industries are in general more serious.

framework through the relevant HA Co-ordinating Committees and individual hospitals.

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