

**Worker's Compensation Advisory Committee - Subcommittee on Health Care**

**Participants:**

**Labor:** Ed Wood, (absent: Owen Linch, John Aslakson)  
**Business:** Beverly Simmons, Tammie Hetrick, John Meier  
**BIIA:** Dave Threedy  
**L&I:** Janet Peterson, Bob Mootz, (absent: Gary Franklin)  
On telephone: Labor: Karen Gude; Business: Christina Lombardi  
Presenting: Susan Campbell, Joshua Ligosky – L&I

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**Resources and Guests:**

Greg Kabacy – Employer Resources NW; Clif Finch - ACLWA ;  
Dave Overby, Lee Glass, Diana Drylie, Hal Stockbridge, Kim Arakawa, Karen Ahrens - L&I

On telephone: Pam Cromer - Eastern Washington COHE; Jordan Firestone, Jon Reynolds – Harborview COHE;  
Lesa Ford – Approach Management; Nancy Dicus – Vigilant; Michael Rivers - Franciscan Health Care

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**Introduction and Review of Minutes:**

Introductions were made by Janet Peterson who also facilitated the meeting in Gary Franklin's absence. Minutes from Oct. 20, 2010 were approved. Janet Peterson noted a correction to page 3 of the slides to be presented by Joshua Ligosky of L&I's actuarial staff.

**COHE Financing – Should money come from the 608 Accident Fund or the 609 Medical Aid Fund?**

Susan Campbell and Joshua Ligosky. See handouts from slides.

Joshua Ligosky presented information on why L&I recommended that COHE administrative funding cost to claim be taken from the Medical Aid Fund (MAF) rather than either the Accident Fund (AF) or a split between MAF & AF. He presented information regarding:

- Similar costs have always been taken from MAF. Other medical aid fund benefits such as pharmaceuticals, surgery, vocational costs have always been apportioned to the MAF. These benefits may also impact the AF positively in savings. COHE administrative costs most closely resemble hospital facility costs.
- Equity of the 2 funds is a workers' compensation system-wide issue, and not a COHE-specific issue.
- Joshua Ligosky presented information on how a split of COHE administrative costs from MAF/AF or if costs were taken directly from AF would impact an employer's experience rating.
  - COHE cost to claim would be reflected as a miscellaneous AF cost.
  - COHE costs, whether MAF or AF or split MAF/AF, would not impact an employer's claim-free discount.
  - A Retro employer's loss development factor (LDF) would change based on the change of claim type from medical only to a claim charged with miscellaneous accident fund benefits. Retrospective Rating program employers might be impacted by this change depending on risk class of employer group.

**Further discussion regarding COHE financing: all**

- A business member stated that the charging of COHE costs to the AF is a big risk for employers. She also stated that this would not help the Department to further transparency of government regarding how costs and benefits impact employers.
- Another business member had concerns regarding the COHE administrative costs being charged cost to claim. Another business member stated that that the one-time fee for COHE services leads to long-term benefits since COHE claim costs can be lower when COHE providers are trained on occupational health best practices. Her concern is how we can clearly show this benefit to employers.

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- Diana Drylie explained why L&I prefers a cost to claim method versus the current method for paying COHE administrative services. The current method has risks in that L&I must go back to the legislature every two years for each COHE to continue contracts. The new contracts and costs need to be negotiated with each COHE every two years. The issue of disruption of COHE services is a risk. A business committee member raised the outstanding issue of SI employers' participation in the COHE. Janet Peterson added that this is a topic that will continue to be discussed at future meetings.
- Another business member had concerns regarding the COHE administrative costs being charged cost to claim. ~~when the COHEs currently are only available in certain regions.~~ Another business member stated that that the one-time fee for COHE services leads to long-term benefits since COHE claim costs can be lower when COHE providers are trained on occupational health best practices. Her concern is how we can clearly show this benefit to employers.
- A labor representative stated that he had met with the labor caucus prior to this meeting. Labor's preferred recommendation was either a split between MAF/AF benefits or only MAF benefits. The other labor representative concurred.
- A business representative repeated the business caucus interest: COHE cost to claim be charged to the MAF only.

Final recommendation:

- Diana Drylie asked if the subcommittee's recommendation back to Judy Schurke should be that COHE administrative costs be charged to the Medical Aid Fund. Both business and labor representatives agreed. This is a recommendation to take back to Judy Schurke at her request. She will make the final decision.

**Possible topics for next WCAC-HC meeting:**

Janet Peterson asked subcommittee members if they were interested in another subcommittee meeting prior to the end of the legislative session. Members said that attendance would be difficult until session was over. The preference was to respond to any urgent COHE issues by email or telephone conference call. One member said that if a COHE issue arose that was of concern, a short one hour meeting could be scheduled in Olympia.

- A subcommittee member asked Janet Peterson if she anticipated anything in the upcoming legislative session that subcommittee may want to schedule a meeting? Janet Peterson answered no.

Diana Drylie asked if a prior agreement from the last legislative session was still agreeable to all. If WCAC-HC members did hear of any pending bill regarding COHE, they would immediately notify L&I so that she could consider scheduling a subcommittee meeting. There was subcommittee agreement.

Janet Peterson asked the subcommittee what topics would be of interest for a future subcommittee meeting.

- L&I update on research and any new L&I initiatives from Gary Franklin
  - 3-5 year strategic plan & broader healthcare issues
- UW literature search regarding COHE occupational health best practices beyond 12 weeks.
  - A question was asked and answered that there is no specific pilot in Eastern Washington COHE or elsewhere regarding COHE best practices beyond 12 weeks.
- Update on any bills that pass from upcoming legislative session
- Prevention of chronic pain and opioid dependence
- Update on L&I medical guidelines as presented by Jason McGill at past meetings.
- UW research regarding more real time monitoring and measuring of COHE results (savings)