



## APPENDIX 2

# Background and Approach

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## Background

Each year, L&I makes about 24,000 vocational referrals and spends \$46 million on vocational services. According to statute (RCW 51.32.095), L&I is required to:

“...establish criteria to monitor the quality and effectiveness of rehabilitation services provided by the individuals and organizations used under subsection (1) of this section. The state fund shall make referrals for vocational rehabilitation services based on these performance criteria.”

Between 2000 and 2006, L&I assessed vocational providers using data collected about closed referrals in which cost, duration, and outcome were adjusted for referral type and case complexity. This data was combined in a formula called Complexity Adjusted Cost Outcome (CACO). In July 2006, the court directed L&I to cease use of the CACO formula as the determinative factor for vocational referrals and to develop a new performance assessment system.

The new vocational performance assessment system will be developed in phases and L&I is committed to working constructively and collaboratively with interested stakeholders. This report shares stakeholder feedback gathered during Phase I (see Timeline, page 6).

- Phase I – Establish criteria for the “quality and effectiveness” of vocational services and identify the fundamental requirements of an assessment system (e.g. fair). This report shares stakeholder feedback gathered during this phase.
- Phase II – Explore, recommend and select the assessment method (or combination of methods) that L&I should use to assess the “quality and effectiveness” of vocational services.
- Phase III – Create and test the assessment method(s).

- Phase IV – Train internal and external users on the new method(s), implement the assessment method(s) and use it as a basis for vocational referrals.
- Phase V – Evaluate the method(s) and modify as needed.

## Approach for Phase I - *Establish Criteria*

The purpose of this phase is to establish criteria for “quality and effectiveness” of vocational services and to clarify the values and the constraints that should be incorporated into a new assessment methodology.

These criteria and values are descriptions of a desired future state. Participants were asked to imagine several years from now where vocational services in Washington state workers’ compensation would be the best in the nation. They were then asked, “What would show up for you that would confirm that this is true?” This approach was used to begin conversations to define criteria for vocational performance. Since the focus is an ideal in the future, participants were asked to NOT consider feasibility at this time. Determining whether or not a criterion can be measured is a task that will be taken up by the cross-functional teams in Phase II.

L&I’s is committed to working collaboratively with stakeholders in developing a new vocational performance assessment system. This report shares stakeholder feedback gathered during Phase I and L&I will consider this information when selecting performance criteria.

## Stakeholders

All stakeholders who might be interested in vocational services were invited to contribute their ideas. Presentations informed stakeholders about the project and encouraged them and their associates to participate. These presentations were made for the Workers’ Compensation Advisory Committee (WCAC), the L&I’s Fall 2006 Vocational Conference, the Vocational Technical Stakeholder Group (VTSG), the IARP Management Group (IMG), and the Washington State Trial Lawyers Association (WSTLA). Invitations were sent to employers, labor, private vocational counselors, the Self-Insured and medical communities and attorneys. Invitations were also extended to stakeholders within L&I including claim managers and

vocational counselors. All stakeholders were encouraged to forward invitations to anyone else who might want to participate.

## Outreach Methods

Stakeholders were invited to share their ideas regarding performance criteria and values for the new performance assessment system. A number of opportunities were offered including presentations, public forums, written correspondence and a survey. Stakeholders received information about forum schedules and ways to participate via L&I's Internet site under the "What's New for Vocational Counselors" web page, email distribution lists, and regular postal service.

**Presentations:** Presentations on the project, including a description of the stakeholder process and how they could share ideas, were made to a number of groups in the Fall of 2006 and Winter of 2007. These stakeholder groups included: the Vocational Technical Steering Committee (VTSG), the Workers' Compensation Advisory Committee (WCAC), the Washington State Trial Lawyers Association (WSTLA), and L&I's Fall 2006 Vocational Conference.

**Forums:** Public forums were held around the state to describe the project and gather ideas on the criteria for the quality and effectiveness of vocational services and for defining values of an assessment methodology. Special forums were conducted with the VTSG and the International Association of Rehabilitation Professionals Management Group (IMG). In addition, there were 18 forums for stakeholders external to the agency and 14 forums for stakeholders who work within the agency for a total of 32 forums. Due to weather conditions, some stakeholders were unable to attend and were invited to provide their feedback via phone, e-mail or internet. Unfortunately resource constraints prevented rescheduling these forums.

Each forum was two hours in length. A short introduction was provided for attendees (see Appendix 4) and then L&I listened to attendees share their ideas about two issues:

1. What does "quality & effectiveness" in vocational services mean to you?
2. What values & constraints should be incorporated into the new system? (*e.g. fair, understandable, feasible, etc.*)

**Correspondence:** At presentations, forums and on the agency internet site, stakeholders were encouraged to submit ideas via phone, e-mail, regular mail, or the internet feedback form. Many stakeholders used one or more of these methods to correspond, some with shared one or two ideas and some shared several pages of ideas. These ideas were included in the development of the survey statements.

**Survey:** There were over 1,000 ideas from the forums and the correspondence. These were collated into themes and key ideas and used to design a survey. The survey contained three sections; “quality and effectiveness,” “outcomes,” and “values.” There were forty-nine statements and respondents were asked if each statement should be essential, important, optional, or not important for the new assessment system, or if they disagreed with the statement. After each statement, respondents could provide a comment. After each section, respondents could suggest additional criteria they thought should be considered.

The survey was sent to all stakeholders and 457 people voluntarily responded from eight different stakeholder groups. Respondents shared their priorities for a new system and provided over 2,500 comments. See other Appendices for survey methodology, a list of the survey statements, an analysis of all responses for each statement, data, and all respondent comments.

## Timeline

### December 2006: Information and invitations

- Presented at Fall L&I Vocational Conference and the Workers’ Compensation Advisory Committee (WCAC)
- Posted announcement on the internet with project information, public forum dates and locations and correspondence opportunities (internet feedback form, e-mail addresses and phone numbers)
- Mailed invitations to stakeholders (e-mail and regular mail)

#### January - March 2007: Outreach

- Conducted 32 forums in 11 cities with external and internal stakeholders. Due to weather conditions at a couple of locations, some stakeholders chose not to participate. All stakeholders were invited to call, send e-mails or letters to share their thoughts. Unfortunately resource constraints prevented the rescheduling of these forums.
- Received correspondence from the internet feedback form, e-mail, letters, and phone calls.

#### April- July 2007: Survey

- Conducted survey
- Compiled responses
- Analyzed findings

#### August 2007: Establish criteria

L&I executives will:

- Review stakeholder contributions and balance priorities
- Establish performance criteria for the “quality and effectiveness” of services
- Establish values for the new assessment methodology (e.g. fair, valid, etc.)

#### September-November 2007: Recommend assessment method(s)

Teams of external stakeholders and agency staff will work together to:

- Clarify the vocational performance criteria provided by L&I
- Evaluate options for assessing vocational performance criteria
- Recommend an assessment method or combination of methods to L&I executives that will
  - (a) assess the performance criteria and
  - (b) support the established values (e.g. fair, valid, etc.)

*2008:* Develop and implement new assessment methodology

Based on the recommendations provided, the next steps will be to:

- Select the method or combination of methods
- Develop, test and refine the selected methodologies
- Train affected stakeholders (internal and external to the agency)
- Implement assessment methodologies
- Use new method(s) as a basis for vocational referrals
- On-going evaluation and modification of method(s)