

# **Vocational Performance Assessment Stakeholder Feedback Report**



**October 2007**

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## Summary

L&I is developing a new method for monitoring private providers of vocational rehabilitation services. Stakeholder involvement is an important part of this effort and L&I invited stakeholders to share their ideas and priorities. This report contains results from the survey and will provide the foundation for L&I's selection of the:

- Criteria for evaluating the quality and effectiveness of vocational services and the
- Values that should underlie the new measurement methodology.

L&I will continue to work closely with stakeholders in developing the method for assessing vocational providers and the method for making vocational referrals.

### Why are we doing this?

Currently, L&I makes about 2,000 referrals a month to private vocational counselors and spends \$42.5 million annually on vocational services. L&I is required by law to define criteria for the "quality and effectiveness" of these vocational services and to make vocational referrals based on this criteria.

Beginning in 2000, L&I evaluated vocational performance with a formula called CACO (Complexity Adjusted Cost Outcome). In July 2006, Thurston County Superior Court said CACO could no longer be used as the determining factor for vocational referrals and directed L&I to develop a new performance assessment system.

### How was feedback gathered?

L&I made significant efforts to gather stakeholder input about designing a new assessment system including:

#### Invitations

- Informed stakeholder groups about the effort and responded to questions. Invited participation via forums, e-mail, phone, letters and website.
- Sent invitations to employers, labor, vocational counselors, the medical community, self-insured and L&I staff.
- Posted information and invitations on the L&I internet site.

### Forums

- Conducted 32 forums across the state (18 public and 14 for L&I staff)

### Survey

- Summarized feedback from forums, e-mail, letters and website
- Sent a detailed survey based on feedback to all stakeholders.
- Received 457 responses and over 2,500 comments.
- Produced report with summaries, recommendations and data (this report.)

## How should we define “quality and effectiveness”?

We asked stakeholders how they would recognize quality and effectiveness in vocational services by posing the question: “If vocational services in Washington State Worker’s Compensation system were the best in the nation, what would you see that would confirm this for you?”

### Observations about defining “quality and effectiveness”

All stakeholder groups strongly agreed with survey statements about knowledge and performance that should be expected from vocational counselors.

There was less stakeholder agreement about appropriate caseload size, reassignment of referrals to a vocational counselor, and the training of interns. These issues may impact or be impacted by “quality” but do not appear to help define “quality and effectiveness” and thus are not recommended as performance criteria.

### Recommended criteria for “quality and effectiveness” of vocational services

Stakeholders recommended the following criteria for vocational providers:

- Knowledge — Vocational providers should understand sound vocational rehabilitation methodology and understand vocational aspects of the Washington State Worker’s Compensation system.
- Performance — Vocational providers should thoroughly address relevant vocational issues, follow applicable rules and laws, communicate effectively, collaboratively solve case issues, provide objective and sound recommendations, and adhere to the ethical standards of their profession.

## What values should underlie the new assessment system?

### Defining the culture we want

An assessment method can, in and of itself, influence the working culture and system results. Therefore it is important to be deliberate in defining the behaviors and the culture that are desired under a new assessment system and ensure that the new system will support these values, or at least not conflict with them. To define the values for the new method, L&I asked stakeholders to tell us about the values they would like for the new method.

### Observations about values that should underlie the new methodology

Feedback revealed significant agreement that the method should be based on clear and consistent standards, be a valid measure of “quality and effectiveness,” and be easy for claim managers to use.

In a few comments it appears that respondents did not understand the statement or thought they were evaluating the current system rather than defining a future state. It is unclear how this may have affected survey results.

In some cases comments revealed common desires even when respondents gave different ratings. These mutual perspectives are included in the recommendations below.

Many comments revealed concerns about unclear or contradictory expectations and a need for clarity and program alignment. The extent to which this may be true will likely present challenges to work groups in their efforts to develop a new performance system, impact the future success of the assessment methodology, and could impact the effectiveness of the overall industrial insurance system. Based on this feedback, the department should collaborate further with stakeholders to understand where this might be an issue and to explore options for creating clarity and alignment.

### Recommended values for the new methodology

Based on stakeholder feedback, the recommended values for the new methodology are *fair, accessible, valid, collaborative, and learning*.

- Fair — Evaluations of vocational providers should be based on clear standards that have been communicated, be based on aspects which they can control or significantly influence, and include a minimum body of work.
- Accessible — The method should be transparent, understandable, reproducible, be easy to use *and* provide sufficient information, and a process for feedback and dialogue should be available.
- Valid — The method should be a valid measure of “quality and effectiveness,” be used as a basis for referrals and sufficient resources should be allocated to support success.
- Collaboration — The method should support teamwork and collaboration where appropriate to resolve case issues, it should evaluate vocational providers against a standard, not against each other (relative ranking system), and elements of the system should be aligned.
- Learning environment — Evaluation results and feedback processes should support improved performance of vocational providers and the department.

### Desired outcomes for the system

This section is being revised to incorporate stakeholder priorities included in the new legislation.

## Observations and Recommendations

The observations and recommendations below reflect themes and key ideas obtained from a detailed analysis of survey results.

For each statement, data about the ratings were reviewed to discern overall levels of support and to discover similarities or differences between the stakeholder groups. Every comment was considered and contributed to a better understanding of the various ratings. In some cases, comments voiced clear and unambiguous support of the statement. In other cases, support was clear but offered with caveats, conditions or considerations. Themes among these were noted in the analysis of the statement. Sometimes the respondent said they thought they were rating the current system, but if they were to rate a future system, they would have rated the statement much higher. When this occurred, the analysis and recommendations section discusses both the current state rating and the criterion or values they would like to see in a future state. Some respondents said they did not understand the statement and it is unknown how or to what extent this may have affected overall results.

See Appendices for survey data of the ratings for each statement, comments, and an analysis of each statement.

### Quality and Effectiveness

#### Observations about survey responses on “quality and effectiveness”

Stakeholders were asked to help define criteria for the “quality and effectiveness” of vocational services. There were 15 statements in this section regarding the desired knowledge base and performance of vocational providers (VRCs) as well as some statements about the larger vocational system that may impact the delivery of these services. For each statement, respondents were asked if it should be essential, important, optional, less important or if they disagreed with the statement (see Appendix for list of statements).

Statements about the desired knowledge base and performance of vocational counselors comprised 12 of the 15 statements in this section and received strong support from all  
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stakeholder groups (i.e. 90% of stakeholders rated these statements either “Essential” or “Important”). These are included in the recommendations below.

Statements about caseload size, reassignment to the original vocational counselor and alignment of system elements comprised the remaining 3 statements and received less consistent support (i.e. 70% – 85% of stakeholders rated it either “Essential” or “Important”). In the recommendations below, reasons for recommending or not recommending these are provided.

Across all stakeholders and ratings, comments revealed consistent concerns.

Respondents wanted clearer definitions of rules and expectations, easier access to departmental expectations (rules, criteria, definitions, case examples) and more consistent application and interpretation of departmental expectations by department claim managers and vocational professionals regarding rules, requests, and expectations of VRCs. A performance assessment system depends upon expectations that are clear, well communicated and consistently interpreted. Therefore, as an important aspect of the foundation of an assessment system, these issues should be addressed by the teams that will begin work in Phase II. The teams may address these issues by proposing clear definitions of key terms and/or proposing strategies for how terms may be clarified, communicated and consistently interpreted.

Respondents were also concerned about perceived contradictions within aspects of the claim management system such as; difficulties in obtaining timely responses from attending physicians which may conflict with other system goals, allegations that claim managers pressure vocational counselors to submit particular recommendations, fee schedules that allegedly discourage thorough work on difficult referrals, rules that allegedly conflict with ethical standards as defined by professional organizations such as Certified Rehabilitation Counselor (CRC), and differing requirements or goals of participants in the claim process (injured worker, claim manager, employer, attending physicians, attorneys and vocational counselors).

Clearly understood definitions and alignment of system elements are part of the foundation of a successful assessment methodology. Although some of the pressures could be reduced or

alleviated, these issues are likely to present a challenge to work groups in their efforts to develop a new performance system.

#### Recommended criteria for “quality and effectiveness” of vocational services

Recommended criteria for the “quality and effectiveness” of vocational rehabilitation services are listed below. The first two reflect desirable knowledge about vocational practices and the Washington state workers’ compensation system. The others reflect desirable performance and activities.

##### *Vocational providers should:*

- Understand relevant vocational issues and sound vocational rehabilitation methodology and have the necessary education, on-going training, certification, and experience.
- Understand vocational aspects of the Washington State Worker's Compensation system.
- Thoroughly address vocational issues relevant to the claim. These may include, but are not limited to, elements such as work history, geographical labor conditions, physical abilities, etc.
- Exercise professional judgment and sound analysis. Provide recommendations that are objective and relevant to issues in the case.
- Follow applicable rules and laws (WAC and RCW). However, legal requirements should be clearly defined, communicated and consistently interpreted between individual reviewers and reviewing bodies (PSRS, VDRO, BIIA) before a performance assessment system should incorporate these findings in its methodology. It is also recommended that the department explore the perception of some respondents regarding an adversarial or punitive climate. If another recommendation is adopted for creating a learning environment (see “Values & Constraints”), these two environments would likely be in conflict.
- Manage cases proactively. This includes initiating, anticipating, investigating and planning relevant vocational actions, and communicating timely with others to resolve issues.

- Communicate effectively. This includes listening, writing, and speaking skills. Uses in-person meetings when appropriate.
- Work well with all participants involved in the claim using a constructive, collaborative, problem-solving approach.
- Adhere to ethical standards of the profession. Areas of real or perceived conflicts between professional ethical standards and L&I rules, policies and practices should be identified and addressed.

For an assessment system to be successful in supporting and recognizing desired performance, fundamental aspects should be present. Therefore, it is also recommended that:

- Roles and responsibilities should be defined, communicated and understood by everyone involved with the claim.
- Performance expectations should be clear, easily accessible, and consistently interpreted.
- Elements of the workers' compensation system should be aligned to support a common goal, or at a minimum, not provide contradictory expectations. This includes expectations, rules, policies, processes, practices, ethical standards, and consequences.

The correlation between caseload size and the quality and effectiveness of vocational services elicited a variety of opinions. The recommendation is not to adopt this as a criterion for "quality and effectiveness" as caseload size does not appear to be a reliable indicator. However, statute requires that the state fund uses performance criteria as a basis for referrals. Therefore, it is recommended that the new performance assessment system evaluates the extent to which referrals are distributed according to defined performance criteria (see "Values and Constraints" section).

Reassignment of subsequent referrals to the original vocational provider also elicited a variety of opinions. The recommendation is not to adopt this as a criterion for "quality and effectiveness" as the decision to reassign and whether or not it is a "good fit" seems to be a consequence of quality work, not a criteria for "quality and effectiveness" of vocational counselors. However,

employers and/or injured workers/Labor did request a voice in the selection of vocational providers and it is recommended that this request be considered by the department.

The effective training and supervising of interns is a key factor for a successful vocational program, however there were many opinions about who should be responsible for addressing this; whether it should be private vocational providers, L&I or both. It may be productive for L&I to work with providers to augment the normal certification test with another assessment to establish that an intern can meet performance criteria before L&I confirms their status as a VRC and eligible to receive direct referrals.

## Values

### Observations about survey responses on values

A method or combination of methods will be developed to assess the “quality and effectiveness” of vocational providers. It is important to note that in addition to assessing performance, a method can, in and of itself, influence behaviors, ethical conduct, the working culture and system results. Therefore it is important to identify the behaviors, culture and goals that are desired and to intentionally build methods that support them, or at least do not conflict with them.

The approach that is developed to assess performance could be one method or it could be a combination of methods. Some examples of methods that could be developed include collecting data, auditing, formulas, customer surveys, testing, and so forth. The extent to which any of these may be possible will be a task for the cross-functional teams in Phase II of this project.

This section of the survey contained 28 statements about the values that a new methodology should support and the constraints that should be considered in the design. There was significant agreement on most statements. For three statements, more than 90% of respondents marked “Essential” or “Important.” These statements were that the methodology should be based on clear and consistent standards, a valid measure of “quality and effectiveness,” and

easy for claim managers to use. For 21 of the 28 statements, more than 70% of respondents marked “Essential” or “Important.”

Only one statement had fewer than 60% of respondents who marked either “Essential” or “Important.” This statement was “The method is used by claim managers for selecting vocational referrals.” As revealed in the comments, the lower ratings on this statement were due to two issues. One was a concern that any methodology could sufficiently capture the key attributes that may be relevant in a human services environment and that therefore, individual discernment would continue to be necessary. Another was a consistent request by employers to involve other voices in the selection of VRCs such as RTW coordinators, employers, the “voc department,” VSC or a “third person.”

In several cases when respondents marked that they “Disagree” with the statement, comments revealed that they disagreed that the current system matched the statement but believed that a new system should include it, indicating they would support this as a criterion. Other respondents said they did not understand the statement. Some of these marked “Disagree” and others did not provide a rating. It is unclear how or if survey results may have been different if these respondents understood the statement. Sometimes comments revealed that although respondents gave different ratings, there was common ground in what they wanted or did not want and these mutual perspectives have been included in the recommendations.

#### **Recommended values for the new methodology**

This section is for defining the values the methodology should support and the constraints that should be considered in its design. Recommended criteria for the values and constraints of the new methodology are listed below.

*The new methodology should:*

- Evaluate an individual only on aspects of performance or on results which the individual can control or significantly influence.
- Be simple, but not simplistic, *and* account for relevant complexities, but is not complex. The method should balance ease of use, accuracy and sufficient information about the “quality and effectiveness” of a vocational provider. Complexities may include factors such as, but not limited to, age of the claim, language, injury type or severity, etc.
- Promote learning and continuous improvement by being transparent, understandable, and reproducible and by providing processes for dialogue and feedback.
- Be based on clear and consistent standards, definitions and guidelines. Relative ranking of providers may be used *if* the rankings indicate meaningful differences in “quality and effectiveness.”
- Include a minimum body of work before a score is given. The method should provide information about recent work and VRCs should have an opportunity to learn and to improve. Evaluating work during a time frame of a year or two may address these issues. An anomaly referral should not carry excessive weight, and to address this, the methodology could define a minimum number of referrals (sample size) and/or drop outlier cases and/or define control limits (as in the 6 sigma method).
- Be valid, reliable and independently verified.
- Support teamwork as an important aspect of an effective system. The elements of the system (rules, policies, ethical standards, processes, practices, and measures) should be aligned as much as possible and roles, responsibilities, and accountability practices should be clarified and communicated to all participants. Although the assessment method should focus on VRC performance, it may also be feasible to gather information about other participants. To the extent this might be possible, this could support a larger business need of assessing system health.
- Be used as the basis for referrals. The distribution of referrals to vocational counselors should reflect performance results. This assumes that the methodology is

a valid assessment of “quality and effectiveness.” This also assumes VRCs who are at the top of the list are not inundated with an excessive number of referrals, thus compromising their ability to continue providing high quality services. To the extent that the methodology may be unable to measure critical factors, discretion by the referral source should be provided for.

- Be implemented in a manner that provides for adequate education and communication before the method is used to make referrals and those who will be evaluated will have sufficient opportunity to revise their work practices before being subjected to the new methodology. However this should not unduly delay implementation.
- Have sufficient resources provided in order to develop, evaluate, validate, maintain and revise the evaluation system. In addition to identifying resources within the department, augmenting resources with options external to the department could be explored.
- Elements of the system should be aligned to support overall system goals. Aspects that may conflict should be identified and brought to the attention of the department. To the extent that the new assessment system may contribute useful information about system health, that information should be included in management analysis and improvement efforts.
- Not include monetary incentives or pay for performance methods. If referrals are distributed based on valid performance criteria, this was considered by most respondents to be sufficient recognition of the “quality and effectiveness” of services provided.

## Outcomes

This section is being revised to incorporate stakeholder priorities included in the new legislation.