Washington State Department of
Labor & Industries

Workers' Compensation Advisory Committee

December 12, 2013

Agenda

Time	Topic	Presenter(s)
9:00am-9:15am	**Welcome** • Introductions • Safety Message – Teen Worker's Survival Guide • Premium dollars at work	Joel Sacks Vickie Kennedy
9:15am-9:25am	**Joint Legislative Audit & Review Committee**	John Bowden
9:25am-9:55am	**Financial Update**	Sharon Elias
9:55am-10:10am	**2014 Rate Update**	Joel Sacks Vickie Kennedy
10:10am-10:20am	**Legislative Update** • Legislative reports • Logger Safety Initiative Rate Incentive	Vickie Kennedy
10:20am-10:35am	**BREAK**	
10:35am-11:15pm	**Update on Goal 2 – Help Injured Workers Heal and Return to Work** • Introduce Ryan Guppy, Chief of Return to Work Partnerships • Performance Indicators • Claims Evolution Initiatives	Vickie Kennedy
11:15am-11:55am	**Building a Better Customer Experience**	Ron Langley
11:55am-12:00pm	**Closing Comments & Adjourn**	Joel Sacks Vickie Kennedy

WELCOME & INTRODUCTIONS

Joel Sacks,
Director

Vickie Kennedy,
Assistant Director for Insurance Services

Washington State Department of Labor & Industries

SAFETY MESSAGE

The Teen Worker's Survival Guide

Washington State Department of Labor & Industries

JLARC's Workers' Compensation Claims Management System Audit

Worker's Compensation Advisory Committee

John Bowden, JLARC Staff

Joint Legislative Audit & Review Committee

December 12, 2013

JLARC

Why a JLARC Audit of Workers' Compensation Claims Management?

- In 2011, the Legislature enacted (EHB 2123) major reforms to workers' compensation in Washington.
- The same legislation also directed JLARC to conduct a performance audit of the workers' compensation claims management system.
- Approximately 100,000 new claims are filed by injured and ill workers each year; and
- Almost $2 billion expended each year for medical bills, lost wages, permanent disability awards, and vocational retraining assistance.

JLARC's Audit in Two Phases

- Phase I: Evaluation Study Design determined $664,000 would be needed for the evaluation – this funding has been provided in the current Operating Budget.
- Phase II: JLARC staff and contractor will use the study design to evaluate the claims management system and determine whether any changes are necessary to improve efficiency and address system costs.

What Has Been Completed Thus Far?

- Phase II of the audit is on schedule.
  - Issued the audit Scope and Objectives;
  - Retained a consultant with subject matter expertise;
  - Completed an RFP and selected a contractor to conduct the evaluation;
  - Held preliminary meetings with L&I staff; and
  - Talking with key stakeholders about progress to date and activities to come.

What Lies Ahead?

- Over the next 15 months, the contractor will gather quantitative and qualitative data including:
  - Claims data from L&I and self-insured employers; and
  - Stakeholder input from interviews and surveys.
- The data will be used to assess overall promptness, fairness, and efficiency of workers' compensation claims management, and determine if any recommendations can be made to improve services and reduce costs.

Next Steps and Contacts

Preliminary Report June 2015

Proposed Final Report July 2015

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INDUSTRIAL INSURANCE (STATE) FUND

FINANCIAL OVERVIEW

STATUTORY FINANCIAL INFORMATION
FISCAL YEAR 2014 – FIRST QUARTER
JULY 2013 THROUGH SEPTEMBER 2013

Sharon Elias
Chief Accounting Officer

Washington State Department of Labor & Industries

Three Month Financial Highlights

Overall, the performance of the state fund during first quarter of Fiscal Year 2014 is positive.

The contingency reserve increased by $241 million from $619 to $860 million from July 1, 2013 through September 30, 2013.

- Investment results are better than expected due to the stock market.
- Estimates of liabilities declined due to fewer active pension and time-loss claims than expected.

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State Fund Results

"Net Income"

July 2013 through September 2013 revenues exceeded expenses resulting in Net Income of $137 million, as result of investment income exceeding net loss from operations.

Insurance Operations + Investment Income + Other Revenues and Expenses = Net Income $137M

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Insurance Operations

(in millions)

		Three Months Ended September 30, 2013	Three Months Ended September 30, 2012
We took in (Premiums Earned)	+	$ 443	$ 435
We Spent (Expenses Incurred)			
Benefits Incurred		424	382
Claim Administrative Expenses		36	48
Other Insurance Expenses		19	18
Total Expenses Incurred	-	479	447
Net Loss from Insurance Operations	=	**$ (36)**	**$ (12)**

Net loss from insurance operations is normal for workers compensation insurers who routinely rely on investment income to cover a portion of benefit payments.

Insurance Operations	+	Investment Income	+	Other Revenues and Expenses	=	Net Income

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Premiums Earned

July 2013 through September 2013
(in millions)

	Three Months Ended		
	September 30, 2013	**September 30, 2012**	**Difference**
Standard Premiums Collected	*$ 445*	*$ 423*	
Less *Retrospective Rating Adjustments*	*(13)*	*(15)*	
Net Premiums Collected	**432**	**408**	
Changes in Future Premiums Amounts To Be Collected	**33**	**46**	
Changes in the future Retrospective Rating Adjustment Refunds	**(22)**	**(19)**	
Net Premiums Earned	**$ 443**	**$ 435**	**$ 8**

Increase of $8 million -- mainly driven by an increase in hours reported by employers and an increase in hours reported by businesses in higher rate classes.

Insurance Operations + Investment Income + Other Revenues and Expenses = Net Income

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Benefits Incurred

July 2013 through September 2013
(in millions)

	Three Months Ended		
	September 30, 2013	**September 30, 2012**	**Difference**
Net Benefits Paid	**$ 372**	**$ 375**	
Planned Benefits Liabilities	*127*	*88*	
Unplanned Benefit Liabilities	*(75)*	*(81)*	
Total Change in Benefit Liabilities	**52**	**7**	
Net Benefits Incurred	**$ 424**	**$ 382**	**$ 42**

($75) million of total unplanned benefit liabilities decrease includes:
- ($62 M): The TPD pension reserve developed favorably
- ($25 M): Time-loss benefits reserve developed favorably
- ($26 M): The Medical Aid excluding vocational rehabilitation and hearing loss reserves developed favorably
+ $15 M: The Stay at Work costs net of savings developed unfavorably
+ $23 M: All other unexpected development

Note: See page 2 of the First Quarter 2014 Statutory Financial Information for detail of unexpected benefit liability development

Insurance Operations + Investment Income + Other Revenues and Expenses = Net Income

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Investment Income

(in millions)

		Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Fiscal Year Ended June 30, 2013
Investment Income Earned from Dividends and Interest	+	$ 115	$ 121	$ 466
Realized Gains from Bonds (Fixed Income Investments) Sold	+	2	24	74
Realized Gains from Stocks (Equity Investments) Sold	+	41	-	13
Total Investment Income	=	$ 158	$ 145	$ 553

Insurance Operations	+	Investment Income	+	Other Revenues and Expenses	=	Net Income

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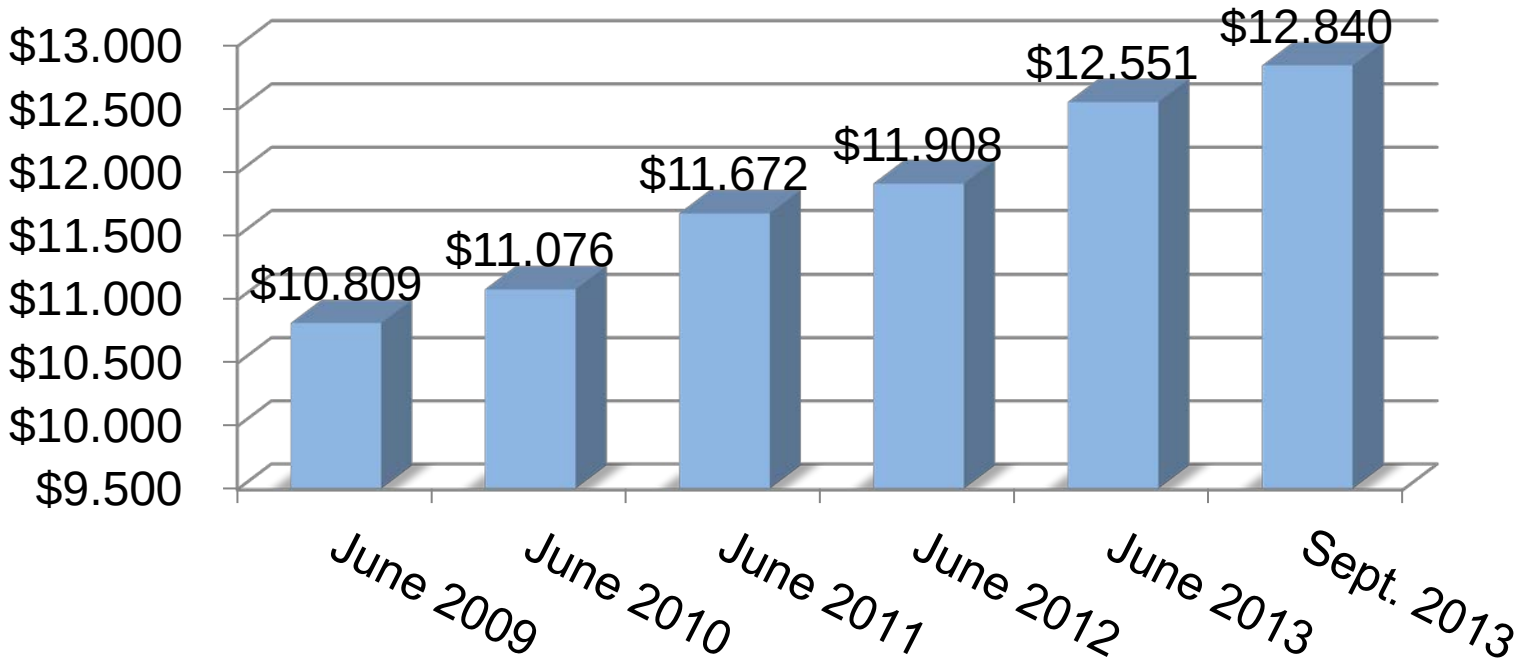
Total Investments

(rounded to billions)



Investments grew $289 million in the past three months and ended at $12.8 billion as a result of investment income and a strong stock market.

Insurance Operations	+	Investment Income	+	Other Revenues and Expenses	=	Net Income

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Other Revenues & Expenses

(in millions)

		Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Fiscal Year Ended June 30, 2013
Fines, Penalties, Interest, and Other Revenues	+	$ 12	$ 11	$ 49
Net of Self Insurance Reimbursements and Expenses **	+	15	9	44
Non-Insurance Expenses	-	(12)	(12)	(52)
Net of Other Revenues and Expenses	=	$ 15	$ 8	$ 41

Note: For example, non-insurance expenses include DOSH, SHARP, Employment Standards, Apprenticeship, and Department of Health.

Insurance Operations	+	Investment Income	+	Other Revenues and Expenses	=	Net Income

** This number does not include SI benefits incurred.

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Results of Operations

July 2013 through September 2013
(in millions)

Insurance Operations	+	Investment Income	+	Other Revenues and Expenses	=	Net Income (Loss)
($36) million	+	$158 million	+	$15 million	=	$137 million

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How Did Contingency Reserve Perform?

Change $241 million

Beginning Contingency Reserve as of June 30, 2013	+	Net Income (Loss)	+	Change in Unrealized Capital Gain/Loss	+	Other (Change in nonadmitted assets)	=	New Contingency Reserve as of September 30, 2013
$619 Million	**+**	**$137 Million**	**+**	**$97 Million**	**+**	**$7 Million**	**=**	**$860 Million**

Contingency reserve balance history:

- September 30, 2012 – $813,882,000
- December 31, 2012 – $962,476,000
- March 31, 2013 – $702,955,000
- June 30, 2013 – $619,562,000

*Note: Unrealized capital gain/loss are not a part of net income because we have not "**cashed in**" our profits or losses.*

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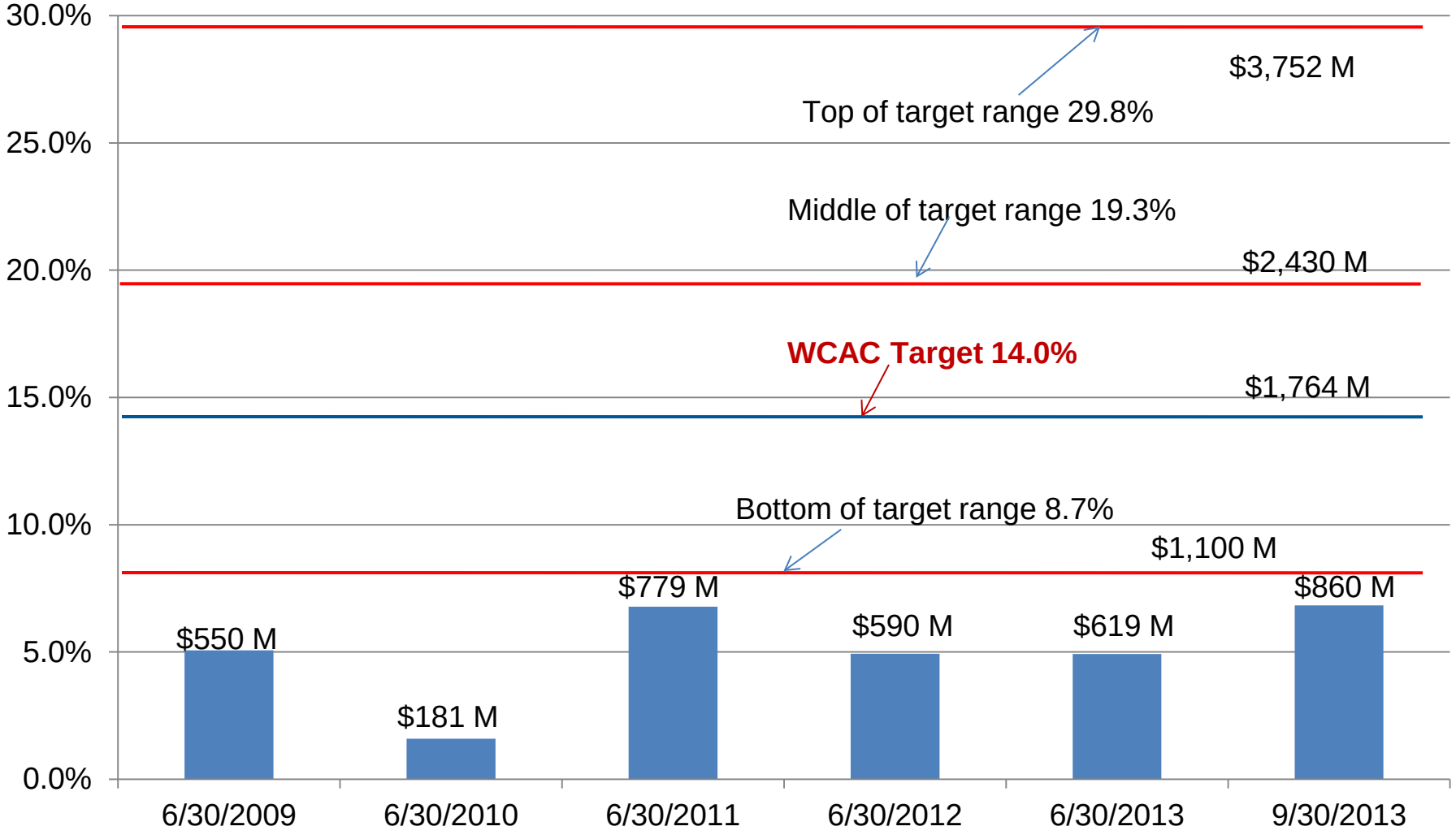
Combined Contingency Reserve vs. Targets



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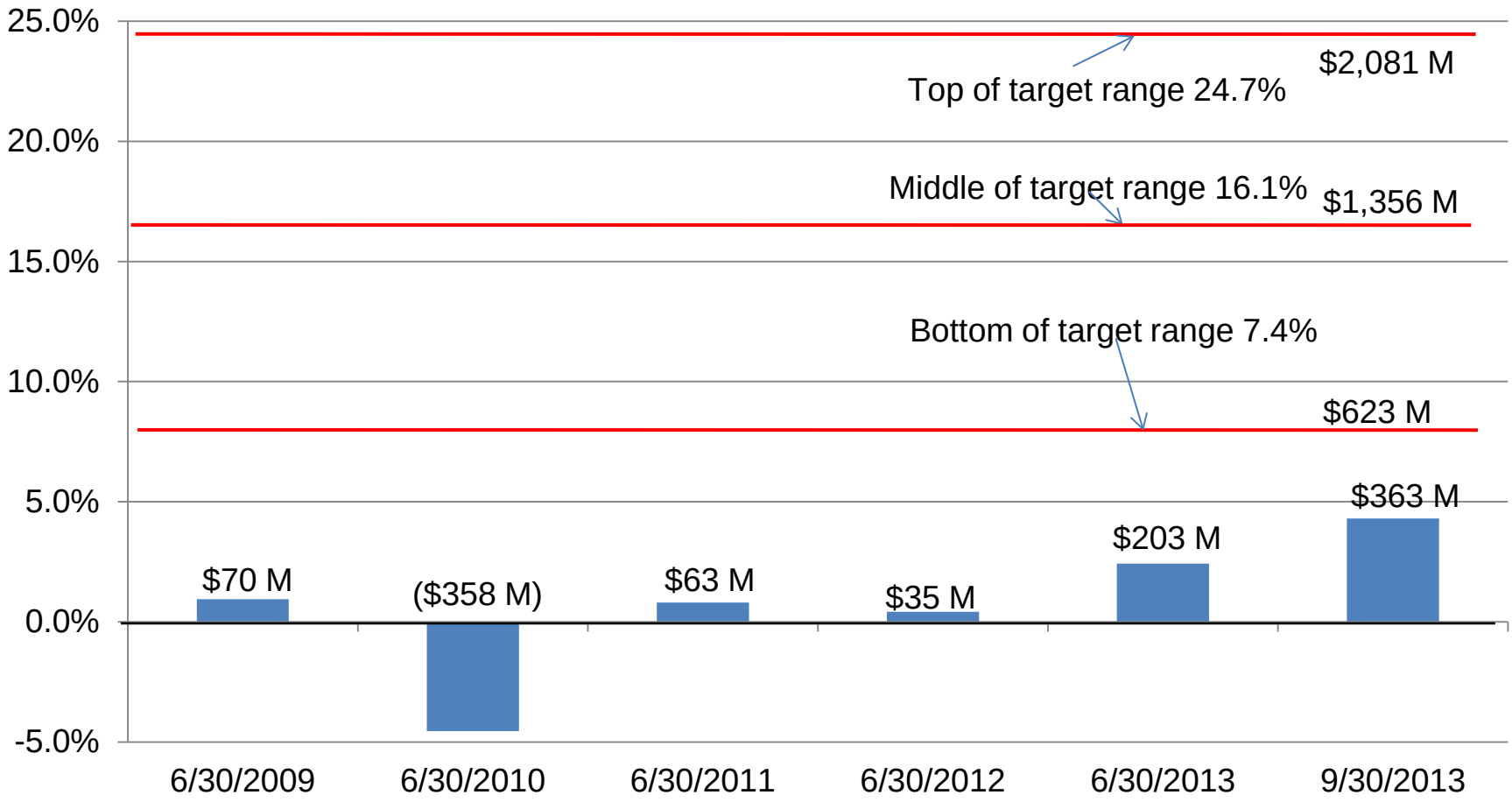
Accident & Pension Contingency Reserve vs. Targets



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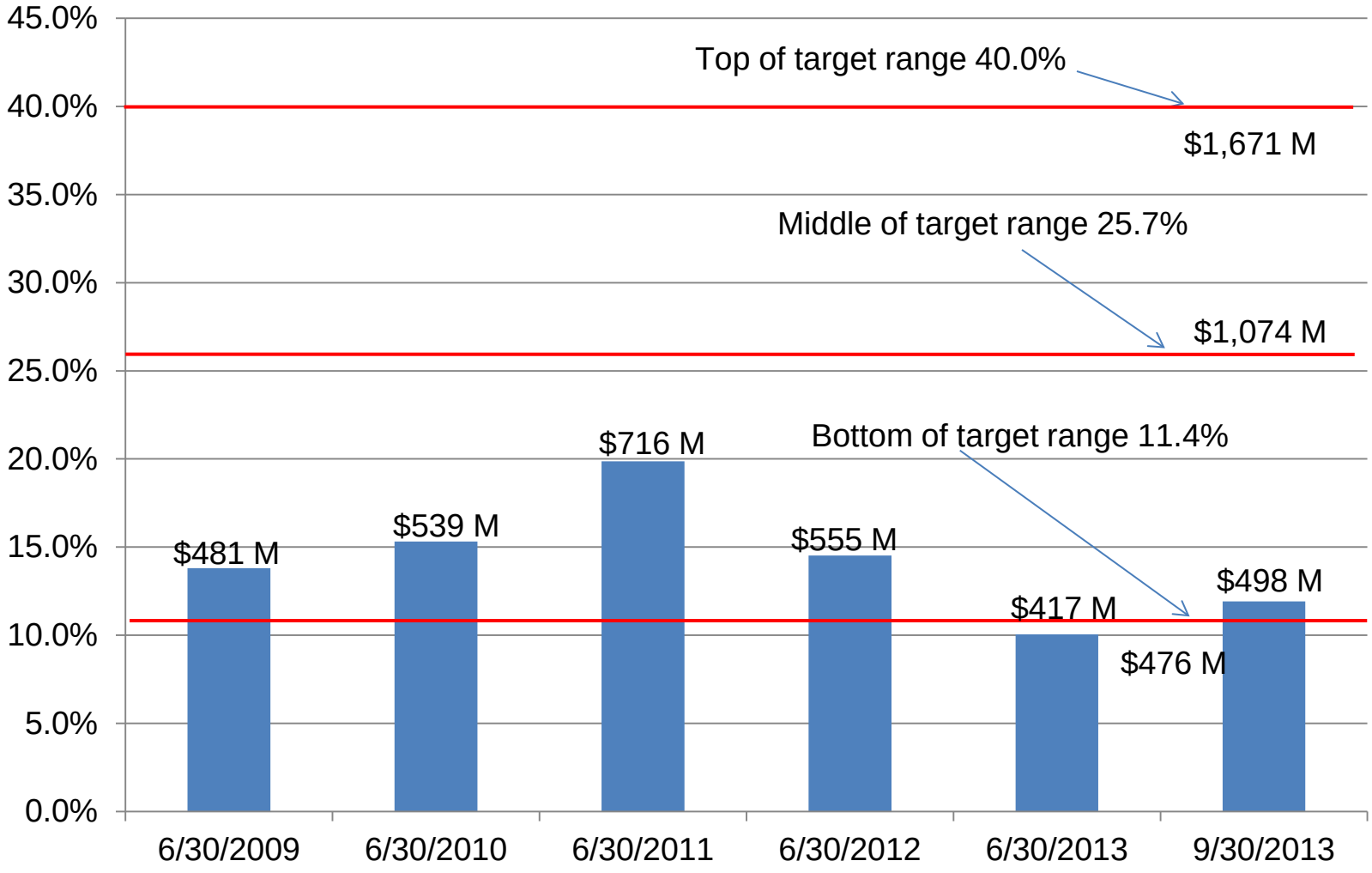
Medical Aid Contingency Reserve vs. Targets



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Key Financial Ratios

as a percentage of premium earned

July 1, 2013 through September 30, 2013

	Ratios	September 30, 2013 State Fund	Industry Forecast*	Sep 30, 2012	June 30, 2013
A	Benefit (Loss Ratio)	95.8%	63.4%	87.7%	136.5%
B	Claim Administration Expense (CAE) Ratio	8.1%	14.6%	10.9%	9.5%
	Sub-Total: Benefit and Claim Administration Expense Ratios	103.9%	78.0%	98.6%	146.0%
C	Underwriting Expense Ratio includes all insurance administrative expenses except CAE	4.1%	26.0%	4.0%	4.8%
D	**Combined Ratio (A+B+C)**	**108.0%**	**106.5%**	**102.6%**	**150.8%**
E	Investment Income Ratio	26.0%	19.4%	27.7%	29.4%
F	**Operating Ratio (D-E)**	**82.0%**	**87.1%**	**74.9%**	**121.4%**

Note: a ratio of 100% would indicate that costs = premium for period

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Questions & Comments

Contact Sharon Elias, Chief Accounting Officer, at 360-902-5743 or email at: elia235@lni.wa.gov

Thank You!

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Historical Investment Performance

	Three Months Ended		Fiscal Year Ended			
	September 30, 2013	September 30, 2012	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010
Investment Income	115,260,000	120,583,000	465,868,000	481,892,000	491,654,000	486,996,000
Realized Gain (Loss)	42,333,000	24,053,000	87,405,000	547,771,000	68,768,000	17,725,000
Unrealized Gain (Loss)	96,761,000	101,247,000	266,041,000	(546,428,000)	416,944,000	179,067,000
Total Invested Assets	12,839,473,000	12,141,972,000	12,550,887,000	11,908,149,000	11,671,588,000	11,075,920,000

Unrealized gain (loss) changes are impacted mostly by stock market results.

Note: Unrealized gains and losses are commonly known as "paper" profit or losses which imply that they have not been "cashed in."

Key Factors in the Contingency Reserve Change (July 1, 2013 to September 30, 2013)

Impact	Drivers	Amount
↔	Reduction in Discount on Benefit and Claims Administrative Expense (CAE) Liabilities	$80 million
↓	Unfavorable Development on Retro Refund Liability	$3 million
↑	Unexpected Investments Gains	$112 million
↑	Favorable Development on Benefit and CAE Liabilities	$81 million
↑	Premium rates higher than needed to cover new liabilities	$44 million
↑	Unexpected change in non-admitted assets	$7 million

2014 RATE UPDATE

Joel Sacks,
Director

Vickie Kennedy,
Assistant Director for Insurance Services

Washington State Department of Labor & Industries

9-Year Reserve Benchmarks

Update: Within 2014 Goal Level -- $860 million contingency reserve or just over 7%.

9-Year Interim Targets			
Year	**Contingency Reserve Target (range)**	**Pension Discount Rate (PDR) Target (range)**	**Contingency Reserve (CR) Yearly Goal (displays steady growth)** dollars in millions
Quarter Ending June 2013	4.9%	6.5%	
2014	5 - 7%	6.5 - 6.3%	$ 652 to $902
2015	6 - 8%	6.3 - 6.2%	$ 797 to $1,032
2016	7 - 9%	6.2 - 6.0%	$ 957 to $ 1,167
2017-2018	8 - 11%	5.9 - 5.5%	$ 1,122 to $ 1,452
2019-2020	10 - 13%	5.4 - 4.7%	$ 1,472 to $1,742
2021-2022	13 - 15%	4.7 - 4.5%	$ 1,757 to $2,047
9-Year Contingency Reserve Goal			**$2,047**

Each tenth of a percent the PDR drops, the CR could reduce between $30 to 60 million.

Anticipated Changes to the Contingency Reserve in 2014

Drivers	Amount (range) dollars in millions		
Reduce Pension Discount Rate	($58)	to	($88)
2.7% Premium Rate Increase	$75	to	$95
Estimated Cost Savings from Initiative	$35	to	$70
Investment Results	($XX)	to	$YY

Reduce Pension Discount Rate

Quarterly Change in Benefit Liabilities

(in millions)

	Quarter Ended			
	Sep 30, 2012	Dec 31, 2012	Mar 31, 2013	Jun 30, 2013
Beginning Estimated Benefit Liabilities	**$ 11,203**	**$ 11,210**	**$ 11,216**	**$ 11,618**
Change Benefit Liabilites for injuries occuring 6/30/12 and prior				
Discount accretion	92	89	87	85
Other developments:				
Structured Settlement development	14	(34)	262	2
TPD Pension development	(92)	(95)	(16)	(70)
Medical development	(16)	(20)	52	116
All other development on prior liabilities	13	21	39	55
Total other development	(81)	(128)	337	102
Change in non-pension discount rate		77	-	(11)
Total Change in Benefit Liabilities for injuries occuring 6/30/12 and prior	**11**	**38**	**424**	**176**
New benefit liabilities for injuries occurring 7/1/12 and after	**367**	**372**	**341**	**410**
Claim Payments in 3 months	**(375)**	**(409)**	**(370)**	**(406)**
New Self insurance 2nd injury pension awards	**4**	**5**	**7**	**8**
Ending Benefit Liabilities	**$ 11,210**	**$ 11,216**	**$ 11,618**	**$ 11,806**
Change in benefit liability	**$ 7**	**$ 6**	**$ 402**	**$ 188**

$230 million unexpected changes

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Quarterly Change in Benefit Liabilities

(in millions)

	Quarter Ended Sep 30, 2013
Beginning Estimated Benefit Liabilities	**$ 11,806**
Change Benefit Liabilites for injuries occuring 6/30/13 and prior	
Reduction in Benefit Liability Discount	78
Other development:	
Fewer active time-loss and pension claims	(92)
Reduction of the persistency rates for claims less than 6 years old	(136)
Reserve increase for planned reduction in discount rate	166
Total TPD Pension development	(62)
Time-loss benefit reserve development	(25)
Medical Aid loss reserve development	(26)
Stay at Work development	15
All other development on prior liabilities	23
Total other development	(75)
prior	**3**
New benefit liabilities for injuries occurring 7/1/13 and after	**411**
Claim Payments in 3 months	**(372)**
New Self insurance 2nd injury pension awards	**10**
Ending Benefit Liabilities	**$ 11,858**

($75 million) unexpected changes

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LEGISLATIVE UPDATE

Vickie Kennedy,

Assistant Director for Insurance Services

Washington State Department of Labor & Industries

Legislative Reports

- Structured Settlements
- ESSB 5744: Development and Implementation of the Logger Safety Initiative (complete)
- Medical Provider Network
- Vocational Improvement Project (complete)
- Vocational Rehabilitation Subcommittee Recommendations (1887 – title needed)

Logger Safety Initiative – Rate Incentive

Tier Level	How it Works	Incentive Amount*	Additional Information
Tier 1: Sign-up & Reporting	Employer signs Tier 1 LSI Memorandum of Participation** and agrees to the following criteria in order to receive a 5% reduction on their premium: • Complete registration and commitment letter. • Report to DOSH when starting work at new logging/cutting sites. • Submit monthly LSI manual logging supplemental reports regarding employee hours and job duties. • Begin activities to prepare for a third-party audit: o Implement the Employer Logging Safety Program (LSI accident prevention program and training). o Schedule L&I Premium Technical Audit. o Schedule L&I DOSH Comprehensive consultation.	5%	**Employers that sign up between Dec. 2013 & Dec. 2014 are eligible for the Tier 2 incentive when they sign-up (requirements remain the same).**
Tier 2: Premium & Safety Consultation	LSI employer demonstrates the following: • Pass L&I Premium Technical Audit. • Pass L&I DOSH comprehensive consultation. • History of reporting worksite location information. • Monthly supplemental reports (including zero hour reports) submitted since initial sign-up. • Status report re: implementing LSI employer safety program (LSI accident prevention program and training). Employer signs Tier 2 LSI Memorandum of Participation** and receives an additional 5% discount (total of 10%).	5%	
Tier 3: Third-Party Safety Audit (min. of 6 months from initial sign-up)	Employer passes an independent third-party audit and signs Tier 3 LSI Memorandum of Participation** for an additional 10% (total of 20% discount).	10%	
Tier 4: Change in Performance	Details to be determined.	TBD	

BREAK

HELPING INJURED WORKERS HEAL AND RETURN TO WORK

Vickie Kennedy,
Assistant Director for Insurance Services

Washington State Department of Labor & Industries

Agency Goal: Help injured workers heal and return to work

Key Focus Areas:

- Create a culture of return to work.
- Reduce the development of preventable permanent disability.
- Collaborate with internal and external stakeholders to reduce system delays and improve the customer experience in the first six-months of the claims process.

Help Injured Workers Heal & Return to Work

Overall Indicator: Decrease the number of workers who are long-term* disabled 12 months from injury.

Baseline 2012: 423 per 10,000 claims

2013 Q1	2013 Q2	2013 Q3	GOAL
421	425	419	377 by June 2015

**Long-term disability is defined as those workers that have time-loss payments during the 12th month of their claim. For example, a worker whose claim occurred in January 2012 and received a time-loss payment in January 2013. The measure represents the number of long-term disability claims out of every 10,000 workers who were injured 12 months ago.*

Note: Percentage is for all claims for the accident quarter.

Focus Area A: Create a Culture of Return to Work

Increase the percentage of injured workers who return to work* in the first six months from 85% to 88%.

Baseline 2012: 85%

2013 Q1	2013 Q2	2013 Q3	GOAL
82.7%	85%	85.3%	88% by June 2014

**A successful return to work is identified when an injured worker stops time-loss for at least a 30 day period during the first six months of their claim.*

Focus Area B: Reduce the development of preventable disability

Decrease the proportion of injured workers on time-loss at three months who are still on time-loss at six months.

Baseline 2012: 71%

2013 Q1	2013 Q2	2013 Q3	GOAL
70.0%	69.5%	69.6%	62% by June 2015

Note: Each 1% change impacts 110 workers or $17 M

Focus Area C: Collaborate with internal staff and external partners to reduce system delays and improve the customer experience in the first 6 months of the claim process.

Decrease time-loss days paid three months post injury.

Baseline: 56.1 days

2013 Q1	2013 Q2	2013 Q3	GOAL
55.9	55.9	56.8	54

Focus Area C: *Continued*

Improve customer experience –

Sept. 2011: *Injured Worker (IW) survey 61% overall experience working with L&I good or very good*

Employer survey 60% overall experience working with L&I over the past year good or very good

	Sept. 2012	Sept 2013	XX 2014	GOAL By Sept 2016
Injured Worker	60%	61%	NA	80%
Employer	61%	61%	NA	80%

Helping Workers Heal and Return to Work Dashboard

Focus Area	Key Indicator	Baseline 2012	2013 Q1	2013 Q2	2013 Q3	Target	Status
Overall indicator	Decrease long-term disability (LTD) claims	423 LTD claims	421 LTD claims	*425 LTD claims*	*419 LTD claims*	377 LTD claims By June 2015	
A. Culture of return to work	Return to work in 6 months	85%	82.7%	85%	85.3%	88% By June 2014	
B. Reduce preventable disability	Decrease timeloss persistence	71.0%	70.0%	69.5%	*69.6*	62% by June 2015	
C. Collaborate to Reduce system delays	Decrease days time-loss paid at 3 months	56.1 days	55.9 days	*55.9 days*	*56.8 days*	*54 days*	
	IW overall experience good or very good	Fall '11 61%	Sept '12 60%	*Sept '13 61%*	*Not available yet*	*80%*	
	Employer overall experience good or very good	Fall '11 60%	Sept '12 61%	*Sept '13 61%*	*Not available yet*	*80%*	

Status:
green – making progress towards target
Yellow – not making consistent progress towards target
Red – not making progress towards target

Washington State Department of Labor & Industries

CLAIMS EVOLUTION

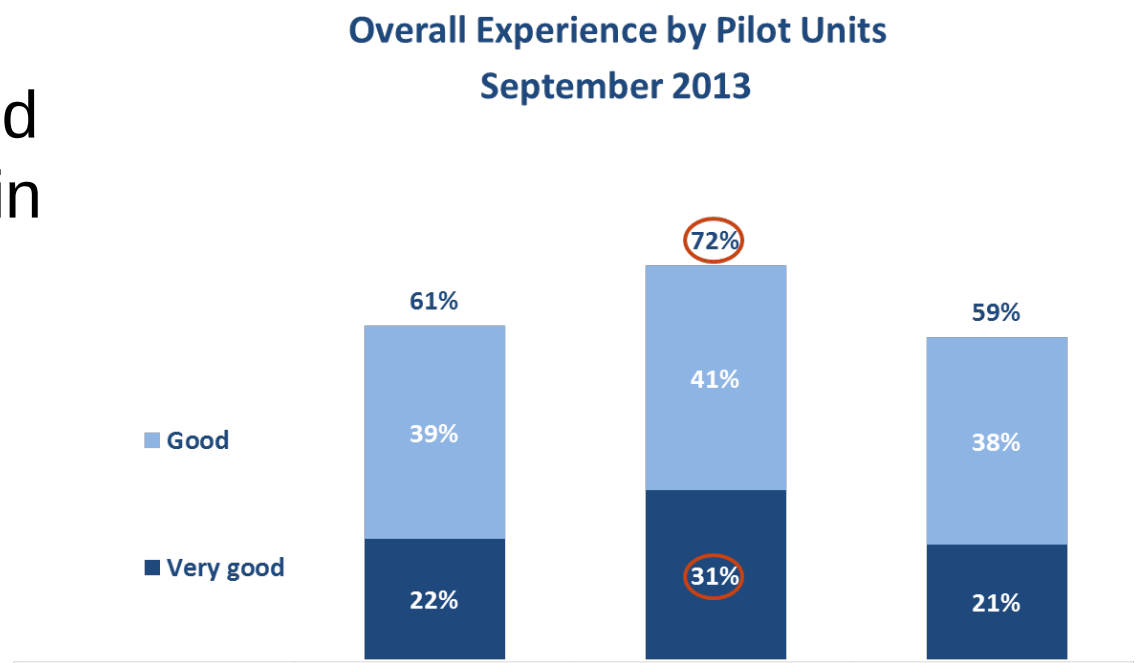
Vickie Kennedy,
Assistant Director for Insurance Services

Create a culture of return to work

- Claims Processor
  - Claim processors remove tasks from claim managers so they can focus on actions to assist injured workers and employers.
  - Positive results from pilot.
    - Saved staff time
    - Improved customer experience
  - Adding a claim processor to each unit.

Claim Processors Pilot Results

Injured workers served by units participating in the claims processor pilot reported significantly higher overall experience scores than for other units.

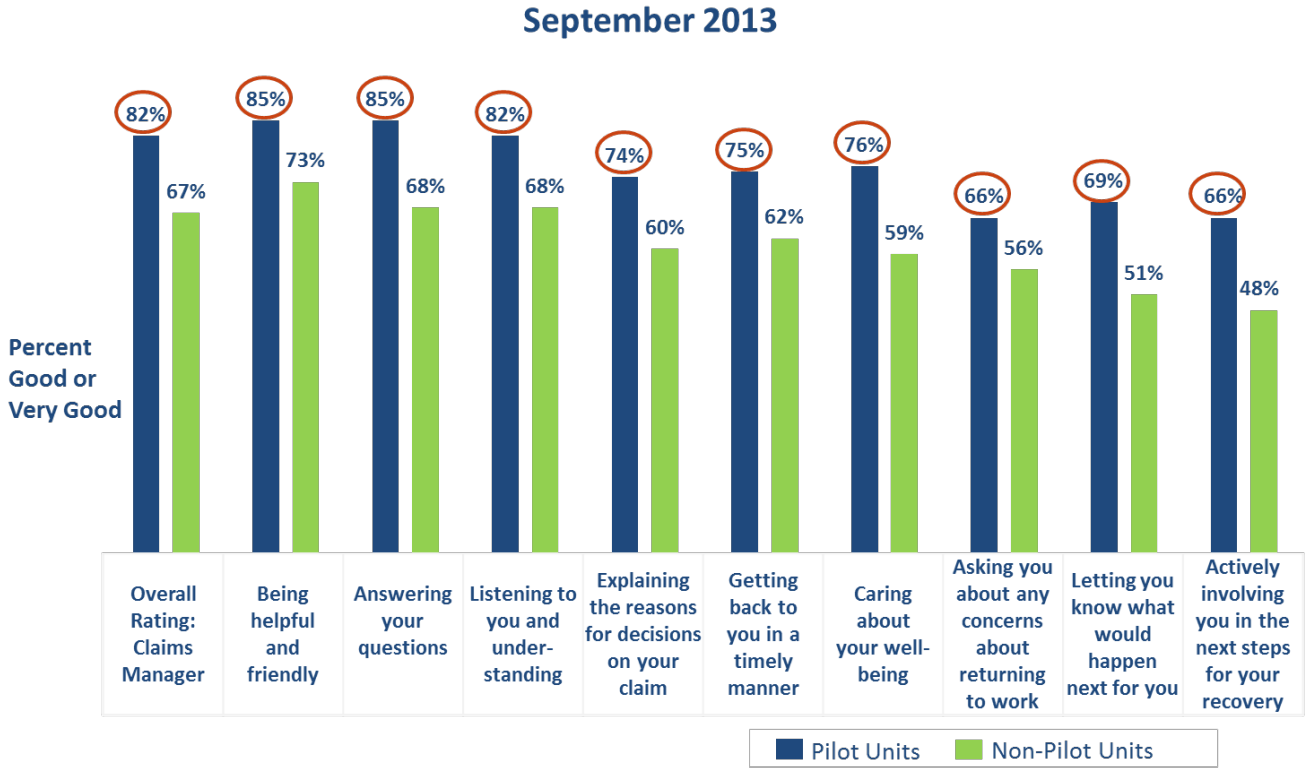


	Total	Pilot Units	Other Units
Total Good	61%	**72%**	59%
Average	25%	17%	**26%**
Total Poor	14%	11%	15%
No. of Interviews	*(910)*	*(200)*	*(710)*

Q1a. Taking everything into account with this claim, how would you rate your overall experience of working with L&I?

Base: Total respondents

Claim Processors Pilot Units vs. Non-Pilot Units



Base: Respondents who provided a rating (2012: n=83 pilot, 662 non-pilot; 2013: n=188 pilot, 657 non-pilot)

Scores for specific attributes of Claims Manager performance were significantly higher on every attribute for units using claims processors.

Create a culture of return to work

- RTW Future State Pilot
  - The pilot started in October 2013; scheduled for one year.
  - Testing predictive analytics in identifying high risk claims.
  - Pilot will target claims immediately upon claim receipt and review again at 10 and 40 days.
  - The goal is to identify RTW opportunities with the employer of injury; provide job readiness assistance through WorkSource or refer for vocational services within 60-90 days.

Apprenticeship Program

- 10-month classroom combined with on the job training.
- Followed by 12 months of on the job training.
- Work checking to ensure adjudication skills.
- Journey-level claim manager status at the completion of 22 months.

CE Claims Training Project

- Modernize claims apprenticeship program:
  - Convert basic knowledge courses to self-paced courses.
  - Develop e-learning modules.
  - Increase interactive training curriculum.
  - Reduce claim transfers from apprentice caseloads.
  - Focus on developing critical thinking skills, less on process.
  - Identify and implement improvements in work checking.

Questions

BUILDING A BETTER CUSTOMER EXPERIENCE

Ron Langley

Washington State Department of Labor & Industries

Customer Experience Projects

1. Claims Processor Pilot Project
2. First Call Training
3. Return to Work “Future State”
4. Employer Confidence with Quarterly Premium Reporting

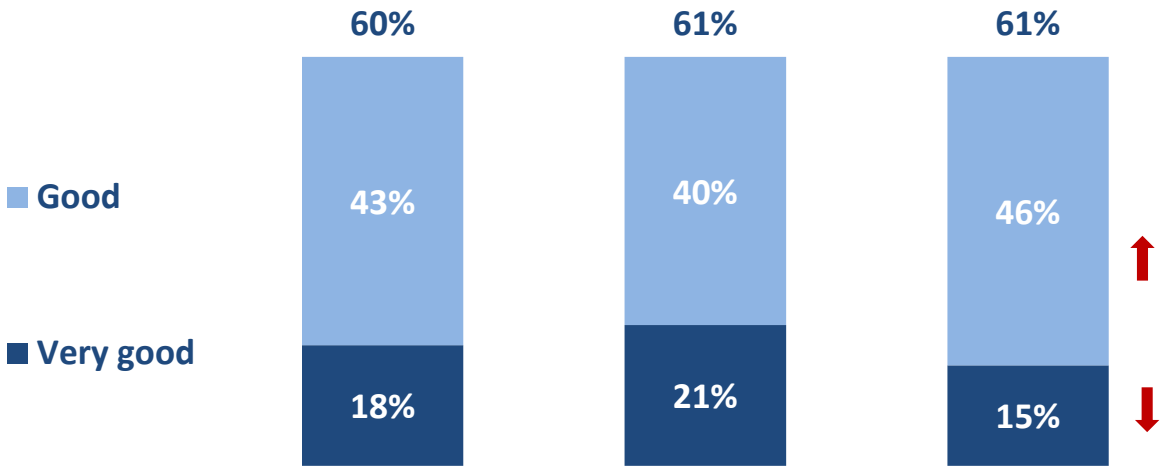
Survey data facts

- September/October 2013 survey results unless noted
- 3rd round of telephone surveys since Fall 2011
- Injured workers w*ith time-loss claims* 30 days or older
  - Attorney-represented workers excluded
- Employers *with time-loss claims* 30 days or older
  - Retro / TPA employers excluded
- Margins of error
  - Injured Workers 800 interviews: Accuracy +/- 3.3%
  - Employers 600 interviews: Accuracy +/- 3.8%

Claims Processor Pilot Project

- "Claims Processor" added to 3 units in mid-August
- Claims Processor tasks:
  - Email
  - Phone calls
  - Claim administrative issues
- Allows claims manager to focus on:
  - Complex decisions
  - Interaction with workers, employers, providers

Employers
Overall Experience Working with L&I in the Past Year



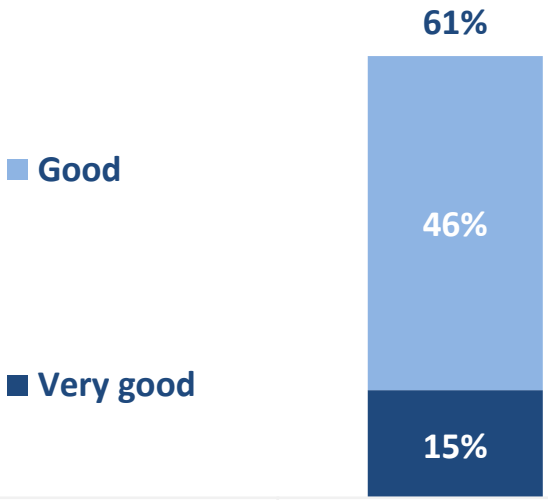
	Baseline	Wave 1	Wave 2
Total Good	60%	61%	61%
Average	26%	25%	26%
Total Poor	14%	15%	14%

*Q1. First, I would like to ask you a few general questions about your interactions with L&I **over the past year**. We will be using the scale of Very Good, Good, Average, Poor and Very Poor. Taking everything into account, how would you rate the overall experience of working with L&I…*

Base: All respondents (number of employers interviewed - 600 per wave)

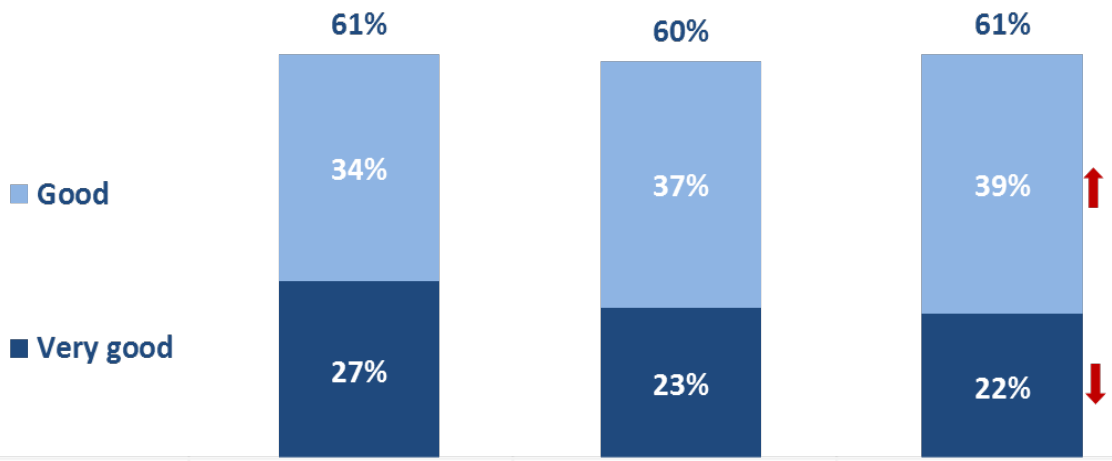
Ipsos Reid

Employers
Overall Experience by Claims Processor Pilot Units



	Total Wave 2
Total Good	61%
Average	26%
Total Poor	14%
Number of Interviews	*(679)*

Injured Workers
Overall Experience Working with L&I

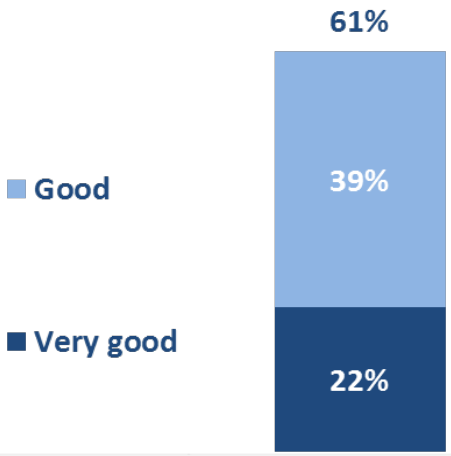


	Baseline	Wave 1	Wave 2
Total Good	61%	60%	61%
Average	25%	25%	25%
Total Poor	14%	15%	14%
Number of Interviews	*(800)*	*(800)*	*(910)*

Q1a. Taking everything into account with this claim, how would you rate your overall experience of working with L&I?

Base: All respondents

Injured Workers
Overall Experience by Claims Processor Pilot Units

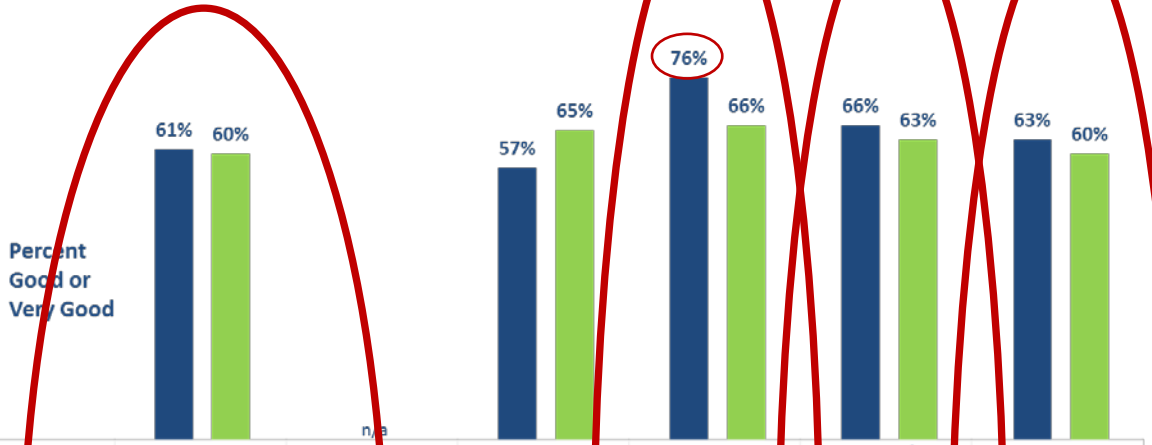


	Total
Total Good	61%
Average	25%
Total Poor	14%
No. of Interviews	*(910)*

Ipsos

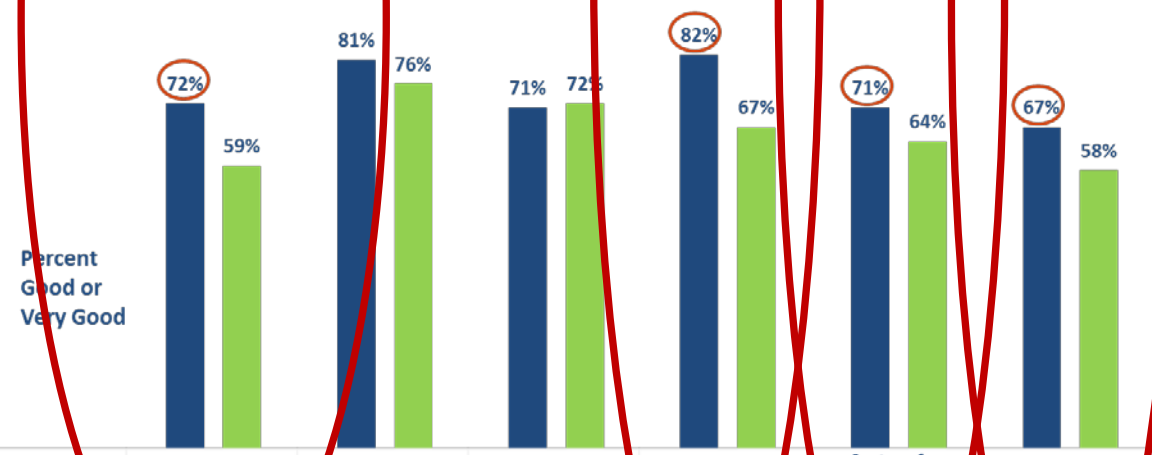
Overall Ratings on Touchpoints

September 2012



	Overall Experience		Office Assistants		Voc Rehab		Claims Manager		System for Handling Claims		Return to Work	
No. of interviews	*(87)*	*(713)*	*n/a*	*n/a*	*(21*)*	*(231)*	*(83)*	*(662)*	*(85)*	*(693)*	*(80)*	*(634)*

September 2013



	Overall Experience		Office Assistants		Voc Rehab		Claims Manager		System for Handling Claims		Return to Work	
No. of interviews	*(200)*	*(710)*	*(122)*	*(468)*	*(51)*	*(201)*	*(188)*	*(657)*	*(198)*	*(694)*	*(170)*	*(618)*

Pilot Units | Non-Pilot Units

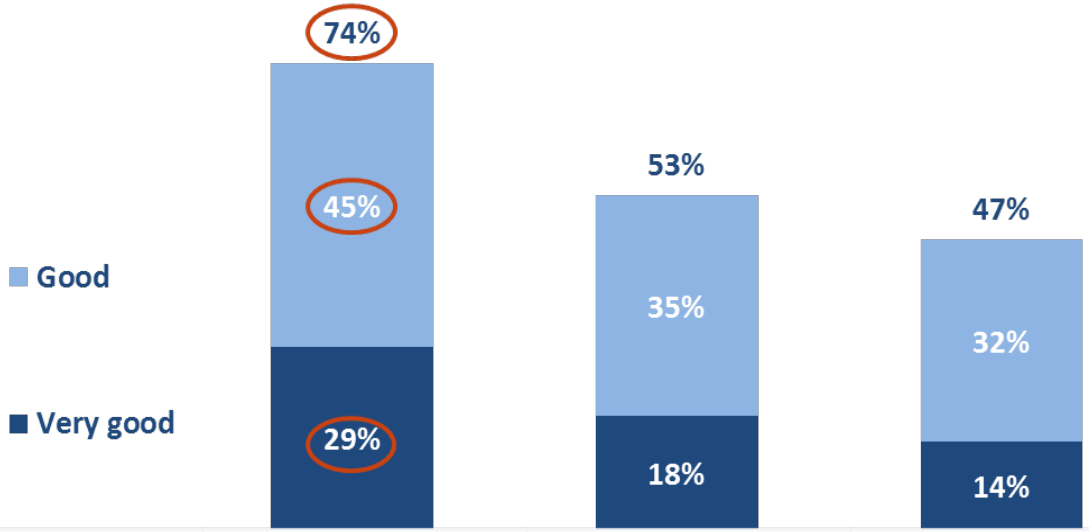
** Caution: small base.*

Ipsos Reid

First Call Training

- Initial training in mid-2013
- Focus on:
  - Relationship between claims manager and injured worker
  - Addressing return-to-work barriers
  - Setting worker expectations for return to work
- 2014:
  - Return to Work staff training
  - Advanced training for claims managers

Impact of Injured Worker Contact with Claims Managers on Overall Experience

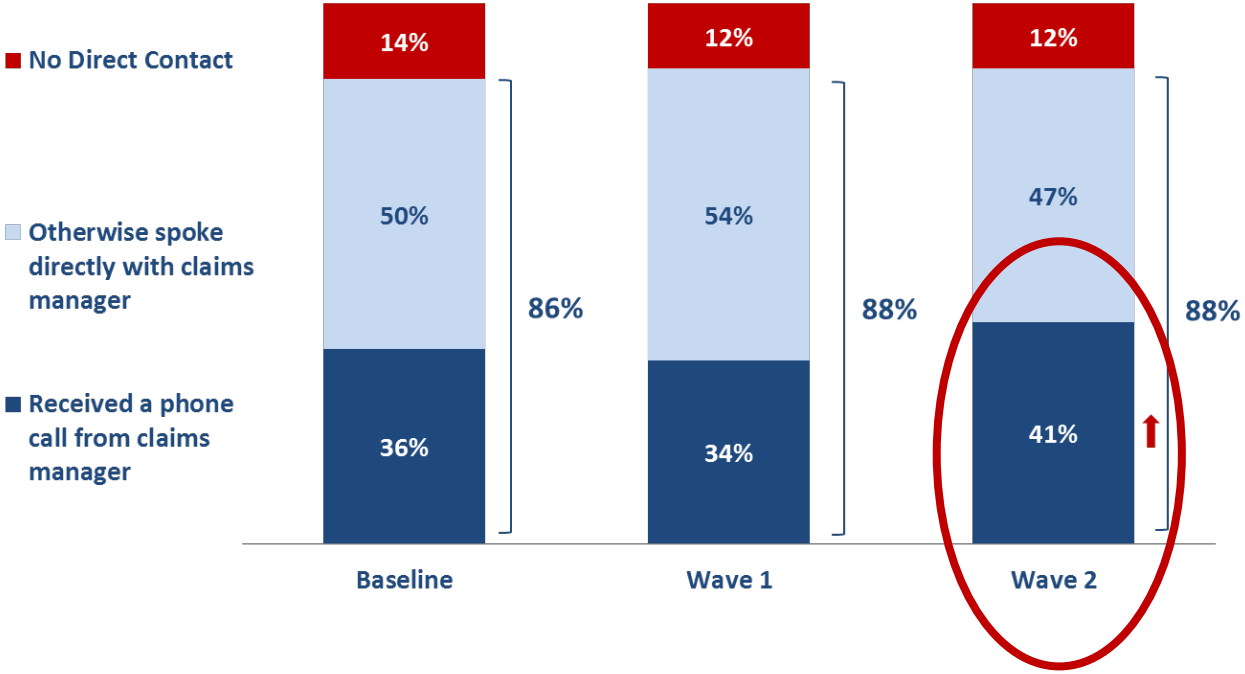


	Received Call from CM	No Direct Contact	Otherwise Spoke Directly
Total Good	**74%**	53%	47%
Average	18%	**29%**	**34%**
Total Poor	9%	**18%**	**19%**
Number of Interviews	*(377)*	*(430)*	*(97)*

Q1a. Taking everything into account with this claim, how would you rate your overall experience of working with L&I?

Base: All respondents

Injured Workers
Contact with Claims Manager

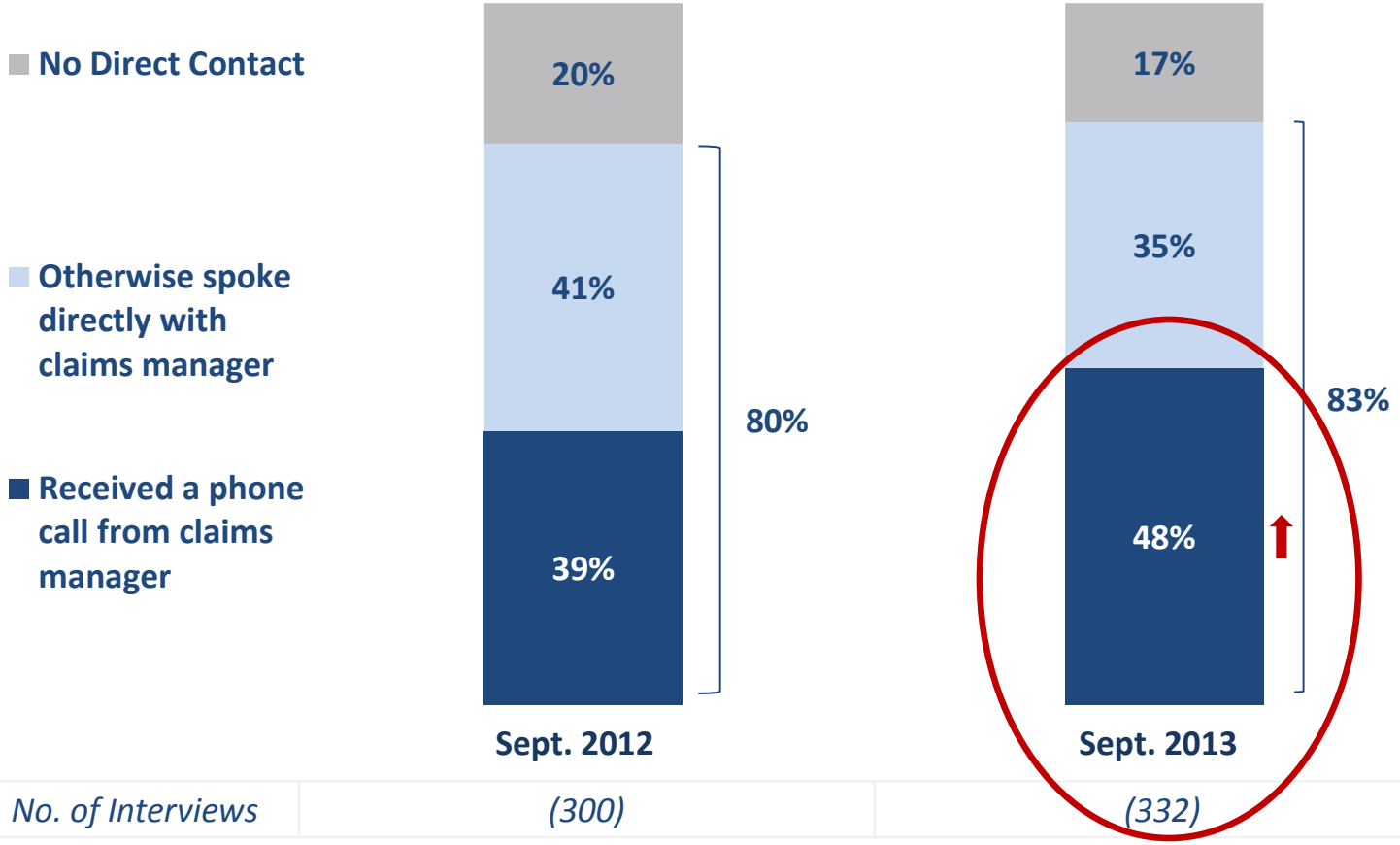


Q14. During this claim, did you receive a telephone call from (one of) your Claims Manager(s)? By this I mean a call that your claims manager initiated, not a response to you leaving a message or to you requesting a call

Q15. [IF NO] Have you spoken directly with (one of) your Claims Manager(s), either in person or over the phone?

Base: All respondents (n=800/800/910)

Contact with Claims Manager Among Claims 30 to 180 Days



No. of Interviews	*(300)*	*(332)*

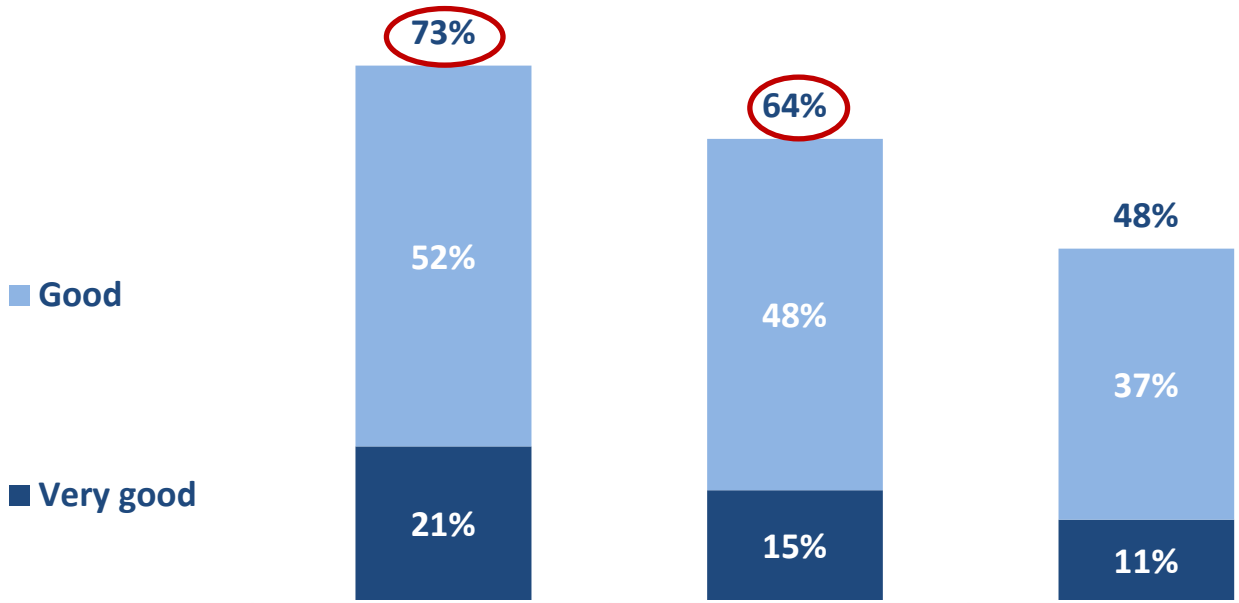
Q14. During this claim, did you receive a telephone call from (one of) your Claims Manager(s)? By this I mean a call that your claims manager initiated, not a response to you leaving a message or to you requesting a call

Q15. [IF NO] Have you spoken directly with (one of) your Claims Manager(s), either in person or over the phone?

Base: All respondents with claims aged 30 to 180 days

Ipsos Reid

Impact of Employer Contact with Claims Managers on Overall Experience



	Received Call from CM	No Direct Contact	Otherwise Spoke with CM
Total Good	**73%**	**64%**	48%
Average	19%	**28%**	27%
Total Poor	9%	8%	**25%**
Number of Interviews	*(160)*	*(305)*	*(213)*

*Q1. First, I would like to ask you a few general questions about your interactions with L&I **over the past year**. We will be using the scale of Very Good, Good, Average, Poor and Very Poor. Taking everything into account, how would you rate the overall experience of working with L&I…*

Base: All respondents

Ipsos Reid

Employers
Contact with Claims Manager

8b. Thinking now of the most recent claim, did you receive a call from the L&I Claims Manager early in the claims process? By this I mean a call that a Claims Manager initiated, not a response to you leaving a message or to you requesting a call. IF NO: 8c. Have you spoken directly with a Claims Manager, either in person or over the phone about this most recent claim?

Base: Wave 2 respondents (n=679)

Conundrum over employer contact

Medium/Large Employer Needs

- Phone contact if a claim stalls.
- Validity concerns investigated.
- The *why* of your decisions.

Small Employer Needs

- Phone contact and written follow-up.
- Financial impact of a claim.
- How to keep the claim moving.
- Validity concerns investigated.
- The *why* of your decisions.

Return to Work "Future State"

Photo here from RTW Future State workgroup

Photo here from RTW Future State workgroup

Goals:

- **Identify high-risk claims**
- **Assign the right team members**
- **Identify / Address barriers**
- **Coordinated action plan**
- **Face-to-face meetings**

Using focus group results

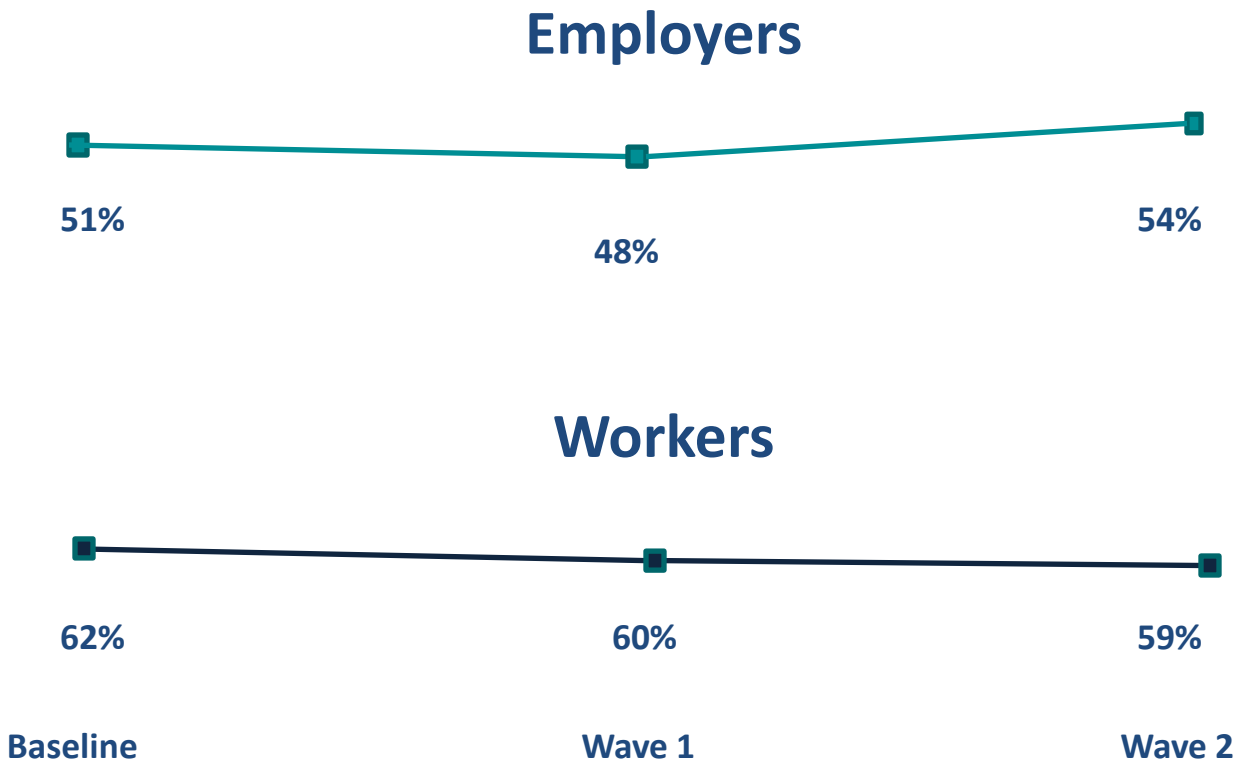
Injured Worker Needs

- To trust you and feel heard.
- Telephone access to you.
  (builds trust and confidence)

Injured Worker Needs

- To understand the claims process.
- To know what's happening.
- Your help to solve problems.
- Prompt decisions – no delays.
- To be engaged in the solution.

Measuring return-to-work performance
Good/Very Good rating

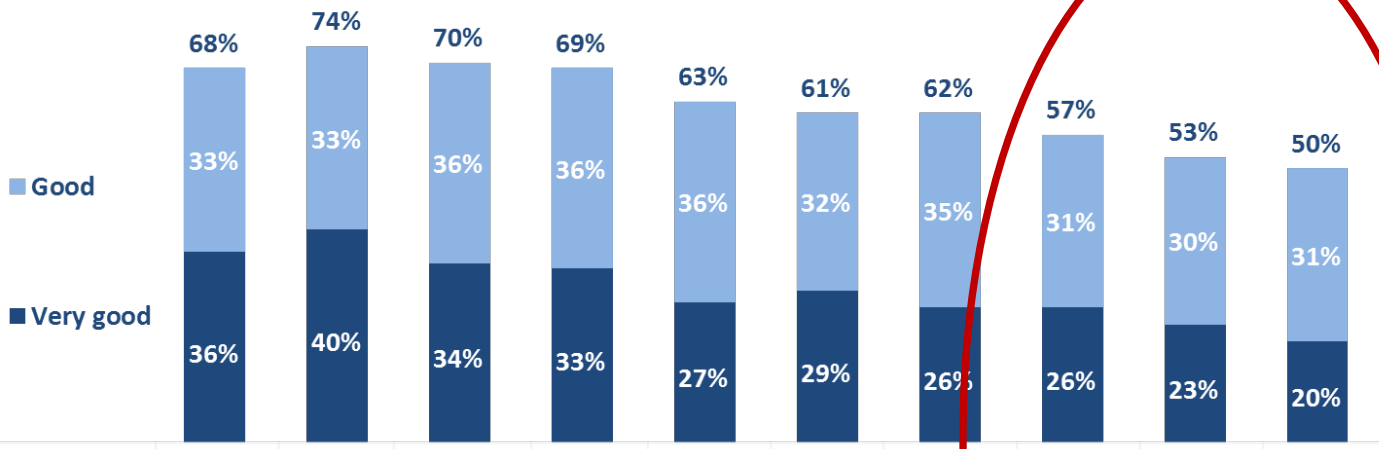


Survey Questions:
Workers: Overall, how would you rate L&I on helping you return to work after your injury?
Employers: How would you rate L&I on helping your injured workers return to their job?

Measuring return-to-work performance

Claims Manager Drilldowns

September 2013



	Overall Rating of Claims Manager	Being helpful and friendly	Answering your questions	Listening to you and under-standing	Getting back to you in a timely manner	Caring about your well being	Explaining reasons for decisions	Asking about concerns about RTW	Letting you know what would happen	Actively involving you in discussing next steps
Total Good	68%	74%	70%	69%	63%	61%	62%	57%	53%	50%
Average	17%	15%	19%	15%	18%	19%	22%	20%	20%	20%
Total Poor	15%	12%	11%	16%	19%	20%	16%	23%	27%	30%
Number of Interviews	*(845)*	*(821)*	*(814)*	*(799)*	*(820)*	*(782)*	*(772)*	*(718)*	*(761)*	*(738)*

Q12. Your Claims Manager is the person that oversees the ongoing management of your claim. Overall, how would you rate your Claims Manager ?

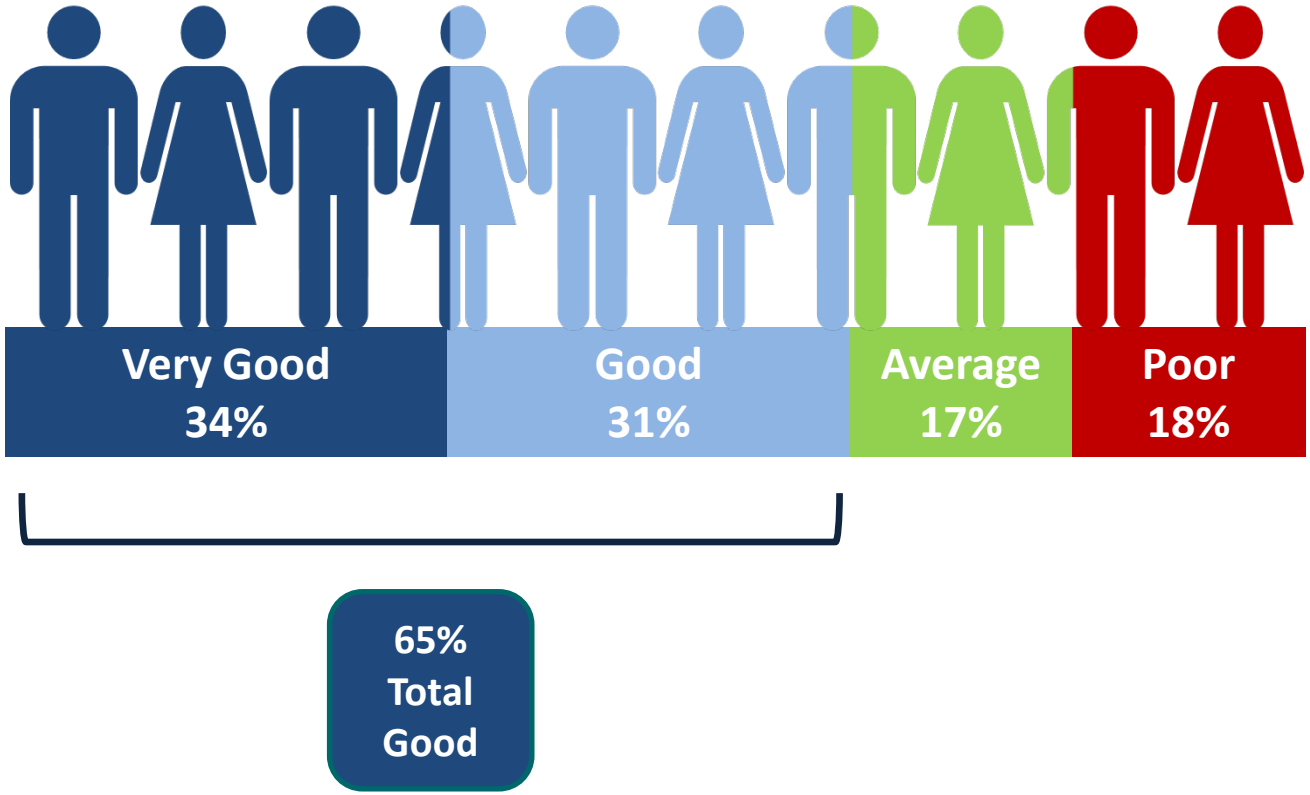
Q13. How would you rate your (most recent) Claims Manager in terms of [INSERT ITEM]?

Base: Respondents who provided a rating.

Employer Confidence with Reporting

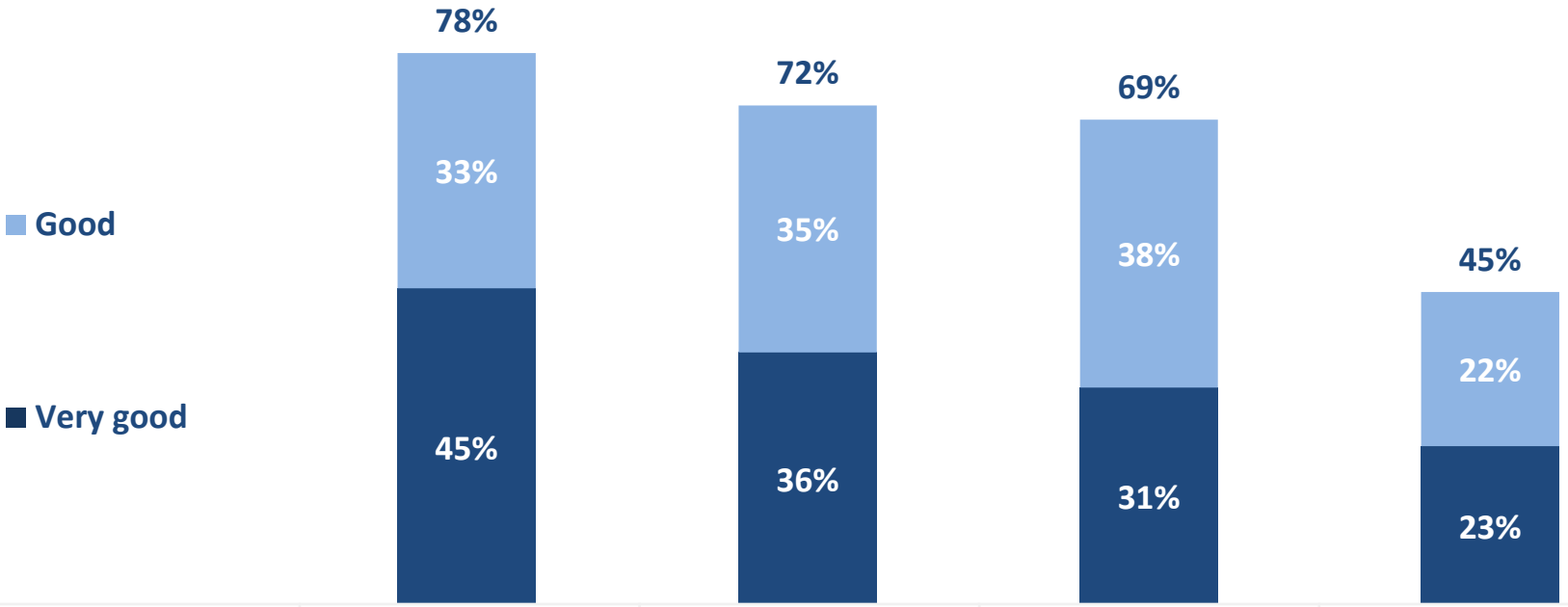
- Improve communications / relationship between auditors and employers
- Focus on education that builds reporting confidence

Overall Audit Experience with L&I



How would you rate the overall audit experience with L&I?
Base: All respondents (n= 400)

Overall Experience by Total Assessment
(Penalties and premiums combined)

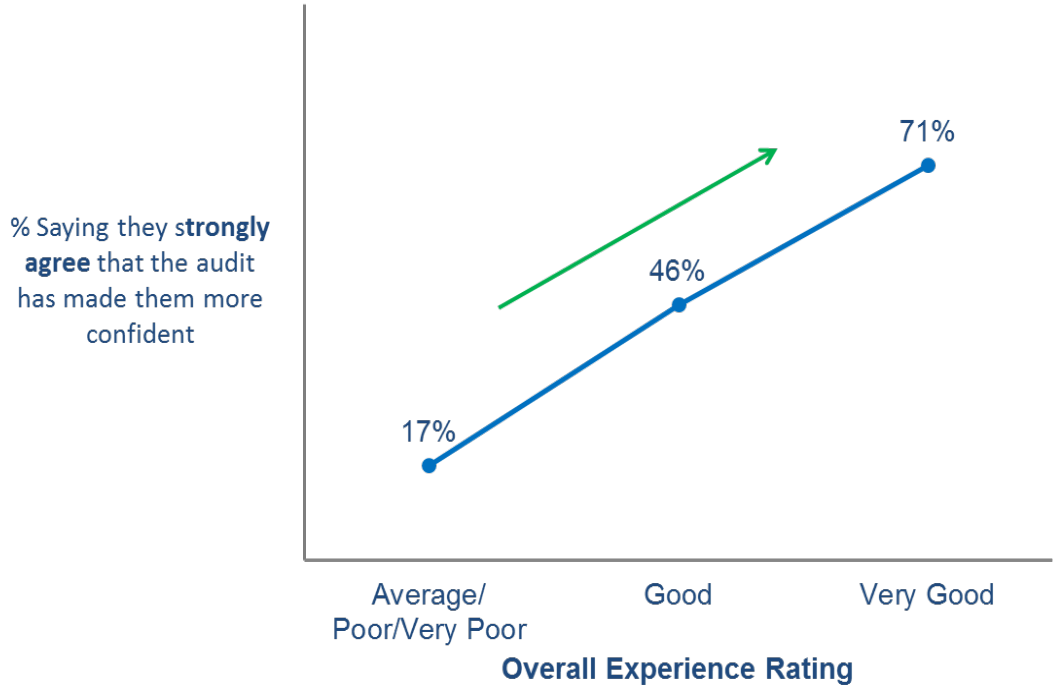


	Credit or Nil	$1 to $750	$751 to $2,500	Over $2,500
Total Good	78%	72%	69%	45%
Average	15%	18%	14%	21%
Total Poor	7%	11%	17%	35%
Number of Interviews	102	102	77	119

Base: All Respondents (n= 400)

Employer Confidence with Reporting

Impact of the Audit Experience on Confidence in Reporting to L&I



Q1. How would you rate the overall audit experience with L&I? Would you say…

Q24. To what extent do you agree or disagree that the audit has made you more confident about accurately reporting to L&I? Would you say you …

Base: Respondents that rated the overall inspection as average, poor or very poor (n=141), good (n=125) or very good (n=134)

Education builds employer confidence

- Usability of post-audit information and debriefing with the employer
- Increased emphasis on communications skills when hiring auditors
- Proactive information to help employers avoid common mistakes
  - Risk class reporting including exception classes
  - Accurate and detailed recordkeeping
  - Independent Contractors

What's next

- Use customer research to:
  - Clarify customer need
  - Measure performance

- Ongoing surveys in Claims, Audit, DOSH Compliance
- Focus groups to provide detail
- Usability testing to improved documents & forms

CLOSING COMMENTS

Joel Sacks,
Director

Vickie Kennedy,
Assistant Director for Insurance Services

Washington State Department of Labor & Industries

ADJOURN