

Workers' Compensation Advisory Committee

April 30, 2013



Agenda

Time	Topic	Presenter(s)
9:00am-9:45am	Welcome <ul style="list-style-type: none"> • Introductions • Motion to approve meeting minutes from Dec. 6, 2012 • Safety Message – Ergo App • Reorganization & New Staff Introductions • Legislation Update 	Joel Sacks Vickie Kennedy
9:45am-9:55am	Working Solutions	Kim Contris
9:55am-10:25m	2011 Reform Updates <ul style="list-style-type: none"> • Medical Provider Network • COHE Expansion • Structured Settlements 	Janet Peterson Leah Hole-Curry Diana Drylie
10:25am-10:40am	BREAK	
10:40am-10:50am	Washington State’s Logger Safety Initiative	Vickie Kennedy
10:50am-11:05am	Industrial Insurance Fund Statutory Financial Information	Sharon Elias
11:05am-11:25am	Workers Compensation Insurance – Current Conditions	Kirsta Glenn
11:25am-11:45am	Operational Health Plan – Claims Evolution	Ernie LaPalm Vickie Kennedy
11:45am-12:00pm	Closing Comments <ul style="list-style-type: none"> • Future Meetings • Adjourn 	Joel Sacks Vickie Kennedy

INTRODUCTIONS & MEETING MINUTES

*Joel Sacks,
Director*

*Vickie Kennedy,
Assistant Director for Insurance Services*



SAFETY MESSAGE



Mobile Ergonomics Solution For iPhone or iPad

OSHA Worker Safety & Health
App Challenge – People’s
Choice Award 2012

REORGANIZATION & NEW STAFF INTRODUCTIONS

*Joel Sacks,
Director*

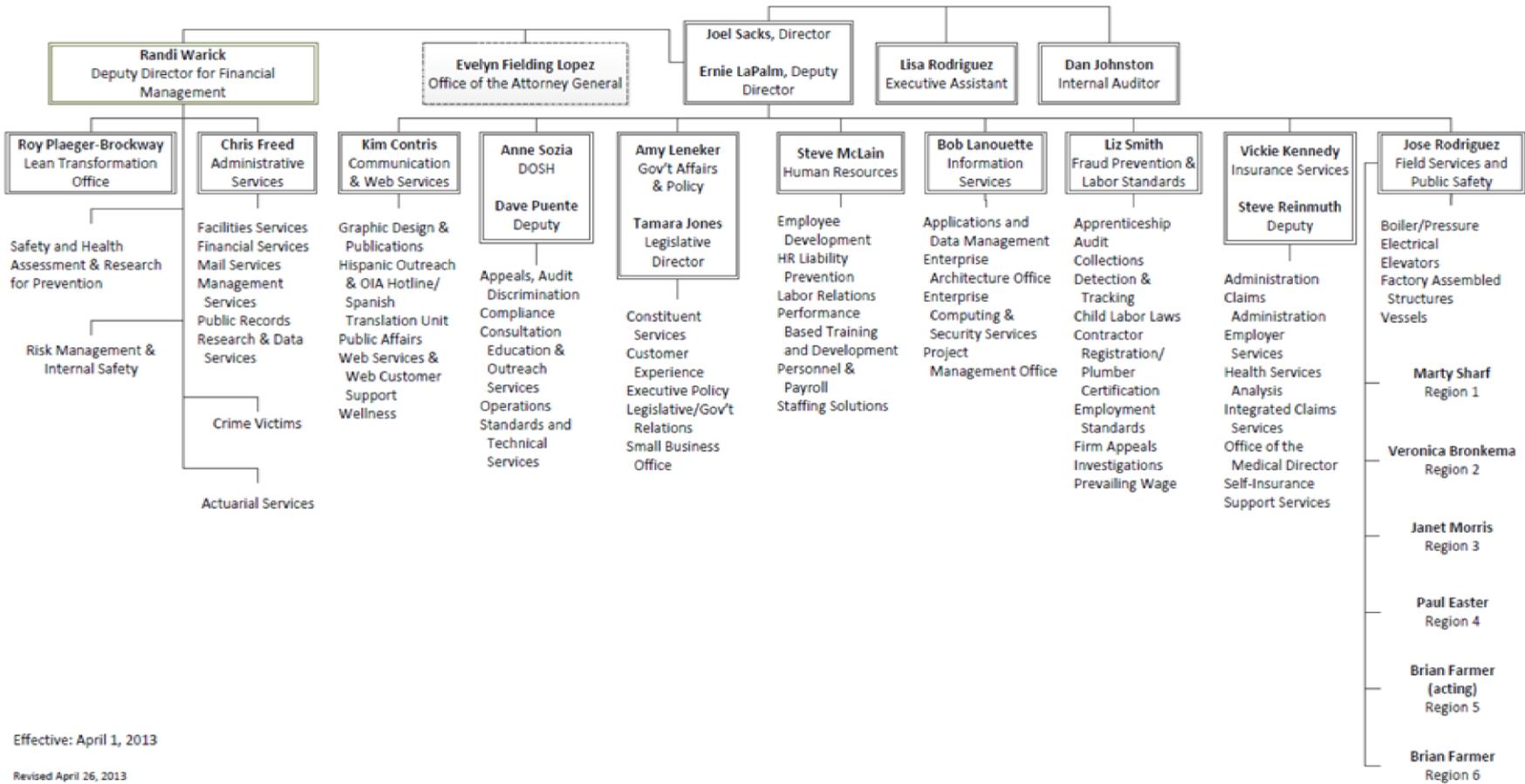
*Vickie Kennedy,
Assistant Director for Insurance Services*

Key Focus

- Make workplaces safe
- Help injured workers heal and return to work
- Make it easy to do business with L&I
- Help the honest workers and businesses by cracking down on the dishonest ones
- Ensure L&I is an employer of choice

Updated Organizational Chart

Department of Labor & Industries Organizational Chart



Effective: April 1, 2013

Revised April 26, 2013

LEGISLATION UPDATES

Vickie Kennedy,
Assistant Director for Insurance Services



WORKING SOLUTIONS

[Jerry the cake decorator](#)

[Stay at Work banner ad](#)

[FileFast banner ad](#)

Kim Contris
Communications Director



2011 REFORM UPDATES



MEDICAL PROVIDER NETWORK

Janet Peterson

Program Manager, Health Services Analysis



Application Processing Status

Network Applications (as of April 28, 2013):

<u>Status</u>	<u>Number of providers</u>
Approved	13,456
Pending / able to treat	4,080*
Pending / unable to treat	1,439
TOTAL APPROVED OR PENDING DECISION	18,975

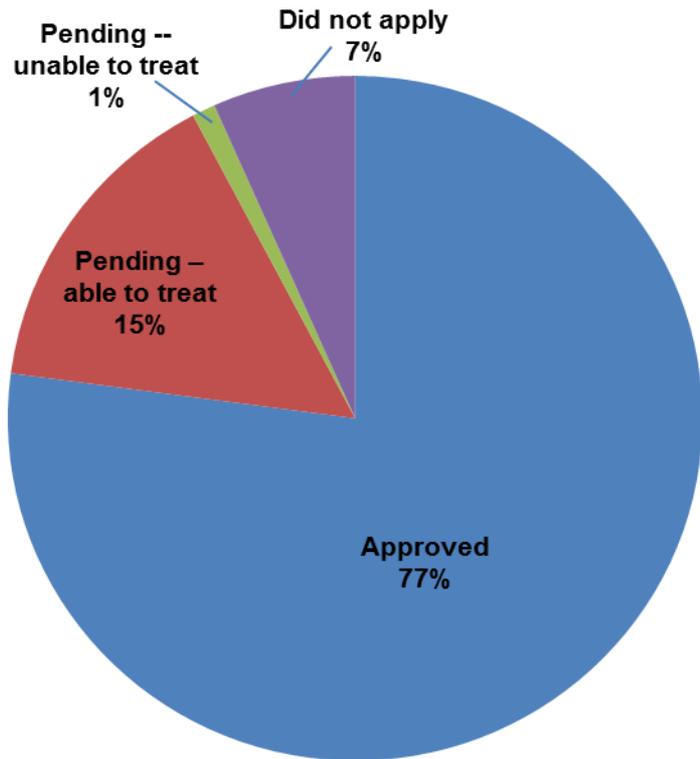
- * Providers with pending applications can currently bill and be paid for ongoing care for injured workers if they:
- Applied by January 1, 2013; or
 - Meet criteria for Provisional enrollment

Network Phase-in Approach

Beginning **January 1, 2013**, the following Washington State providers can treat for the initial visit *only* unless they are in the network or submitted a complete application by December 31, 2012:

- Physicians (medical and osteopathic)
- Chiropractors
- Naturopathic Physicians
- Podiatric Physicians
- Advanced Registered Nurse Practitioners
- Physician Assistants
- Dentists
- Optometrists

State Fund Claims by Attending Provider's network status (4/28/2013)



Provider Status	# of Open Claims	% of Open Claims
Approved	32,012	77%
Pending application – able to treat	6,301	15%
Pending application – unable to treat	449	1%
Did not apply (may include exempt providers such as ER)	2,760	7%
TOTAL	41,522	100%

NOTE: Most (around 70%) of providers with applications pending are not currently an Attending Provider on any open claims.

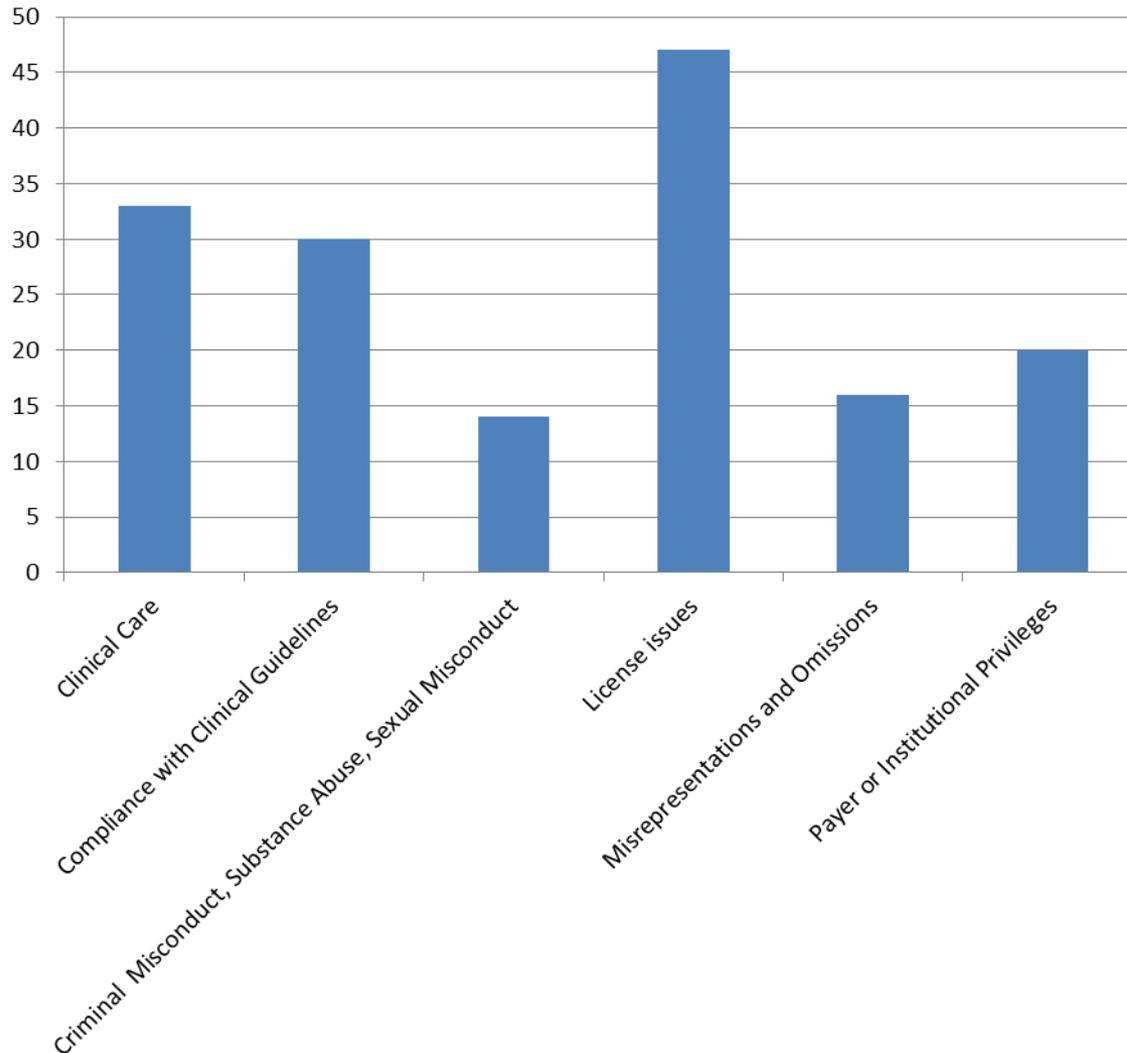
Status of denied applications – through April 28, 2013

	Providers	
Providers Initially Denied	69	
Providers Approved on Reconsideration	9	
	Providers	# of State Fund Claims as of March 2013
Denial Final & Implemented	27	493
Denial Pending or in Reconsideration	33	541
TOTAL PROVIDERS WITH FINAL OR PENDING DENIALS	60	1,034

Denials are effective 60 days from provider's initial notification unless the provider requests reconsideration.

We expect additional denials to arise as we continue to review more applications.

Reasons for denials (through April 28, 2013)



Based on WAC categories cited in denial letters

NOTE: Some providers are counted in more than one category

■ # of denied providers with issue

Measures of Access to Care (from WAC 296-20-01010(4))

- Percent of injured workers statewide who have access to at least five primary care providers within fifteen miles:

	2012 Baseline	2013 Network (including applications in process)
State Fund	99%	98%
Self-Insured	99%	99%

- Percent of injured workers **by county** who have access to at least five primary care providers within fifteen miles
- The availability within the network of a broad variety of specialists necessary to treat injured workers

Next Steps

- Finish processing remaining applications
- Manage requests for reconsideration and appeals from denied providers
- Support transfer of care for injured workers as needed
- Monitor access to care, payment issues, and outcomes
- Design and implement data analysis to identify providers who present a “risk of harm”
- Finalize criteria and processes for Top Tier (see COHE slides)

CENTERS OF OCCUPATIONAL HEALTH AND EDUCATION (COHE) EXPANSION

Janet Peterson

Program Manager, Health Services Analysis



Project Overview

Promote and incentivize use of occupational health best practices

- Expand geographic access to Centers of Occupational Health & Education (COHEs)
- Develop best practices that span the full period of recovery (not just the first twelve weeks)
- Implement Occupational Health Management System (OHMS) to track best practices, provide feedback to providers, and help coordinate care
- Identify “top tier” network providers who use best practices, and provide incentives

COHE Expansion

- 2 business and 2 labor representatives (nominated by WCAC caucus chairs) participated in selection process
- March 18: Eight healthcare organizations submitted bids for new contracts to start July 1st
- April 19: Notified six organizations that they are Apparent Successful Bidders
- Contract discussions currently underway
- These six COHEs will provide services in 36 counties – up from current 19 counties that have COHE services

Pilots of new Best Practices

Underway:

- Activity Coaching
 - 12 activity coaches encourage structured activities to help injured workers resume activities / integrate into work
- Functional Recovery Questionnaire & Interventions
 - Administer questionnaire to identify at-risk workers and recommend interventions to Attending Providers

Final stages of development / provider recruitment:

- Surgical Best Practices
 - For surgical patients, case coordinators will focus on transitions of care and interventions to promote timely return to work

Occupational Health Management System (OHMS)

- Technology to support COHE expansion and other provider-based programs
 - Care coordination & alerts (high risk claims or actions due)
 - Track occupational health best practices
 - Integrate with L&I systems and (in later phases) providers' Electronic Medical Record systems
- Project has multiple phases through 2015
- Phase 1 is on track to go “live” in June, for start of new COHE contracts
 - Focus of this phase is on tools for COHE Health Services Coordinators

“Top Tier” Network

- Got feedback from the Provider Network Advisory Group on criteria for providers who demonstrate occupational health best practices.
- Beginning to design operational procedures
- Plan to review with the Provider Network Advisory Group in October

STRUCTURED SETTLEMENTS UPDATE

*Vickie Kennedy,
Assistant Director for Insurance Services*



BREAK



WASHINGTON STATE'S LOGGER SAFETY INITIATIVE

*Vickie Kennedy,
Assistant Director for Insurance Services*

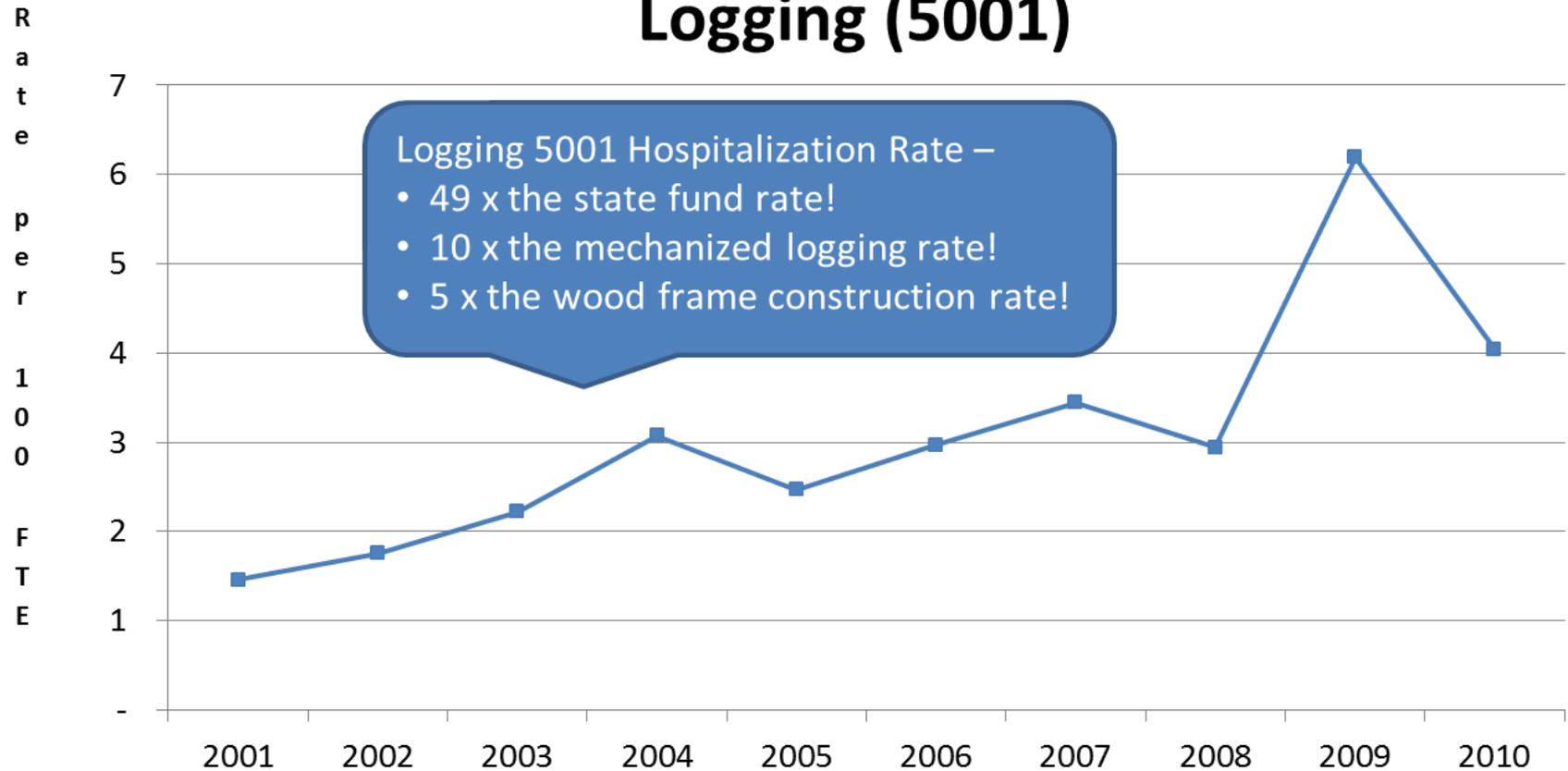


Injuries in Logging

Injury rates in non-mechanized logging are 10-times higher than mechanized logging and all other state fund risk classes.

Logging (5001) claim rate comparisons, 2002-2010		
	Accepted Claims Rate/100 FTE	Compensable Claims Rate/100 FTE
Non-Mechanized Logging (5001)	58.9	27.7
Mechanized Logging (5005)	5.5	2.1
All other State Fund	7.1	1.8

Acute Inpatient Hospitalization Rate for Logging (5001)



Increasing trend in acute inpatient hospitalization rate.

Source: L&I, SHARP, Inpatient hospitalizations within 24 hours of injury; SF Logging 5001.

Logger Safety Initiative

- Partnership with private land owners, logging companies, Dept. of Natural Resources and Dept. of Labor & Industries.
- Focus on ways to reduce costs by ...
 - Promoting occupational safety
 - Reducing frequency and severity of workplace injuries and fatalities
 - Increasing proper reporting

Logger Safety Taskforce

- The taskforce will focus on elements designed to reduce the frequency and severity of injuries and fatalities:
- Result in a Logger Safety Program with sector wide standards that:
 - Enhance existing safety and health requirements
 - Require worker training and effective supervision
 - Include criteria/certification program for companies to qualify for incentives confirmed through performance-based audits
 - Include a governance structure to ensure industry commitment and participation
- Identify information sources to aid L&I in focusing resources on logging locations

WA Logger Safety Initiative Accord

Washington State's Logger Safety Initiative Accord

Goal:

The Washington State Logger Safety Initiative, in partnership with private land owners, the Washington Contract Loggers Association, logging companies, the Washington Department of Natural Resources, and the Washington Department of Labor & Industries, will focus on ways to promote occupational safety, reduce the frequency and severity of workplace injuries and fatalities, increase proper reporting, and explore options for reducing costs, in an effort to create a culture of safety that is pervasive throughout the logging industry in Washington State.

Objectives:

- Create a Logger Safety program that establishes sector-wide standards for worker training, performance and supervision.
- Establish a certification process for individual company safety programs to ensure compliance with sector-wide standards and review progress of logging operations through mandatory performance based audits.
- To the extent practical, create an environment of shared learning that fosters honesty and rewards self-reporting of incidents.

Core Beliefs:

- We believe that all fatalities and injuries are preventable.
- We believe in a culture where the health and safety of all workers is the highest priority.
- We believe that excellence in health and safety is possible and is important to our long-term success.

Shared Responsibilities:

- As an industry, we must embrace a culture of safety. We are collectively and individually responsible for the safety of all workers and all worksites.
- As an individual, we must assume responsibility for complying with all applicable safety rules, procedures and practices, refusing to perform unsafe work, and taking collective responsibility for the unsafe conduct of others.
- As an employer and landowner, we must take a leadership role in ensuring worker health and safety is our number one priority and assuring accountability for safety on the worksite.

Recognition of Safety Performance & Practices:

- The commitment to health and safety is to all workers, not just direct employees. When engaging contractors, sub-contractors and others to provide services, the selection process and administration of contracts will include recognition and support of good safety performance and practices.
- Employers will recognize and support the safety performance of their employees.
- All employers and landowners will give weight to the safety record and current practices of companies in the awarding of contracts.

Continual Improvement:

- We are committed to the on-going improvement of our practices and support efforts to develop and implement new methods, procedures and technologies that have the potential to improve the health and safety of our industry.

04/03/13

Objectives:

- Create a Logger Safety program that established sector-wide standards for worker training, performance and supervision.
- Establish a certification process for individual company safety programs to ensure compliance with sector-wide standards and review progress of logging operations through mandatory performance based audits.
- To the extent practical, create an environment of shared learning that fosters honesty and rewards self-reporting of incidents.

Industry Education & Audit Program

- An industry-focused program to provide education followed by increased audit activity for the logging contractors to promote proper reporting.
- Sub-group focused on reporting. Representatives from landowners, contract loggers, Department of Revenue, DNR, and L&I.

Industry Education & Audit Program

- The logging industry focused audit program will include a period of industry education focused on safety, reporting and risk management.
- After the education period is over, focused industry field audits would begin for firms that appear to be out of compliance.
- Education piece will take place in May and June 2013 and focused audits will begin in the summer.



INDUSTRIAL INSURANCE (STATE) FUND

FINANCIAL OVERVIEW

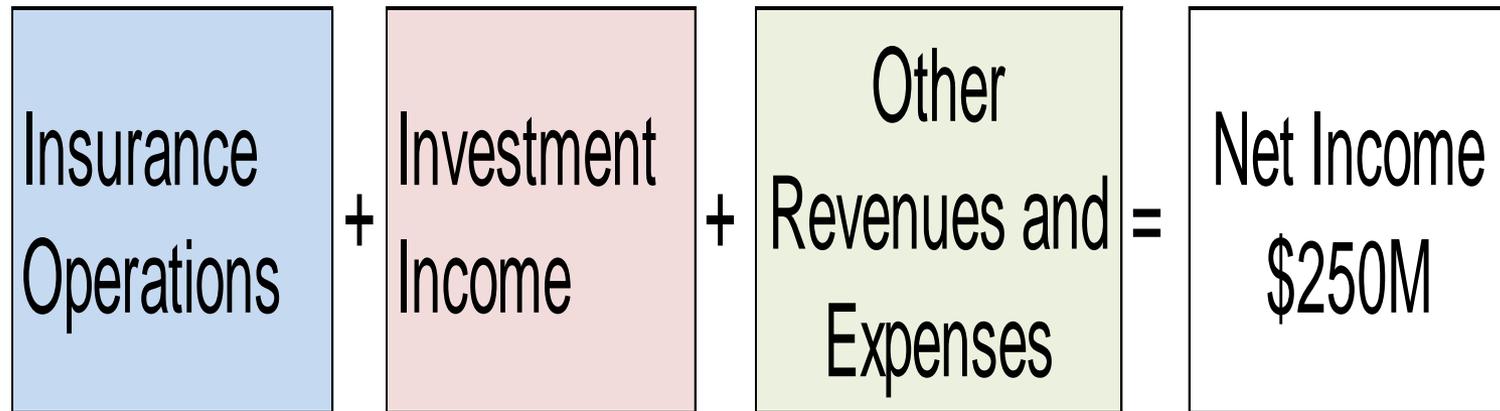
STATUTORY FINANCIAL INFORMATION FISCAL YEAR 2013 – SECOND QUARTER JULY 2012 THROUGH DECEMBER 2012

Sharon Elias
Chief Accounting Officer

State Fund Results

“Net Income”

July 2012 through December 2012 revenues exceed expenses resulting in Net Income of \$250 million

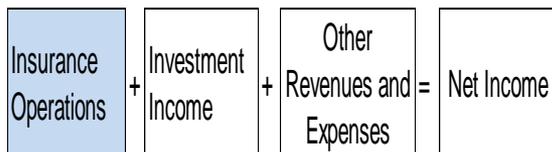


Insurance Operations

July 2012 through December 2012
(in millions)

We took in (Premiums Earned)	+	\$	840
We Spent (Expenses Incurred)			
Benefits Incurred			796
Claim Administrative Expenses			77
Other Insurance Expenses			36
			<hr/>
Total Expenses Incurred	-		909
			<hr/>
Net Loss from Insurance Operations	=	\$	<u>(69)</u>

This means we spent more than we collected on premiums. As with other workers compensation insurers, we expect to spend more than what we collect in premiums because we rely on the investment income to cover benefit payments.



Premiums Earned

July 2012 through December 2012
(in millions)

	Six Months Ended		Fiscal Year Ended June 30, 2012
	December 31, 2012	December 31, 2011	
Standard Premiums Collected	872	832	1,615
Less Retrospective Rating Adjustments	(38)	(38)	(140)
Net Premiums Collected	834	794	1,475
Changes in Future Premiums Amounts To Be Collected	10	14	20
Changes in the future Retrospective Rating Adjustment Refunds	(4)	(31)	(31)
Net Premiums Earned	840	777	1,464

$\$840 - \$777 = \$63$ million increase

Net premium earned increased \$63 million mainly as a result of an increase in the hours reported.

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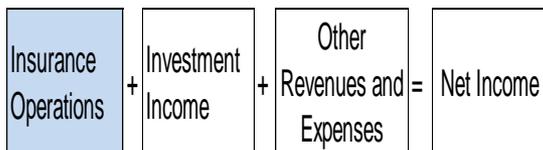
Benefits Incurred

July 2012 through December 2012
(in millions)

	Six Months Ended		Fiscal Year Ended June 30, 2012
	December 31, 2012	December 31, 2011	
Net Benefits Paid	783	770	1,547
Change in Benefits Reserved for Future Payment	13	247	410
Net Benefits Incurred	796	1,017	1,957

$\$796 - \$1,017 = \$221$ million decrease

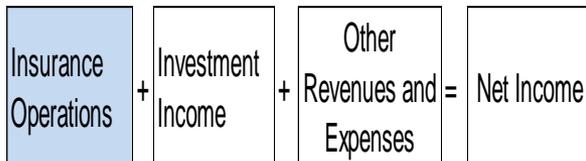
Benefits incurred represents claims reported and injuries that will result in a claim. Net benefits incurred decreased \$221 million as result of fewer long-term time-loss claims turning into pension than previously estimated.



Change in Benefit Liabilities

Benefit reserve for future payments increased only \$13 million during the first six months of Fiscal Year 2013. This unusually low increase was mainly due to:

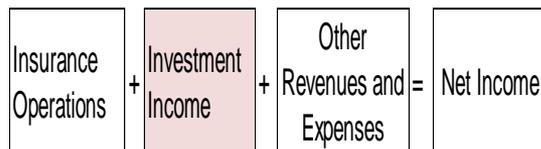
- ✚ Overtime approved to resolve long-term time-loss claims—resulted in a decrease in estimated future liabilities.
- Non-pension account discount rate changed from 2.0% to 1.5%—resulted in an increase in benefit liabilities.



Investment Income

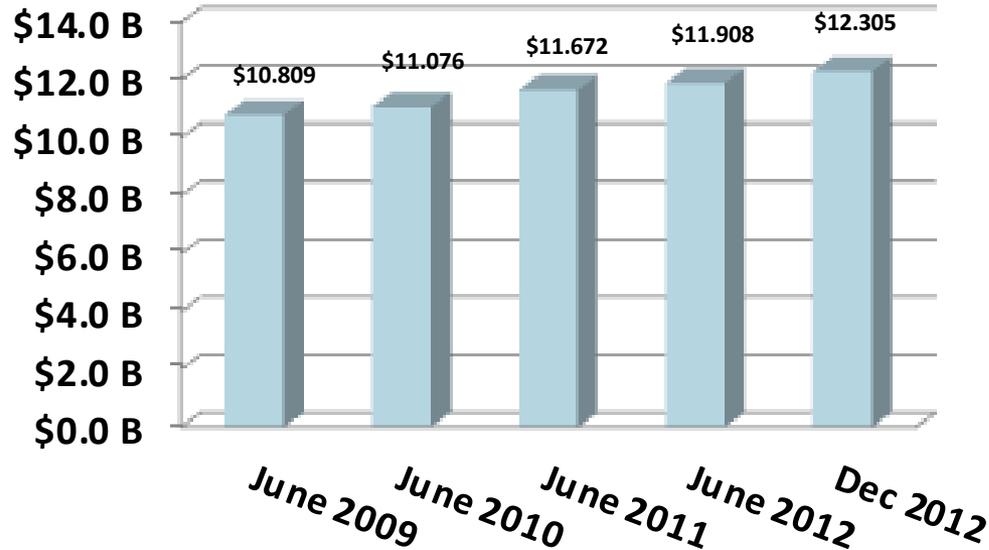
July 2012 through December 2012
(in millions)

Investment Income Earned from Dividends and Interest	+	\$	234
Realized Gains from Bonds (Fixed Income Investments) Sold	+		71
Realized Gains from Stocks (Equity (Equity Investment) Sold	+		0
Total Investment Income	=	\$	<u><u>305</u></u>



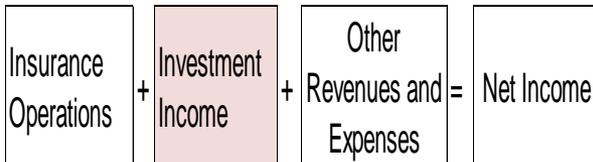
Total Investments

(rounded to billions)



Note: Securities lending collateral not included

Investments grew \$395 million in the past six months and ended at \$12.3 billion as result of operating profits and an improved economic condition.

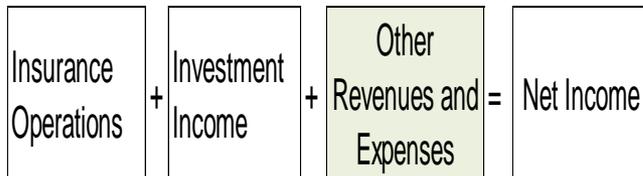


Other Revenues & Expenses

July 2012 through December 2012
(in Millions)

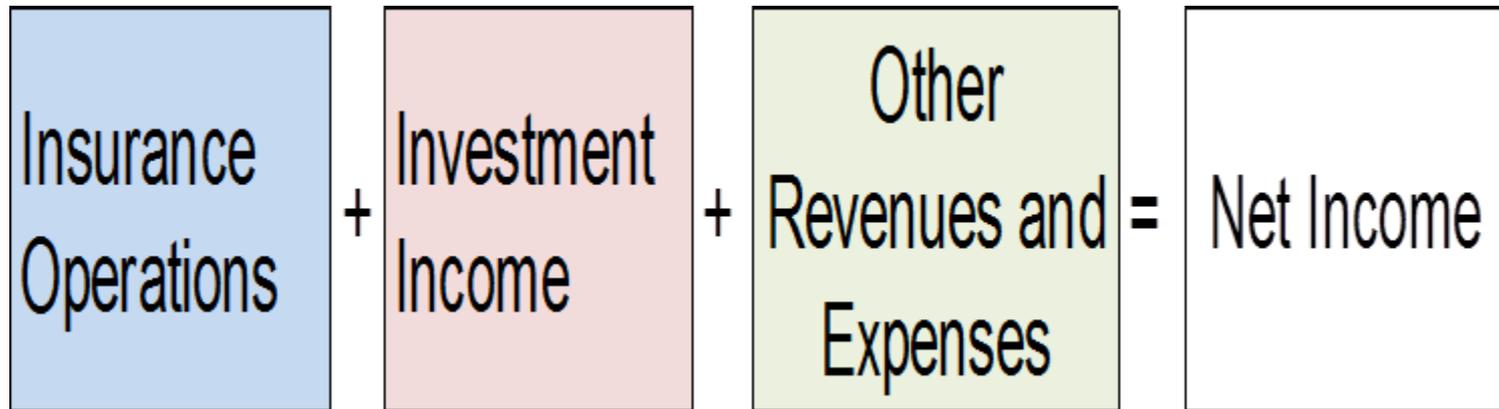
Fines, Penalties, Interest, and Other Revenues	+	23
Net of Self Insurance Reimbursements and Expenses	+	15
Non-Insurance Expenses	-	24
Net of Other Revenues and Expenses	=	<u>14</u>

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



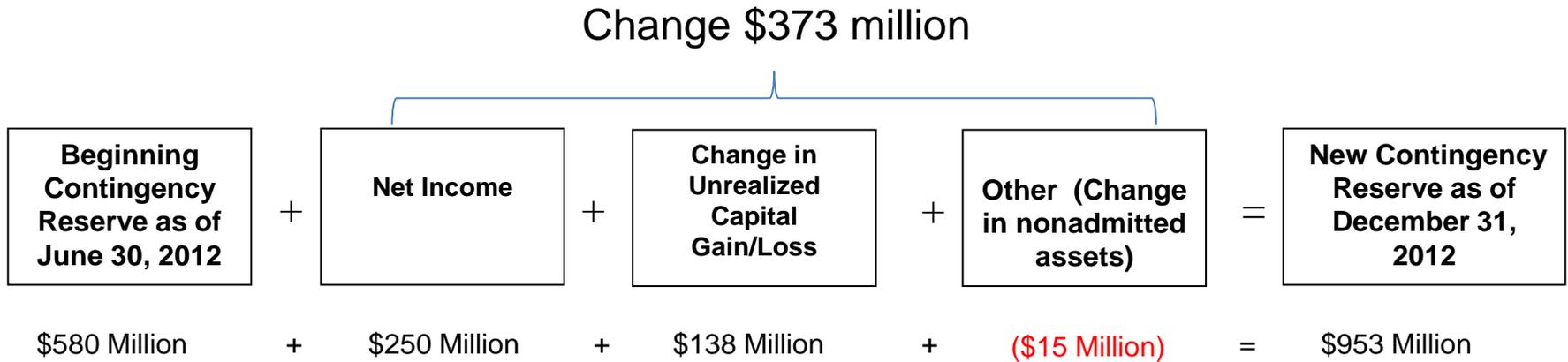
Net Income Summary

July 2012 through December 2012
(in millions)



(\$69) million + \$305 million + \$14 million = \$250 million

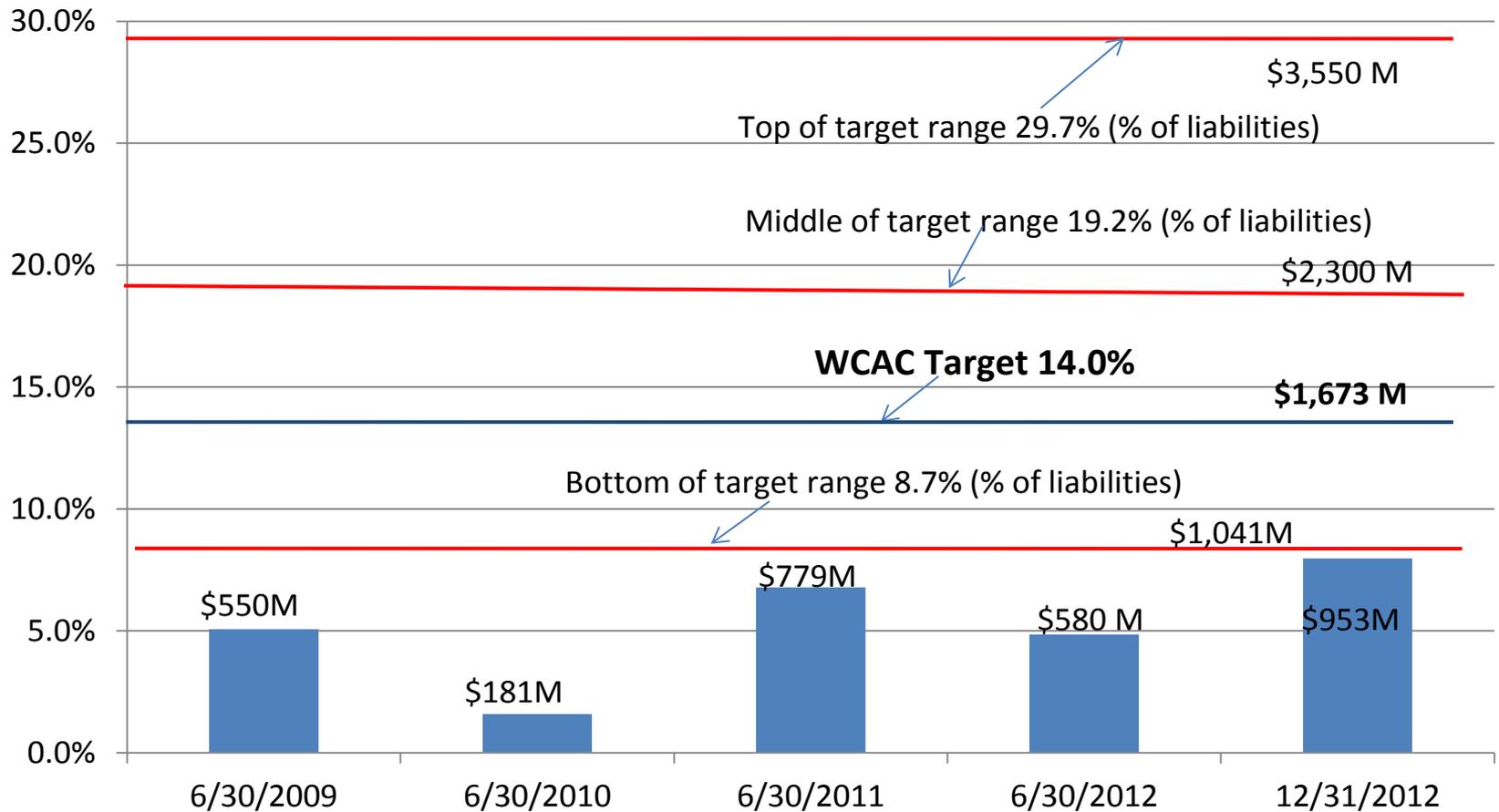
How Did Contingency Reserve Perform?



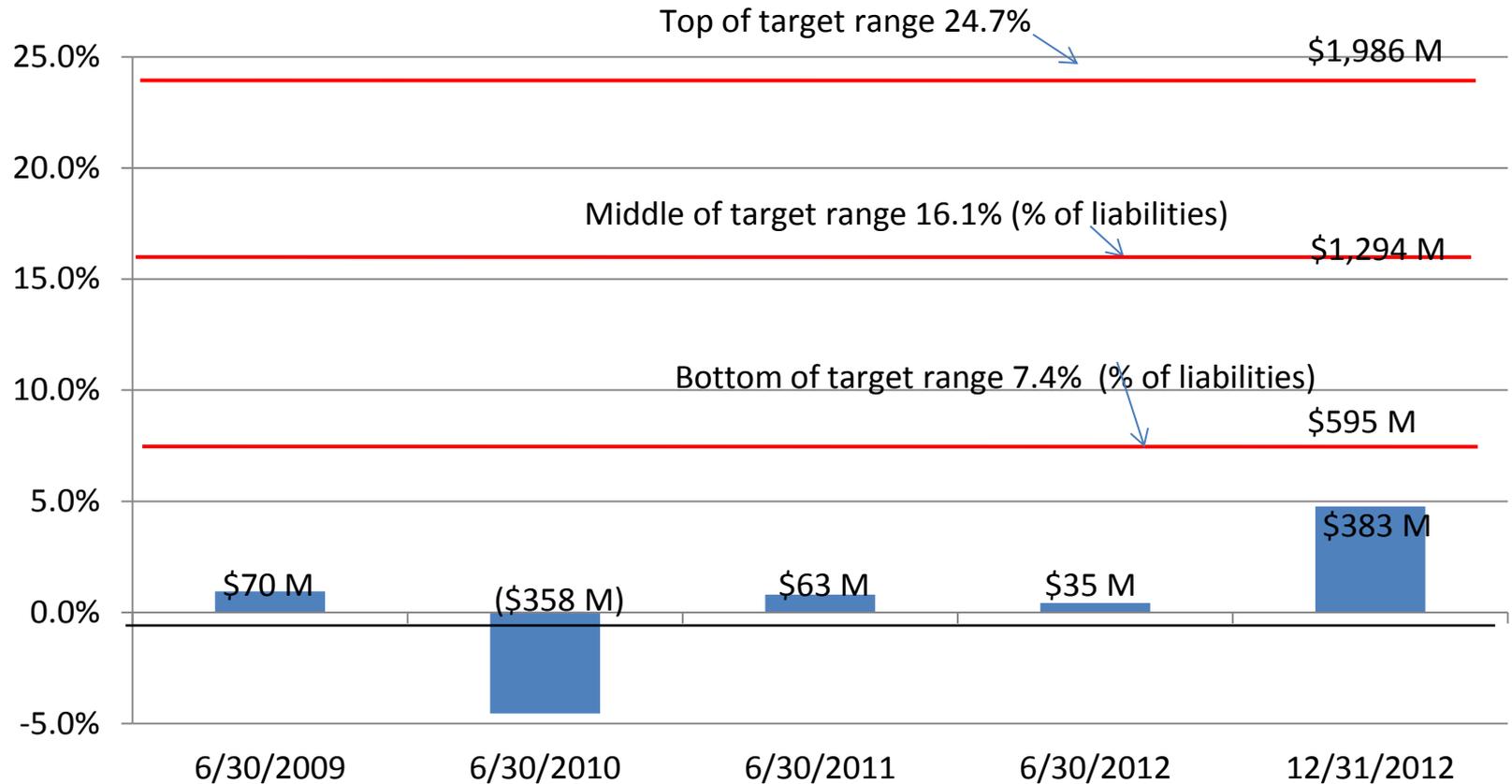
Contingency reserve amounts change from quarter to quarter due to adequacy of premium rates, unexpected changes in estimates of future benefit liabilities, and changes in economic conditions.

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

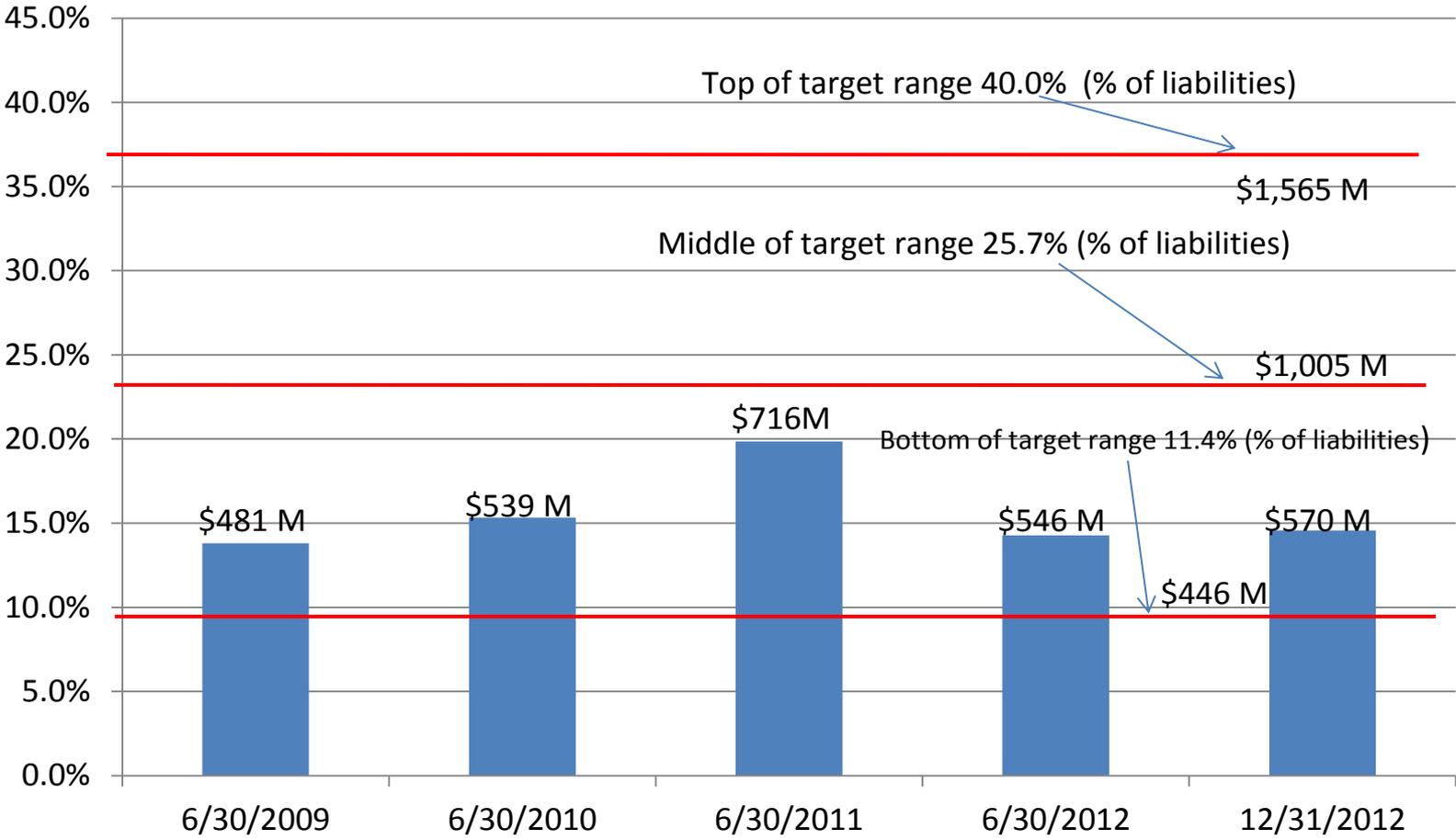
Combined Contingency Reserve vs. Targets



Accident & Pension Contingency Reserve vs. Targets



Medical Aid Contingency Reserve vs. Targets



Key Financial Ratios

as a percentage of premium earned

as of December 31, 2012

	Ratios	State Fund	Industry Forecast
A	Benefit (Loss Ratio)	94.7%	Conning does not separate these two ratios
B	Claim Administration Expense (CAE) Ratio	9.2%	
	Sub-Total: Benefit and Claim Administration Expense Ratios	103.9%	90.0%
C	Underwriting Expense Ratio includes all insurance administrative expenses except CAE	4.3%	24.0%
D	Combined Ratio (A+B+C)	108.2%	115.0%
E	Investment Income Ratio	27.9%	19.6%
F	Operating Ratio (D-E)	80.3%	95.4%

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

Underwriting Expense, combined, investment income and operating ratios are lower than the industry average.

* Industry forecast for 2012Q4 was provided by Conning

Six Months Financial Highlights

- Operation resulted in net income of \$250 million.
- The contingency reserve increased by \$372 million to \$953 million as compared to June 30, 2012. The increase is a result of net income and unrealized gains on investments.
- Operating ratio is at 80.3% which is lower than the industry average of 95.4%.

Questions & Comments

Contact Sharon Elias, Chief Accounting Officer,
at 360-902-5743 or email at:

elia235@lni.wa.gov

Thank You!

Non-Pension Discount Rate

- December 2011 discount rate for non-pension changed from 2.5% to 2.0% because the 5 year US Treasury yield is below 4.25%.
- At December 31, 2012, the five year average of 20 year US Treasury yield dropped to 3.73%.
- Formula for calculating the adjusted discount rate:

New Five Year Average of 20 Year US Treasury Yield	3.73%
Less: Adjustment for L&I Risk	<u>(2%)</u>
New Non-Pension Discount Rate	1.73%
New Non-Pension Discount Rate (Rounded to nearest 1/2%)	1.5% Adopted Adjusted Rate

Historical Investment Yield —the annual rate of return on investments expressed as a percentage of average total investments

	Six Months Ended		Fiscal Year Ended					
	December 31, 2012	December 31, 2011	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Investment Income/Average Invested Assets	2%	2%	4%	4%	4%	5%	5%	5%
Realized Gain (Loss)/Average Invested Assets	1%	0%	5%	1%	0%	(0%)	3%	2%
Unrealized gain (Loss)/Average Invested Assets	1%	(1%)	(5%)	4%	2%	(3%)	(4%)	2%
Total Investment Yields	4%	1%	4%	8%	6%	1%	4%	10%

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 implies that it has not been “cashed in.”

WORKERS COMPENSATION INSURANCE – CURRENT CONDITIONS

Kirsta Glenn, PhD
Research and Data Services



Economy

Nationally, 5.9 million jobs recovered from Mar 2010 – Mar 2013. 8.7 million jobs were lost during the recession, at current pace, it will take another 18 months to recover all lost jobs.

- ❖ Unemployment rate just below 8%
 - ❖ RTW continues to be a challenge for many injured workers
- ❖ Real GDP continues to grow at about 2%
 - ❖ Rise in employment and insurance exposure
 - ❖ Rebound of some industries hit hard by the recession

* Dec 2012 Employment Security Department

Economy

The Barclays US aggregate Bond Index declined in the first quarter, a first in that period since 2006.

Dow up 13.4% for the year.

- ❖ 10 T-bill rate under 2% and Inflation around 2%
 - ❖ Many workers comp insurance carriers have a large share of their portfolio in bonds – around 85% in Washington.
- ❖ S&P 500 Adjusted Close 1,500 in Jan 2013 – L&I earns more from investment income than most private carriers
 - ❖ Stock market up since 2009
 - ❖ Volatility high

Increasing Premium

Conning 2013 forecast
– rate increases
expected to outpace
loss cost growth in
2013-15, leading to
greater profitability.

- ❖ Nationally premium \$36.3 billion in 2011 up from \$33.6 Billion in 2010*
 - ❖ More rate increases approved
 - ❖ Increase in payroll
 - ❖ Some recovery of hazardous industries (increased jobs)
- ❖ In Washington, rates fell in terms of payroll, but hours increased to increase total premium
 - ❖ State fund
 - ❖ Calendar year 2010-11 1.6%
 - ❖ Calendar year 2011-12 3.1%
 - ❖ Self-insured
 - ❖ Calendar year 2010-11 2.7%
 - ❖ Calendar year 2011-12 0.3%

*NCCI – reported in 2012

Operating Results

A combined ratio greater than 100% indicates that the company spent more than they brought in for that period.

The operating ratio is the combined ratio less the investment income ratio.

The insurance industry measures operating results by the ratio of costs(loss) to premium earned - as of Dec 2012

❖ National

- ❖ Combined ratio 115%
- ❖ Operating ratio 95.4%

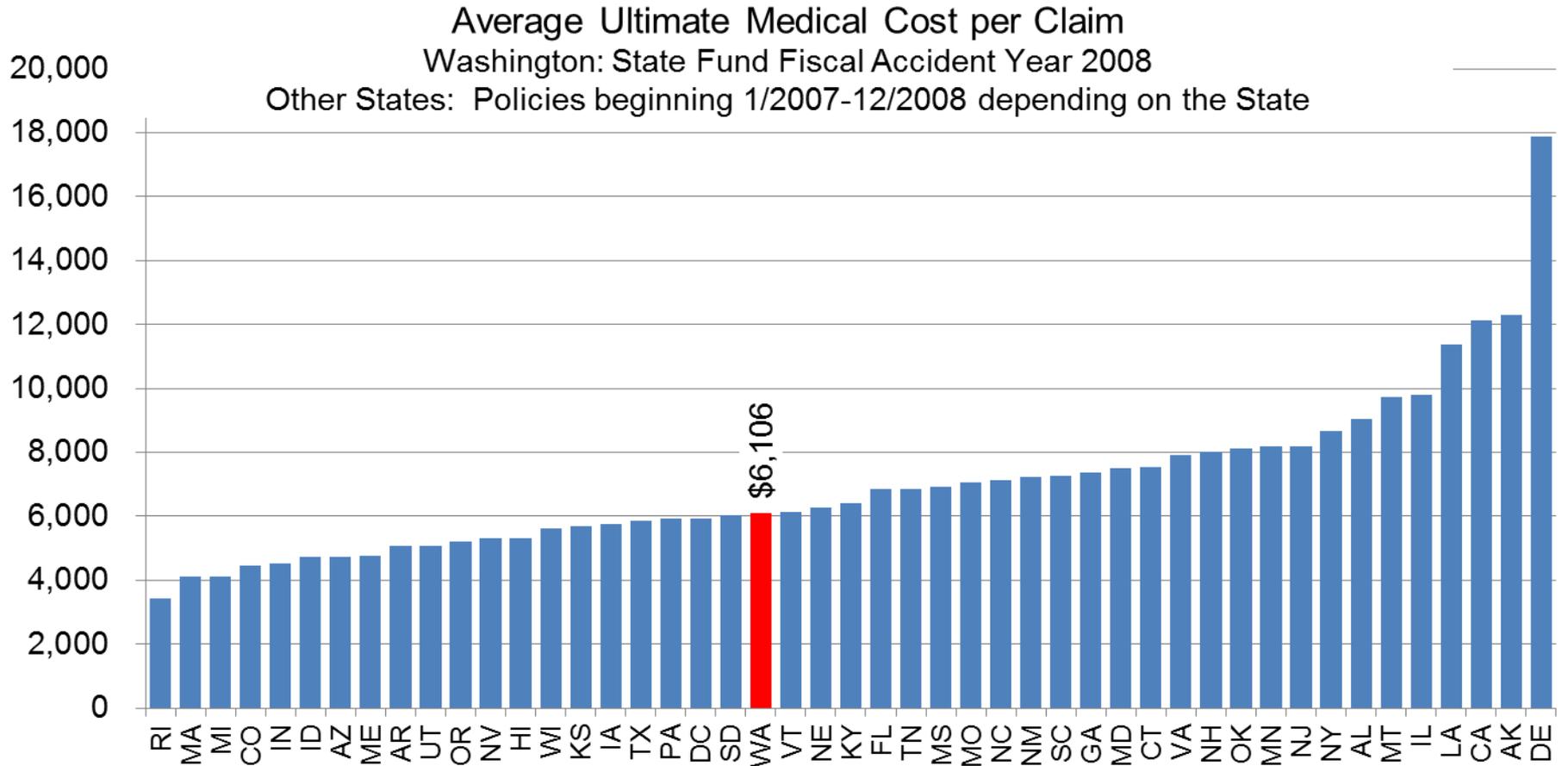
❖ Washington

- ❖ Combined ratio 108%
- ❖ Operating ratio 80%

Cost Drivers

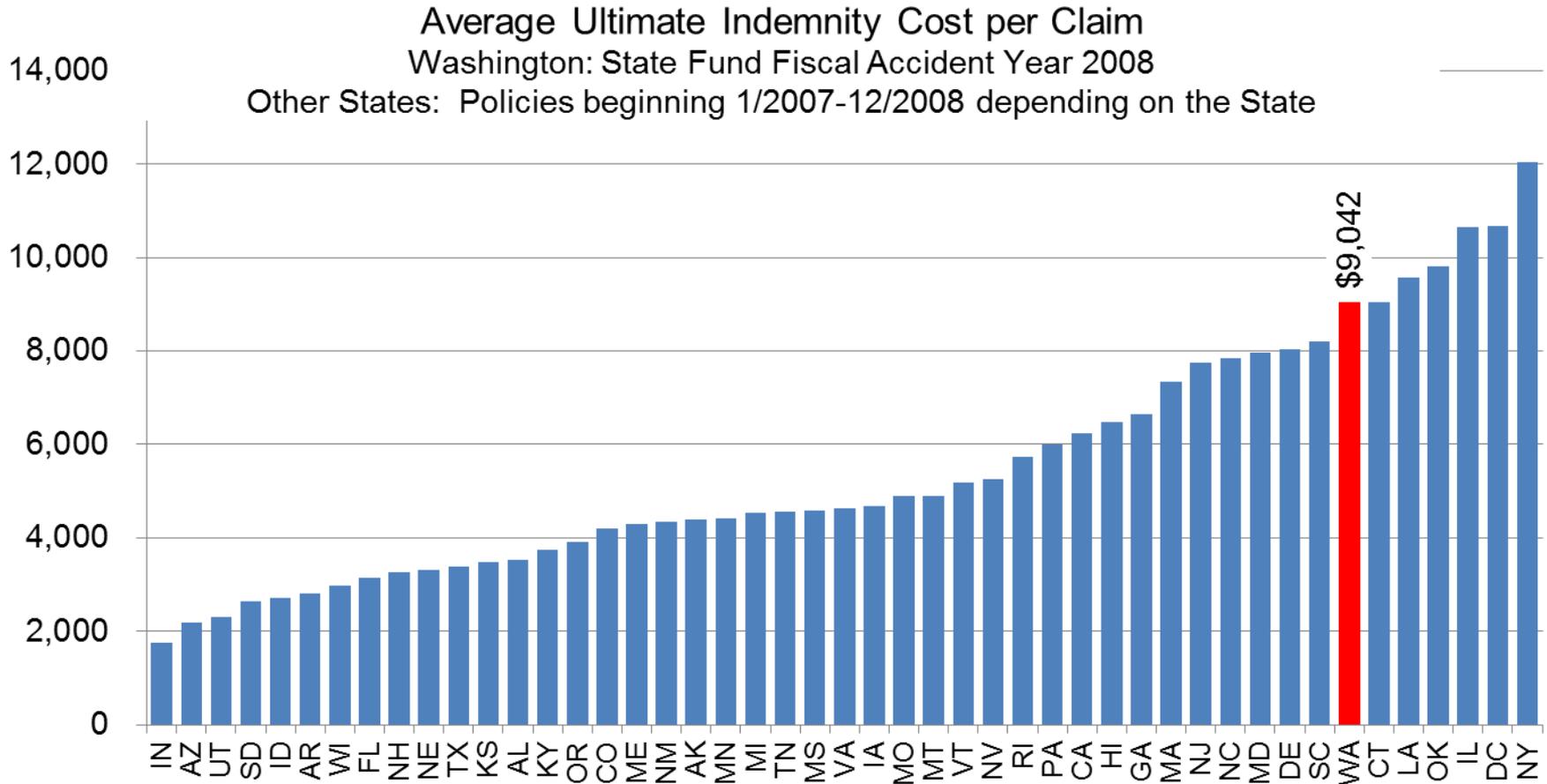
- Nationally
 - Frequency increased in 2010, and was down slightly in 2011.
 - Medical cost growth a main driver of claim costs
- Washington
 - Frequency of new claims has continued to decline
 - Medical cost growth below 5% since 2009
 - Indemnity costs have been stable since 2008

Washington Medical Severity is in the Middle Range



Other States' Data from the NCCI 2012 Annual Statistical Bulletin: Exhibit XI at 2nd Report
 WA = Discounted Ultimate Losses as of 12/31/12, claim counts as of 66 months

Washington Indemnity Severity is one of the highest



Other States' Data from the NCCI 2012 Annual Statistical Bulletin: Exhibit XI at 2nd Report

WA = Discounted Ultimate Losses as of 12/31/12, claim counts as of 66 months, excluding Supplemental Pension Fund.

t of

Long-term claims drive claim cost in Washington

- 9% of claims account for 85% of costs
- The average cost of a medical only claim is \$1,300 (73% of claims).
- The average cost of a short-term* time-loss claim is \$11,000 (70% of time-loss claims)
- The average cost of all time-loss claims is \$74,000.
- The average cost of a time-loss claim that goes to pension is \$760,000 (6% of time-loss claims)

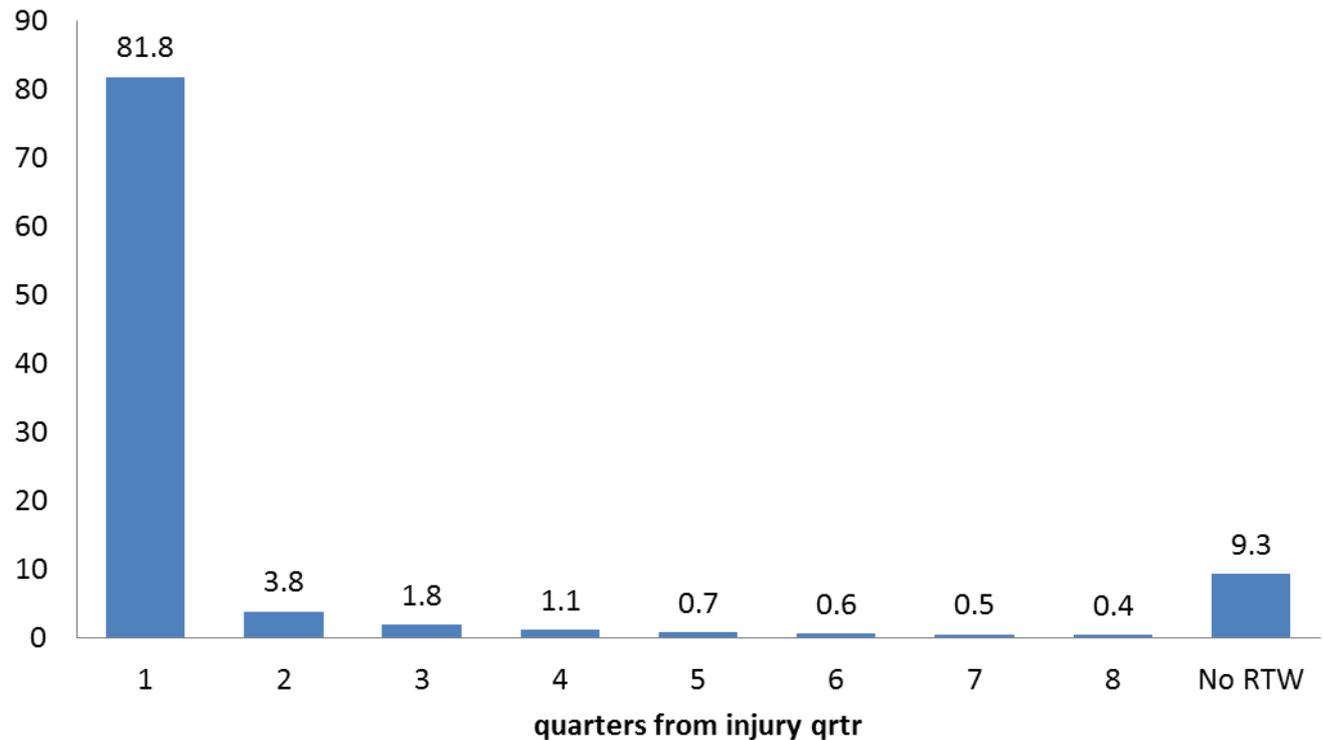
Data based on accident year ending 9/30/2011

*less than 90 days of time-loss

Most injured workers either return to work quickly or stay in the system a long-time

This L&I study followed injured workers from accident years 2007-2009 through two years in Employment Security Department data on employment.

Distribution of Claims by Return to Work Status within 8 quarters, All Compensable Claims



State-fund, compensable claims

L&I programs supporting early return to work

- Washington Stay at Work program
- Specialized Early Return to Work staff in regions
- Claim manager training on setting expectations for return to work
- Medical provider training on their role in return to work
- Retro groups focus on supporting early return to work and light duty programs

On a payroll basis, workers compensation rates have not had a clear trend (up or down) over the past ten years

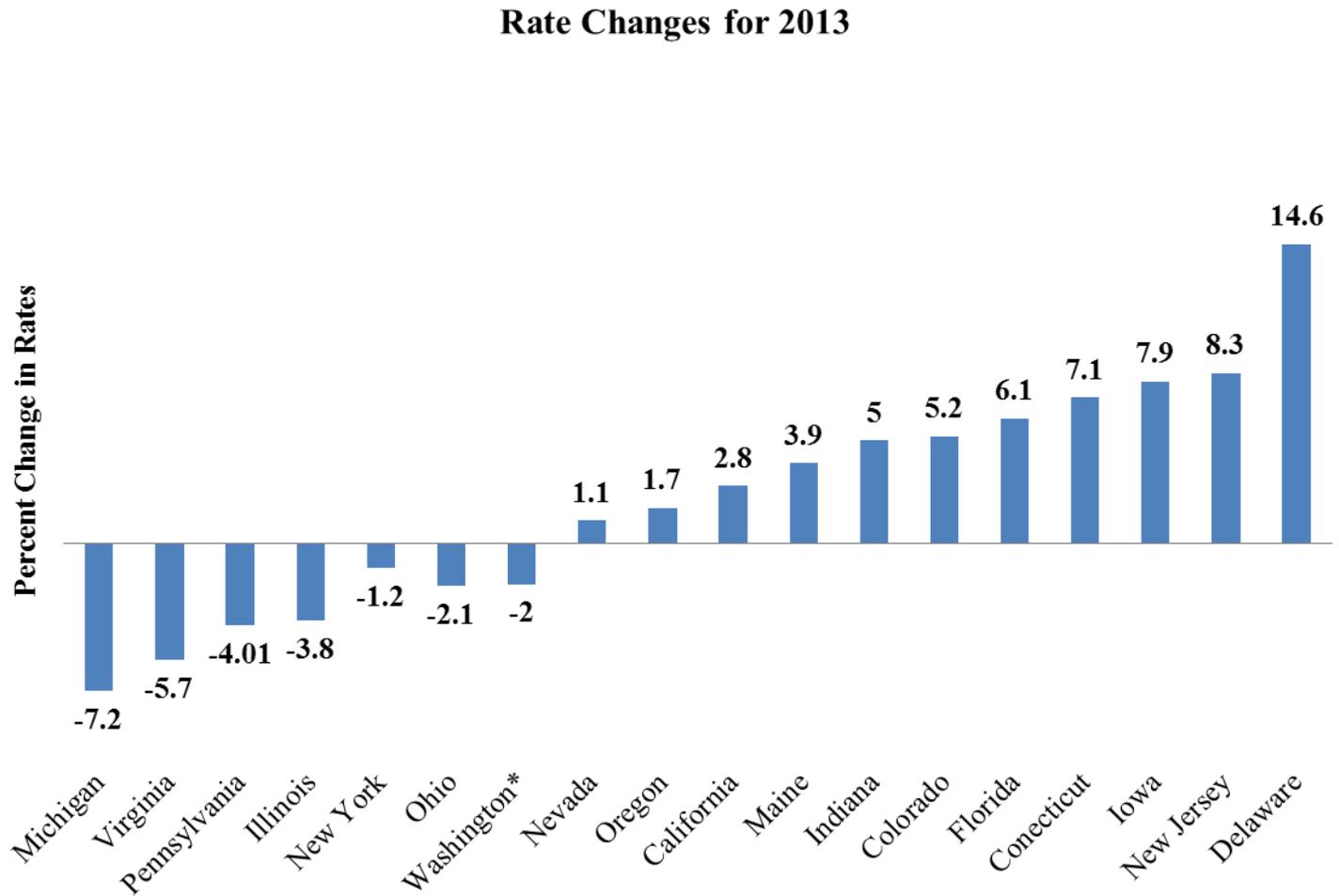
The average rate change over the past ten years has been 3.7% for both workers comp and the average wage.

Rating Year	Hourly Adopted Rate Increase	Rate per \$100 of Payroll	Percent Change in Payroll Rate
2013	0.0%	\$2.34	-2.0%
2012	0.0%	\$2.39	-2.4%
2011	12.0%	\$2.45	9.7%
2010	7.6%	\$2.24	5.5%
2009	3.1%	\$2.12	1.1%
2008	3.2%	\$2.10	0.1%
2007*	-2.0%	\$2.09	-6.5%
2006	0.0%	\$2.24	-5.9%
2005	3.7%	\$2.38	0.2%
2004	9.8%	\$2.37	9.0%

*This rate is an overall average for 2007 including the six month rate holiday starting in July 2007

More states are increasing workers comp rates in 2013

*note, Washington's hourly rate change was converted to a payroll basis for comparison.



THE OPERATIONAL HEALTH PLAN -- *CLAIMS EVOLUTION*



Moving forward, together

Ernie LaPalm,
Deputy Director

Vickie Kennedy,
Assistant Director for Insurance Services

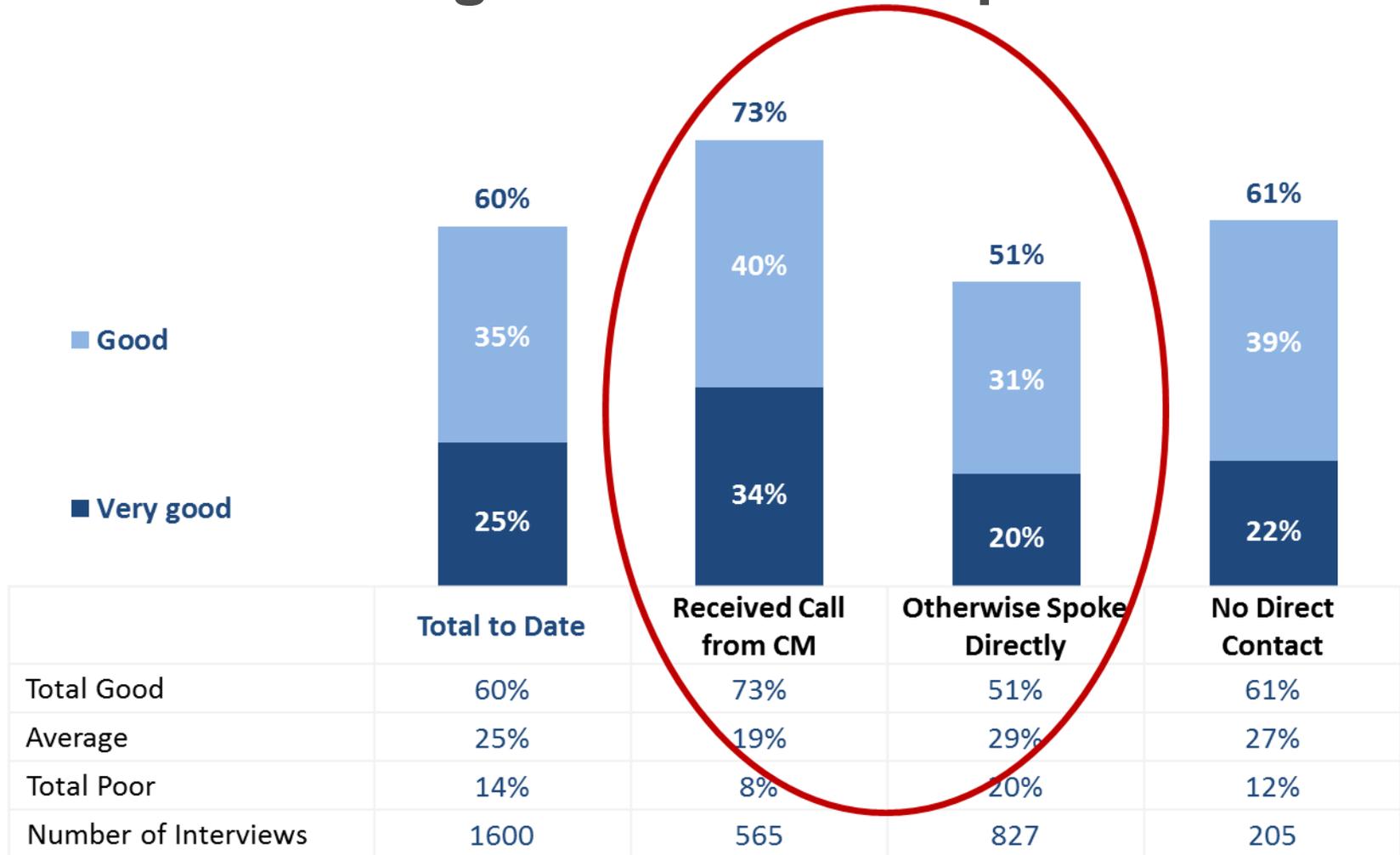
Claims Evolution

- L&I has consolidated several inputs looking at claims operations:
 - National Experts
 - Best Practices
 - Lean
 - Employee Surveys
 - Building a Better Customer Experience (BBCE)

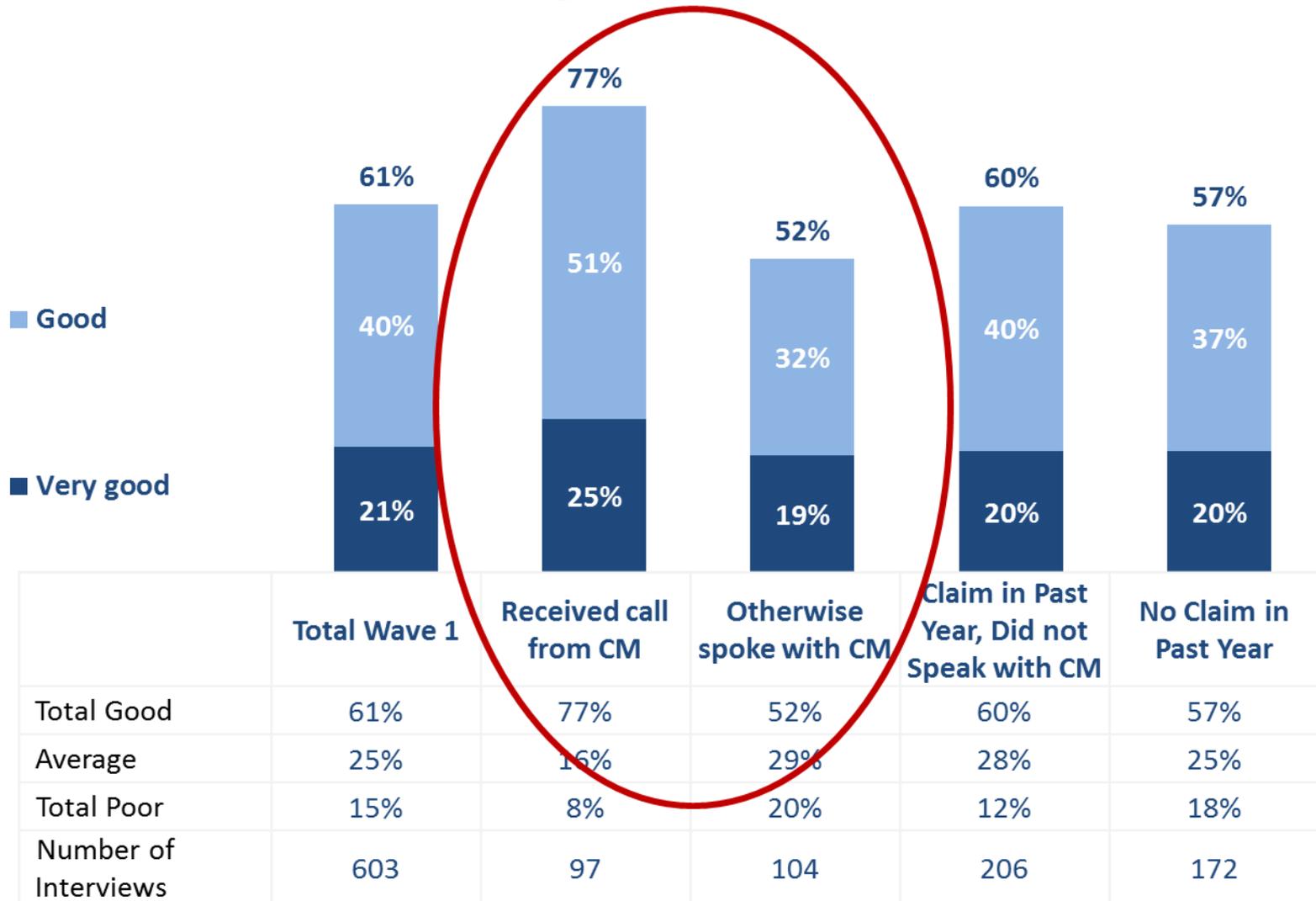
Claims Customer Experience

- Semi-annual surveys of injured workers and employers with active time-loss claims
- Customer data & insights bring customer voice to improvement projects
- Customers told L&I that the initial contact matters. Satisfaction levels are much higher for workers and employers contacted early in the course of their claims.

Injured Workers: Impact of Contact with Claims Manager on Overall Experience



Employers: Overall Experience by Contact with Claims Managers



Customer workshops

- Focused specifically on initial calls and communications
- Early contact with worker is essential to engage them in recovery, ease fear
- Early contact with employer more effective when relevant information to share
- Important to be friendly / Most important to be clear

Claims Evolution Themes

- Manage claims for outcomes vs. completing tasks
- Get the claim to the right skill at the right time
- Monitor performance for success

Claims Evolution

- Claims Evolution is a multi-year initiative designed to improve claims and medical management operations.
- Our goal is to meet or exceed industry standards. We want to give our employers, workers, and medical providers the kind of service necessary to reduce delay and return workers to work.

Key Focus Areas

- Use industry best practices to offer our customers proactive service from the beginning of the claim.
- Collaborate across programs and partner with employers and providers to get every worker possible back to work.
- Develop tools and streamline processes in order to eliminate waste, reduce costs and move claims forward.

Key Activities

- Build a new model for RTW using technology, customer relationships, teamwork and new techniques.
- New tools and resources for Claim Managers to help them better partner with the injured worker, medical providers and claim specialists.
- Standardized processes for medical referrals – ensuring claims get medical advice when needed to help move claims towards resolution.
- Update technology for faster collaboration and smoother claims handling.
- Revamp claims training program.

First Call Training

- Techniques specifically for disability cases
- Build relationship with the worker
- Identify barriers to return-to-work
- Strong positive response from claims managers

First Call Training – Feedback from Staff

- “...I feel that the questions “What do you think needs to happen in order for you to return to work successfully?” and “What questions do you have?” are magic. By asking them what they think needs to happen you are getting them to come up with the ideas for their own health, they are taking control. Anyone who has been told to do something they had already been thinking about doing has at least a sliver of negativity towards the person who just told them what to do. It is all about power struggles. By asking them what questions they have you make them go over the conversation.”

CLOSING COMMENTS

Joel Sacks,
Director

Vickie Kennedy,
Assistant Director for Insurance Services



ADJOURN

