

Retro Advisory Committee (RAC) Meeting

Labor and Industries, Tumwater, WA

Meeting Minutes

December 1, 2022

Virtual (Zoom)

Trade Association Representatives:

Lauren Gubbe, Associated General Contractors

Victoria Montrose, Washington Hospitality Association

Tim Lundin, Archbright

Maria McClain, Association of Washington Business

Rose Gundersen, Washington Retail Association (*not in attendance*)

Individual Firm Representatives:

Luis Sanchez, Grant County Public Utility District No. 2

Tom Walrath, T.E. Walrath Trucking, Inc. (*not in attendance*)

John Cichosz, DJ's Electrical

Labor and Industries:

Jessica Nau, Retrospective Rating Program Manager, *Committee Chair*

Court Reporter:

Sue Garcia, Capitol Pacific Reporting

Recorder:

Tyler Langford (*present*)

Guests:

Abigail Potter, Alicia Milani, Amalia Diaz, Amy Early, Ann Bartholomew, Anthony Felice, Art Dalessandro, Ben Bower, Bill Vasek, Bradley Williams, Brandon Dion, Brian Ducey, Brianna Broadrick, Brenda Heilman, Cheri Dailey, Chiara Conley, Chris Ristine, Connie Carlson, Curran Bower, Dan Plunkett, Debra Brown, Debra Hatzialexiou, Eric Wood, Erich Hahn, Gabrielle McElroy, Greg Kabacy, Herbert Atienza, Jami Zoellner, Janee Cantu, Jeaneil Brown, Jenn Kavanaugh, Jennifer Aldrich, Jennifer Porter, John Meier, Joshua Ligosky, Judy Leggett, Julie Osterberg, Keith Bingham, Kelly Boykin, Ken Smith, Kevin McDaniel, Kevin Neubauer, Kirsta Glenn, Korin Judge, Lauren Gubbe, Leslie Qunell, Lisa Vose, Lloyd Brooks, Lori Butterfield, Lori Gruber, Matt Carrithers, Michael Couthran, Michelle O'Brien, Mike Williams, Nicholas Kot, Nichole Runnels, Pamela Trujillo, Rachelle Bohler, Richard Clyne, Rose Kohler, Ryan Moore, Sandee Mills, Scott Bradley, Shannon Elliot, Sheila Parker, Taja Blackhorn, Tara Withrow, Teresa Sheldon, Tim Lundin, Vanessa Flores, Wissam Altamimi

Welcome and Introductions: Jessica Nau

The meeting began with a welcome message from Ms. Nau and introductions from each of the committee members present, followed by an overview of the agenda.

Safety Topic: Anthony Felice

Mr. Felice talked through slides 5-14.

Stay at Work Scenarios: Michelle O'Brien

Michelle O'Brien, Employer Services Classification Services Manager, talked through slides 15 and 16.

Jennifer Aldrich, Washington Farm Bureau, asked (via Zoom chat) "What if it's a sub-account of the employer?" Ms. O'Brien introduced, Lori Butterfield, with the L&I Stay at Work Program.

Ms. Butterfield responded that they will contact the employer, find out if there is a clerical error in filling out the form, follow up with the account manager, and try to reimburse if it really is the same business. **Ms. Butterfield added** that if there is a major difference between the business areas, then further guidance from the AAG would be required.

Amy Early, Association of Washington Business, asked (via Zoom chat) about plans to address a backlog & staffing shortages in the SAW program. **Ms. Butterfield responded** that the team has two vacancies. Their goal is to take first action on an application within 30 days and the processing time is currently right at 30 days, so there technically is no backlog.

Chris Ristine, Washington Retail Association, asked (via Zoom chat) whether a worker who worked for a temp help agency was injured at one site, then brought to another site to work

light duty would be eligible for SAW Reimbursement. **Ms. O'Brien responded** that that scenario would not be eligible for reimbursement.

Ms. O'Brien talked through slide 17.

Secure API: Matthew Carrithers

Ms. Nau introduced Matthew Carrithers, Product Manager, who talked through slide 18.

Teresa Sheldon, BIAW, asked (via Zoom chat) if the new API agreement is ready. **Mr. Carrithers responded** that the agreement will be ready after the addition of additional language from the technical team.

Ms. Montrose asked (via Zoom chat) if there is a tentative beta launch date. **Mr. Carrithers responded** that it is dependent on having enough beta participants signed up to successfully test the application and that about half of the beta participants are currently fully signed up.

Brandon Dion asked (via Zoom chat) if they are looking for additional beta testers. **Mr. Carrithers responded** that they are not.

Ms. Montrose confirmed her understanding that there is an identified pool of beta testers, approximately half are signed up, and L&I is working with the other half to see if any barriers need to be removed. **Mr. Carrithers responded** that that is correct.

Chiara Conley, Vigilant, asked (via Zoom chat) what programming languages the API will support. **Mr. Carrithers responded** that he would need to consult with the technical team to answer that question.

Insurance Table Study Updates: Leslie Qunell and Joshua Ligosky

Ms. Nau introduced Joshua Ligosky, L&I Actuary, and Leslie Qunell, L&I Financial Incentive Coordinator.

Ms. Qunell talked through slides 19-22.

Mr. Ristine asked (via Zoom chat) for an estimate of when the updated Retro Premium Calculator will be available. **Ms. Qunell responded** that that will be dependent on the work that is happening right now and there is not a good estimate at this time. **Ms. Nau added** that a draft premium calculator will hopefully be ready in January.

Mr. Ligosky talked through slides 24-26.

Ms. McClain asked (via Zoom chat) how the 2022 medical costs are derived and whether the pandemic is being taken into account. **Mr. Ligosky replied** that the department has historical current-level factors that are used for rating going back awhile, so the department has some estimate of how much the medical costs have changed over time and that information is used to bring everything to current levels. Mr. Ligosky added the rationale for using 18 years of data (a more stable result over time) and that pandemic data is not factored into the study because only years through fiscal injury year 2018 were used.

Mr. Ligosky talked through slides 27-30.

COVID-19: Brenda Heilman and Bill Vasek

Ms. Nau introduced Brenda Heilman, L&I Deputy Assistant Director for Insurance Services.

Ms. Heilman talked through slides 31-33.

Ms. Aldrich asked if the department has any word on delays on non-COVID-19 claims because of the pandemic. **Ms. Heilman responded** that the department does not have any data to support that there are ongoing delays.

Ms. Nau introduced Bill Vasek, L&I Senior Actuary.

Mr. Vasek talked through slides 34-40

Ms. McClain asked (via Zoom chat) how medical costs in general are impacting claims through the pandemic. **Mr. Vasek responded** that depressed hours, injuries reported, and medical costs have bounced back to normal levels. Medical only claim counts, however, have not bounced back. Because of that, medical costs overall have remained down. **Ms. McClain asked** a clarifying question of whether medical costs have increased on claims. **Mr. Vasek responded** that medical costs per claim have returned to normal levels and have increased.

Ms. Early asked (via Zoom chat) whether the reason for the rate increase next year is due to increased medical costs and increased wages. **Mr. Vasek responded** that L&I actuaries anticipate future costs in future years, and they still expect medical inflation to continue.

Jeaneil Brown, Archbright, asked if there have been any discussions on the future cost of long COVID and how that will impact medical expenses. **Mr. Vasek responded** that there is a lot of uncertainty surrounding long COVID claims.

Ms. Gubbe commented (via Zoom chat) that wages in Washington have increased and there is no built-in rate increase to accommodate that. **Mr. Vasek added** that the rest of the industry charges per one hundred dollars of payroll, whereas Washington charges per hour worked, therefore Washington rates have to go up to keep up with wage inflation.

RAC Workgroup Updates:

Ms. Nau talked through slides 41-43, related to the Account Balance Workgroup, noting that approval has been granted to raise the debt threshold from \$100 to \$500, effective January 1, 2023.

Ms. Early (via Zoom chat) asked whether any consideration was given to other amounts besides \$500. **Ms. Nau responded** that multiple amounts were considered, from \$500 to \$5,000, as well as using a percentage of premium. Ultimately the data showed that a large proportion of the denials were for unenrolled subaccounts and for amounts below \$500. So \$500 seemed to be the right balance between a meaningful impact on denials and not disincentivising payment. **Ms. Montrose added** that the initial recommendation from the workgroup was for \$500, and that recommendation was confirmed through later data analysis.

Ms. McClain asked (via Zoom chat) if this requires a rule change. **Ms. Nau responded** that this does not require a rule change, it is an administrative change.

Mr. Lundin asked (via Zoom chat) if the January 1st start date for the new threshold is strict.

Ms. Nau responded that it is strict because approval was not given prior to that time.

Mr. Lundin talked through slides 44-45, related to the RAC Rule Workgroup, stating that things are moving along well and the next steps will be getting appropriate buy off at the department and drafting a briefing paper.

Ms. McClain talked through slides 46-47, related to the Business and Industry Category Guide Workgroup, stating that the workgroup is waiting for the Retro Enrollment Team and Employer Services to review the exception list.

Retro Updates: Jessica Nau

Ms. Nau talked through slides 50-57, asked for any closing questions or comments, and thanked everyone for their attendance.

Meeting adjourned.