

Workers' Compensation Advisory Committee (WCAC) Meeting

Labor and Industries, Tumwater, WA

Meeting Notes

September 26, 2019

Business Representatives:

Bob Battles, Association of Washington Business

Mike Roozen, Washington State Farm Bureau

Sheri Sundstrom, Washington Self-Insurers Associations

Tammie Hetrick, Washington Retail Association

Labor Representatives:

Brenda Wiest, Teamsters Local 117 (*not in attendance*)

Joe Kendo, Washington State Labor Council, AFL-CIO (*not in attendance*)

Mark Riker, Washington State Labor Council (*not in attendance*)

Sean Embly, United Food and Commercial Workers, Local 21

Labor and Industries:

Joel Sacks, Director

Randi Warick, Deputy Director (*not in attendance*)

Vickie Kennedy, Assistant Director for Insurance Services

Board of Industrial Insurance Appeals (BIIA):

Linda Williams, Chair

Court Reporter:

Milton Vance, Excel Court Reporting

Recorder:

Tara Osuna (*present*)

Guests: Coreen Urrutia, Kari D'Aboy, Kris Tefft, Mark Phillips, Lily Smith, Patrick Connor, Lauren Gubbe, Jim Nylander, Lloyd Brooks, Kim Contris, Rick Clyn, Brenda Heilman, Kathy Petruzzelli, Ray Hanley, Robert Mitchell.

Welcome & General Updates: Joel Sacks, Vickie Kennedy, and Mike Ratko

Meeting started with introductions of the committee members and the audience.

Dave Bonauto, Program Director in Safety and Health Assessment and Research Program (SHARP) (L&I), presented the safety message.

Mr. Sacks for Ms. Warick – Supplemental Budget

Mr. Sacks talked through slides 8-9

L&I's strategy for the supplemental is to submit a budget request that addresses emergent issues and stays away from new bodies of work.

- Bills that had an identified fiscal impact through the fiscal note process but were not included in the final 19-21 biennial budget
- Federal fund appropriation adjustments for new grants
- Building lease adjustments and fees associated with the Tukwila field office non-renewal
- Change in the funding source for E2SSB 5116, Clean Energy

Question: Mr. Battles – This goes back to my concern, and you’re going to hear the constant mantra on this because the 608/609 are dedicated accounts to the safety and health of the employees of the state of Washington. Employers and employees pay into that. We are very concerned about the diversion of those funds to programs that are not workers’ compensation, mainly apprenticeship and a lot of other things. I would hope that we will get reports at this meeting on a regular basis of how those other programs are working as the Workers Compensation Advisory Committee. **Mr. Sacks** – I think there’s a substantive conversation potentially, you all should be holding us accountable for absolute transparency. And so, giving you information such as what’s been proposed to the Governor, this is their rationale behind it, you absolutely should expect that. The second piece that I would share is one place where I would differ – I would differentiate between the bills that are highlighted up here.

Ms. Kennedy and Mr. Bonauto – Legislation

Ms. Kennedy and Mr. Bonauto talked through slide 10

Question: Mr. Roozen – Does this apply to both paid and volunteer fire fighters? **Mr. Bonauto** – Right now, it’s State Fund employers, so it’s paid firefighters.

Question: Mr. Sacks – Since you didn’t get questions on your safety topic, off the top of your head, the SHARP group has done some really interesting work concerning fire fighters. Is there anything that you’ve been doing that seems relevant to this project? **Mr. Bonauto:** In 2018 there was expansion of the presumptive coverage for fire fighters to posttraumatic stress disorder. We surveyed the existing medical literature on the incidence or the prevalence of posttraumatic stress disorder among fire fighters. What fire fighters experience is sort of this repetitive traumatic as an ongoing basis. We also found that musculoskeletal disorders – a back injury, shoulder – are common if you ask the fire fighter population “have you had any symptoms in the last year?” It’s upwards of 80 percent for some body parts. If you look at the workers’ comp claims, about 50 percent of claims relate to lifting and physical exertion, giving us the opportunity to work with our partners to determine what the best practices are and where the gaps are. Healthy eating habits and a variety of other things give us clues about where we can work with them, not only on specific safety and health topics related to work, but other factors that may influence their work life.

HB 1490 (Rep. Ormsby)

Occupational disease presumption for Hanford workers.

Eliminates the requirement for a qualifying medical exam at time of hire as part of the requirements for Hanford workers to meet the occupational disease presumption threshold.

Modified any presumption FAQ's and other informational materials
Implementation complete

SB 5175 (Sen. Braun)

- Directs the department to work with employers and fire firefighters to establish best practices for a proactive risk management system to prevent injuries and illnesses and reduce carcinogen exposure
- Allows the department to provide a premium discount for certain State Fund employers employing firefighters who follow best practices established by the bill
- Establishes a grant program for certain State Fund employers involved in firefighting who have limited resources to buy additional equipment and gear needed to follow the best practices. The department may require matching funds from employers. Up to 2% of the premiums paid in the prior year from the risk classes for firefighters may be awarded

What we've done –

Met with representatives from the WA State Council of Fire Fighters (WSCFF) and WA State Fire Chiefs to review data on firefighter injuries and hear their perspectives on improving safety and health in the fire service. Also heard from two academic researchers who've implemented a proactive risk management intervention in the Tucson Fire Department.

What's next –

Meeting with the WA Association of Cities (AWC).

Mr. Sacks – 2020 Proposed Rate Change

Mr. Sacks talked through slides 12-20

2020 Proposal: overall rate reduction of

- 0.8% on an hourly basis, or
- 4.2% on a payroll basis.

Selected a rate lower than actuarial proposed break-even rate as we made a commitment that WCSM Implementation costs would come from the contingency reserve and would not affect rates.

Highlighted difference between break-even with WCSM and without and show commitment to the WCSM coming out of contingency

Why this 'mix' between the accident and medical funds?

- Goal was to maintain the worker portion at or around 25%

Rate changes have been less than inflation in most of the recent years.

Because we know that wage inflation is a better cost driver for us, we benchmark against wage inflation.

Wage inflation is continuing to increase but we are making even further progress keeping rates low. Maintaining the reserve allows us to keep these steady, predictable rates.

The goal is to maintain appropriate reserves. What's a good level to have? If you look at the volatility in our system, when bad times hit, our reserves have dropped by 20 percent. Reducing the Contingency Reserve for WCSM expenses and the DOSH Lab would reduce the overall CR Ratio from 27.2% to 24.7% of liabilities.

Comment: Mr. Battles – Again, I want to thank the Department for reducing the rates. I still have concerns again with the diversion of funds.

Ms. Contris and Mr. Langley – Website Redesign project

Ms. Contris and Mr. Langley talked through slides 21-35

We last redesigned our website about a decade ago. Since then, technology has changed significantly. Snapchat, Apple's iPad, and Tesla's Model S were all years away from being invented when we last redesigned our site. Our customers today have different expectations of websites than they did a decade ago.

Our goals for the website redesign are:

- To make content easier to find, and easier to understand when it's found. We've eliminated 46 percent of our web pages and increased search engine optimization
- To make the site more friendly on mobile devices. Our current site is not adaptive and text is small. You have to pinch and zoom to see
- A lot of our customers do not work in an office or in front of a computer all the time so we want to make sure they have a similar online experience with us on their mobile device

It's important to note that on November 2, we are launching a minimally viable product. We will continue to refine the site and add content as we go.

We made these changes by listening to our external customers. More than 200 L&I employees who helped with the Website Redesign project worked on this for almost two years to make sure we delivered a site that meets customer expectations.

Some of the things you'll notice at first glance.

It's Blue

The first thing you're likely to notice is the blue color scheme. This was chosen by our designers, because it uses our brand colors. Consistent branding reinforces that we are One L&I, and promotes trust. It's also a more comfortable color palette for the color blind when contrasted with white, helping us to be more accessible.

Larger, more readable fonts

You may also notice that the site is using larger, more readable fonts. This has been shown to reduce eye strain. The fonts also compliment the L&I font to reinforce branding.

Less Clutter

More accessible

It's important that our site makes content accessible to a wider range of users with blindness and low vision, learning disabilities, cognitive limitations, limited movement, and photosensitivity. We do this by adhering to current web design standards so that our website can work with just a keyboard or assistive technologies like screen readers.

We are 96 percent in accordance with the American Disability Act with our new website, which is up from 67 percent on our current site.

Current Homepage

Here's our home page today. It was award-winning in its time. It's functional, but it doesn't make it easy to find what you are looking for quickly.

New Homepage

Look at the homepage of the new Lni.wa.gov. As you navigate through the homepage, you'll find that there's significantly less content. The experts who reviewed the site all agreed that we needed to reduce content. The result: it's easier for our customers to find the content they're looking for, and a cleaner home page that is easier to navigate. Each L&I program made careful decisions on what content to remove based on recommendations from our agency's Website Governance Committee.

My L&I

You may notice that it's much easier to find and sign in to My L&I. Many of our customers' top tasks are in My L&I so that puts important information at their fingertips. This mirrors many other insurance service websites.

Most used tasks

Right on the homepage you'll find the tasks that our customers most often use our website for, which is not an option on our current site.

Scroll down on the homepage... and you will see we have our three main customer groups and below that the top tasks that these customers use.

Here's a quick side-by-side comparison of the homepage view on your laptop... (Slide 27)

Besides the color, here is probably the main difference you will notice at first glance – we are now mobile friendly. (Slide 28)

Placing a *Customer Focus* at the center of all we do is one of our agency's core values; an approach that is now demonstrated by the new website being simple and easy to navigate. Our redesign team worked nearly 22 months building the all-new www.Lni.wa.gov based on user testing and feedback from workers and businesses across Washington. That feedback suggested we use more familiar words and organize our links a little better.

Next, let's check out the mega-menu. It is a drop down menu that shows the organization under each topic, all in one view. This greatly simplifies the navigation of the website.

Our web address remains the same; however, as part of our redesign, web page addresses within Lni.wa.gov have been restructured. Our search feature is improved, and with less content, will guide customers to the information they need.

Ms. Warick, Ms. Bard, and Ms. Heilman – Workers' Compensation Systems Modernization (WCSM)
Ms. Warick, Ms. Bard, and Ms. Heilman talked through slides 36-41

In our agency's Strategic Direction, one of our strategies is to leverage strategic partnerships. As we look at the vendor world we want to find partners with shared goals who may work better with us than independently. Vendor Days is a great example of trying to find the right fit.

We're now focusing on finding the right industry-proven solution to modernize our workers' compensation systems, and the right partner to bring it to life. L&I is taking a unique and strategic approach to finding both. One key part of the process was Vendor Days. Taking extra steps like Vendor Days is part of a rigorous, thoughtful approach that will help us find the right partner for a long-term solution to transform our business.

We want a solution that makes it easier for us to do our jobs, help customers, and for customers to do business with us.

Next steps: The Workers' Compensation Systems Modernization project team is reviewing the questions vendors asked, and gathering feedback from attendees. That information will help refine the formal *request for proposal* that is scheduled to be posted in October.

Question: Mr. Battles – In the selection of the vendors, are you including stakeholders here or inviting businesses and labor to be part of that review process? Or how are you going to make that selection? **Ms. Bard** – We haven't decided exactly how. But just as we extended the invite to everybody on Vendor Days, we intend to reach out.

Ms. Jost and Ms. Campbell – Interpreter Services
Ms. Jost and Ms. Campbell talked through slides 42-52

SSB 6245 was passed in 2018, requiring L&I to make changes to how we procure interpreter services for injured workers and crime victims. It has three components.

SB 6245 requires L&I to purchase services directly from individual language access providers, or from a contract with a scheduling and coordinating delivery organization, or from both. It also requires L&I to have at least one contract with an entity that provides interpreter services through telephonic video and remote technology. The bill also grants collective bargaining rights to interpreters who provide services to workers and crime victims. Today we are focusing on the procurement of face-to-face services.

We decided to use a scheduling system and limit the use of individual language access providers outside the system.

- Hoping to have a 9 month implementation period
- Will check in with users as it goes live
- Will require user testing
- Change is hard – need lots of outreach, rumor control, etc. for providers, workers, and interpreters

Ms. Williams – Board of Industrial Insurance Appeals (BIIA) Update

Ms. Williams talked through slides 53-59

Ms. Kennedy – Dashboard – Help Injured Workers Heal and Return to Work

Ms. Kennedy talked through slides 60-74

As you can see in this summary of key measures, results are overwhelmingly positive.

DASHBOARD SUMMARY

Measure	Change from 2012 (unless otherwise noted)		Highlights
Long Term Disability – share that received a TL payment in the 12 month post injury	Down 25.5 %	↓	Lowest since 2002
Estimated Ultimate Pensions 2004 - 2016	Down 23% (From 2012 Estimates)	↓	
Resolution rate - time-loss claims at 6 months	Up 1.5%	↑	
Auto adjudication of claims	Up 84.9% from 2014	↑	Highest since 2002*
High risk claims – share return to work at 12 months	Up 9.0%	↑	
Median time-loss days paid at first vocational service	Down 70%	↓	Lowest since 2002*
% RTW outcomes - all first vocational service referrals	Up 173%	←	
WSAW participation	Steady utilization	↑	
COHE utilization	Up 78.3%		

* Earliest year for which measurement is available

Mr. Cotton – Industrial Insurance (State) Fund Financial Overview

Mr. Cotton talked through slides 75-95

Question: Mr. Battles – Just to confirm, the discount rate that we reduce was just for the State Fund, correct? **Mr. Cotton** – Yes, that’s right. **Mr. Sacks** – Yes, from the 6.1 to the 4.5. What we are doing on the self-insurance side is gradually reduce to 4.5, one-tenth of a point every year.

Mr. Sacks and Ms. Kennedy – Closing Comments & Adjourn

Director Sacks closed the meeting