

Workers' Compensation Advisory Committee (WCAC) Meeting

Labor and Industries, Tumwater, WA

Meeting Notes

June 24, 2025

Hybrid: L&I HQ Auditorium and Zoom

Business Representatives:

Lindsey Hueer, Association of Washington Business
Sheri Call, Washington Trucking Association
Jon DeVaney, Washington State Tree Fruit Association
Kelli Early, ESD113

Labor Representatives:

Joe Kendo, Washington State Labor Council
AJ Johnson, Washington State Council of Firefighters
Minna Long, Washington State Building and Construction Trades Council
Brenda Wiest, Teamsters Local 117

Labor and Industries:

Joel Sacks, Director
Brenda Heilman, Assistant Director for Insurance Services

Board of Industrial Insurance Appeals (BIIA):

Holly Kessler, Chair

Court Reporter:

Sayge Manley, Capitol Pacific Reporting

Recorder:

Cristina Gaffoglio

Guests: Ali Ishaq, Amy Updike, Anastasia Bekker, Angelique Guppy, Art Hebbeler, Azadeh Farokhi, Bill Vasek, Brian Helmholz, Caitlyn Jekel, Cameron Van Dyck, Catherine Madden, Cherell Fisher, Colleen Seed, Ciara High, Colleen Seed, Collin Head, Cynthia Wilbur, Dan Beaty, Dave Bonauto, David Kennerud, David, Folweiler, Deborah Havens Liz Smith, Emily Stinson, Eric Hahn, Isabel Hernandez, Jeanine Keesey, Jessica Gallardo, Jennifer Jutte, Jordan Ely, Jessica Fleming, Joshua Ligosky, John Cox, Jordan Ely, Julie White, Karen Jost, Kathy Petruzzelli, Kaylynn Wollen, Kim Wallace, Kim Hurley, Kirsta Glenn, Knowrasa Patrick, Kristen Preece, Kris Tefft, Kristin McCoy, Leigh Haley, Lynda Ducharme, Lori Gruber, Lisa Anne Hurt-Forsythe, Lloyd Brooks, Lori Gruber, Maria McClain, Mark Phillips, Melissa Shannon, Michelle O'Brien, Mike Williams, Nichole Runnels, Nichole Bennett, Niki Brent, Paul Harrison, Rachel Hamar, Ryan Guppy, Rose Gundersen, Sanjeev Batta, Sarah Fishback-Duran, Sarah Lee, Sarah Battin, Sarah Jackson, Sara Ehrler, Stephanie Scheurich, Susan Chamberlin, Susan Jones, Suzy Campbell, Suzyn Daniel, Thomas Feller, Troy Parks

Welcome and Introduction: Brenda Heilman

The meeting began with a brief overview of the agenda, followed by introductions of the committee members.

Ms. Heilman moved to approve the minutes from the March 27, 2025 meeting. There was no opposition to the motion, and the minutes were approved.

Impacts of National Institute for Occupational Safety and Health (NIOSH) closure in Washington: Dr. David Bonauto

Ms. Heilman then introduced Dr. Dave Bonauto from SHARP, who presented potential impacts of NIOSH closure in Washington State. Dr. Bonauto stated that much will be lost due to these closures, and it is uncertain if many programs will return. Jon DeVaney noted that L&I is not in a position to backfill all these functions, and Joe Kendo highlighted the significant impact on workforce development for industrial hygienists, nurses, and other occupational safety and health professions, with UW potentially losing millions in funding.

General Updates: Brenda Heilman, Joel Sacks, Kirsta Glenn

Introductions: Ms. Heilman introduced and welcomed Cindy Gaddis, who officially joined L&I as the Chief Policy Officer over the Legal Services program on May 16th. In addition, Ms. Heilman thanked Knowrasa Patrick, Self-Insurance Program Manager for her leadership and support, particularly in complex legislation implementation and IME recordings. Ms. Patrick's last working day will be June 24th. Ms. Heilman announced that Stephanie Scheurich will be the new Self-Insurance Program Manager, effective July 1st.

Budget: Mr. Sacks reported that L&I was asked to take about a \$6 million cut across the board due to statewide budget restrictions. Despite cuts, the legislature funded the continuation of technology modernization for workers' compensation, the Light Duty Complaint Office, and the creation of one additional claims unit. The goal is to reduce claim manager caseloads closer to the industry average of 140.

Legislative updates: Ms. Glenn gave an update regarding new laws, two bills from the 2023 session became effective on July 1, 2025: SB 5084, which sets up a separate fund for self-insured pensions, and HB 1197, which adds psychologists and physician assistants as attending providers for certain claims. Lisa Anne Hurt-Forsythe asked if there are any timelines on rulemaking related to SB 5463. Knowrasa Patrick clarified no new rulemaking is needed as rules were written broadly.

Workers' Compensation Systems Modernization: Elizabeth Smith

Ms. Smith shared an update on the Workers' Compensation Systems Modernization project. Explaining the project is making progress for FY2025. Key accomplishments include restructuring the steering committee, hiring new project leadership (a program director and deputy program director), and bringing on a cloud architect. The team has also been gathering requirements for intelligent document processing and connecting cloud services, preparing the 2025-27 budget request, and planning for the

first two phases (Waves 1 & 2) of the system modernization. Future updates will cover how intelligent document design and Artificial Intelligence (AI) will be used in WCSM. Sunjeev Batta asked if the build vs buy decision had been made and Ms. Smith responded they are mostly buying new software, with some build integrations. Next steps are to provide the board with a deep-dive WCSM briefing.

Board of Industrial Insurance (BIIA) Update: Holly Kessler

Ms. Heilman introduced Holly Kessler, Chair of the Board of Industrial Insurance Appeals, who provided updates using slides 35-40. Ms. Kessler gave an update that The BIIA has fully moved to its new main headquarters in Renton, and the Seattle location is officially closed.

Ms. Kessler explained that there has been a slight increase in total appeals filed and granted, with numbers falling within the range of normalcy. The average P&O (Proposed Order & Decision) time-lag is decreasing, with efforts to get orders out within 30 days, although the statutory limit is 60 days.

In addition, the BIIA has experienced several judge retirements, with new judges coming in and undergoing training.

Lastly, Ms. Kessler announced the Fall 2025 CLE (Continuing Legal Education) has been postponed to Fall 2026 due to statewide budget restrictions limiting spending on essential items like payroll, as hosting an in-person CLE would be too costly. However, a strong interest exists in a lighter, virtual version via Zoom for 2025, which is still under consideration. The next BIIA stakeholder meeting is scheduled for August 22nd.

IME Recording Updates: Karen Jost

Ms. Jost provided updates on the Independent Medical Exam (IME) recording project. Talking through slides 32-38, Ms. Jost explained that the Worker Right to Record became effective July 2023, which granted workers the right to record their IMEs. She explained that a challenge has been disagreements among external partners regarding examiner ability to co-record led to scheduling delays and cancellations. The department had proposed rules to address co-recording concerns but decided not to proceed after receiving additional feedback.

In Addition, Ms. Jost explained that the agency is conducting a Third-Party Recording Pilot with the vendor Medical Memory. This pilot runs from March 1, 2025, to August 31, 2025. As of June 2, 2025, 121 recordings have been completed, averaging two per day, with most being State Fund claims. The goal is to reduce delays and paperwork related to IME recordings.

Operational Health Dashboard

Ms. Heilman talked through slides 40-54. She explained that Long Term Disability claims are rising, but pension long-term downward trend continues. Ms. Glenn added that an increase in duration of time loss claims increasing 6-24 months. In addition, discussions regarding providers and who is treating what and the impact it has on patients. The University of Washington is developing time loss duration curves for different providers.

Mr. Sacks asked for additional feedback from the committee on how to use data to help with workers' healing, recovery and return to work.

Long Term Disability: Kirsta Glenn

The committee discussed how to work together to manage claim duration for better outcomes. Rose Gundersen suggested a subcommittee to delve deeper into these trends, and Tom Feller raised concerns about prior authorizations in the workers' compensation system, citing national trends in private insurance to reduce them. Mr. Sacks noted this issue is on the department's radar.

Brenda Wiest commented that fraud, while raised, represents a very small percentage of cases. For concerns about medical over-treatment, Ms. Fisher explained that claims managers monitor treatment and consult with occupational nurse consultants, intervening if issues arise.

Post Traumatic Stress Disorder (PTSD) Update: Sheri Sundstrom

Ms. Sundstrom talked through slides 67-75 sharing that the Workers' Compensation Advisory Committee (WCAC) PTSD Subcommittee reported that PTSD data collection is expected to be finished by July 2025, and clinical guidelines are targeted for Fall 2025. Reports from MasDyne Research, LLC and L&I are also due by the end of June 2025.

The subcommittee emphasizes collaborative learning and engagement in all areas of PTSD care, and return to work, aiming to develop deliberate and objective processes for successful outcomes.

Brenda Wiest provided an update on House Bill 2311 (First Responder's Wellness Peer Support pilot project), noting upcoming training and expanded coverage for various first responder roles.

The next PTSD subcommittee meeting is TBD (late July/early August).

Industrial Insurance State Fund Financial Overview: Kim Hurley

Ms. Heilman introduced Kim Hurley who presented on the Industrial Insurance State Fund Financial Overview. Ms. Hurley informed the committee that the contingency reserve decreased by \$795 million from July 1, 2024, to March 31, 2025, standing at \$4,695 million. Additional financial data charts were explained with slides 80- 92.

Closing Comments & Adjournment: Brenda Heilman and Joel Sacks

Ms. Heilman and Mr. Sacks thanked the presenters, committee, and attendees for their engagement. Mr. Sacks explained that the department would internally focus on rate setting for 2026, with proposed rate increases and their rationale to be shared at the September meeting. The next WCAC meeting is scheduled for September 25, 2025. The meeting was adjourned.