



Washington State Department of  
Labor & Industries

# Workers' Compensation Advisory Committee (WCAC)

*December 19, 2024*

This meeting will be streamed by TVW

<b>Time</b>	<b>Topic</b>	<b>Presenter(s)</b>
<b>9:00 am - 9:15 am</b>	Welcome <ul style="list-style-type: none"> <li>• Introductions</li> <li>• Motion to approve minutes</li> <li>• Safety Message</li> </ul>	Joel Sacks Brenda Heilman Dr. Dave Bonauto
<b>9:15 am – 9:40 am</b>	General Updates <ul style="list-style-type: none"> <li>• Leadership updates</li> <li>• Ergonomics Update</li> <li>• Workers Compensation Systems Modernization (WCSM)</li> <li>• Legislative Updates and Agency Requests/Decision Packages</li> <li>• IME Updates</li> </ul>	Brenda Heilman Joel Sacks Elizabeth Smith Brenda Heilman Brenda Heilman
<b>9:40 am – 10:30 am</b>	Implementing bills and budget provisos - 2024 session	Kirsta Glenn
<b>10:30 am – 10:45 am</b>	Break	
<b>10:45 am – 11:00 am</b>	Operational Health Dashboard	Brenda Heilman
<b>11:00 am – 11:15 am</b>	PTSD Subcommittee Update	Sheri Sundstrom
<b>11:15 am – 11:30 am</b>	Industrial Insurance State Fund Financial Overview	Kim Hurley
<b>11:30 am – 11:50 am</b>	Board of Industrial Insurance (BIIA) Update	Holly Kessler
<b>11:50 am – 12:00 pm</b>	Closing Comments & Adjourn	Brenda Heilman Joel Sacks



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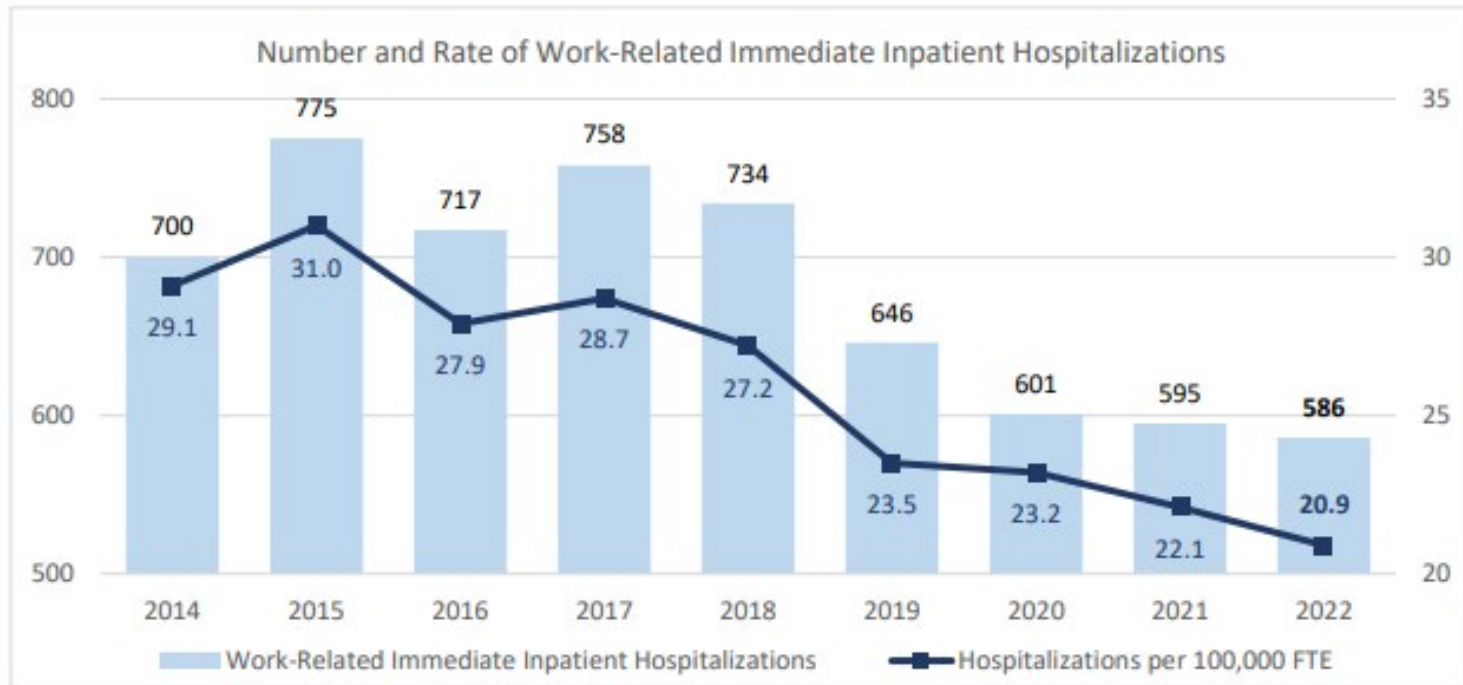
# Safety Message

*Information for Action*

*Dave Bonauto, MD, MPH*

# Immediate Inpatient Hospitalizations

Figure 1. Number and Rate of Work-Related Immediate Inpatient Hospitalizations, Washington State, 2014 through 2022.



Source: Rappin C. Work-Related Immediate Inpatient Hospitalization, Washington State, 2022. SHARP Tech Report 96-10-2024

# Immediate Inpatient Hospitalizations, Injury Type

**Table 5. Work-Related Immediate Inpatient Hospitalizations by Injury Event, Washington State Fund claims, 2022.**

Injury Event	State Fund Hospitalizations	Percent of SF Hospitalizations
Fall from elevation	133	27.5%
Fall same level	92	19.0%
Struck by object or equipment	65	13.4%
Highway accident	49	10.1%
Caught in	35	7.2%
Overexertion, Repetitive Motion	23	4.8%
Transportation accident other than highway or pedestrian	17	3.5%
Pedestrian struck by vehicle or equipment	16	3.3%
Assault by person	15	3.1%
Other/Nonclassifiable/Missing code*	39	8.1%

\* Includes injury event types not reported due to small number of cases (<10): Bodily conditions (fainting); Exposure to caustic, noxious, allergic substance; Extreme temperature; Other contact with objects or equipment; Assault by animal; and Fires and explosions.

Source: Rappin C. Work-Related Immediate Inpatient Hospitalization, Washington State, 2022. SHARP Tech Report 96-10-2024

# Immediate Inpatient Hospitalizations, Industry Sector

**Table 7. Work-Related Immediate Inpatient Hospitalizations by NAICS Industry Sector, Washington State, 2022.**

NAICS Sector Description (NAICS Code)*	Hospitalizations†	Percent	Rate per 100,000 FTE
Construction (23)	141	24.1%	74.3
Manufacturing (31-33)	49	8.4%	21.5
Administrative and Support and Waste Management and Remediation Services (56)	49	8.4%	22.7
Agriculture, Forestry, Fishing and Hunting (11)	48	8.2%	54.1
Retail Trade (44-45)	47	8.0%	16.9
Transportation and Warehousing (48-49)	43	7.3%	47.7
Health Care and Social Assistance (62)	38	6.5%	9.6
Public Administration (92)	32	5.5%	22.0
Accommodation and Food Services (72)	28	4.8%	16.7
Wholesale Trade (42)	28	4.8%	21.7
Educational Services (61)	19	3.2%	11.7
Other Services (except Public Administration) (81)	14	2.4%	14.8
Arts, Entertainment, and Recreation (71)	10	1.7%	39.9
Real Estate and Rental and Leasing (53)	10	1.7%	15.3
Professional, Scientific, and Technical Services (54)	10	1.7%	4.3

\* The Mining, Quarrying, and Oil and Gas Extraction (21); Utilities (22); Information (51); Finance and Insurance (52); and Management of Companies and Enterprises (55) sectors had fewer than ten hospitalizations and are not included in the table.

† Four claims did not have an assigned industry sector.

# Immediate Inpatient Hospitalizations

**Table 2. Work-Related Immediate Inpatient Hospitalizations by Age Group, Washington State, 2022.**

Age Group*	Hospitalizations	Percent	Rate per 100,000 Workers
19-24	35	6.0%	11.2
25-34	100	17.1%	12.8
35-44	115	19.6%	14.6
45-54	98	16.7%	14.2
55-64	156	26.6%	28.6
65 and older	77	13.1%	32.7

\* Age group 18 and under not shown due to small number of cases (<10).


**Table 3. Work-Related Immediate Inpatient Hospitalizations by Age and Gender, Washington State, 2022.**

Age	Women Hospitalizations (%)	Men Hospitalizations (%)
24 and under	5	32 (6.7%)
25-54	37 (34.6%)	276 (57.6%)
55 and over	62 (57.9%)	171 (35.7%)

S = Not shown due to small number of cases (<10).

# Immediate Inpatient Hospitalizations

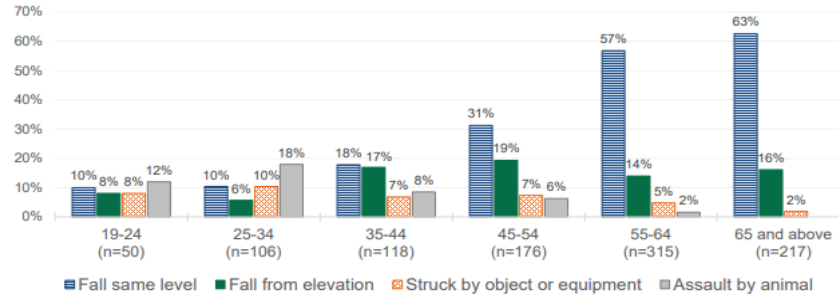
Table 8. Work-Related Immediate Inpatient Hospitalizations by Employer Size, Washington State, 2022.



Employer Size (FTE)	Hospitalizations	Percent	Rate per 100,000 FTE
<=10 FTE	159	27.1%	42.1
11-49 FTE	123	21.0%	26.3
50-249 FTE	116	19.8%	21.0
250 - 999 FTE	81	13.8%	18.9
1000+ FTE	107	18.3%	11.0

**Risk of hospitalized work-related falls among women increases with age**  
WA Work-Related Immediate Inpatient Hospitalization Surveillance System, 2014–2020

Percent of work-related immediate inpatient hospitalizations among women due to leading injury event types, by age group<sup>1</sup>



**From 2014 through 2020, women accounted for 20% of work-related immediate inpatient hospitalizations in Washington State (n=989).<sup>2</sup>**

- Over half of hospitalized women were age 55 or older (54%).
- Two-thirds of hospitalizations among women were due to four injury event types: Falls on the same level (41%); Fall from elevation (15%); Struck by object or equipment (6%); and Assault by animal (5%).<sup>3</sup>
- The percentage of hospitalizations due to falls on the same level increased with age.
- 30% of hospitalizations from falls on the same level were for hip injuries.<sup>4</sup>
- The three industry sectors where women experienced the most hospitalizations were: Health Care and Social Assistance (19%); Retail Trade (13%); and Educational Services (12%).<sup>5</sup>

# Immediate Inpt Hospitalizations – Prevention Publications and Outreach

## Contributing Factors

**One-handed saw use.** The worker operated the circular saw with one hand while holding the board to be cut with the other. Both the employer and injured worker said that they were unaware the tool manufacturer's warning required use of both hands on the saw while using it. The warning label on the saw clearly stated to hold the saw with both hands.

**Improper cutting station.** The worker placed the 2" x 6" board on a two-foot high block to make the cut. This positioning put the worker at an awkward body position, and did not provide a safe way to secure the board while cutting it.

**Incomplete equipment training.** The worker received new hire safety training, and some equipment safety training specific to use of the circular saw, but it did not include the manufacturer's requirements, including using both hands during operation.

## Recommendations

**Follow manufacturer safety manual.** Train workers to follow the manufacturer's safety manual for proper use before using equipment. Ensure that manufacturer instructions are provided to workers in the language they are most comfortable using. In this incident:

- The manufacturer's safety manual instructed users to:

*"Maintain a firm grip with both hands on the saw and maintain your feet in a stable, position your body to either side of the blade. Kickback forces can be controlled."*

- The warning label on the saw instructed users to:

- Hold saw with both hands
- Support and clamp work
- If blade binds, saw may kick

**Set up a proper cutting station.** A common example of a cutting station where the material being cut is not supported properly.

**Prevent potential saw kickback.** A saw at a slow and controlled speed to the correct depth and not dull.

## Requirements

- **Safe place standards.** The employer must ensure that the work area is safe and use practices, methods, and equipment to protect the life and safety of workers.

## Resources

- Chapter 296-155 WAC: Safety and Health Standards for Construction
- Chapter 296-27 WAC: Research and Development

**Safety Training Sign-In** (Print Name)

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\_\_\_\_\_

The immediate hospitalization publications are available at [www.wa.gov/industries](http://www.wa.gov/industries). Learn more about our publications.



## Worker Hospitalization Alert

### Construction

August 2024

### Framer Nearly Amputates Toes with Circular Saw

In the afternoon on a clear day, a newly hired framer was on the third floor of a construction site using a circular saw to cut a two-inch by six-inch board. He was employed by a subcontractor providing framing services on the mixed-use building project.

The framer had two years of experience in the trade, but had only been working with the employer for four days. The employer provided him with some safety training when he was hired, but he had not been instructed on the manufacturer's safety manual for use of the circular saw.

The framer set the 2" x 6" board on a block approximately two feet high to make a cut with the circular saw. The saw was in his right hand and his left hand was holding the board. He was not using a clamp to hold down the board, or using both hands on the saw as instructed by the saw manufacturer.

As the framer started his cut, the saw blade struck the board and kicked back. The blade struck his right foot and sliced through his boot, cutting his first and second toes.

The framer was immediately taken to the emergency room. The saw nearly severed his toes, but the surgeon was able to save them from being completely amputated.

The framer spent more than a year on light duty before being released back to full duty.

### What do you think went wrong?

In the space below, list some of the factors that you think could have contributed to this incident. Then, flip the page over for contributing factors and safety recommendations and requirements.

**Reporting:** Employers are required to contact DOSH within eight hours of a workplace fatality or in-patient hospitalization of any employee. See [WAC 296-27-031](http://www.wa.gov/296-27-031).



Upon request, foreign language support and formats for persons with disabilities are available. Call 1-800-547-8367 TDD users, call 360-805-5297. L&I is an equal opportunity employer.

OVER



The framer was using the saw to make a cut when it kicked back, cutting through his boot.



The tape measure shows the approximate place the worker was standing while cutting the board.



The label on the saw clearly states to hold the saw with both hands. It also warns if the blade binds, the saw may kick back.

## Recommendations

### Energy Control

- Ensure that Lockout/Tagout (LOTO) procedures for work around augers are detailed and specific. Frequently check that the LOTO procedures are well understood and consistently followed.
- Install emergency shut-off mechanisms in close proximity to subfloor augers.

### Hazard Identification

- Periodically inspect guarding to ensure that it is undamaged and properly secured.
- Train workers to use situational awareness at all times when working in grain storage units, including awareness of hazards that may be obscured or less visible due to low light.

### Plan for Safety

- Create a Job Hazard Analysis (JHA) operation. If changes in the work stop to identify any new hazards. JHA. Whenever possible, include development.
- Hold a pre-task safety meeting to be before grain bin entry.
- Explore ways to increase lighting inside grain storage facilities.

## Resources

**Safety Standards for Grain Handling**  
<http://www.wa.gov/296-296-021>  
**Safety Standards for Agriculture**  
<http://www.wa.gov/296-296-037>

**Lockout/Tagout (Control of Hazardous Energy)**  
[http://www.wa.gov/296-033](http://www.wa.gov/296-296-033)

The immediate hospitalization publications are available at [www.wa.gov/industries](http://www.wa.gov/industries). Learn more about our publications.

## Requirements

### Hazard Protection

- Employers must ensure that during the occupation of storage structures, including walking or standing on grain, employees are protected from hazards related to (a) mechanical; (b) electrical; (c) hydraulic; and (d) pneumatic equipment by using safeguards, lockout/tagout, or other equally effective means. All provisions for the control of hazardous energy (lockout/tagout) from chapter 296-803 WAC apply to this chapter. See [WAC 296-021-033](http://www.wa.gov/296-021-033).

- All augers must be covered or guarded when exposed to contact. See [WAC 296-307-200302](http://www.wa.gov/296-307-200302).

### Lockout Tagout

- The employer must perform and document periodic inspection of lockout/tagout devices to ensure they are



## Hospitalization Hazard

### Grain Auger Amputations

July 2024

**Grain augers are dangerous when not properly guarded.** In recent years, two workers suffered foot amputations after stepping into subfloor augers in Washington grain facilities.

**Injuries from augers are preventable!** The powerful augers used to move grain pose a serious hazard to workers if necessary guards are not in place and safety precautions are not followed.

### Workers suffer foot amputations in subfloor grain augers

#### Incident 1:

A seasonal worker was one of five workers cleaning out and removing the remaining grain from a grain silo. The inside of the silo was dusty and the light was dim.

There were six holes in the floor, each about six inches in diameter, which opened to an auger below that transported grain out of the silo. The auger openings were supposed to be covered with protective grates while workers were in the silo, but they had been left uncovered during cleaning and the auger was running.

The worker was sweeping grain into one of the unguarded holes when he stepped backward into the opening. His right foot was pulled into the rotating auger blade, amputating his leg below the knee.

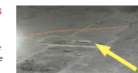
#### Incident 2:

Two workers were transferring grain from a storage building. One began using a skid steer loader to move grain into a section of the floor auger covered by a metal grate, while his coworker went to monitor equipment in another building.

When he realized that he didn't have enough room to maneuver the loader, he backed it out of the building, then walked back in and began shoveling grain by hand. In the area where he was working, the moving auger was covered by steel plates to allow the loader to drive over them.

As he shoveled grain around a large tube, he stepped backward into a gap between two of the steel plates that were still covered by grain. His foot was pulled in and amputated at the ankle by the rotating blade.

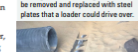
He used his own belt to create a tourniquet and radioed his coworker, who shut down the auger, called 911, and drove them to meet the ambulance.



**Incident 1:** Arrows point to the auger hole the worker stepped in while sweeping in dark, dusty conditions.



**Incident 2:** Floor auger with the metal grate cover. The grate could be removed and replaced with steel plates that a loader could drive over.



**Incident 2:** The injured worker was shoveling grain around the tube on the left. The auger was covered with steel plates during the incident.



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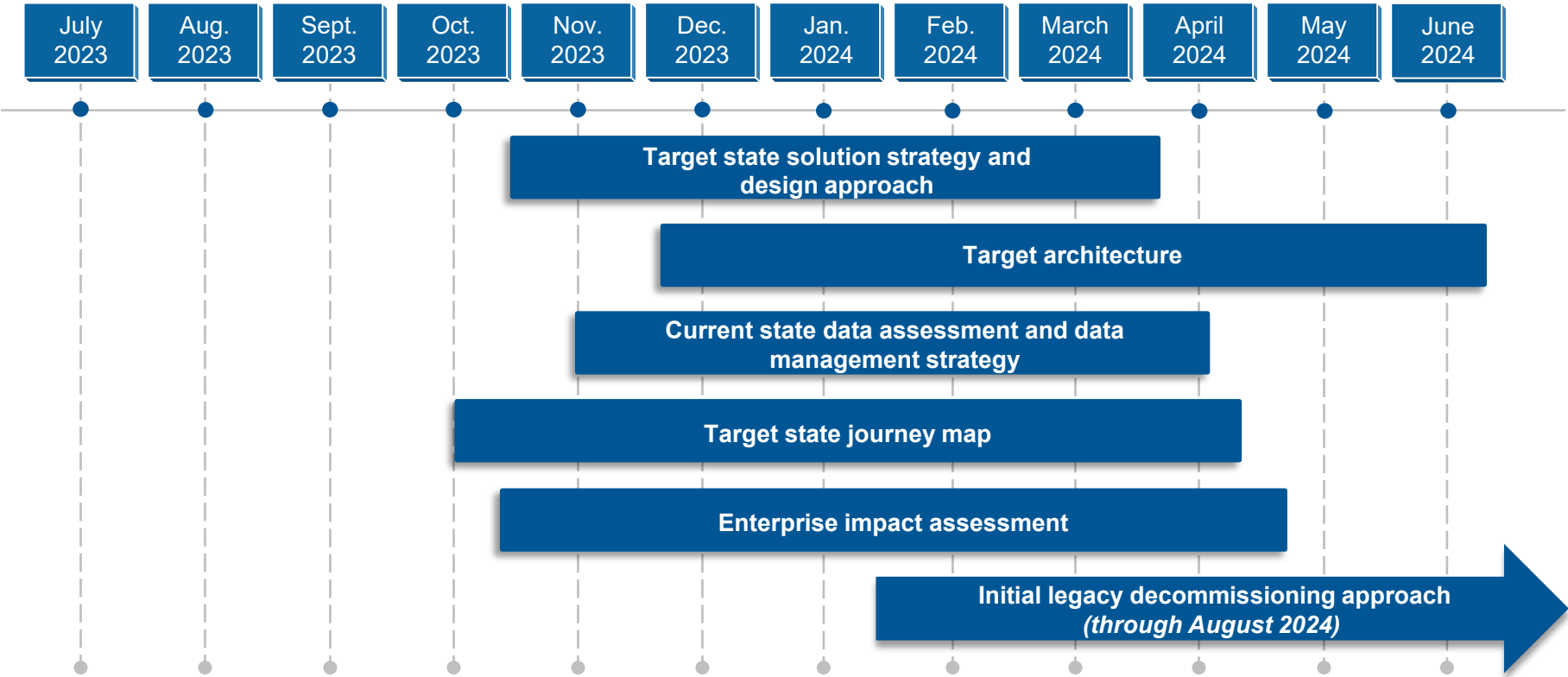


# General Updates

- *Leadership Updates*
- *Ergonomics Update*
- *Workers Compensation Systems Modernization (WCSM)*
- *Legislative Updates*
- *IME Updates*

# Workers' Compensation Systems Modernization

## FY2024 milestones



# Workers' Compensation Systems Modernization

## *What's on tap for FY2025*

Through June, we're focused on:

- Prioritizing the order of our foundational capabilities.
- Developing project plans for the next phases of work in the 2025-27 biennium.
- Gathering business requirements for developing our customer dashboard – our main focus for our first phase (wave).
- Continuing work on our decommissioning strategy.

# Workers' Compensation Systems Modernization

## *Our new project leadership*

- Art Hebbeler named new project director on Oct. 1.
  - More than 25 years of experience leading high-stakes modernization projects for state and federal agencies, including the Maryland Workers' Compensation Commission and the US Department of Labor.
- Bill Fishburn joined WCSM as its new deputy project director Nov. 1.
  - Spent seven years in the IT project management office at the Department of Health; most recently as the IT project management office manager.
  - More than 20 years working with Intel with experiences in project/program management, engineering, and Human Resources.

# Agency Request Proposals 2025

- Z-0005.3/Z-0151.1– Explicitly listing the department of labor and industries in the definition of limited authority Washington law enforcement agency while not granting new enforcement authority.
- Z-0006.2/Z-0152.1 - Establishing department authority to ensure payment is received from the self-insured employer after a self-insured group or municipal employer has their self-insurer certification withdrawn.

# Decision Packages 2025

- **Workers comp system modernization** - Establish technical foundation to replace L&I's aging technology
- **Claims management resources** - Continuation of 2017-21 DPs to reduce caseloads
- **Light Duty Complaint Resolution Office** – Permanent resources to continue streamlined approach to resolve worker disputes

Request	What we asked for	Gov's budget
WCSM	\$39.6M and about 38 FTEs	\$17.9M and about 13 FTEs
Light Duty	\$812k and 3.2 FTEs	\$400k and 2 FTEs
Claim Managers	\$6.8M and 31 FTEs	\$3.7M and 14 FTEs

# IME Recording Update

- Data
  - Overall number of IMEs continues to decrease
  - Number of cancellations due to recording issues also decreasing
- Rulemaking
  - Pause on CR102
    - Co-recording and 3<sup>rd</sup> Party Recording
  - Explore the interest in 3<sup>rd</sup> party recording without formal rulemaking

Mo/Yr	# of exams with a request to record
Mar-24	50
Apr-24	40
May-24	33
Jun-24	28
Jul-24	29
Aug-24	26
Sep-24	24
Oct-24	31
Nov-24	21



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# Implementing bills and budget provisos - 2024 session

*Kirsta Glenn, Deputy Assistant Director  
Insurance Services*

# Implementing bills and budget provisos - 2024 session

- Good Faith and Fair Dealing (SHB 1521)
- Increasing employer incentives (SHB 2127)
- Skill Enhancement Training (SHB 2127)
- Proviso to pilot a light duty complaint process



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# Good Faith and Fair Dealing (GFFD)

*Kirsta Glenn, Deputy Assistant Director  
Insurance Services*

# Self-Insurance Good Faith & Fair Dealing

- Proposed and passed rules to further define good faith and fair dealing, effective 7/1/2024.
- Established processes for penalty requests.
- Updated L&I systems to capture data needed to track penalty requests.
- Started development of a tracking/reporting tool.
- Proposed legislation to address issues with decertifying self-insured public entities and groups for 2025 session.



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# Light Duty Complaint Resolution Office (LDCRO)

*Cherell Fisher, Chief of Claims  
Insurance Services*

# Light Duty Office overview

- Proviso to set up an office for customers who have questions or issues regarding a light duty job offer.
- The office is responsible for resolving all transitional and permanent job offer disagreements for both State Fund and Self-Insurance claims.
- The office opened on September 3rd and will be available through June 30, 2025.
- A legislative report will be submitted by June 30, 2025. The report will include information about the volume of complaints, resolution outcomes and trends.

# So far...

- Complaints received:
  - 116 (109 State Fund and 7 Self-Insurance)
  - 78 completed
- 36 were found valid, 35 were found not valid, 7 other
- Of those not valid,
  - 18 outside the worker's restrictions or AP didn't approve
  - 3 unreasonable commute
  - 4 unreasonable start date
  - 6 not communicated
  - 1 not meaningful
  - 3 other

# Early findings

- The light duty complaint office seems to be filling a need
- Feedback has generally been positive
- LDCO offers feedback to employers if job is found to be invalid
- Office is currently stabilizing its work
  - Target is to complete review within 10 business days
  - Oldest complaint in queue is 30 days
  - Some complaints take considerable research to resolve
  - Due to volume, more staff have been moved to help out, part time, with review

# Questions





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# Skill Enhancement Training Implementation (SET)

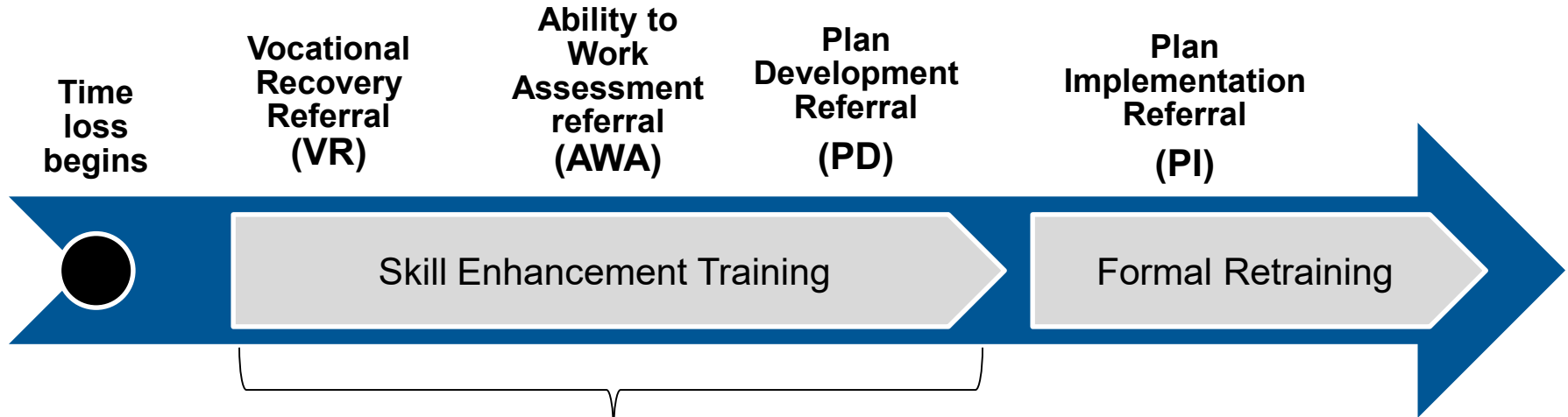
*Caitlyn Jekel, Chief of Return to Work Partnerships  
Insurance Services*

# Background

HB 2127 (2024) established a voluntary option for workers with a vocational referral to receive skill enhancement training (SET) prior to development of a vocational retraining plan.

- SET may use to 25% of the maximum funding available for a vocational retraining (does not reduce funds available for formal retraining).
- State Fund claims are paid for through the Stay at Work Fund.
- Self-insured employers cover costs of SET for their workers.
- Participation in SET should not delay claim or vocational referral closure.
- Skills gained from SET cannot be used to find worker employable.

# SET in the Claim/Vocational Referral Timeline



Knowledge and skills gained through SET may not be construed as transferable skills. Participation in SET does not disqualify a worker from further vocational rehabilitation services or eligibility for formal re-training.

# Anticipated Benefits

## *Worker benefits:*

- Increased motivation and self-confidence
- Support the worker's goals
- Positive forward motion

## *System outcomes:*

- Increased return-to-work outcomes
- Increased re-training plan success

# Phase one (January 1)

SET funds may be used for:

- Language acquisition
- High-school equivalency
- Adult Basic Education (ABE)
- Tutoring, equipment, and software necessary to participate in approved courses.

# Why SET

<b>Language proficiency</b>	One in five workers developing a training plan have limited English proficiency.
<b>High school equivalency</b>	<p>One in six Washingtonians are functionally illiterate.</p> <p>Bureau of Labor Statistics reports that:</p> <ul style="list-style-type: none"><li>• Employment opportunities in occupations that do not require a high school diploma will continue to drop.</li><li>• Occupations that typically require a high school diploma or equivalent have the most projected openings of any education level.</li></ul>

# Why SET

## **More successful retraining plan implementation**

Not all workers who pursue formal education plans result in successful plan completion. Early intervention with basic skills can:

- Support earlier return-to-work options.
- Provide supportive skills to increase educational success.

# 2025 Expansion

- Monitor data from phase one
- Expand SET options to include “other basic skills”
- Conduct outreach to training providers to fill gaps
- Collaborate with business partners
- Process improvements

# Questions



# Break Time





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# Operational Health Dashboard

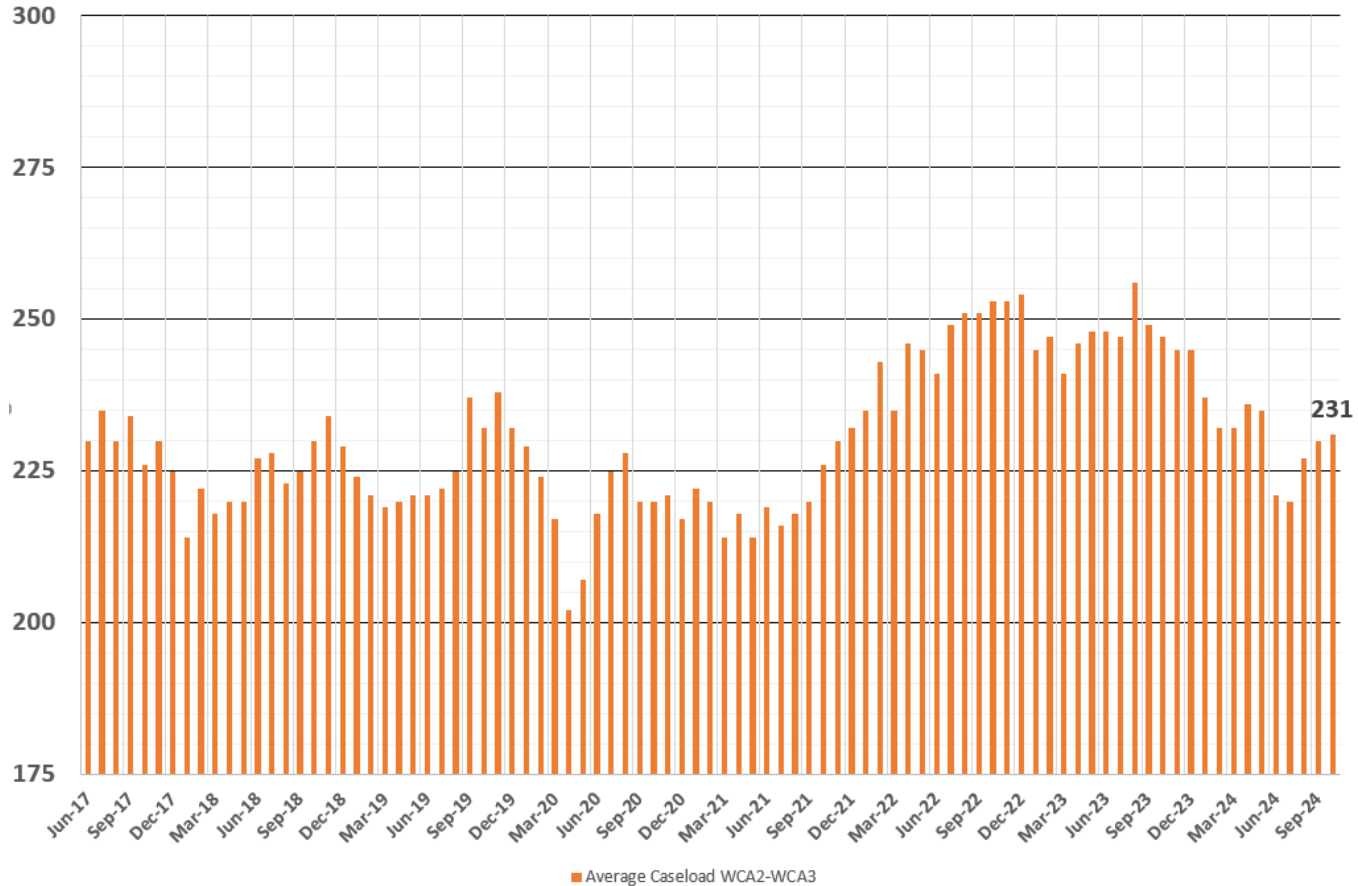
*Brenda Heilman, Assistant Director  
Insurance Services*

# Workers' Compensation Adjudicator Staffing Levels by Month, 3/23 - 10/24



## Average Claims Manager Caseload

(Includes open claims except those scheduled for future closure and closed claims with unresolved protests or pending reopening applications)

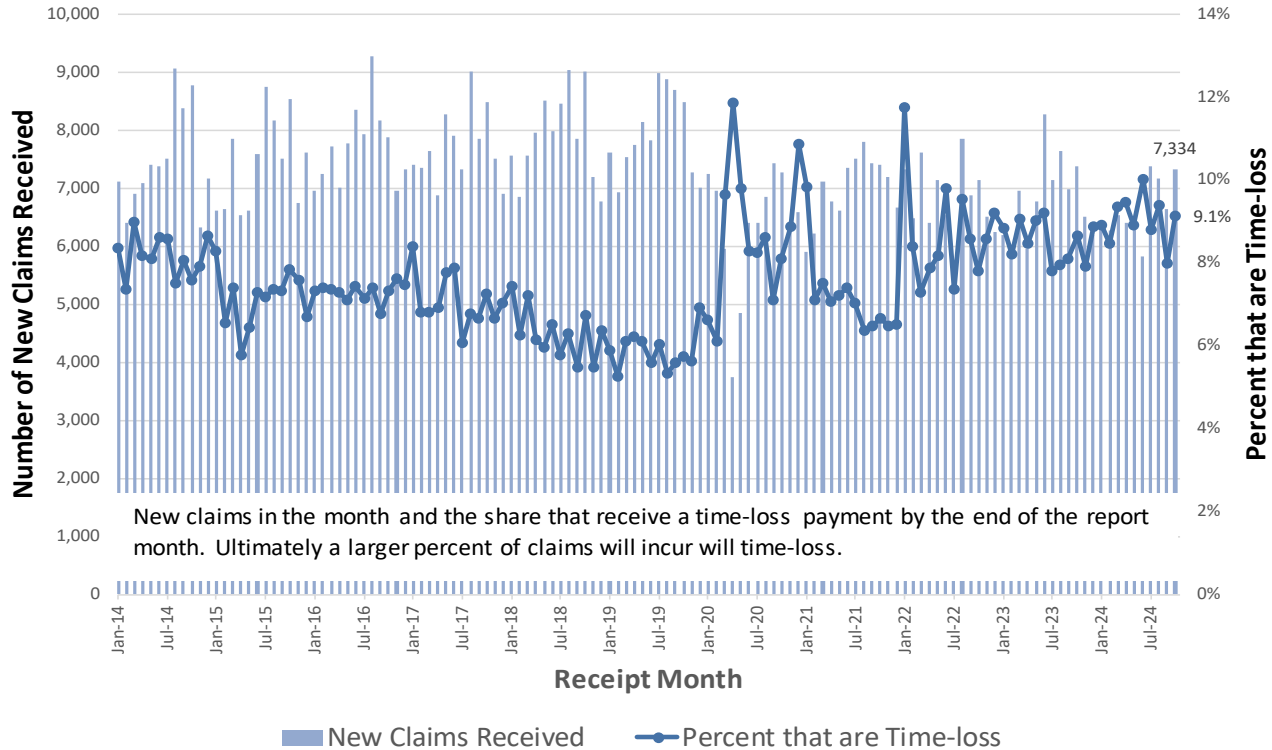


# Operational Health Dashboard

Measure	Status	Definition
Percent of new claims that are time-loss	—	Claims new (received) in the month and percent with a time-loss payment by the end of the month – increase in percent that are time-loss indicates a more severe claim mix.
Long-term disability rate	▲	Percent of all compensable claims with a time-loss payment 12 months post injury – decrease indicates less long-term disability
Pensions funded	—	Number of pensions funded in the quarter – decrease indicates less permanent total disability
Covered hours and claim rate	—	Claims received per 100 FTE indicates the rate of claims considering volume of work - increase indicates higher claim frequency.
Medical cost growth	—	Percent change in medical costs for services performed in the current quarter vs. the same quarter last year – increase means higher costs estimated for the quarter.
Operational efficiency	—	Percent of operational measures meeting target greater than 80 percent– increase indicates more measures exceeding target.

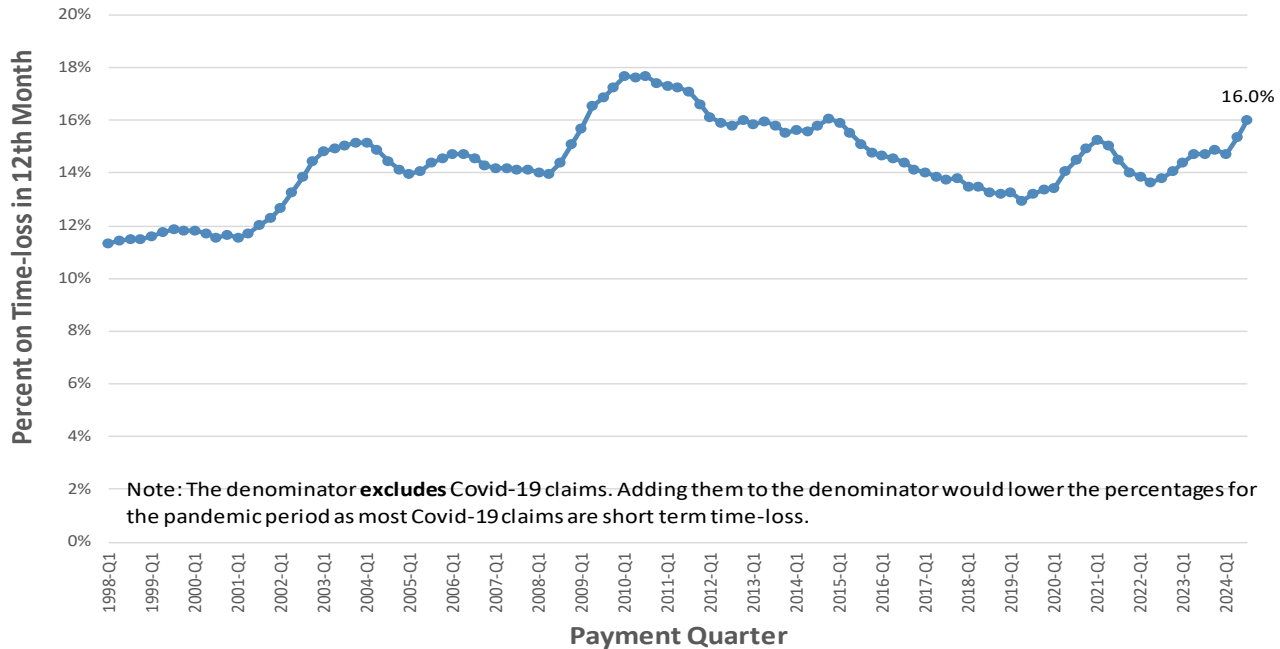
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# Number of New State Fund Claims and the Percent that are Time-loss

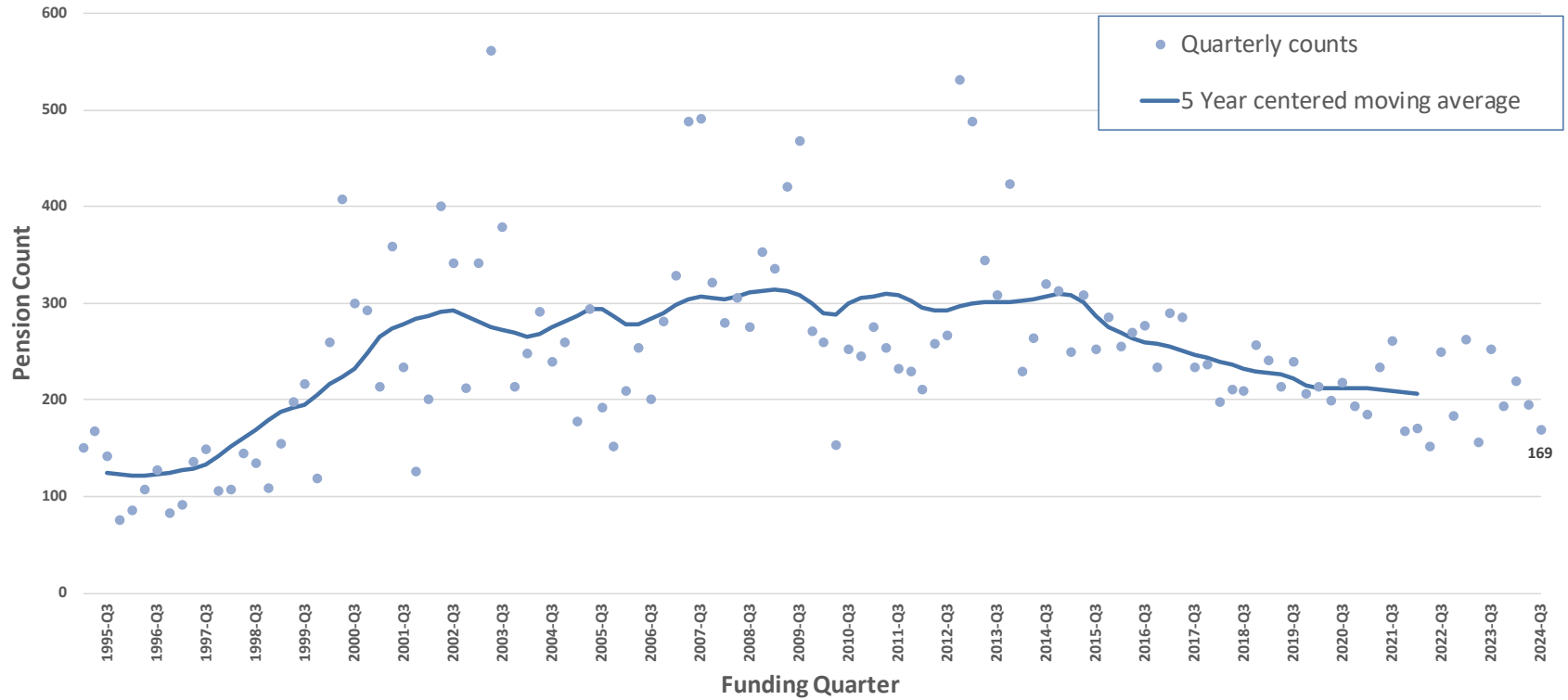


# Long Term Disability Claims

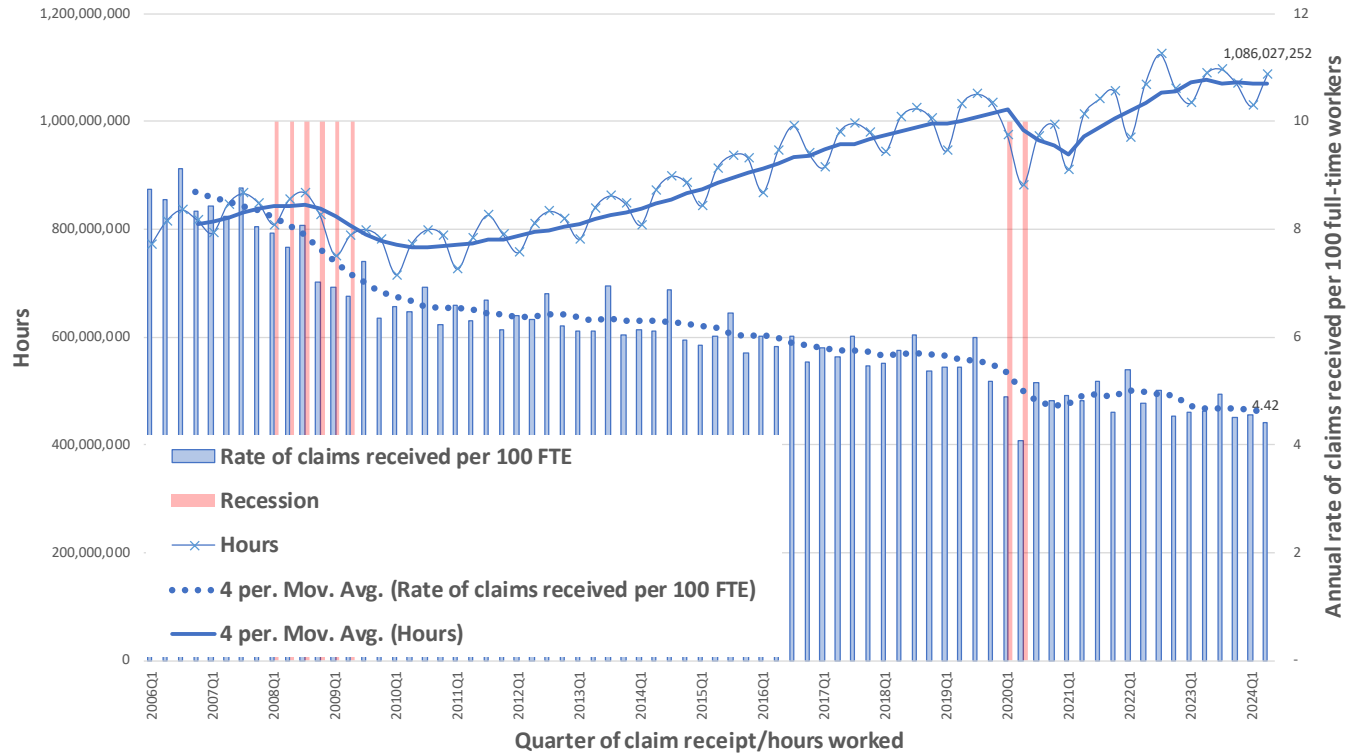
The percent of injured workers with compensable claims that have time-loss paid in the 12th month post injury:  
*smaller percentage indicates less long-term disability*



# State Fund Total Permanent Disability Pensions Funded per Quarter

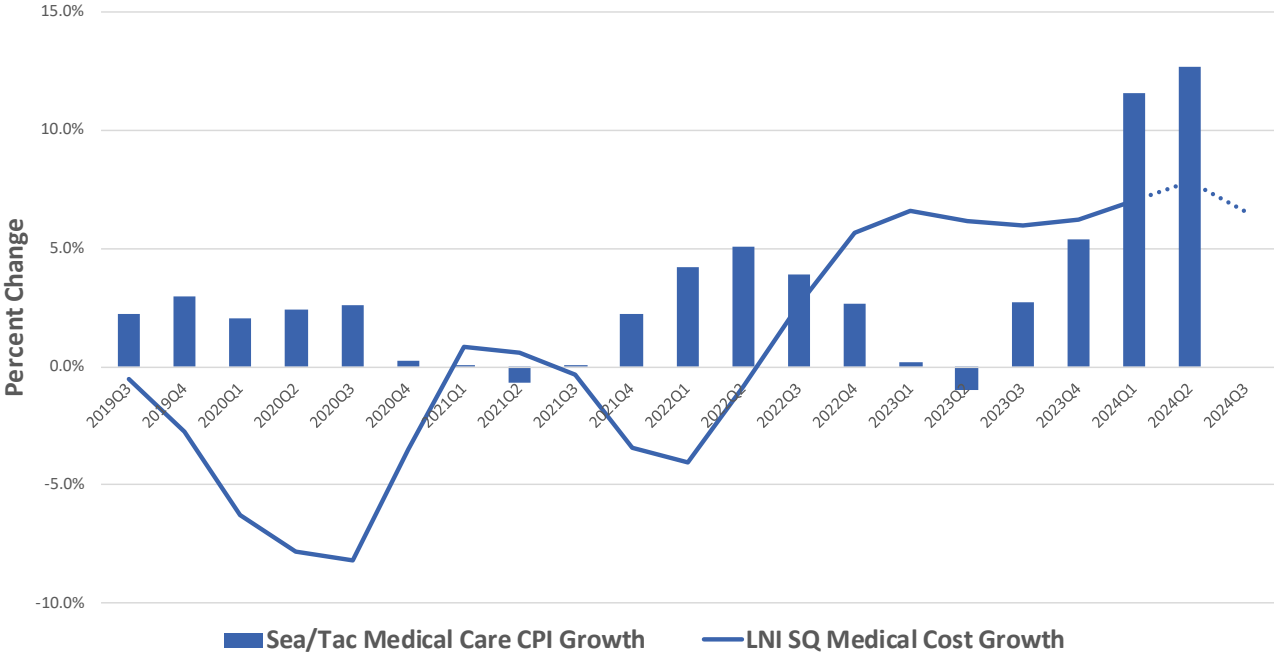


# Covered Hours and the Rate of Claims Received



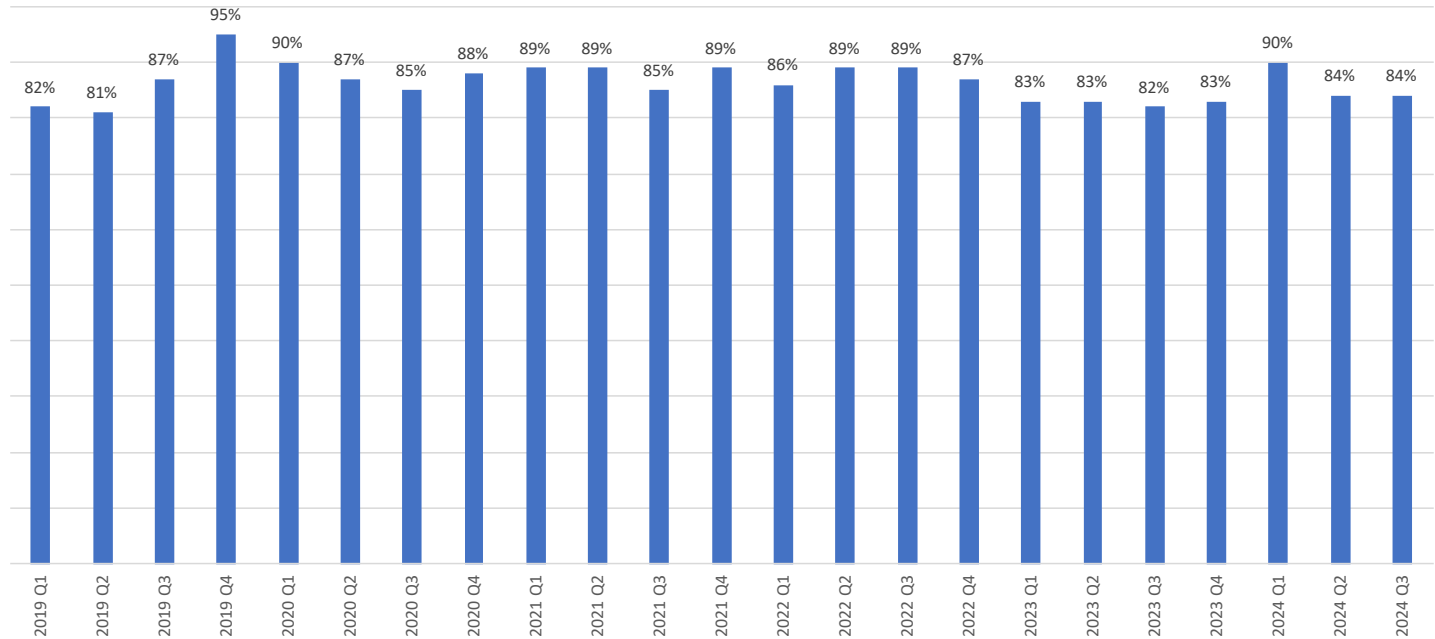
# Annualized Medical Cost Growth

## All Claims Excluding Hearing Loss



# Percent of Workers' Comp Operational Measures Meeting Target

The percent of operational measures that meet operational targets is consistently above 80%.



Currently there are 45 active operational measures in Insurance Services

# Metrics: September to October 2024

Into-standard:



## **Employer Services**

- 95% of BLAs completed timely

## **Legal Services**

- CRSAs – 100% approved by board

# Employer Services

**Measure:** WSAW – Oldest Unworked Application From Date of Receipt

**Goal:**

Green: ≤30 Days

Yellow: 31-40 Days

Red: ≥41 Days

**Metric Status:** 86 Days

**Mitigation Plan:**

- The team is reviewing work processes to identify quick wins and best practices they can implement while working w/SBO on a project intended to further streamline adjudicative processes.
- Program leadership is working with the internal auditor to review current processes.
- Based on attendance WSAW Adjudicators were expected to issue 640 orders and/or letters; total actually issued was 906 (266 more than expected).
- Average unit weekly workload was 1993 pending applications, with 647 new applications. The Uunit issued 436 warrants on 450 applications for a total of \$1,570,588 in WSAW wage and expense reimbursements.

# Legal Services

**Measure:** VDRO Dispute Resolution: Resolved in an average of 26 days or less

**Goal:**

Green: ≤26 days

Yellow: 27-29 days

Red: ≥30 days

**Metric Status:** 31 days

**Mitigation Plan:**

- Legal Services received a substantial amount of Self-Insurance claims, which typically take longer to work.
- The supervisor is continuing to work disputes to reduce the amount of time it takes VDRO to resolve them.

# Self-Insurance

**Measure:** SI Audit Cycle

**Goal:**

Green:  $\geq 100\%$

Yellow: 95-99%

Red:  $\leq 94\%$

**Metric Status:** 85%

**Mitigation Plan:**

- Audit continues to be down one auditor.
- The latest new hire is going through training and transitioning between their new and previous position.



Washington State Department of  
Labor & Industries

# Post Traumatic Stress Disorder (PTSD) Subcommittee Update

*Sheri Sundstrom, Workers  
Compensation Policy and  
Operations Advisor*

# Scope

- Review PTSD claim data
- Research prevention programs
- Review industry best practices
- Align with PTSD study
- Share recommendations with WCAC

# Membership

Role	Representation Group	Name
<b>Chair</b>	Assistant Director, Insurance Services	Brenda Heilman
<b>Co-Chair</b>	Deputy Assistant Director, Insurance Services	Kirsta Glenn
<b>Labor Representative</b>	Vice President – Director of Government Affairs at Teamsters 117	Brenda Wiest
<b>Labor Representative</b>	Legislative Liaison – WA Council of Fire Fighters	A.J. Johnson
<b>Business Representative</b>	Association of Washington Cities	Candice Bock
<b>Business Representative</b>	Washington Hospital Association	Patty Barcelona-Wilder
<b>Facilitator</b>	Insurance Services Administration	Sheri Sundstrom

Subject Matter Experts (SMEs)	Representation Group	Name
<b>Agency Staff</b>	Office of the Medical Director (OMD)	Jennifer Jutte
<b>Agency Staff</b>	Office of the Medical Director (OMD)	Kim Wallace
<b>Agency Staff</b>	SHARP	Dave Bonauto
<b>Agency Staff</b>	Return to Work Partnerships	Kirsta Glenn
<b>Agency Staff</b>	Claims Administration	Catherine Pederson
<b>Agency Staff</b>	Claims Administration	Coral Suhrbier
<b>Agency Staff</b>	Claims Administration	Mark Goodwin
<b>Agency Staff</b>	Self-Insurance	Knowrasa Patrick
<b>Agency Staff</b>	Self-Insurance	Stephanie Scheurich

## Presumptive PTSD Claims Received by Year (2018-2024\*)

Year Received	State Fund	Self-Insured
2018	16	9
2019	35	22
2020	44	36
2021	95	55
2022	93	42
2023	78	50
*2024	67	21
<b>Total</b>	<b>428</b>	<b>235</b>

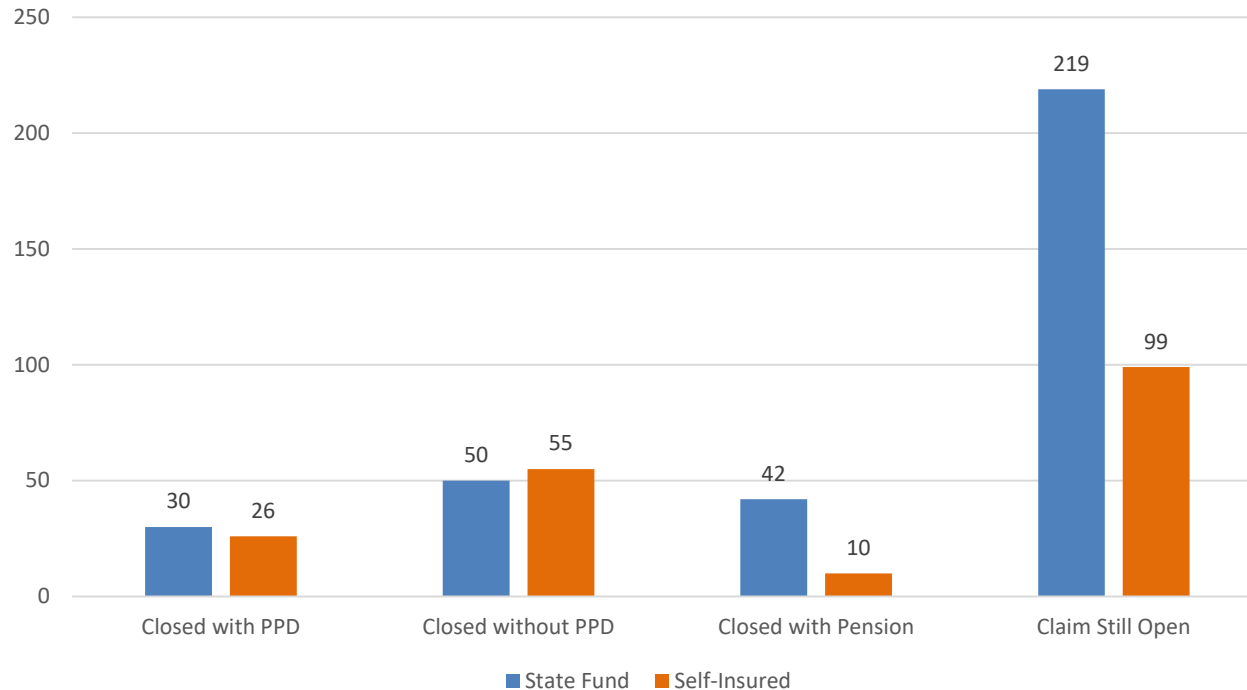
\*Data through October 2024

## Claim Determination Status

Status	State Fund	Self-Insured
Allowed	341	190
Rejected	81	43
Provisional or Not Yet Allowed	6	2
<b>Total</b>	<b>428</b>	<b>235</b>

\*Data through October 2024

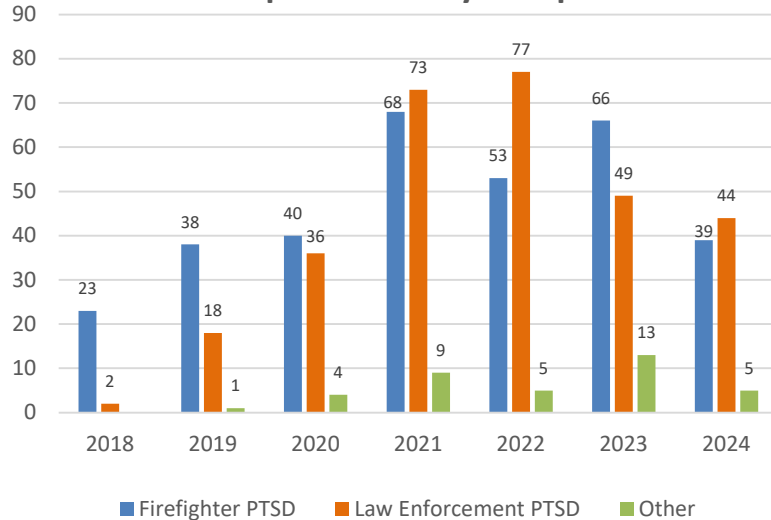
# Status of PTSD presumptive accepted claims



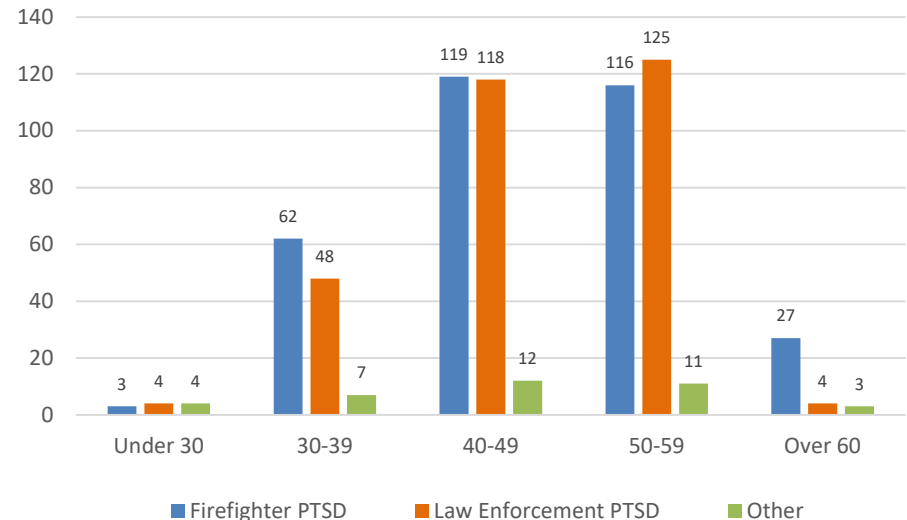
Data through October 2024

# Presumptive PTSD by occupation and age

## Presumptive PTSD by occupation

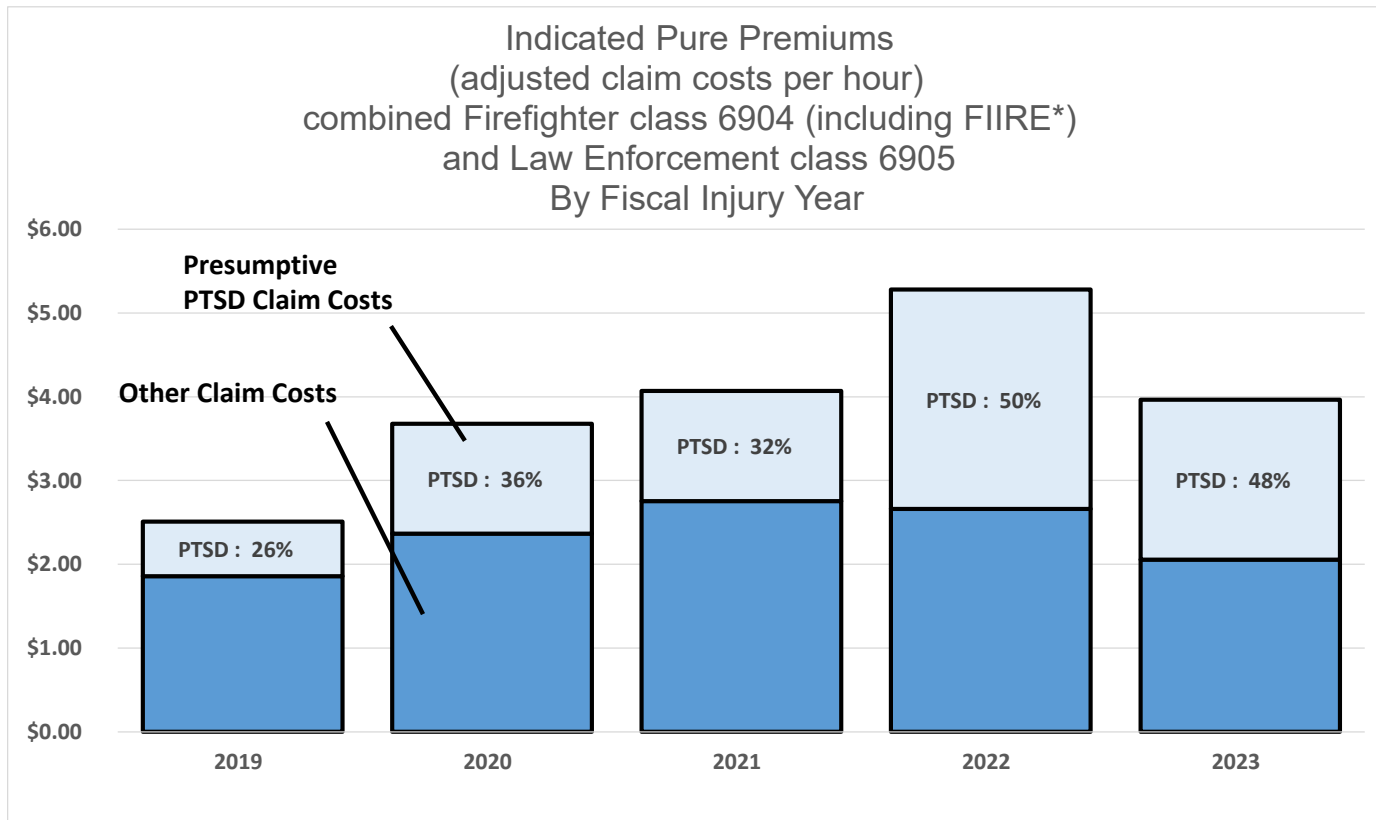


## Age distribution at time of filing



Combination of state fund and self-insured  
Data through October 2024

# Presumptive PTSD claim costs as a proportion of total claim costs



Fiscal years 2019-2023, developed to ultimate, adjusted to 2025 cost levels, and adjusted to levels underlying the 2024 rates  
\*Firefighter Injury & Illness Reduction (FIIRE) pilot program, created by Senate Bill 5175 (2019)

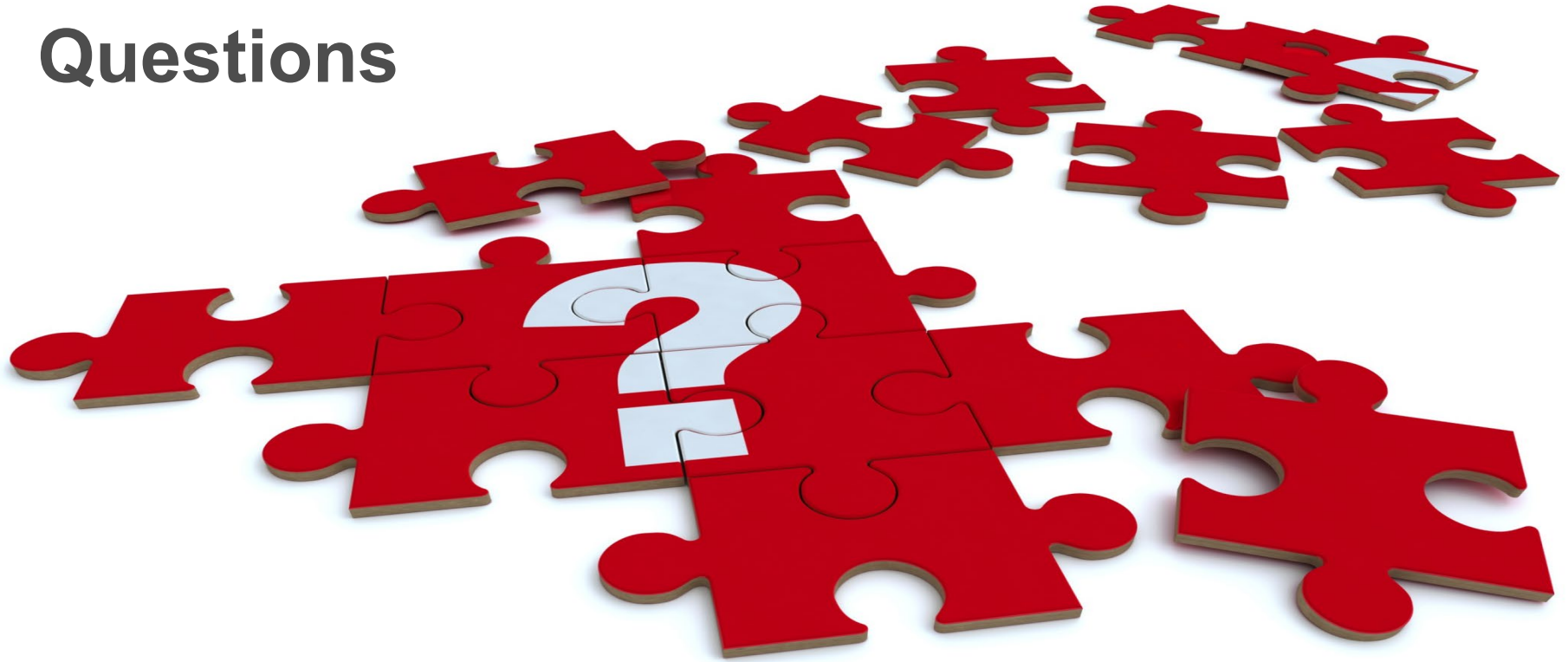
# Scope Updates

- Research Prevention Programs
  - In process – establish informational meetings with local Law Enforcement, Corrections and Firefighters to discuss their prevention and behavioral health programs.
- Review industry best practices
  - In process – MasDyne contract executed/work has begun
- Treatment Guidelines
  - In process – goal date of October 2025

# Summary

- Activities in all areas of scope
- Participation by full WCAC in Subcommittee Meetings
- Next Subcommittee Meeting – January 9th

# Questions





Washington State Department of  
Labor & Industries

# **Industrial Insurance (State) Fund Financial Overview**

## **Statutory Financial Information**

### **Fiscal Year 2025**

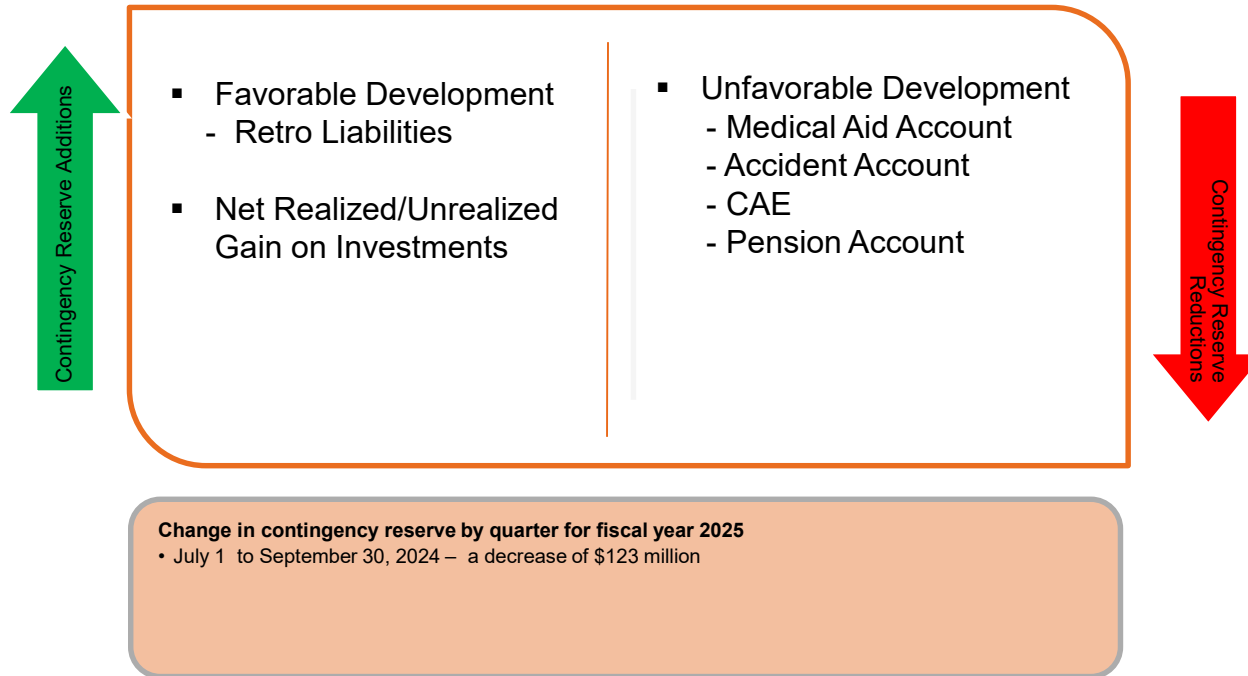
### **July 2024 – September 2024**

*Kim Hurley, Chief Accounting Officer*

# Significant Financial Highlights

July 2024 through September 2024

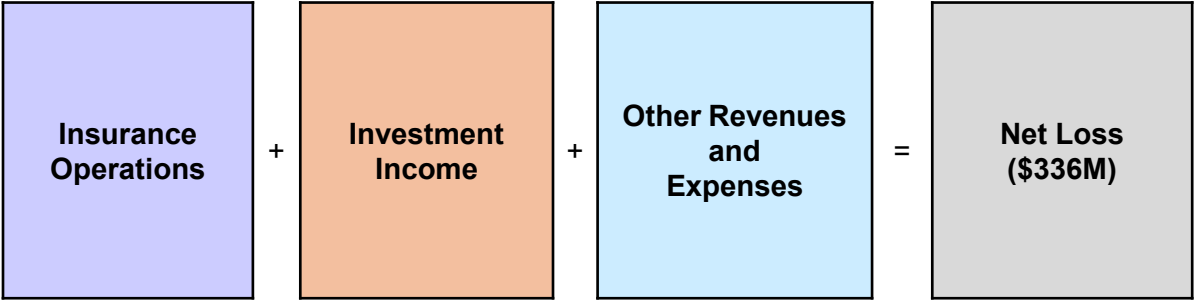
The contingency reserve decreased **\$123 million**, from \$5,490 million on July 1, 2024 to \$5,367 million on September 30, 2024.



# State Fund Results

“Net Income”

July 2024 through September 2024



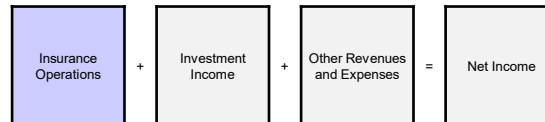
# Insurance Operations

July through September 2024  
(in millions)

Three Months Ended

		September 30, 2024	September 30, 2023
We took in (Premiums Earned)	+	\$ 553	\$ 566
We spent (Expenses Incurred)			
Benefits Incurred		908	481
Claim Administrative Expenses		113	58
Other Insurance Expenses		26	26
Total Expenses Incurred	-	1,047	565
Net Income (Loss) from Insurance Operations	=	\$ (494)	\$ 1

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



# Premiums Earned

July 2024 through September 2024  
(in millions)

	Three Months Ended		Difference
	September 30, 2024	September 30, 2023	
Standard Premiums Collected	\$541	\$561	
Less Retrospective Rating Adjustments	(18)	(15)	
Less Ceded Reinsurance Premiums	(4)	(8)	
Net Premiums Collected	519	538	
Changes in future Premium Amounts To Be Collected	34	55	
Changes in future Retrospective Rating Adjustment Refunds	0	(27)	
Net Premiums Earned	\$ 553	\$ 566	\$ (13)

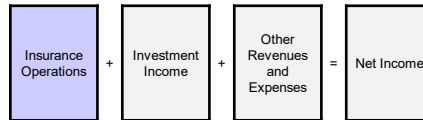


# Benefits Incurred

July 2024 through September 2024  
(in millions)

## Three Months Ended

	September 30, 2024	September 30, 2023	Difference
Benefits Paid	\$ 471	\$ 428	\$ 43
Change in Benefit Liabilities	437	53	384
<b>Total Benefits Incurred</b>	<b>\$ 908</b>	<b>\$ 481</b>	<b>\$ 427</b>



# Investment Income

July 2024 through September 2024  
(in millions)

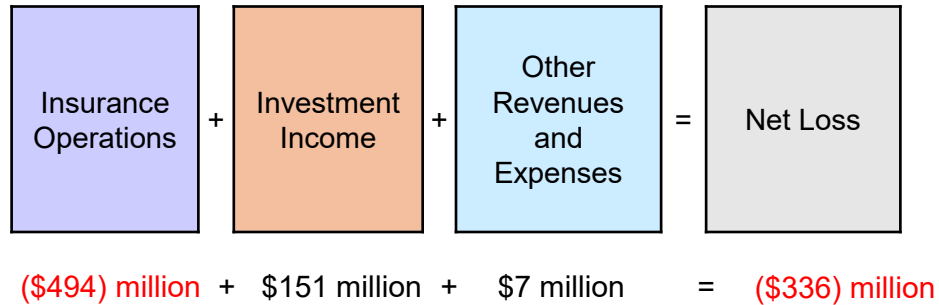
## Three Months Ended

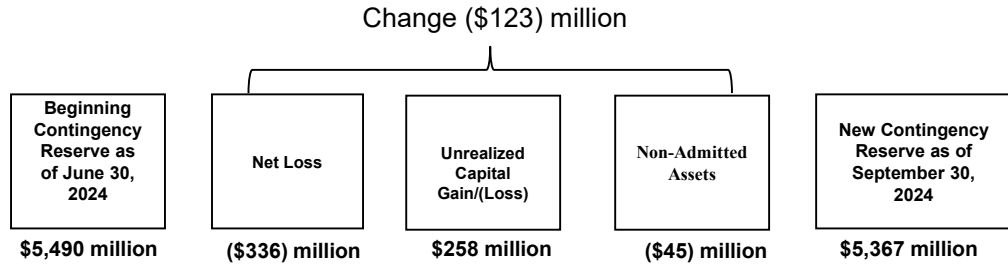
		September 30, 2024	September 30, 2023	
Investment Income Earned from Interest on bonds	+	\$158	\$ 140	
Realized Gain/(Loss) from Fixed Income Investments Sold	+	(7)	(1)	
Realized Gains from Stocks (Equity Investments) Sold	+	0	0	
Total Investment Income	=	\$ 151	\$ 139	



# Results of Operations

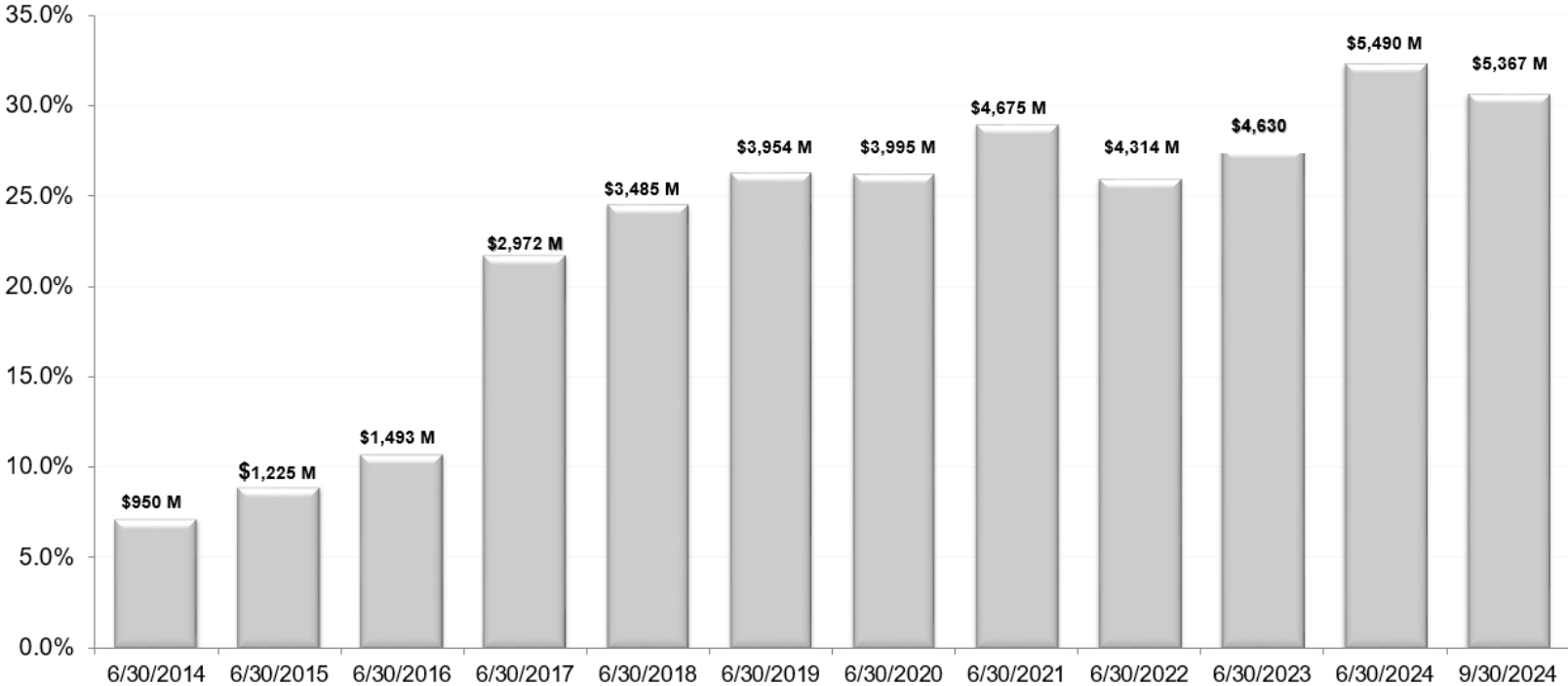
July 2024 through September 2024





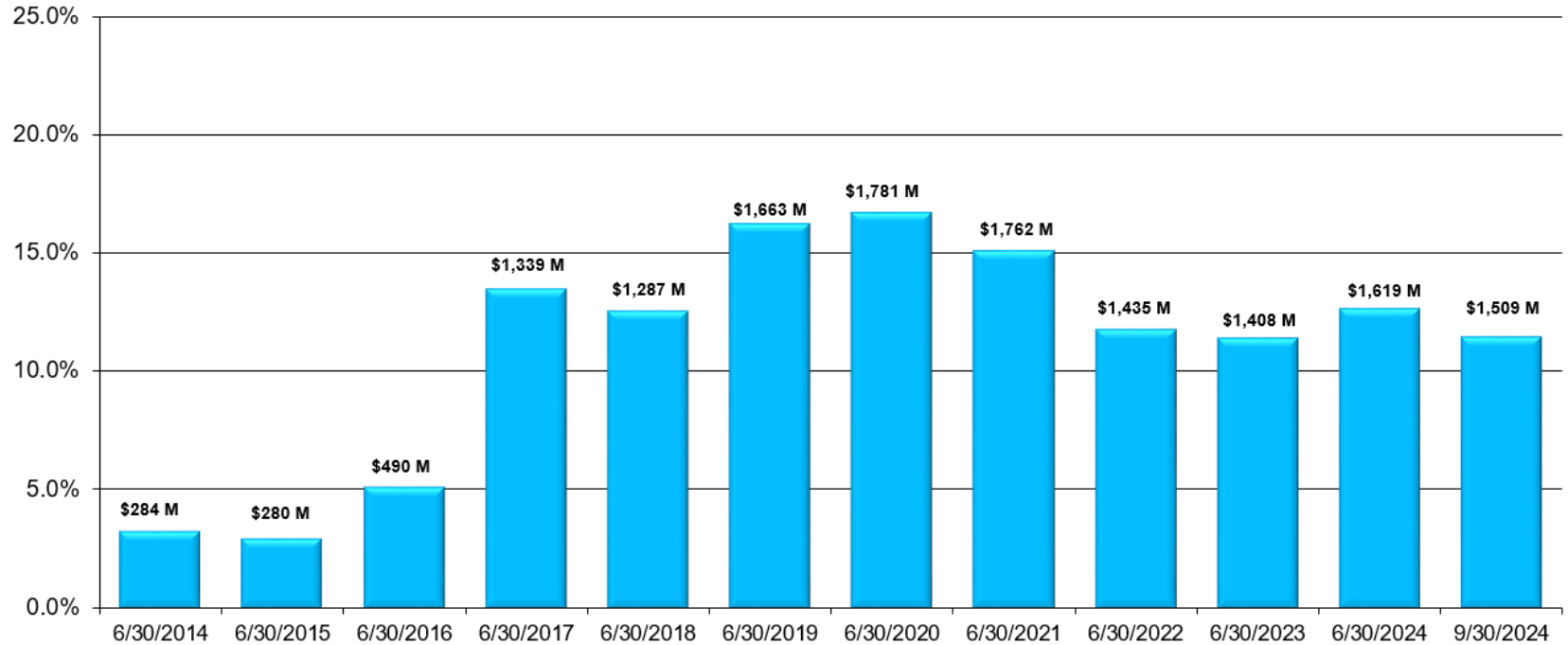
# Combined Contingency Reserve

## Combined Contingency Reserve is 30.7% of Total Liabilities



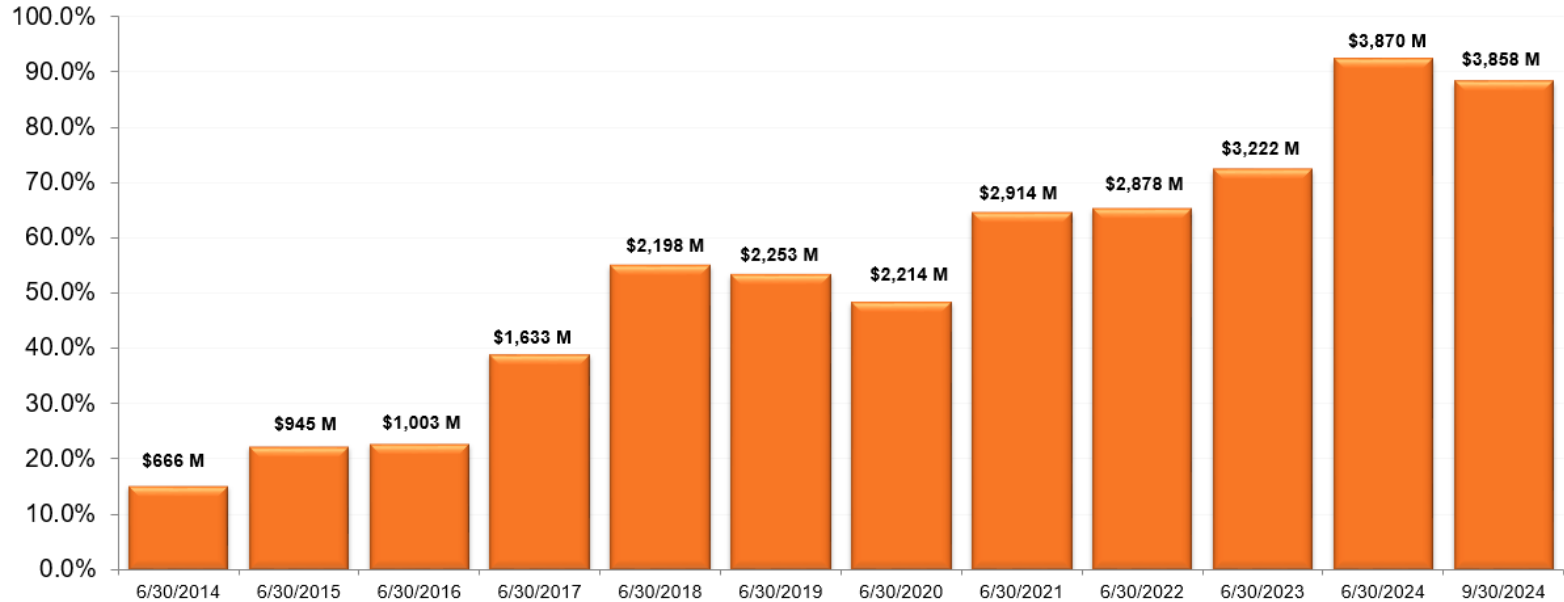
# Accident & Pension Contingency Reserve is 11.5% of Liabilities

Accident & Pension Contingency Reserve



# Medical Aid Contingency Reserve is 88.3% of Liabilities

## Medical Aid Contingency Reserve



# Key Financial Ratios

as a percentage of premium earned

Ratios	Quarter Ended September 30, 2024		10 Year Rolling Average	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023
	State Fund	Industry Forecast *			
Current Year Benefit (Loss Ratio)	100.2%			97.6%	99.8%
Prior Year Benefit (Loss Ratio)	64.1%			3.8%	14.5%
<b>Total Benefit (Loss Ratio)</b>	<b>164.3%</b>	<b>44.6%</b>	<b>101.3%</b>	<b>101.4%</b>	<b>114.3%</b>
Current Year CAE Ratio	12.0%			11.9%	12.0%
Prior Year CAE Ratio	8.4%			(0.5%)	(1.2%)
<b>Total Claim Administration Expense (CAE) Ratio</b>	<b>20.4%</b>	<b>12.7%</b>	<b>11.9%</b>	<b>11.4%</b>	<b>10.8%</b>
Sub-Total: Benefit and Claim Administration Expense Ratios	184.7%	57.3%	113.2%	112.8%	125.1%
Underwriting Expense Ratio includes all insurance administrative expenses except CAE	4.6%	26.9%	4.7%	5.1%	5.2%
<b>Combined Ratio (Industry omits dividends)</b>	<b>189.3%</b>	<b>84.2%</b>	<b>117.9%</b>	<b>117.9%</b>	<b>130.3%</b>
Investment Income Ratio	28.6%	19.4%	25.2%	28.9%	25.9%
<b>Operating Ratio</b>	<b>160.7%</b>	<b>64.8%</b>	<b>92.8%</b>	<b>89.0%</b>	<b>104.4%</b>

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

\* Industry Forecast: State of the Line Report of 2024 issued by National Council of Compensation Insurance (NCCI)

# Questions & Comments

Contact Kim Hurley,  
Chief Accounting Officer  
– Email: [kim.hurley@lni.wa.gov](mailto:kim.hurley@lni.wa.gov).

Thank You!

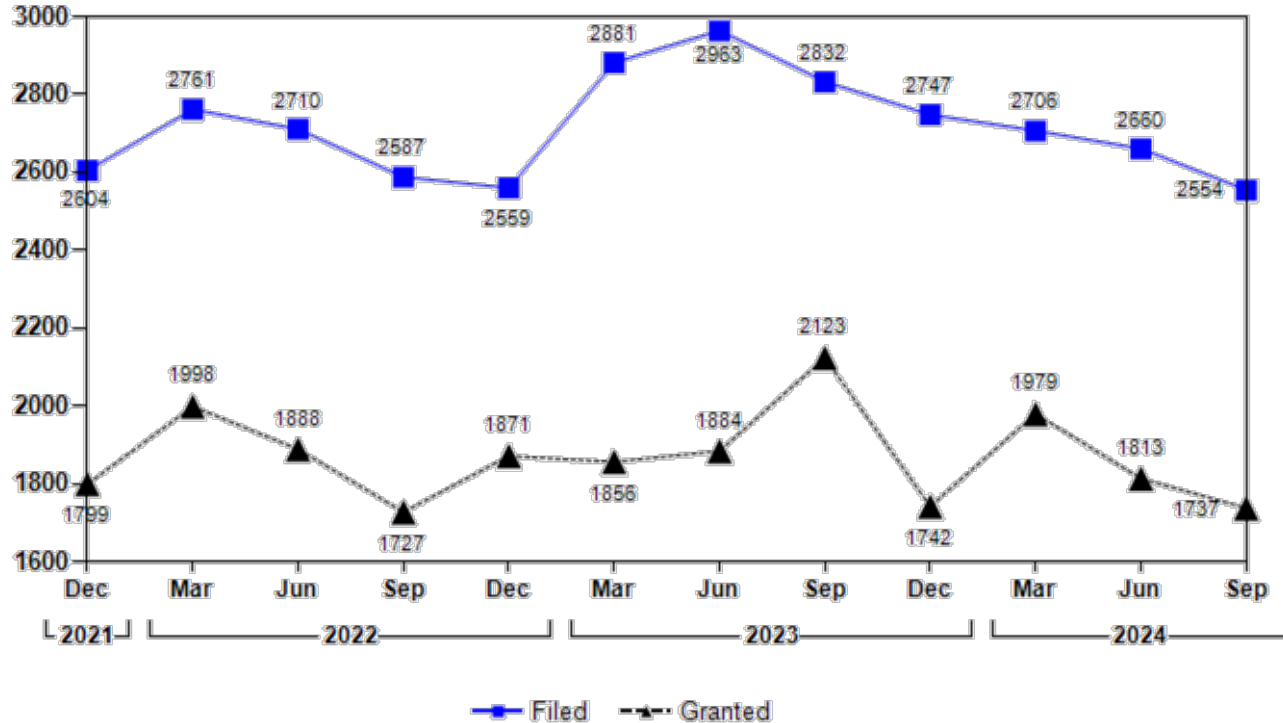


Washington State Department of  
Labor & Industries

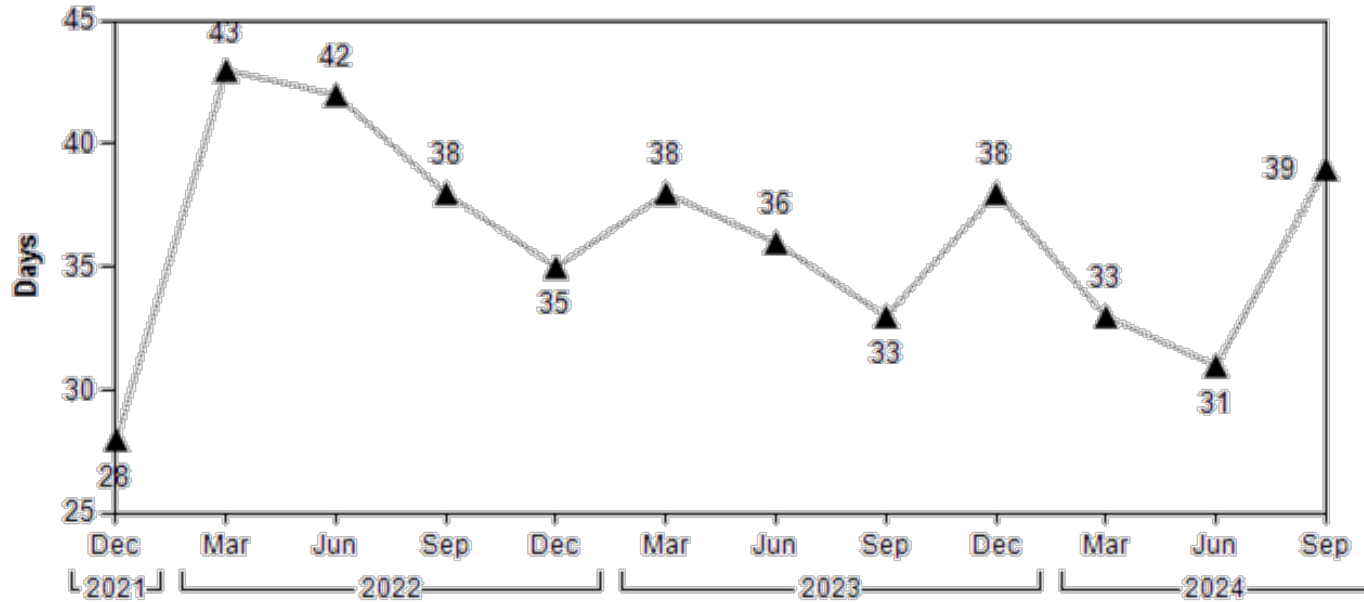
# Board of Industrial Insurance Appeals (BIIA) Update

*Holly Kessler, BIIA Chair*

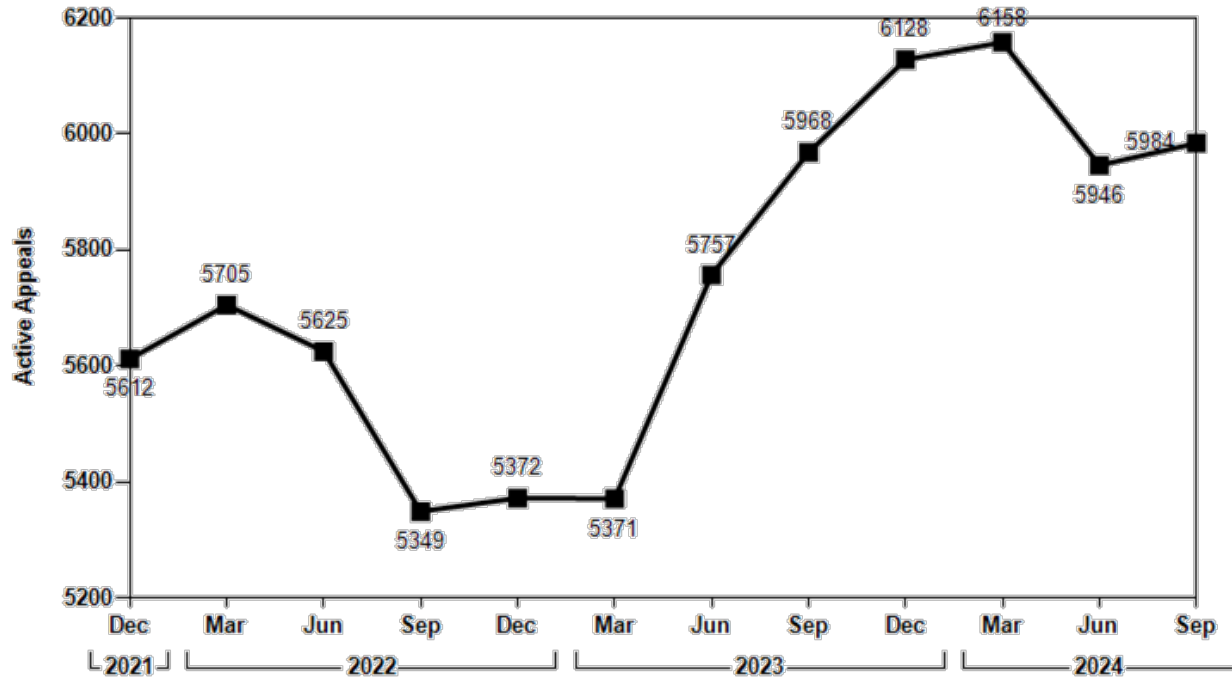
# Total Appeals Filed and Granted



# Average PD&O\* Time-lag by Quarter for Hearing Judges



# Caseload at End of Quarter



# UPDATES

- **Rulemaking:** Revised rules effective December 14, 2024
- **Stakeholder Meeting:** February 21, 2025
- **Seattle Office:** Moving to Renton March 2025
- **BAMS:** Tentative implementation April 2025



# Closing Comments & Adjourn

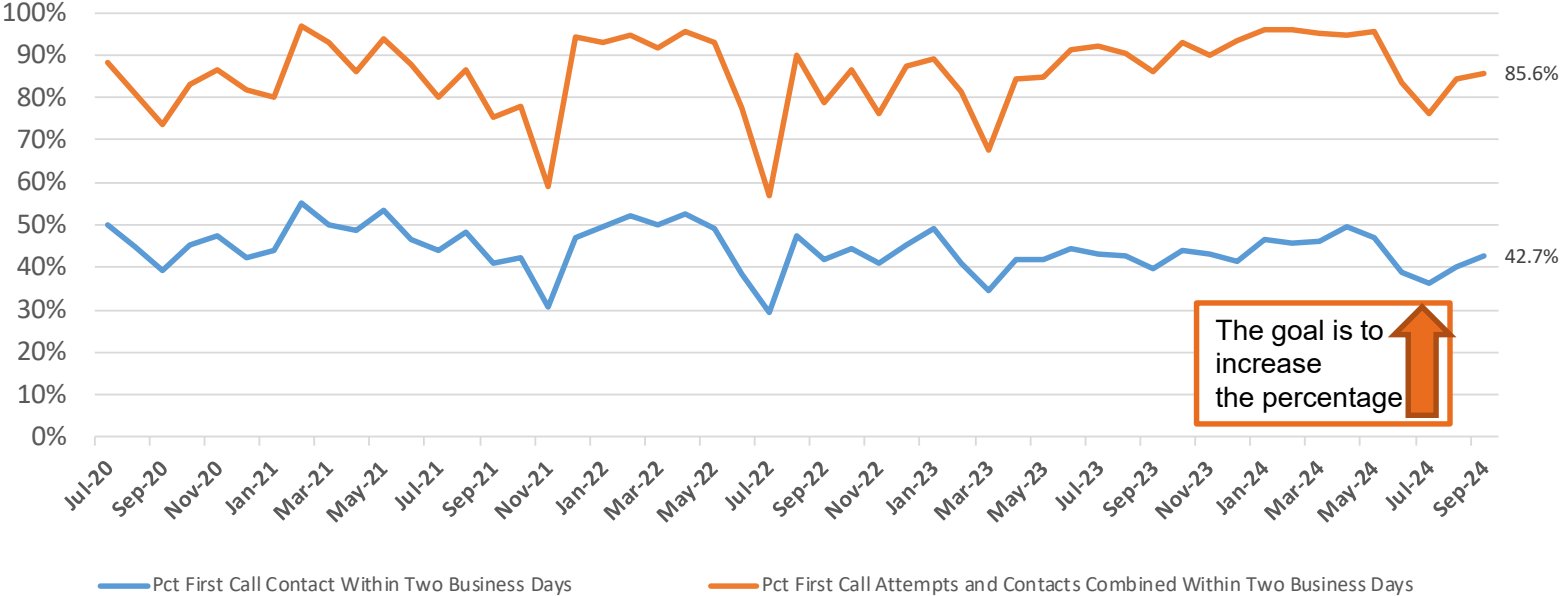
*Joel Sacks, Agency Director*

*Brenda Heilman, Assistant Director for  
Insurance Services*

Next meeting: March 28, 2025

# **OPERATIONAL HEALTH DASHBOARD NOVEMBER 2024 – APPENDIX SLIDES**

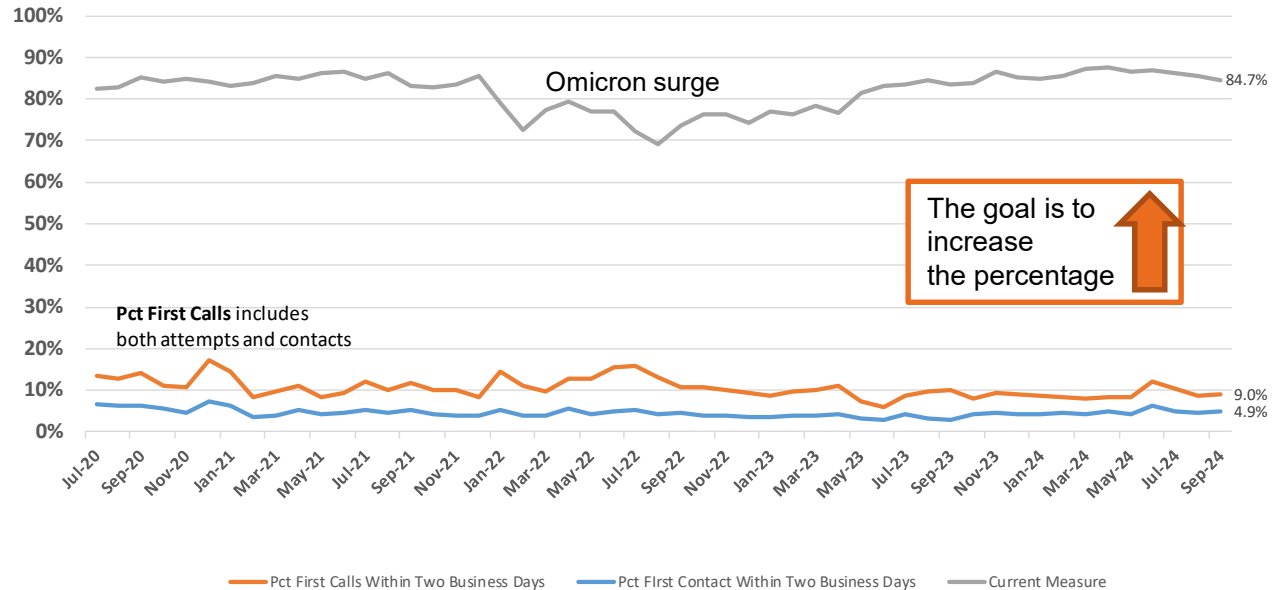
### Percent Timely First Calls - Employer



Note: Clock starts when claim is established in the system.

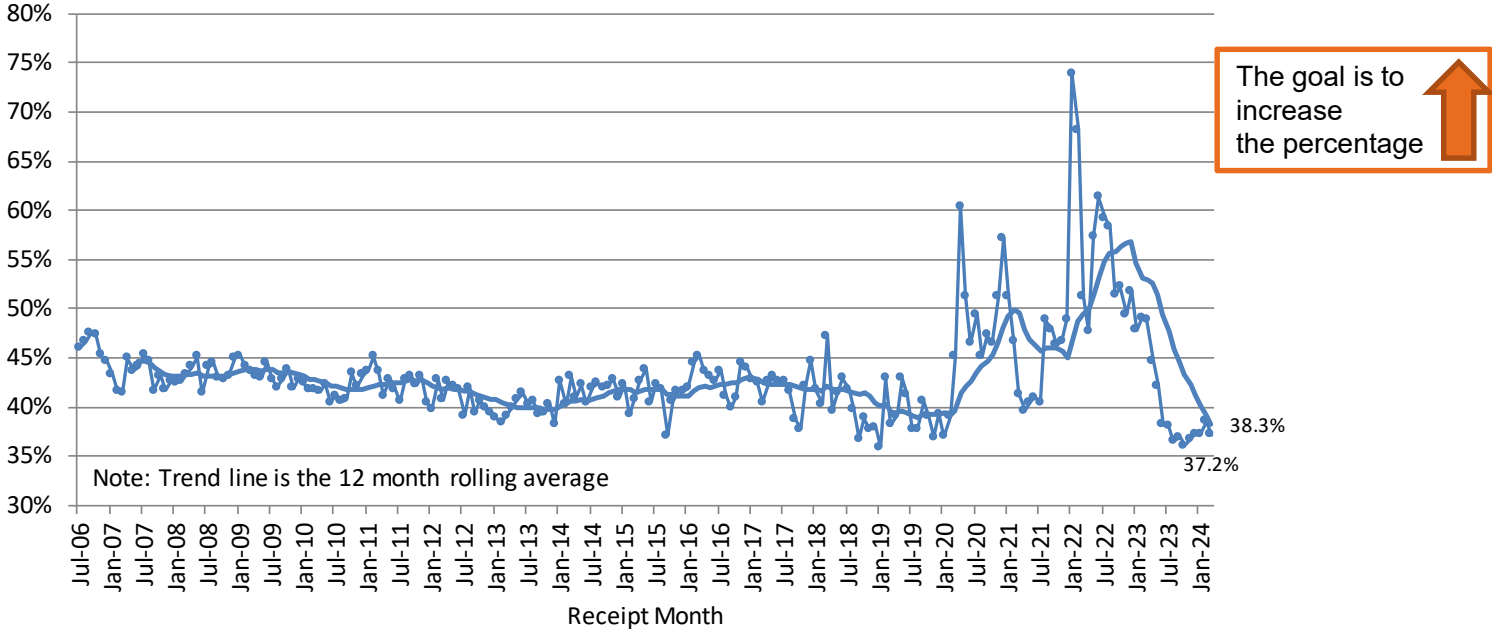
# JLARC recommended worker contact measures & L&I's current measure

Percent Timely First Calls - Workers



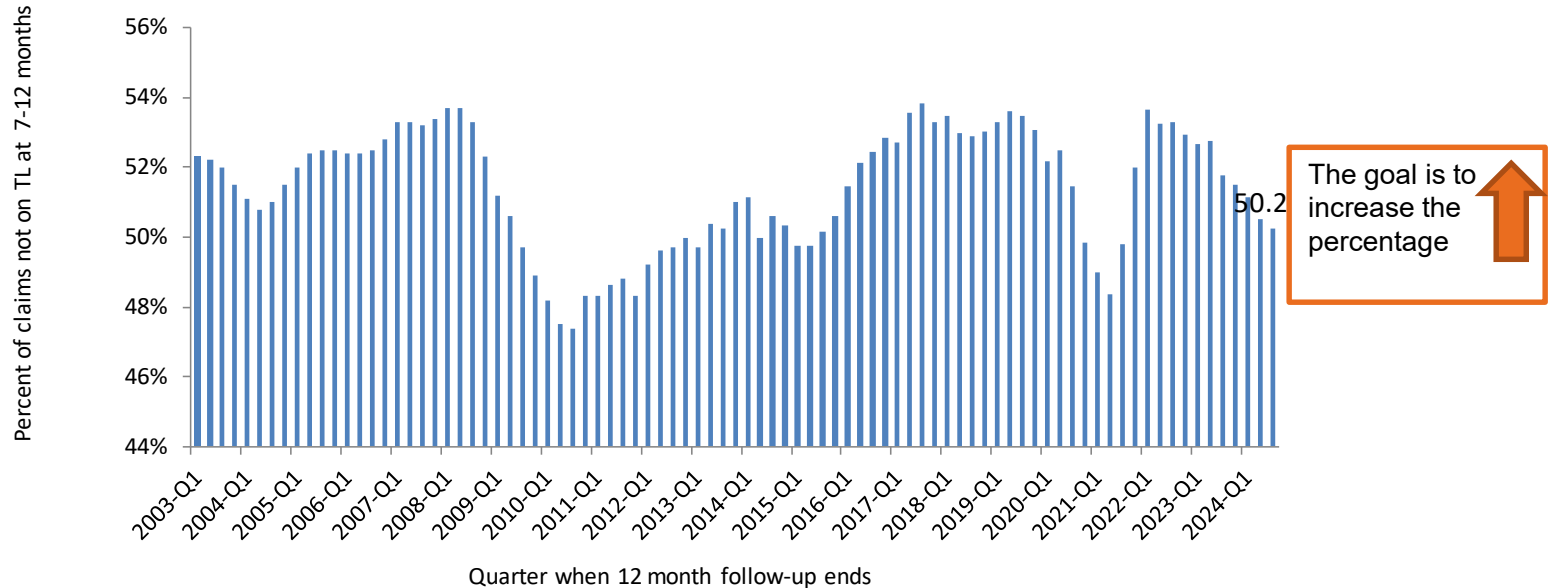
Note: Clock starts when firm and class are assigned on the JLARC recommended measure and when time loss is first paid on the current operational measure.

### Share of time-loss claims resolved six months after claim receipt



# High risk claims – Initiatives in the first year are improving RTW outcomes

The share of injured workers off work 40 days after claim receipt who are likely to have returned to work: Note: 12-month rolling average



High risk workers are defined as those being disabled on the 40th day following claim receipt, about 1,400 claims per quarter. RTW is defined as the status of not receiving disability benefits between 7 and 12 months

# Transitioned to COTS

## Workers newly on opioids transitioned to chronic opioid therapy

54

Workers Transitioned to COT

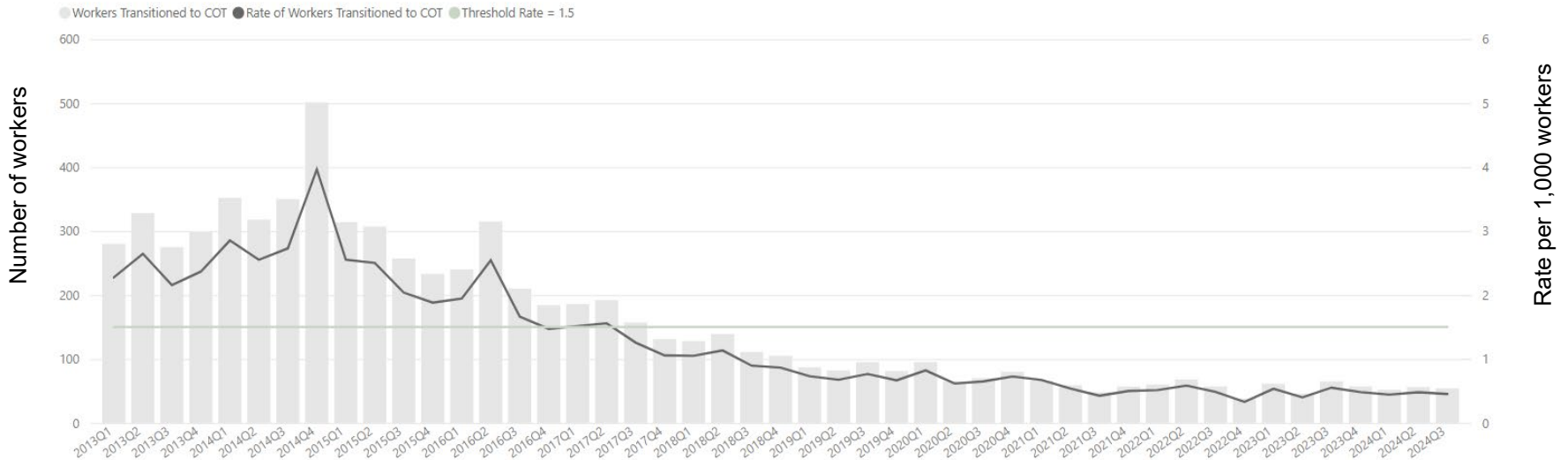
-4%

Change Since Previous Quarter

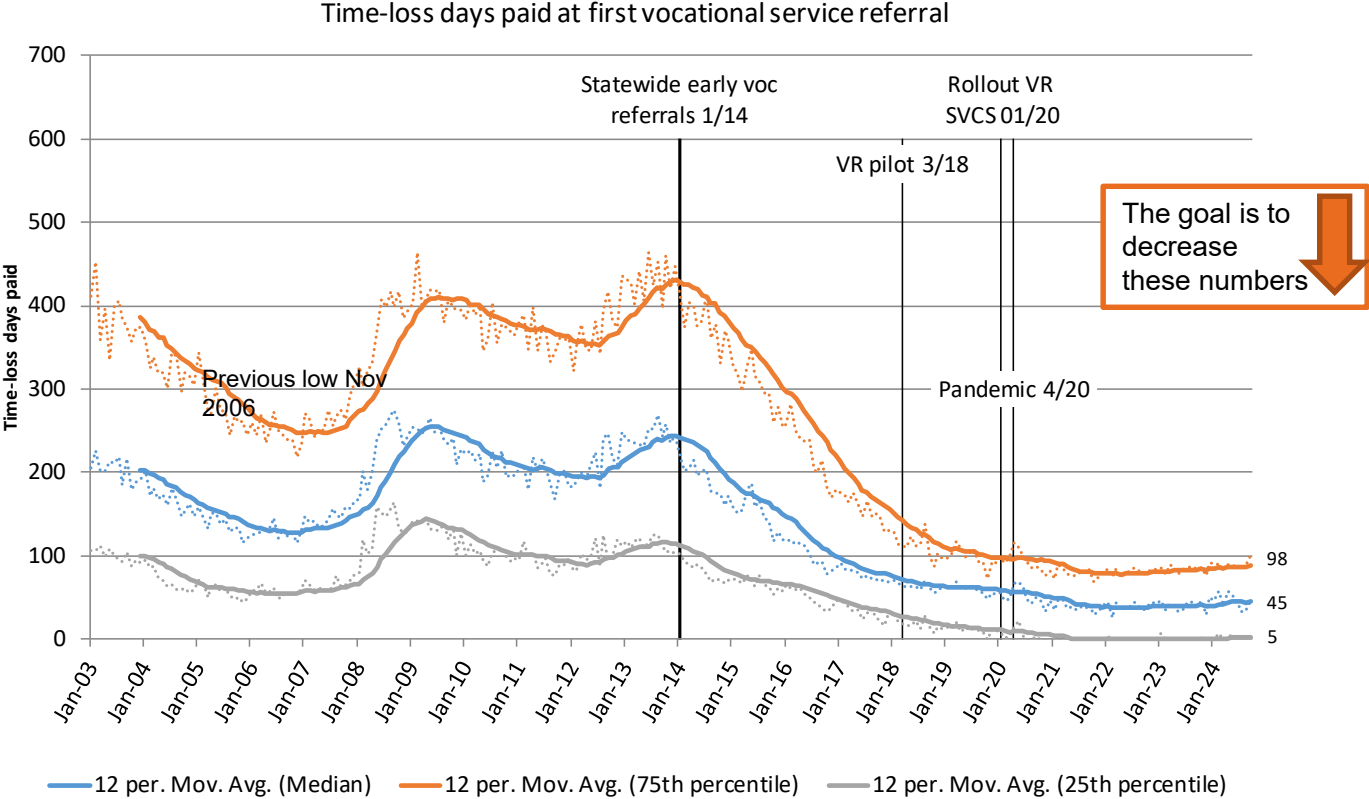
0.45

Rate per 1000 Injured Workers

Workers Transitioned to COT

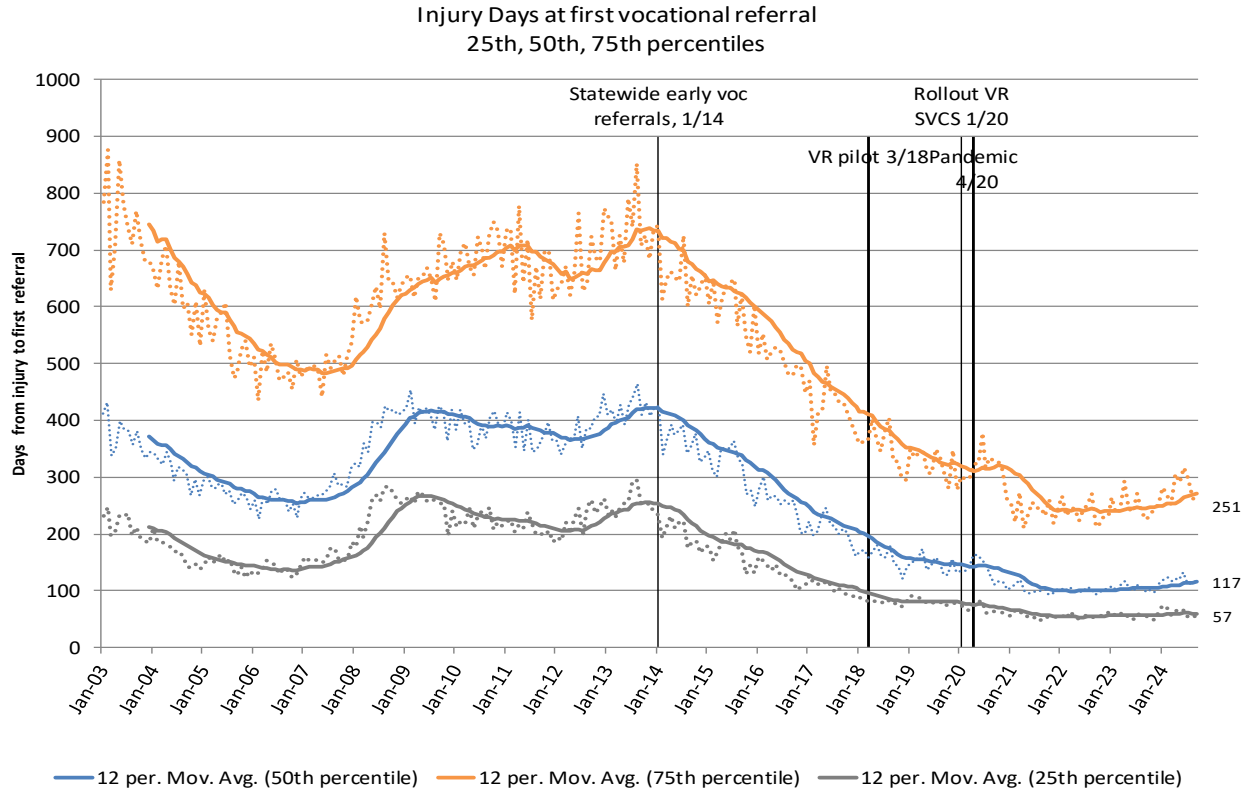


# Referrals are now targeted to address the onset of disability



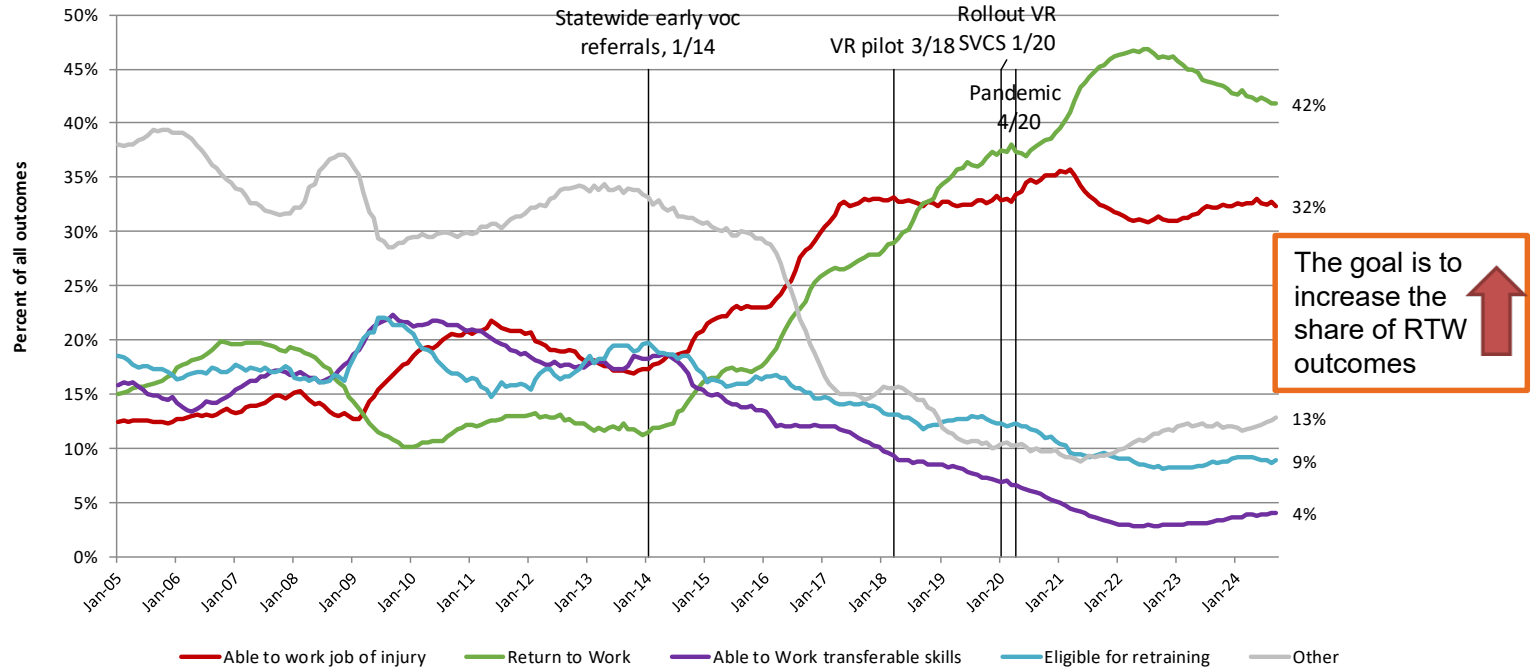
# Referrals are now targeted to address the onset of disability

- days from date of injury



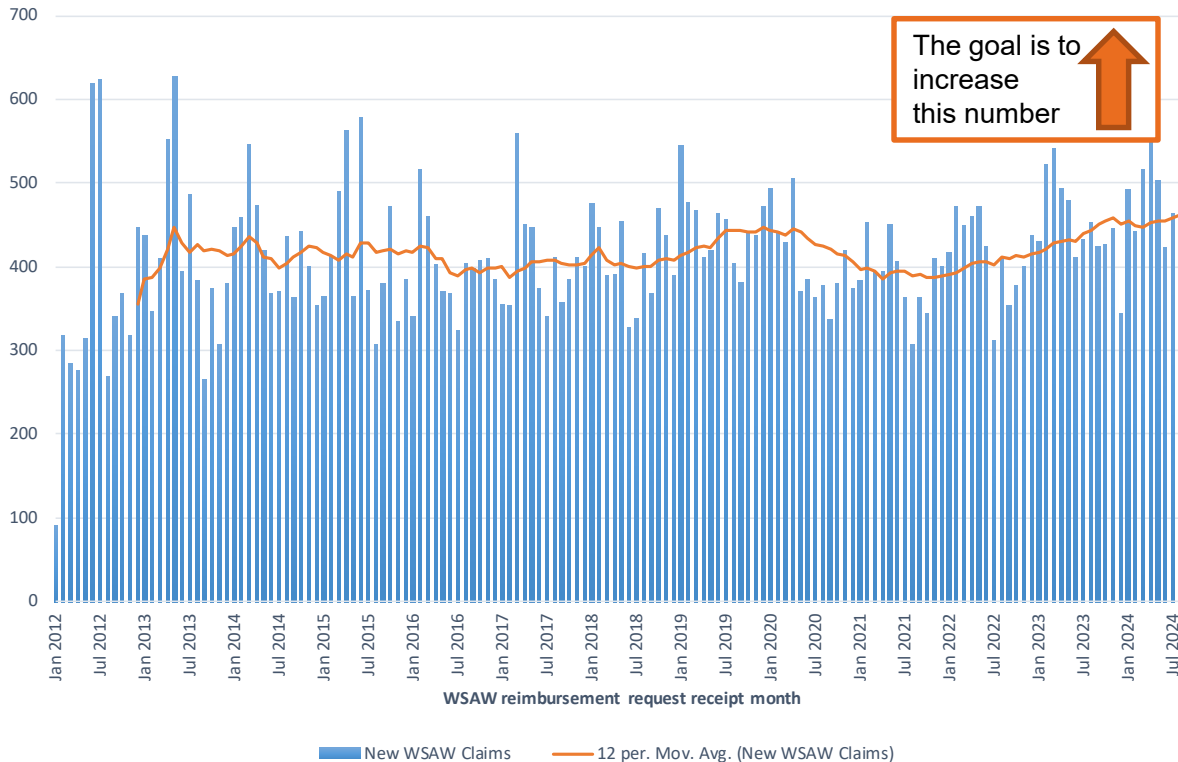
# New focus on return to work has increased positive employable outcomes for all first vocational service referrals

Outcome distribution, first vocational service referrals, select outcomes (12-month average)



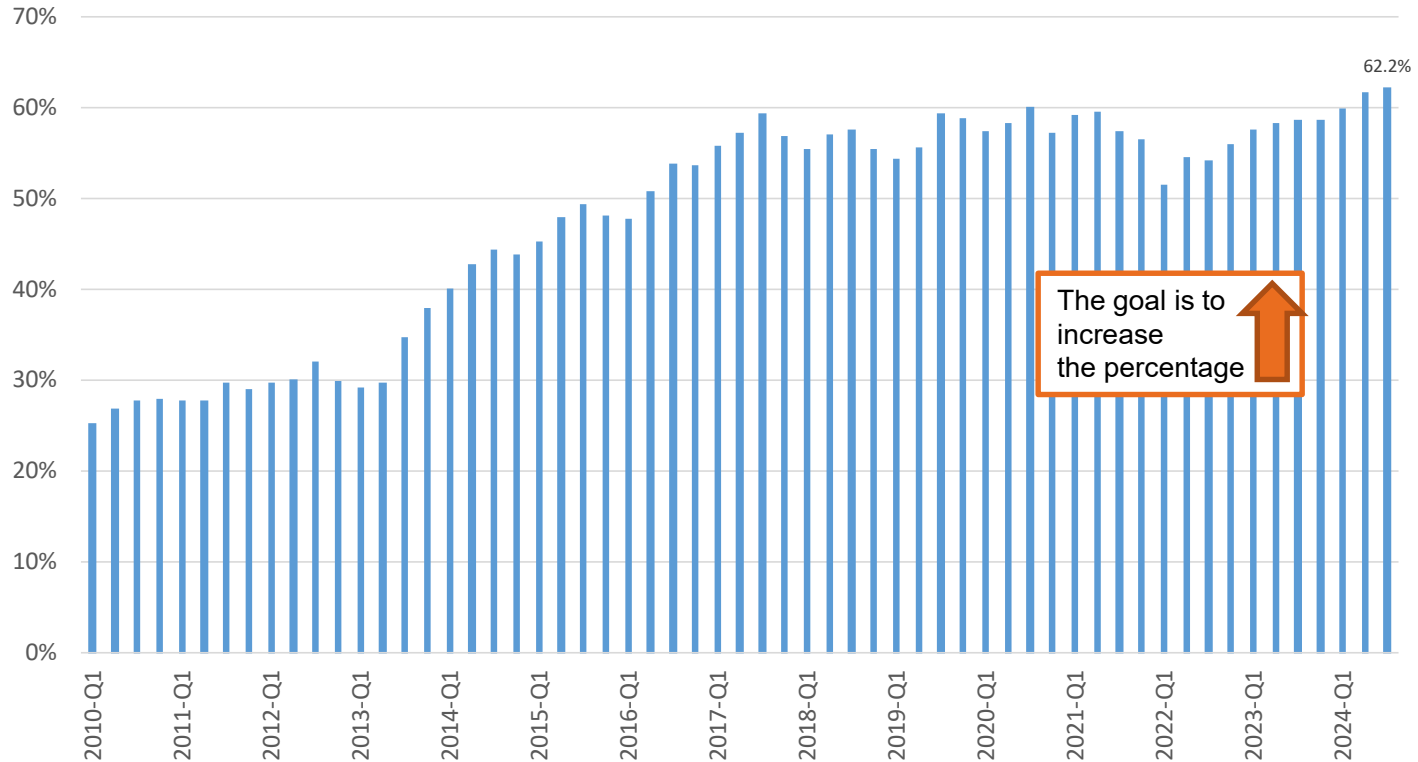
# Participation in light duty job assignments helps maintain the employer/injured worker relationship.

## New WSAW Claims



# Percentage of claims for injured workers initiated with a COHE provider

Percent of claims received initiated with a COHE provider



# **FINANCIAL APPENDIX SLIDES**

# Reconciliation of Change in Benefit Liabilities

(In \$1,000s)

July 1, 2024 Benefit Liability Beginning Balance	\$15,519,116
Prior Year Benefit Payments	(\$450,640)
Prior Year Development and Model Change (Favorable)	\$256,238
Self Insurance Prefunded Pension Transfers	\$0
Regular reserve discount reduction	\$97,954
Net Total Prior Year Benefit Liability as of September 30, 2024	<u>\$15,422,668</u>
New Current Year Benefit Liabilities	\$533,843
September 30, 2024 Benefit Liabilities Ending Balance	<u>\$15,956,511</u>
<b>Change Between Beginning and Ending Balance</b>	<b>\$437,395</b>

# Highlights of Changes in the Contingency Reserve

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Total
*Actuarial Development <sup>1</sup>	\$149M	\$543M	\$147M	\$926M	\$941M	\$352M	\$(171)M	\$287M	\$526M	\$(55)M	\$(311)M	\$256M	\$3,590M
Rate Changes	\$58M	\$59M	\$38M	\$27M	\$(14)M	\$(120)M	\$(110)M	\$(44)M	\$(29)M	\$17M	\$75M	\$85M	\$42M
Greater (less) than expected changes in the stock market	\$279M	\$(29)M	\$(101)M	\$411M	\$199M	\$50M	\$340M	\$1,263M	\$(639)M	\$413M	\$445M	\$220M	\$2,851M
Mortality table change	-	\$(146)M	-	-	-	-	-	-	-	-	-	-	\$(146)M
Adjustments to avoid double counting 2011 reform savings	\$(130)M	\$(83)M	-	-	-	-	-	-	-	-	-	-	\$(213)M
*Discount rate change - State Fund	\$(256)M <sup>2</sup>	\$(31)M	\$(31)M	\$(36)M	\$(639)M <sup>3</sup>	-	\$(84)M <sup>4</sup>	\$(384)M <sup>5</sup>	-	\$102M <sup>7</sup>	-	-	\$(1,359)M
Discount rate change - Self-Insurance	-	\$(6)M	\$(7)M	\$(8)M	\$(7)M <sup>3</sup>	-	\$(6)M <sup>4</sup>	-	\$(6)M <sup>6</sup>	\$(7)M <sup>8</sup>	\$(6)M <sup>9</sup>	-	\$(53)M

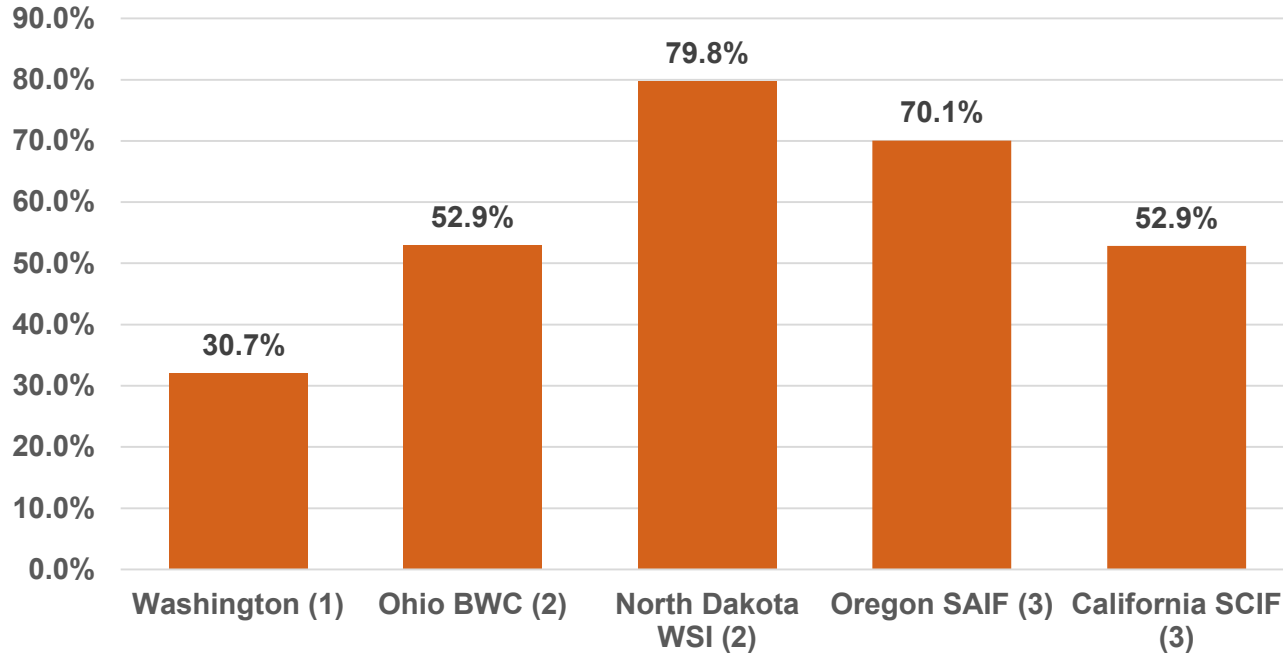
\* Actuarial Development and Discount Rate Change is only for Benefit Liabilities

# Highlights of Changes in the Contingency Reserve

---

1. Includes numerous offsetting factors including model changes, operational influences, and the state of the economy.
2. Model change for 13-year plus claims \$102 M; Pension Discount change \$154M.
3. Pension Discount Rate reduction from 6.2% to 4.5%.
4. Non-Pension Discount Rate reduction from 1.5% to 1.0%.
5. Proposed Pension Discount Rate reduction from 4.5% to 4.0%.
6. Self-insurance prefunded rate reduction from 5.8% to 5.7%.
7. Non-Pension Discount Rate increase from 1.0% to 1.5%.
8. Self-insurance prefunded rate reduction from 5.7% to 5.6%
9. Self-insurance prefunded rate reduction from 5.6% to 5.5%.

### Washington's CR is below most other funds as a percentage of liabilities



(1) Preliminary as of 9/30/2024  
(2) As of 6/30/2023  
(3) As of 12/31/2023

# Historic Results of Operations

July through September  
(in millions)

As of Quarter Ended September 30,	Insurance Operations	+	Investment Income	+	Other Revenues & Expenses	=	Net Income (Loss)
2024	(494)		151		7		(336)
2023	1		139		(11)		129
2022	(78)		116		(7)		31
2021	80		167		(6)		241
2020	(161)		173		(18)		(6)
2019	(203)		188		4		(11)
2018	(85)		123		10		48
2017	175		214		20		409
2016	(168)		128		18		(22)
2015	(194)		184		20		10
2014	(81)		132		16		67
2013	(36)		158		15		137

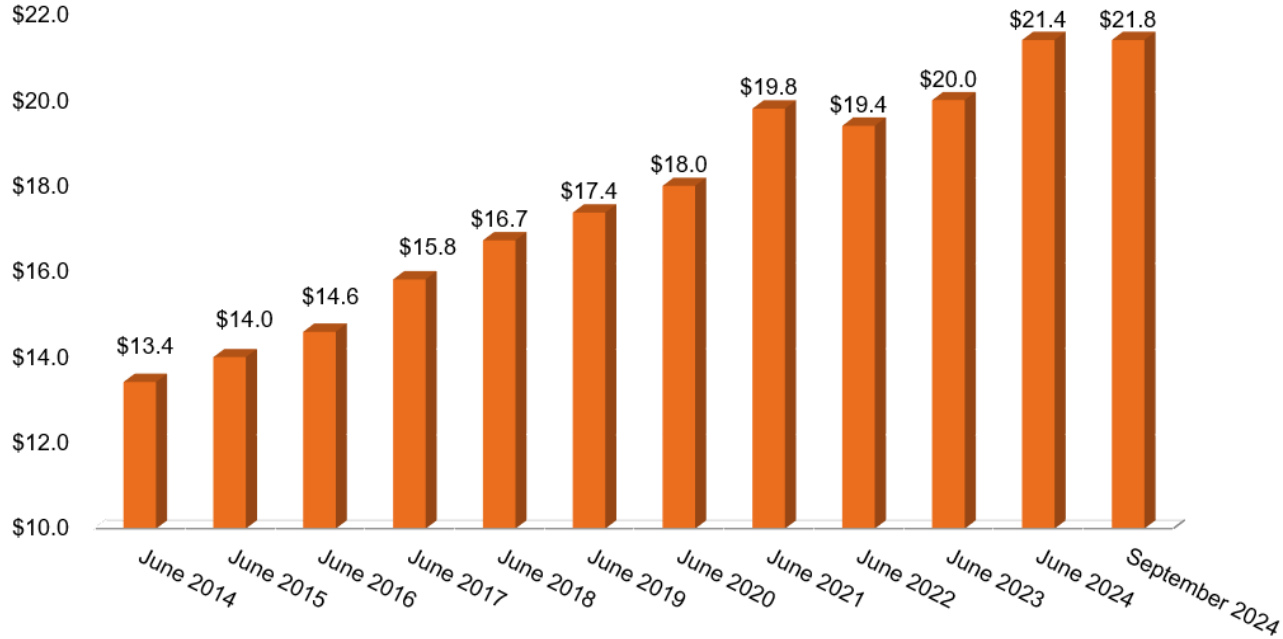
# Historical Investment Performance

## Fiscal Year Ended

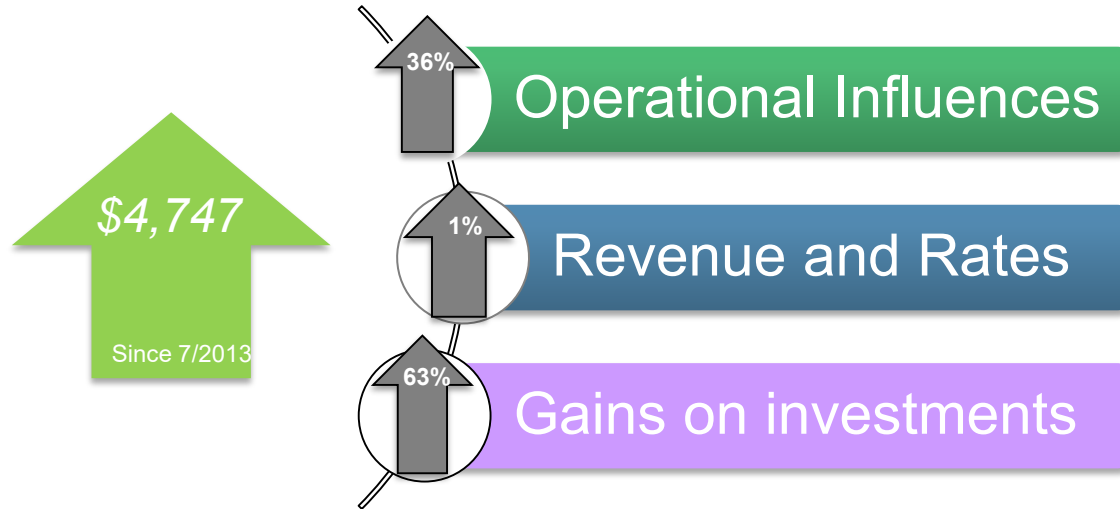
	Quarter Ended September 30, 2024	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Investment Income	158,222,000	592,620,000	504,416,000	456,375,000	462,700,000	496,981,000
Realized Gain (Loss)	(7,477,000)	16,179,000	139,573,000	141,857,000	299,787,000	272,266,000
Unrealized Gain (Loss)	258,003,000	532,457,000	360,212,000	(676,444,000)	1,069,560,000	161,264,000
Total Invested Assets	21,757,650,000	21,396,956,000	20,028,515,000	19,420,354,000	19,793,907,000	17,992,984,000

# Total Investments

(rounded to billions)



## Contingency Reserve Drivers



As of 9/30/2024 the CR is at \$5,367M

# Benefit Liability History

(in thousands)

	<b>Benefit Liabilities</b>	<b>\$ Increase/ (Decrease)</b>	<b>% Increase/ (Decrease)</b>
September 30, 2024	\$ 15,956,511	437,395	2.8%
June 30, 2024	15,519,116	251,182	1.6%
June 30, 2023	15,267,934	499,244	3.4%
June 30, 2022	14,768,690	146,597	1.0%
June 30, 2021	14,622,093	728,107	5.2%
June 30, 2020	13,893,986	730,933	5.6%
June 30, 2019	13,163,053	71,245	0.5%
June 30, 2018	13,091,808	365,076	2.9%
June 30, 2017	12,726,732	(251,425)	(1.9%)
June 30, 2016	12,978,157	317,999	2.5%
June 30, 2015	12,660,158	287,485	2.3%

The 10-year average increase is \$329,635.