



Washington State Department of  
Labor & Industries

# Workers' Compensation Advisory Committee (WCAC)

*June 24, 2025*

This meeting will be streamed by TVW

<b>9:00 am – 9:10 am</b>	<b>Welcome</b> <ul style="list-style-type: none"> <li>• Introductions</li> <li>• Motion to approve minutes</li> </ul>	Joel Sacks Brenda Heilman
<b>9:10 am – 9:25 am</b>	<b>Impacts of NIOSH closure in Washington</b>	Dr. Dave Bonauto
<b>9:25 am – 10:00 am</b>	<b>General Updates</b> <ul style="list-style-type: none"> <li>• Leadership updates</li> <li>• Budget</li> <li>• Legislative Updates</li> </ul>	Brenda Heilman Joel Sacks  Kirsta Glenn
<b>10:00 am – 10:15 am</b>	<b>Workers Compensation Systems Modernization (WCSM)</b>	Elizabeth Smith
<b>10:15 am – 10:30 am</b>	<b>Board of Industrial Insurance Appeals (BIIA) Update</b>	Holly Kessler
<b>10:30 am – 10:40 am</b>	<b>IME Recording Updates</b>	Karen Jost
<b>10:40 am – 10:50 am</b>	<b>Break</b>	
<b>10:50 am – 11:05 am</b>	<b>Operational Health Dashboard</b>	Brenda Heilman
<b>11:05 am – 11:20 am</b>	<b>Long Term Disability</b>	Kirsta Glenn
<b>11:20 am – 11:35 am</b>	<b>PTSD Update</b>	Sheri Sundstrom
<b>11:35 am – 11:50 am</b>	<b>Industrial Insurance State Fund Financial Overview</b>	Kim Hurley
<b>11:50 am – 12:00 pm</b>	<b>Closing Comments &amp; Adjourn</b>	Brenda Heilman



Washington State Department of  
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# Potential Impacts of NIOSH Closure to Washington

*Dave Bonauto*

*SHARP Program, Labor & Industries*

# National Institute for Occupational Safety and Health (NIOSH)

- OSH Act in 1970 creates OSHA and NIOSH
  - No effect on workers compensation laws (29 U.S.C. §653 (b)(4))
  - NIOSH in US Dept of Health and Human Services; CDC
  - 1,100 employees with operations in Washington, DC; Cincinnati, OH; Morgantown, WV; Pittsburgh, PA; *Spokane, WA*; Atlanta, GA
- Budget: \$362.8 million (FY 2024)
  - National Safety Council estimates the cost of occupational injury and fatalities is ~\$175 billion

# NIOSH Firings and Layoffs

- NIOSH actions by Sec. Kennedy/DOGE
  - ~900 staff fired or given Reduction in Force (RIF) notification (April 2025)
  - ~328 employees reinstated - WV and specific NIOSH services (mid-May 2025)
- Litigation
  - American Federation of Government Employees AFL-CIO et al v. Donald J Trump et al (25-cv-03698-SI)
  - [State of New York et al v. Kennedy et al \(25-cv-00196-MRD-PAS\)](#)
  - National Nurses United et al v. Kennedy et al (25-cv-01538)
  - WV Coal Miners Class Action Lawsuit

# NIOSH Mandate

- Conduct research...
  - *....shall conduct (directly or by grants or contracts) research, experiments, and demonstrations relating to occupational safety and health, including studies of psychological factors involved, and relating to innovative methods, techniques, and approaches for dealing with occupational safety and health problems. (29 U.S.C. §669 (a)(1))*
  - Intramural (within NIOSH) and extramural (outside of NIOSH) research programs

# NIOSH Research Structure

- NIOSH Extramural Programs – Grants and Cooperative Agreements
- NIOSH Education and Research Centers (UW)
- NIOSH Ag Safety and Health Centers (UW)
- NIOSH State-based Surveillance Program (L&I)
- NIOSH Centers of Excellence for Total Worker Health (OR)
- Investigator initiated research (R01, R03, R21, and K01)
- WTC Health Program Research, Small Business Innovation, Commercial Fishing, Conference, Workforce Development

# NIOSH Education and Research Centers

- Training programs in occupational medicine, industrial hygiene, occupational safety, occupational nursing, allied occupational safety and health
- Prepare graduate students for OSH careers through training programs, financial support, and community engaged research opportunities
- 20,000 OSH personnel trained since 1977
  
- Continuing Education programs
- University of Washington -



*...shall conduct, directly or by grants or contracts (1) education programs to provide an adequate supply of qualified personnel to carry out the purposes of this chapter, and (2) informational programs on the importance of and proper use of adequate safety and health equipment... (29 U.S.C. §670 (a))*

# NIOSH Agricultural Safety and Health Centers

- Conducts research and promotes best safety and health practices for producers and workers in farming, fishing and forestry.
- Transfers solutions and best practices through outreach, and trainings with evaluations through participatory research
- Pacific Northwest Agricultural Safety and Health Center – (PNASH)



**PACIFIC NORTHWEST AGRICULTURAL  
SAFETY & HEALTH CENTER**

# PNASH's longitudinal partnerships supports engagement of business, labor, & government

Examples:

- Service on **Ag Safety Day Planning Committee**



Washington State Governor's  
Industrial Safety & Health  
Advisory Board

*Educating Washington's Workforce Since 1949*

- Collaboration on **safety & health projects**, e.g. L&I SHIP Grant: Pesticide Labels Now! (Project ID 2018YH00377), led by UW/PNASH & WA Wine Industry Foundation



- Facilitation of regular **Partnership for Agricultural Safety and Health** meetings to identify educational needs of agricultural workers & work together to develop resources. Participants include El Proyecto Bienestar (community advisory board), Radio KDNA, L&I, & DOH, and more.

<https://deohs.washington.edu/pnash/LabelsNow>

[https://deohs.washington.edu/pnash/sites/deohs.washington.edu.pnash/files/2024-12/PNASHCenter\\_YearEndReport\\_2024\\_final\\_web2.pdf](https://deohs.washington.edu/pnash/sites/deohs.washington.edu.pnash/files/2024-12/PNASHCenter_YearEndReport_2024_final_web2.pdf)

<https://www.lni.wa.gov/safety-health/grants-committees-partnerships/safety-health-investment-projects-grant-program/ship-grant-projects?type=sh>

# PNASH contributes to bilingual training & resource development & evaluation

Examples:



**Health and Safety Solutions in Agriculture**  
Online On-Demand Course Series for Community Engagement

This 3-part series provides resources for employers, managers, safety professionals, and community educators involved in worker health and safety training in both English and Spanish. Each session will be led by a lineup of faculty from the Pacific Northwest Agricultural Health and Safety (PNASH) Center and partners who will invite discussion and share lessons learned, practical resources and ready-to-use toolkits for understanding and preventing injuries and illnesses on the farm. Topics include sexual harassment prevention, heat illness education and awareness, and pesticide safety.

**Registration & Logistics**  
Free registration for each course  
To register, visit [deohs.wa.edu](http://deohs.wa.edu) or contact [ce@deohs.wa.edu](mailto:ce@deohs.wa.edu) or 800-326-7568

**Course Series**

- Heat-Related Illness Prevention
- Sexual Harassment Prevention in Agriculture
- Pesticide Safety Solutions

**Accreditation**  
1 contact hour/0.1 CEUs

**Additional Online Training**  
Visit UW PNASH for additional online training:  
Safety Injury Prevention: <https://deohs.washington.edu/prevent/safety/injury-prevention>

**Partners:** PACIFIC NORTHWEST AGRICULTURAL SAFETY AND HEALTH CENTER, NORTHWEST CENTER FOR OCCUPATIONAL HEALTH AND SAFETY, UNIVERSITY OF WASHINGTON



**Heat Toolkit**

Heat Posters (9 versions)

**Educación y herramientas de concientización sobre el calor (HEAT Toolkit)**

Choice of 1 English or 1 Spanish Facilitator Guide

Double-sided English & Spanish



**STRESS & ANXIETY IN LATINO FARMWORKERS**

**Why is mental health important?**

Hazardous working conditions, increased risk of injury, and the seasonal nature of agriculture are all associated with stress and anxiety in farmworkers. The Stress and Anxiety in Latino Farmworkers (SALAF) study seeks to understand specific factors that contribute to stress and anxiety in the workplace.

**Studies show that:**

- 72% of farmworkers report a challenge regarding mental health\*
- 38% of Latinos in this region prefer mental health status\*\*

**The most common barriers among farmworkers to seek medical care\*\***

- 39% Lack of cost of insurance
- 23% Loss of wages
- 20% Loss of work
- 13% Lack of paid sick leave at work

**What can contribute to stress & anxiety among farmworkers?**

- Pay
- Weather
- Injuries
- Exposures
- Childcare

**What can I do when I start to feel?**

**Grumpy** **Anxious** **Discouraged** **Angry**

**I can:**

- Go for a walk
- Listen to music
- Dance
- Go to church
- Talk with someone
- Take a warm bath
- Talk with my medical provider

**Resources**

- Farm Crisis Center** | A national resource center for farmers in crisis. <https://farmcrisis.nyu.org/>
- Farm Stress & Suicide Prevention** <https://extension.wsu.edu/ncnch/adams/agriculture-2/farm-stress-suicide-prevention/farm-stress-suicide-prevention/>
- To find your local clinic:** go to Find a Health Center (<https://findahealthcenter.hrsa.gov>)

**Emergency phone numbers**  
Eng/Span: 24/7 National Suicide Prevention Lifeline: 800-273-8255 or 988  
For emergencies call 911

**PACIFIC NORTHWEST AGRICULTURAL SAFETY & HEALTH CENTER**

<https://deohs.washington.edu/pnash/online-learning>; <https://deohs.washington.edu/pnash/heat-toolkit>; <https://deohs.washington.edu/pnash/stress-and-anxiety>

# NIOSH State-based Surveillance Program

- Information for action – worker, employer, union, business, L&I
- State capacity to use state-level data to address local occupational safety and health problems
  - Fatal occupational injuries
  - Occupational respiratory diseases
- Hospital discharge data, employment security department data, DOH data, surveys, site visits



# FACE Prevention Publications and Outreach

The image displays several overlapping FACE FATALITY NARRATIVE reports. The reports are presented in both Spanish and English. The visible reports include:

- Top Report (Spanish):** "CONSTRUCCIÓN NARRACIÓN DE MUERTES" titled "Instalador de estructuras cae 8 pies de una viga de borde". It details an incident where a worker fell 8 feet from a beam while installing a structure.
- Middle-Left Report (English):** "CONSTRUCTION FATALITY NARRATIVE" titled "Framer Falls 8 Feet from Rim Joist". It describes a fall from an 8-foot high wall during framing work.
- Middle-Right Report (English):** "CONSTRUCTION FATALITY NARRATIVE" titled "Framer Falls 8 Feet from Rim Joist". It provides a detailed account of the same incident, including incident facts, summary, recommendations, and requirements.
- Bottom Report (English):** "CONSTRUCTION FATALITY NARRATIVE" titled "Framer Falls 8 Feet from Rim Joist". It includes incident facts, summary, recommendations, and requirements.

Other visible text includes "Resources", "Recommendations", and "Requirements" sections. The reports are branded with the FACE logo and the Washington State Department of Labor & Industries logo.

### Washington State Work-Related Fatalities, 2024

Washington Fatality Assessment and Control Evaluation program (WA FACE)<sup>1</sup>



- 74 workers died on the job in 2024, two more than in 2023.<sup>2,3</sup>
- 16 transportation and warehousing workers died in 2024, nearly double the number from 2023. Six died by homicide and four died by accidental overdoses.
- 15 workers died of accidental drug overdoses, the most of any incident type, across six industry sectors.
- Motor vehicle incidents (14) were the next most frequent and included four semi-truck drivers.
- Struck by incidents (13) more than doubled in 2024. They included workers in eight industry sectors, four worked in construction.
- Homicides (11) and suicides (6) also increased in 2024.

#### Fatalities in Previous Years

Year	Annual Total
2020	74
2021	61
2022	82
2023	72
2024	74

<sup>1</sup> WA FACE collects information on occupational fatalities in WA State. It receives funding from the National Institute for Occupational Safety and Health (NIOSH).

<sup>2</sup> Data are preliminary and are current as of May 15, 2025. Changes to fatality information may occur due to late reports or updates.

<sup>3</sup> Deaths are attributed to the year of injury, not the year of death.

# Occupational Respiratory Disease

- Tracks occupational respiratory diseases such as occupational asthma, mesothelioma, asbestosis, silicosis, chronic obstructive pulmonary disease
- Uses workers compensation data to identify hazardous exposures in the workplace (that result in workers compensation claims)
- Raises the alarm for these exposures often with recommendations how to control such exposures

# Occ Resp Disease Publications



## SHARP Stats Illicit Drug Inhalation

Unintentional occupational exposure to illicit drugs increased strikingly in 2022  
Washington State Workers' Compensation Data, 2017-2023<sup>1</sup>



There was a five-fold increase in workers' compensation claims for inhalation exposure to illicit drugs in the workplace between 2021 and the period 2022-2023.

- Between 2017 and 2023, 271 workers filed claims for accidental illicit drug exposures. Fifteen workers reported being exposed to more than one drug.
- A variety of occupations are at risk during routine job duties: 72% of exposed workers were in occupations outside of police and security guards, such as public transit operators (44 claims), social service workers (37 claims), and maintenance and janitorial staff (33 claims). Other exposed occupations include healthcare, retail, and office workers. Common locations for exposure were public restrooms (62 claims) and buses (39 claims).
- The drug(s) named in the claim is based on the perceptions and information available to the exposed worker. The name of the illicit drug was unknown in 41% of cases. Fentanyl and methamphetamines were the most commonly specified illicit drugs. Reports of fentanyl exposure increased from 7 claims in 2021 to 54 claims in 2023.
- As public awareness of fentanyl and illicit drugs increases, workers may be more likely to seek medical care for exposure to suspicious smoke. Claims were accepted 32% of the time. While no long-term symptoms or time loss was reported, exposure can be a source of occupational stress.

1. Workers' compensation claims were filed for potential or confirmed inhalation exposure to an illicit drug in the workplace, which may or may not have resulted in symptoms or disease. For information on the methods of the toxic inhalation surveillance system, see [SHARP's Toxic Inhalation Surveillance Program](#), technical report # [SH-20-2021](#). Cases issued from 2023 are subject to increase as more claims are coded for OSHA.

2. Other drug exposures included heroin (N=14), cannabis (N=11), synthetic cannabinoids (N=3), PCP (N=1), unspecified opioids (N=1), and unspecified amphetamines (N=1). Washington State legalized the possession and private use of cannabis in 2012. However, cannabis use is public in illegal.

3. Workers can report more than one drug exposure per claim. In 2017-2023, there were a total of 271 claimants and 286 reported drug exposures.



SHARP publications: 10-06-2024, updated 06/20/2024

## Marijuana and Work-Related Asthma

Work-related asthma is a lung disease caused or made worse by exposure to substances in the workplace. Legal industrial-scale marijuana (*Cannabis sativa*) processing has highlighted a connection between plant dust inhalation and a risk for work-related breathing problems.



*Cannabis sativa*

Dust from many parts of the marijuana plant (leaves, buds and stems) as well as pollen and smoke are associated with allergic reactions. Common examples of allergic reactions include asthma, rash, and a few case reports of anaphylactic shock.<sup>1</sup> Work-related asthma has been reported in cannabis laboratory workers.

In addition to the marijuana dust itself, industry workers are exposed to other asthma-causing substances such as mold, pesticides, soil components, ozone, and cleaning chemicals.

### Workers may:

- Have a hard time breathing with wheeze, cough, and chest tightness.
- Get asthma symptoms from ongoing everyday exposure or from a one-time special event.
- Develop asthma even though they have been around a substance for years.
- Improve their health if they stop being around the asthma-causing substance early enough.

### Workers at risk include:

- Growers, production workers, extract manufacturers, and retail stockists.
- Marijuana laboratory and research staff.
- Police and drug enforcement officers.

### Recommendations

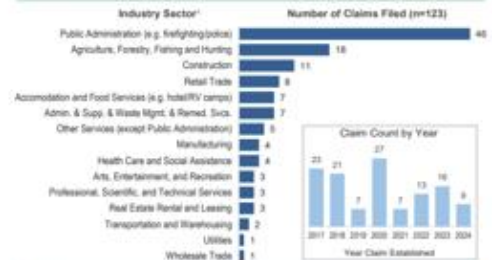
- Tell your employer if you feel shortness of breath from work.
- Talk to your doctor about your health symptoms and your job.
- Consult a safety and health professional to help with ventilation, respiratory protection, and protective clothing.
- Washington employers can request a free and confidential [L&L Consultation](#) ([ln.wa.gov/safety/consultation](http://ln.wa.gov/safety/consultation)).

Publication Number: 60-0-2017



## SHARP Stats Wildland Smoke Exposure

Toxic Inhalation of Smoke from Wildland Fires  
Washington State Workers' Compensation Data, 2017-2024

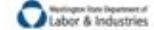


SHARP's Toxic Inhalation Surveillance System Identified 123 workers with inhalation exposure to wildland smoke from 2017-2024.<sup>2</sup> Cases were identified by an acute respiratory event, however effects like cardio-pulmonary or heat-related illness may also be present.

- 27% of workers were engaged in wildland firefighting and support while 13% were farmworkers or in agricultural support.
- Workers from a range of industries are at risk, such as outdoor workers in construction and accommodation. Manufacturing and retail workers often report poor indoor air quality during wildfires. Exposure can occur during deliveries, errands and service calls.
- 27 workers were deemed to have work-related asthma, predominantly for exacerbations of pre-existing asthma.
- Nine claims were compensable including those with time loss or kept-on-salary.
- 68 claims (55%) were rejected. These workers often received emergency treatment for smoke inhalation and once stable, discharged home with no resulting illness or condition.

1. Industry Sectors are grouped using the North American Industry Classification System (NAICS).

2. [SHARP's Toxic Inhalation Surveillance Program](#), technical report # [SH-20-2024](#) and appendix report # [SH-21-2024](#) describe a range of research exposures by industry, occupation and potential health effect. SHARP publication: 10-06-2024

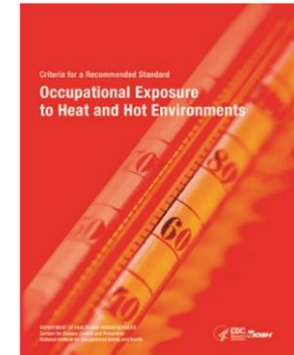
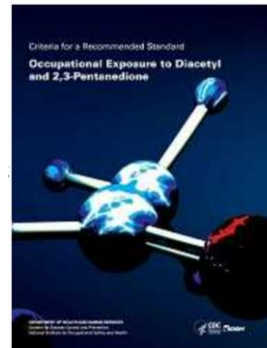
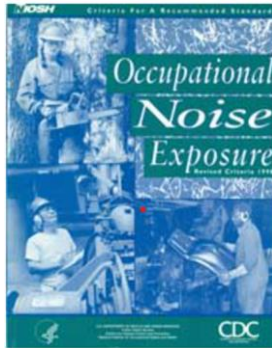


# NIOSH Intramural Research and Service Prog.

- Center for Firefighter Safety, Health and Wellness
- Center for Workers Compensation Studies
- Center for Occupational Robotics/Center for Nanotechnology
- NIOSH Health Hazard Evaluation (HHE) and Technical Assistance
- National Personal Protective Technology Laboratory
- NIOSH Pocket Guide to Chemical Hazards/Manual of Analytical Methods
- Energy Employees Occupational Illness Compensation program
- Spokane Mining Research Division/Western State Program Office

# NIOSH Research

- Develop and establish recommended occupational safety and health standards (29 U.S.C. §671 (c))
  - Criteria for recommended standards





# General Updates

- *Leadership Updates*
- *Budget*
- *Legislative Updates*

# Workers' Compensation Legislation 2025 session

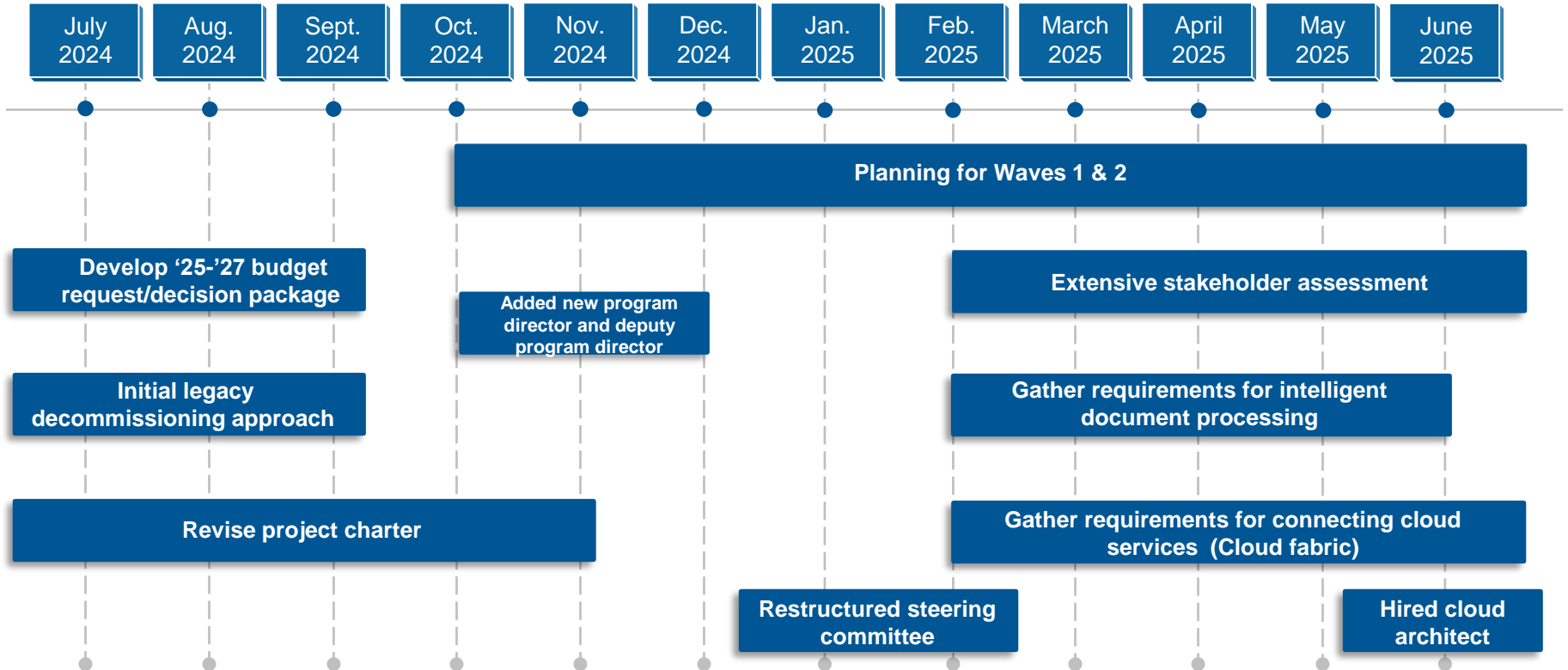
- **HB 1275** - authority to administer self-insured municipal claims if decertified for violations of GFFD (agency request) - *effective 7/27/25*
- **SB5463** Good faith and fair dealing expansion – *effective 1/1/26*
- **HB1788** Address the "marriage preference" for benefits – *effective 7/1/26*

# Workers' Compensation Legislation – prior sessions

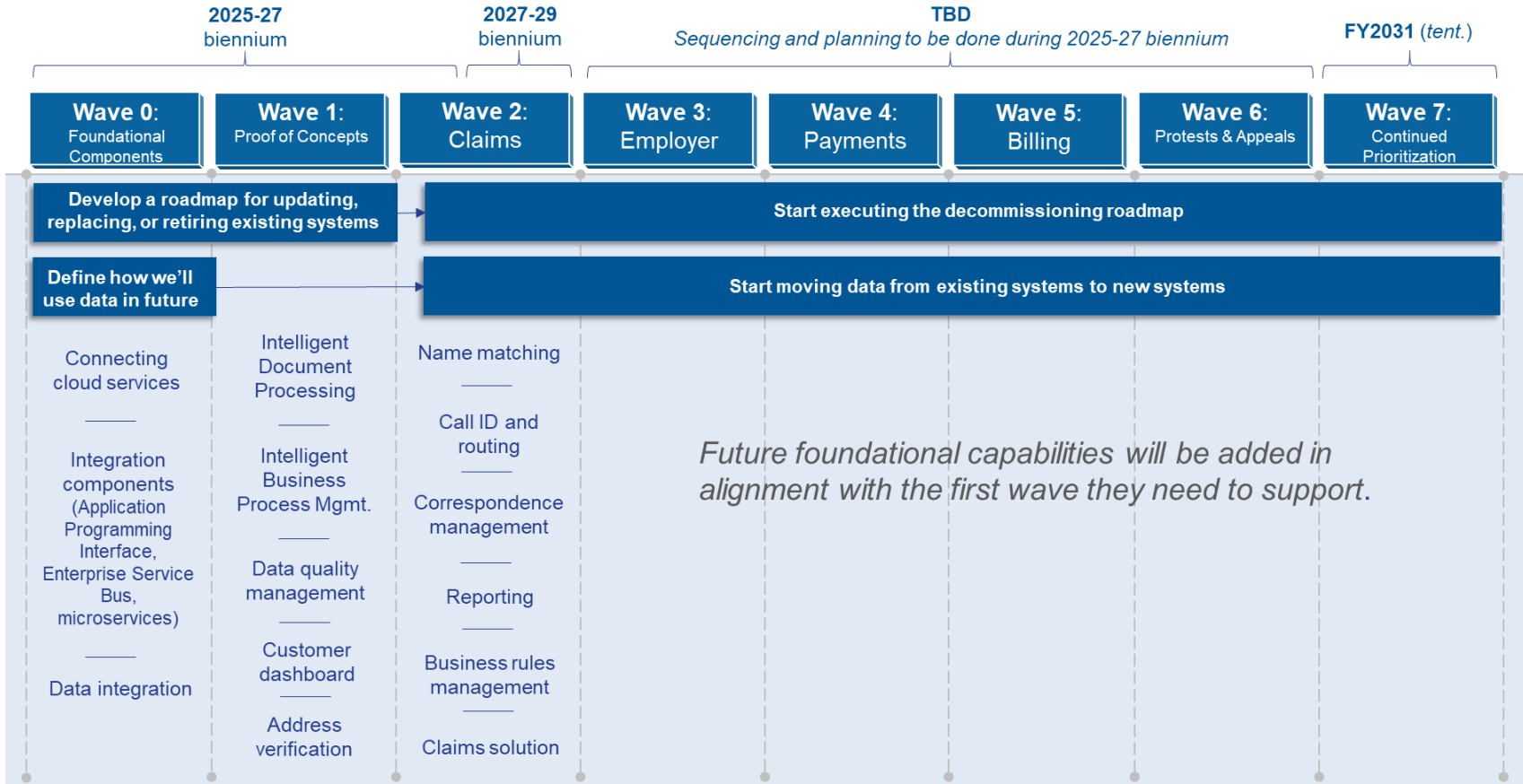
- 2024 session
  - ⑩ **SHB 2127** Workers' Compensation – Return to Work (agency request) - *effective 1/1/25*
- 2023 session
  - ⑩ **SB 5084** Creating self-insured pension fund (agency request) - *effective 7/1/25*
  - ⑩ **HB 1197** Adding psychologists as attending providers (agency request) - *effective 7/1/25*

# Workers' Compensation Systems Modernization

## *FY2025 highlights and milestones*



# WCSM Timeline



# Based on your feedback...

*We're committed to keeping you in the loop.*

Here's what we'll be updating you on moving forward:

- How we're using intelligent document design to improve efficiency.
- The role of Artificial Intelligence in WCSM.
- Beginning plans to strengthen stakeholder engagement, including.
  - Hosting a deep-dive WCSM briefing to share our roadmap and wave (phase) plan.
- Ways WCSM is designed to support and benefit this group.

# Questions



Liz Smith, Deputy Director  
(306) 902-9140  
Elizabeth.Smith@Lni.wa.gov

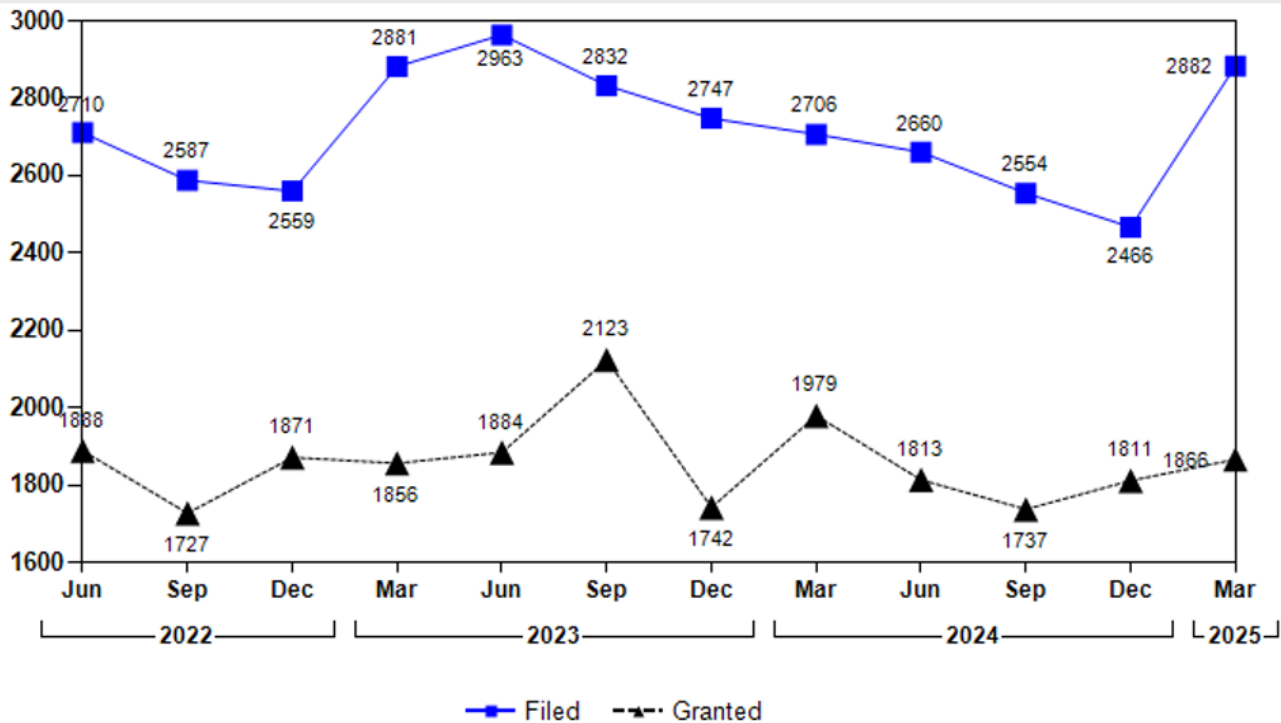


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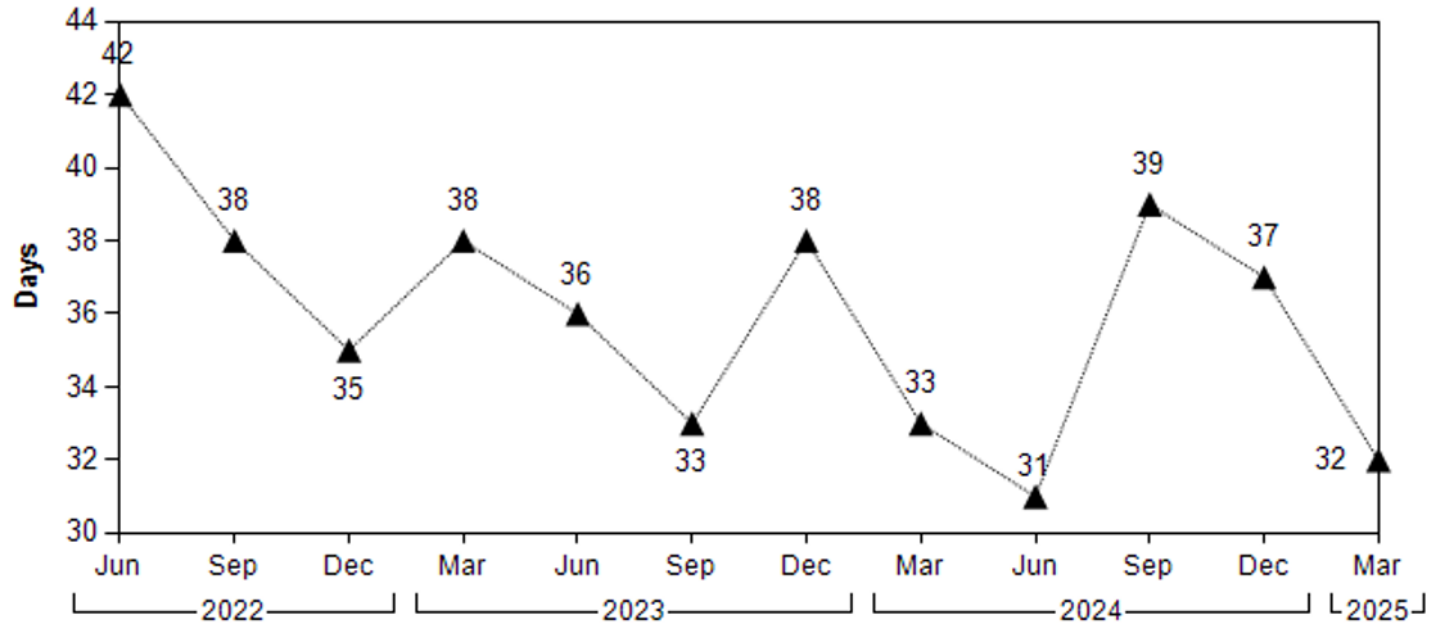
# Board of Industrial Insurance Appeals (BIIA) Update

*Holly Kessler, BIIA Chair*

# Total Appeals Filed and Granted

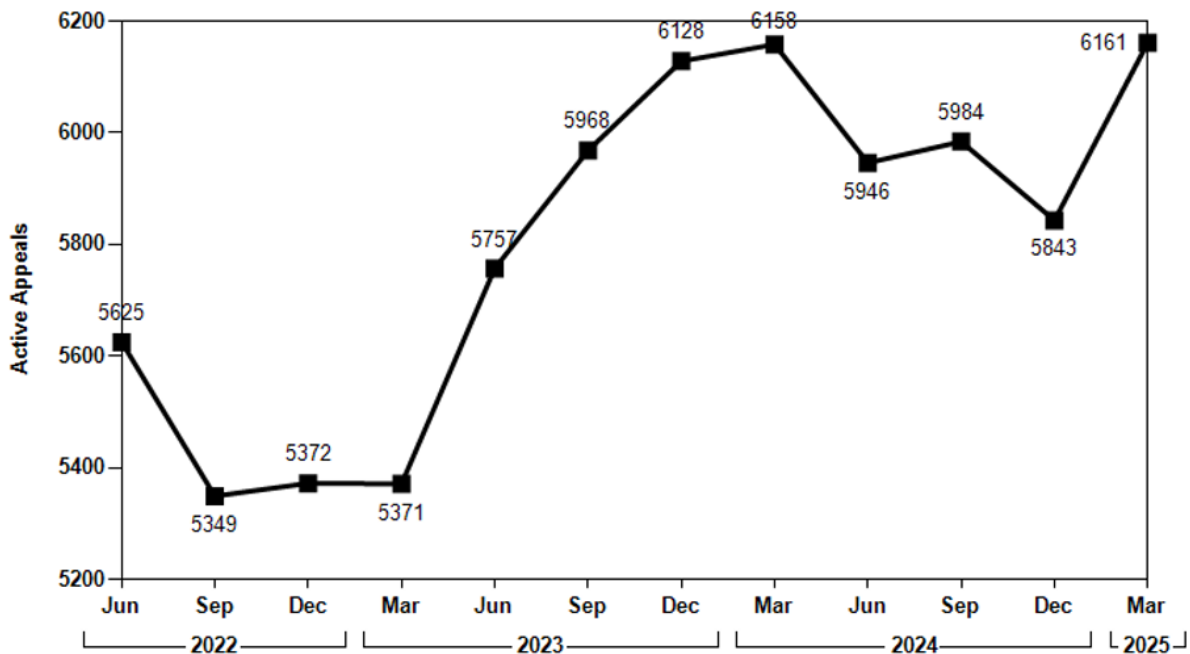


# Average PD&O\* Time-lag by Quarter for Hearing Judges



\* Proposed Decision and Order

# Caseload at End of Quarter



- Reminder, BIIA's Seattle office closed, new office open in Renton
- BIIA Stakeholder Meeting August 22
- BAMS (Board Appeals Management System) Update

# Questions?





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# IME Updates

*Karen Jost, HSA Program Manager*

# IME Recording Implementation Update

- RCW 51.36.070 effective 7/1/23, giving workers the right to record IMEs
- External partners disagree on examiner ability to co-record resulting in delays and/or inability to schedule exams
- Department proposed rules to address concerns around co-recording
- External feedback did not support moving forward with co-recording rule

# Mitigation Matters...

- Department is conducting a Third Party Recording Pilot
- Does offering a secure third party recording service reduce IME scheduling delays when a worker chooses to record?
- Inform any future rulemaking efforts or changes to IME policies

## Note:

- Workers may opt to use this service in lieu of using their own device to record
- Examiners may use service if a worker affirmatively agrees to co-recording

# IME Third Party Recording Pilot

- Department contracted with a vendor to provide a third party recording service (Medical Memory)
- We will assess if both parties are willing to use a third party recording service
- 6 months: **3/1/25 through 8/31/25**
- Any worker wishing to record can use the service
- Available for co-recording (for those instances when worker still would like to do their own recording)

# Desired outcomes

- Reduce delays resulting from cancellation and rescheduling of IMEs when a worker chooses to record
- Reduce risk and administrative burden associated with maintaining multiple recordings of same exam
- Workers may opt to use this service in lieu of using their own device to record and make examiner co-recording unnecessary
- Mitigate concerns around chain of custody, storage security, and misuse of recordings
- Inform any future rulemaking efforts or changes to IME policies



# More analysis ...

- Validating data on IME completion rate and duration time between referral and exam
- Recording quality
- Assess pilot in July

# Utilization as of June 2, 2025

- 121 recordings using Medical Memory
  - Average 2 per day; 90% state fund claims
- 4 IME firms currently using
  - Central Seattle Panel
  - ExamWorks
  - Medical Consultants Network
  - Medical Examiner Specialists
- Authenticated 46 devices
- 2 workers have requested to view recording

# Break Time














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# Operational Health Dashboard

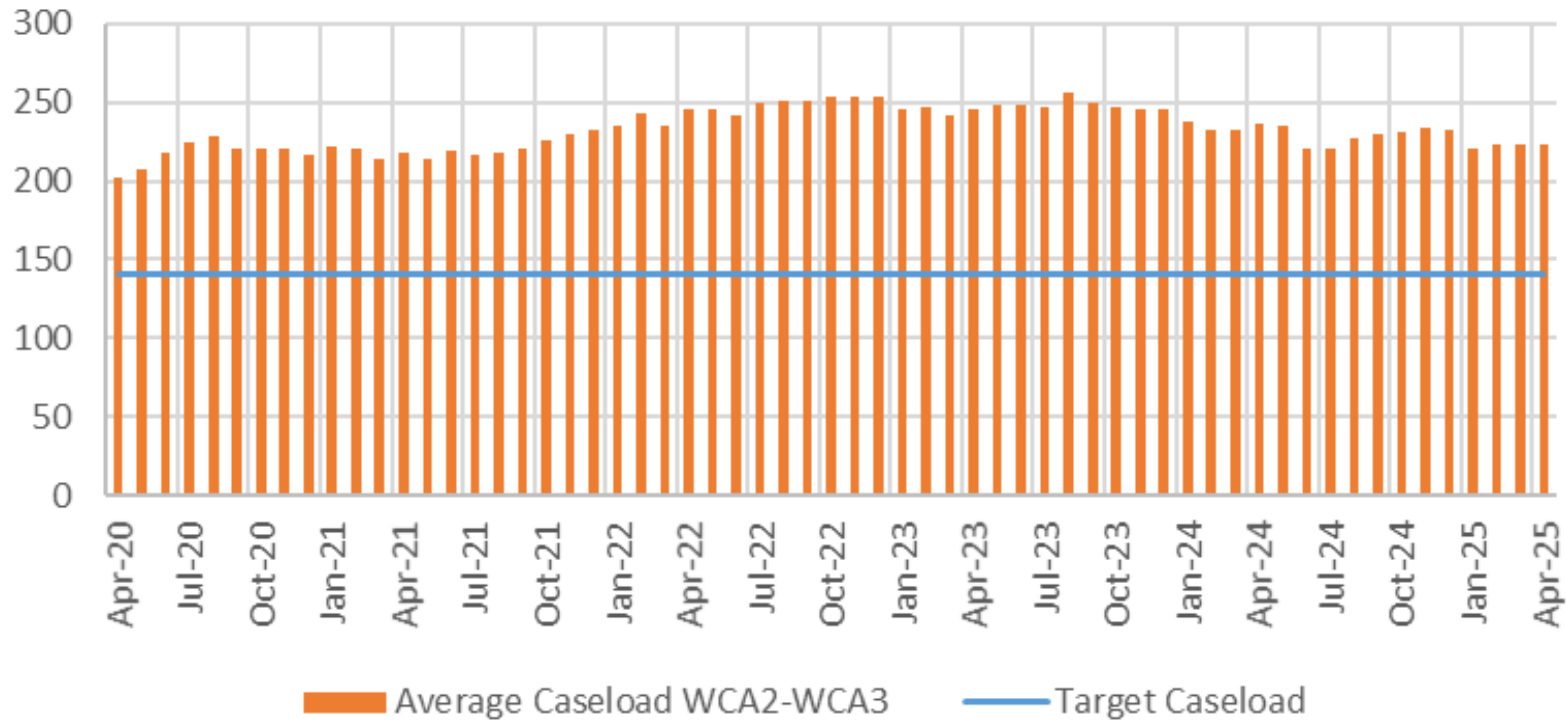
*Brenda Heilman, Assistant Director  
Insurance Services*

# Operational Health Dashboard

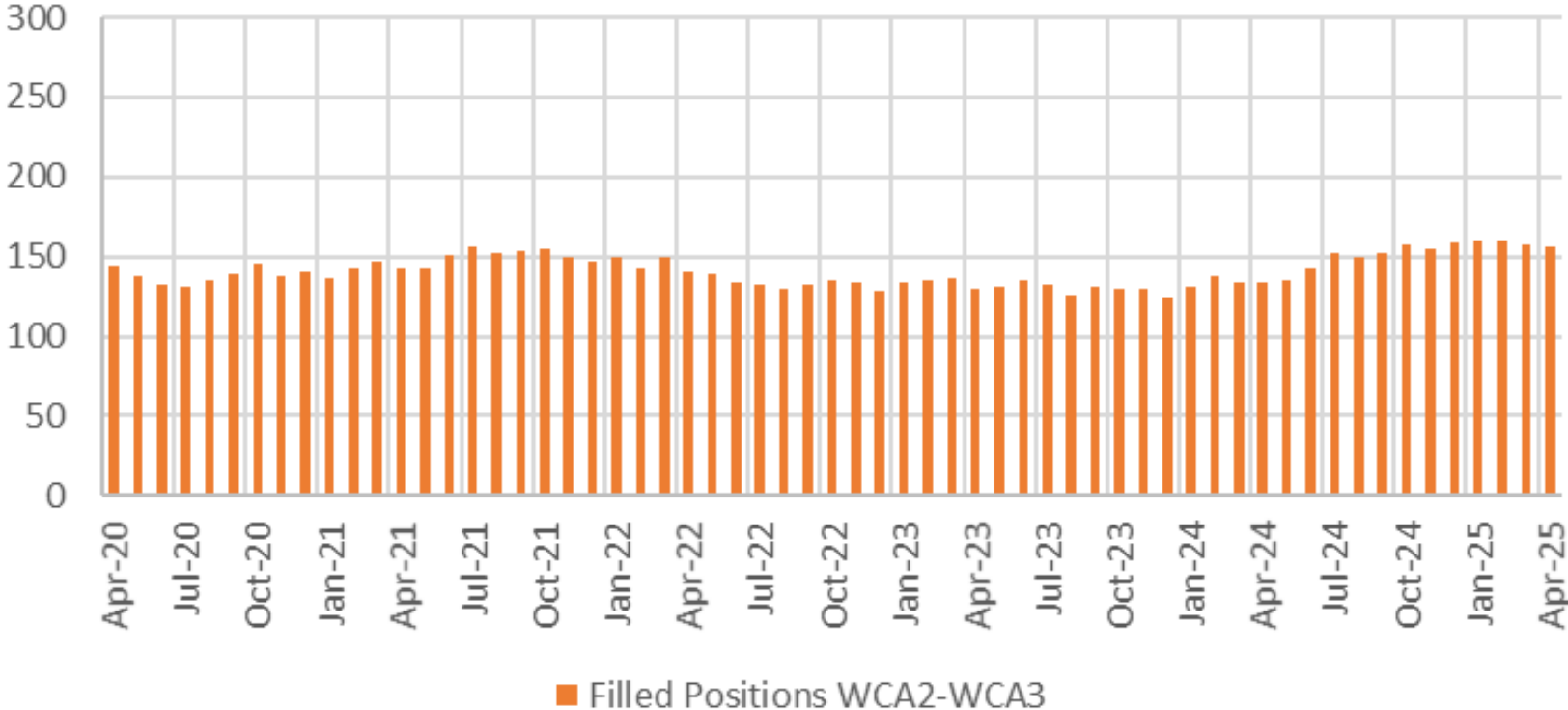
Measure	Status	Definition
Percent of new claims that are time-loss		Claims new (received) in the month and percent with a time-loss payment by the end of the month – increase in percent that are time-loss indicates a more severe claim mix.
Long-term disability rate		Percent of all compensable claims 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.

 Right direction 
  Neutral 
  Wrong direction

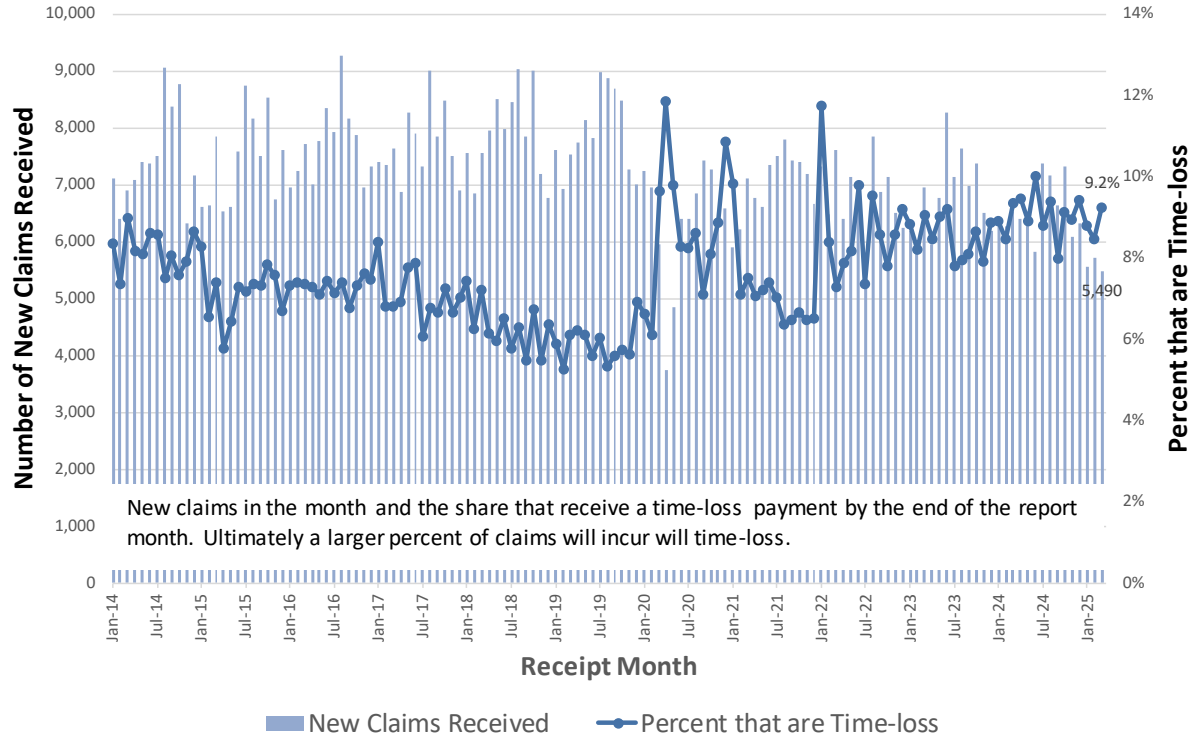
## Average Claims Manager Caseload



# Filled Level 2 and Level 3 Positions

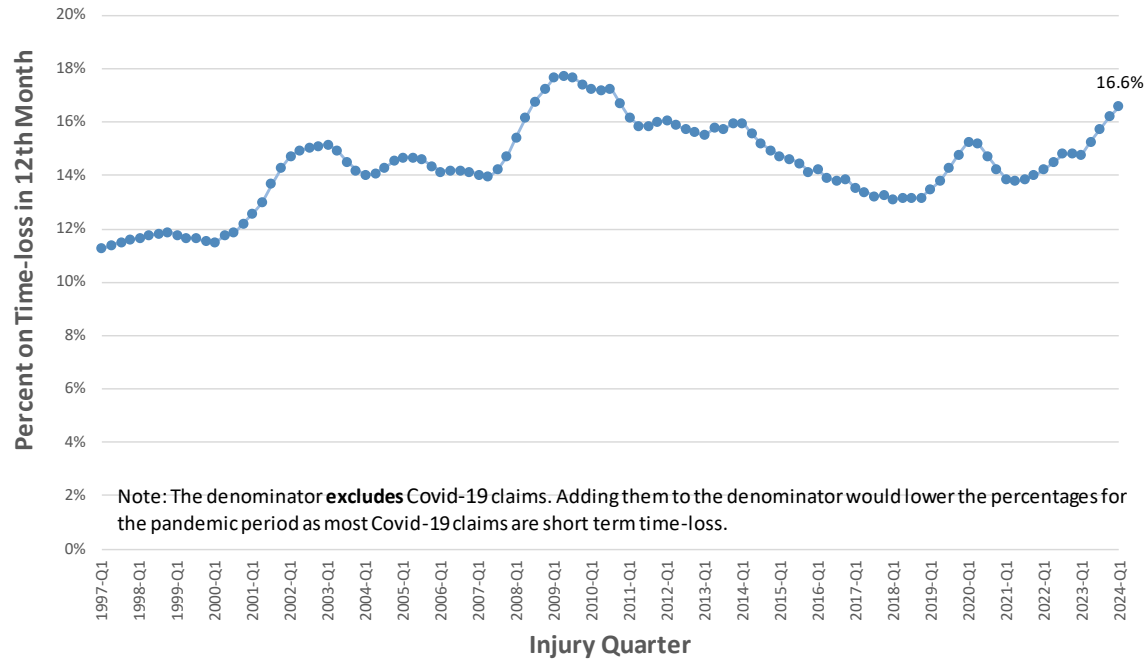


# Number of New State Fund Claims and the Percent that are Time-loss

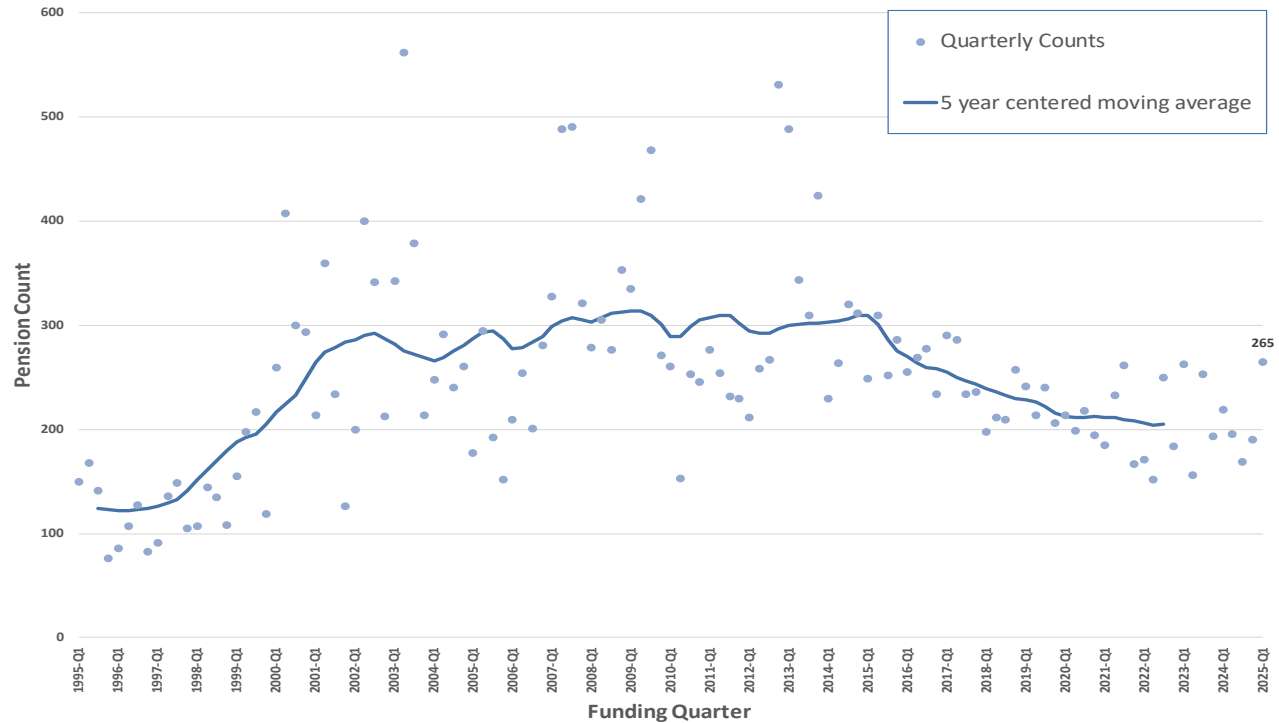


# Long Term Disability Claims

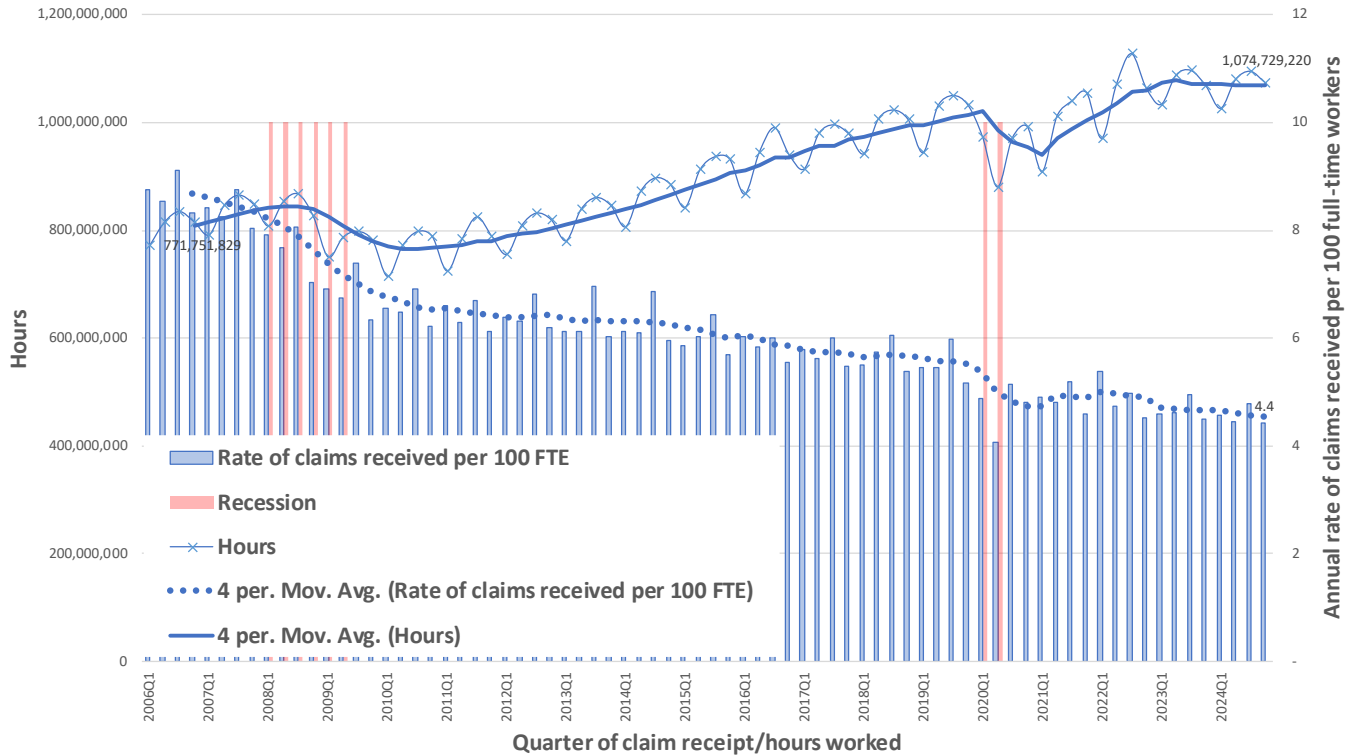
The percent of injured workers with compensable claims that have time-loss paid in the 12th month post injury: *smaller percentage indicates less long-term disability*



# State Fund Total Permanent Disability Pensions Funded per Quarter

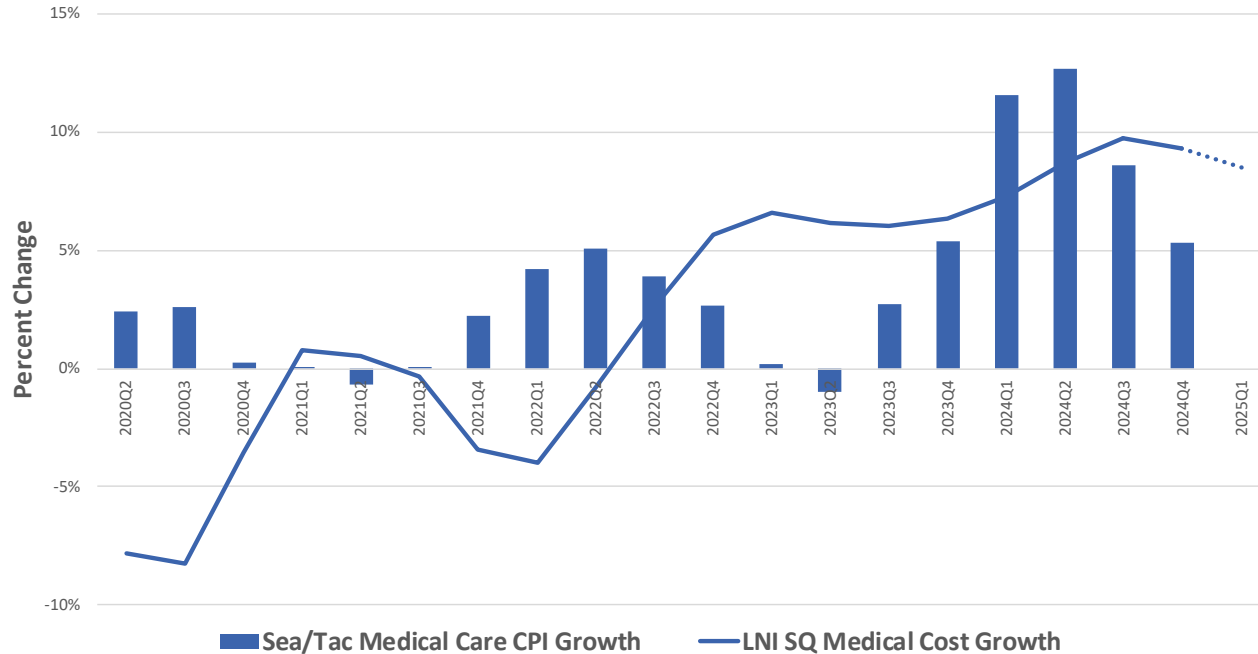


# Covered Hours and the Rate of Claims Received



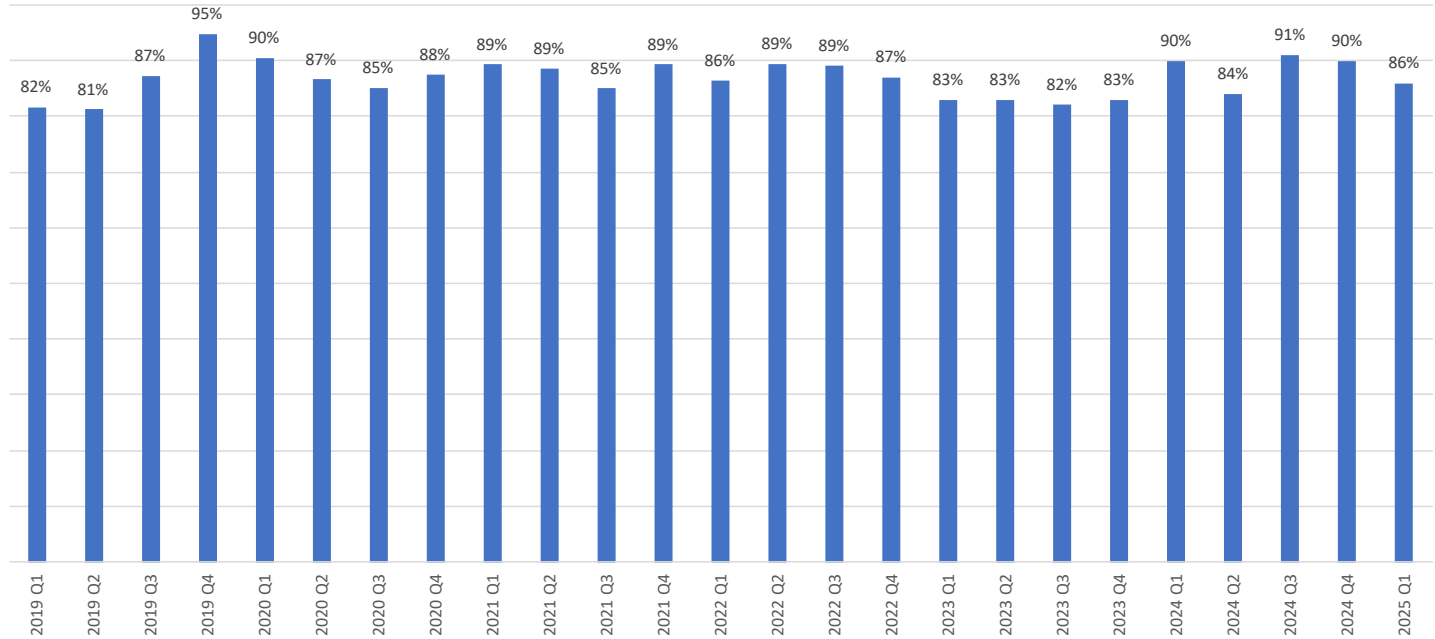
# Annualized Medical Cost Growth

## 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 44 active operational measures in Insurance Services

## Metrics: March to April 2025

Into-standard



### **Office of the Medical Director**

- 95% of new referrals processed in 14 days

# Employer Services

**Metric:** WA Stay at Work Applications process

**Goal:**

Green: ≤30 Days

Yellow: 31-40 Days

Red: ≥41 Days

**Metric Status:** 93 Days – Oldest Unworked Application from Date of Receipt

**Mitigation Plan:**

- Fill two vacant positions.
- A new review process is in place to reduce the backlog of applications.
- An Intake Pilot has launched for an application review for completeness before they go to the adjudicators.
- Best practices from the new process and pilot will be implemented to maintain backlog numbers and reduce application processing time.

# Legal Services

**Metric:** 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:** 33 days

**Mitigation Plan:**

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

# Return to Work Partnership

**Metric:** RTWP Plans: 55% concluded with employable outcome

**Goal:**

Green:  $\geq 55\%$

Yellow: 45%-54%

Red:  $\leq 44\%$

**Metric Status:** 43%

**Mitigation Plan:**

- Implementing Skill Enhancement Training (SET), which can help workers build skills prior to a formal training program.
  - January 2025, SET eligibility for English as a Second language and high school equivalency.
  - July 2025, SET eligibility will be expanded to basic computer literacy training.
  - October 2025, anticipate SET will be fully implemented.

# Self-Insurance

**Metric:** Self-Insurance Audit Cycle Completion Ratio

**Goal:**

Green: 100%

Yellow: 95%-99%

Red: ≤ 94%

**Metric Status:** 94%

**Mitigation Plan:**

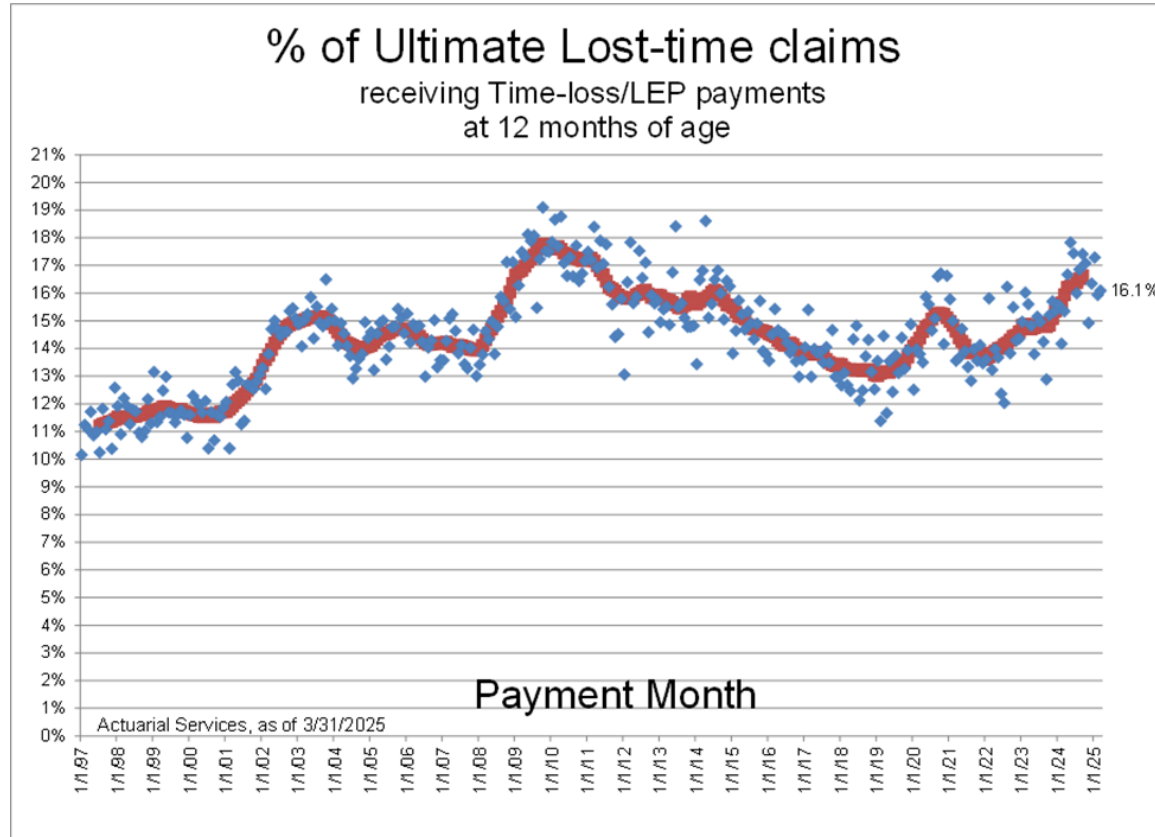
- A new staff member has joined the team and is currently in training.
- The audit team is on track to meet their fiscal year goal.



# Long-term disability

*Kirsta Glenn, Deputy Assistant Director  
Insurance Services*

# Unexpected increase in long-term disability in 2024.



# Possible impacts we are exploring

- System changes
- Workload, staffing changes
- Technology challenges
- Economic impacts
- Changes in worker demographics and injury types
- Changes to health care system

# System changes – IMEs

- Changes to IMEs requirements and IME recordings
  - What we have seen
    - Decline in IMEs performed between 2018 and 2023
    - Smaller decline in 2024
  - Current efforts
    - Standardized consultation letters
    - Additional training for CMs
    - Third party recording pilot

Legislation 6440 (2020) limitations on when IMEs can be requested and 1068 (2023) regarding IME recordings.

# System changes - expansion of presumptive coverage for PTSD

- What we have seen
  - Increase in claims with PTSD
  - Presumptive PTSD claims experience longer durations
- Current efforts
  - Cross jurisdictional (MasDyne) review
  - PTSD legislative report
  - Psychologists as an Attending Provider (AP)
  - Specialized review of new PTSD claims
  - Guidelines for vocational counselors
  - Working on PTSD clinical guideline

Legislation SSB 6214 (2018), HB 1913 (2019), and SSB 5454 (2023).

# Technology changes

- What we have seen
  - Manual cumbersome processes
  - Opportunity for errors
  - Periodic outages
  - Restrictions on work hours
  - Limited ability to upgrade or change
- Current Efforts
  - WCSM
  - Analysis of systems and limited immediate fixes
  - Move towards electronic communication

# Workload, staffing changes

- Pandemic and post pandemic impacts on CMs
  - Transition to hybrid work
  - High vacancy rate at times during pandemic
  - Low enrollment in incoming classes – 22-month apprenticeship
- Current efforts
  - Additional claims unit funded in new budget
  - Approved limited overtime starting in March
  - Adjustment in apprentice caseload building
  - Prioritize filling vacant positions

# Economic impacts

- Fulfillment centers and delivery drivers
  - Relatively higher severity claims
  - Doubling of hours reported at start of pandemic has been sustained
  - Injury rates and severity levels have remained constant
- Higher duration increases in
  - Agriculture
  - Food Processing
  - Government
- Lower employment growth in 2024
- Uncertainty with current federal policy and tariffs

# Changes in worker demographics and injury types

- No significant changes in injury types beyond PTSD
- Duration increase greater for workers with limited English proficiency
- Current efforts
  - Effort to expand access for mental health services
  - Continue to improve access and communication with limited English proficiency workers

# Changes to health care system

- What we have seen
  - Some evidence of delays in medical treatment – nationwide trend
  - Shift to Physician Assistants and Advanced Practice Registered Nurses – nationwide trend
  - Limited availability of some specialties
- Current efforts
  - Provider outreach project
  - Provider navigators
  - Psychologists as Attending Provider

# Discussion

- How can we work together to manage claim duration in ways that support better outcomes for workers and employers?

# Next steps

- High priority
  - Resourcing claim managers
  - Expanding access to high quality care
  - Modernizing technology
  - Expanding employment success
- Continue analysis and exploration of trends
- Consider legislative/budget requests that support cost reduction through better outcomes for workers



Washington State Department of  
Labor & Industries

# Post Traumatic Stress Disorder (PTSD) Subcommittee Update

*Sheri Sundstrom,  
Workers' Compensation Policy  
And Operations Manager*

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

Role	Representation Group	Name
Agency Staff	Office Of Medical Director	Jennifer Jutte
Agency Staff	Office of Medical Director	Kim Wallace
Agency Staff	SHARP	Dave Bonauto
Agency Staff	Return to Work Partnerships	Catilyn Jekel
Agency Staff	Claims Administration	Catherine Pederson
Agency Staff	Claims Administration	Coral Suhrbier
Agency Staff	Claims Administration	Mark Goodwin
Agency Staff	Self Insurance	Knowrasa Patrick
Agency Staff	Self Insurance	Stephanie Scheurich

# Purpose and Scope of Committee

- Advise the WCAC on the best practices and policies for prevention, treatment, return to work and adjudication of PTSD claims.
  - Review PTSD claims data
  - Research prevention programs
  - Review industry best practices
  - Align with PTSD study
  - Share recommendations with WCAC

## Presumptive PTSD Claims Received by Year (2018-2025)

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	79	31
*2025	28	10
<b>Total</b>	<b>468</b>	<b>255</b>

\*Data through 5/31/2025

## Claim Determination Status

Status	State Fund	Self-insured
Allowed	374	206
Rejected	81	47
Provisional or Not Yet Allowed	13	2
<b>Total</b>	<b>468</b>	<b>255</b>

\*Data through 5/31/2025

# Updates: PTSD Data Collection & Clinical Guidelines

## ⑩ PTSD Data Collection

⑩ Target Completion date: July 2025

## • Clinical Guidelines

- The IIMAC committee continues to meet monthly.
- Clinical Guidelines on target to be developed by Fall 2025

# Updates: PTSD Study

- L&I engaged in a contract with MasDyne Research, LLC to assess PTSD benefits, policies, coverage, and findings on PTSD prevention. MasDyne was to produce a detailed report for L&I.
  - L&I to provide their own written report to the Legislature
    - Target completion of both reports end of June 2025
      - Overview of MasDyne and Legislative draft report introduced in the June 3rd WCAC PTSD Subcommittee.

# Research of Prevention Programs

- Workplace mental health protections for RET occupations. (repetitive exposure to trauma)
  - Prevention Program comprised of
    - Foundational Elements
    - Crisis & Intervention Programs
    - Issues

# Research of Prevention Programs

## Foundational

- Actions taken in preparation to improve organizational and individual responses to trauma and mental health outcomes
  - Employee and leadership training on stress and mental health outcomes
    - i. Safety climate assessment – actions to improve safety climate and build vertical support
    - ii. Individual mental health training programs (mental health first aid, PTSD awareness, QPR (question persuade refer))

# Research of Prevention Programs

## Foundational cont.

- ⑩ Build support systems for the worker
  - i. Peer support programs (non-clinical assistance to achieve long term recovery by peers who have similar experiences)
    - Example: First Responders Wellness Peer Support HB 2311
  - ii. Health and wellness programs
  - iii. Family educational programs on stress and mental health
- Confidential mental health screening and referral programs

# Research of Prevention Programs

## Crisis and intervention programs

### Actions following exposure

- i. Reminder of services available
- ii. Peer support programs
- iii. Brief sick leave, decompression time

### Access to counseling and diagnostic services

- i. Peer support programs
- ii. Crisis intervention and referral services
- iii. Diagnostic assessment and short-term counseling

### Confidentiality protections

# Research of Prevention Programs Issues

- Training material evaluation
  - i. Evidence based
  - ii. Appropriate, accepted, effective
- Program buy-in, sustainable

# Summary

- Collaboratively we are learning, sharing, and engaging in all facets of PTSD prevention, care, and return to work. We are resolute in developing deliberate and objective processes and best practices for successful outcomes of employees impacted by PTSD.
- Next WCAC PTSD Subcommittee Meeting – TBD (late July/early August)



Washington State Department of  
Labor & Industries

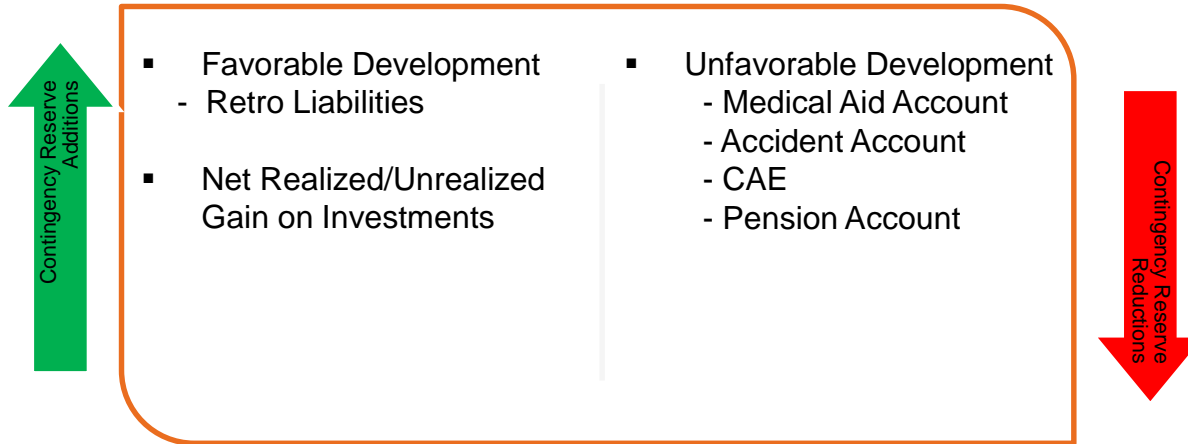
# Industrial Insurance (State) Fund Financial Overview

*Kim Hurley, Chief Accounting Officer*

# Significant Financial Highlights

July 2024 through March 2025

The contingency reserve decreased **\$795 million**, from \$5,490 million on July 1, 2024, to \$4,695 million on March 31, 2025.



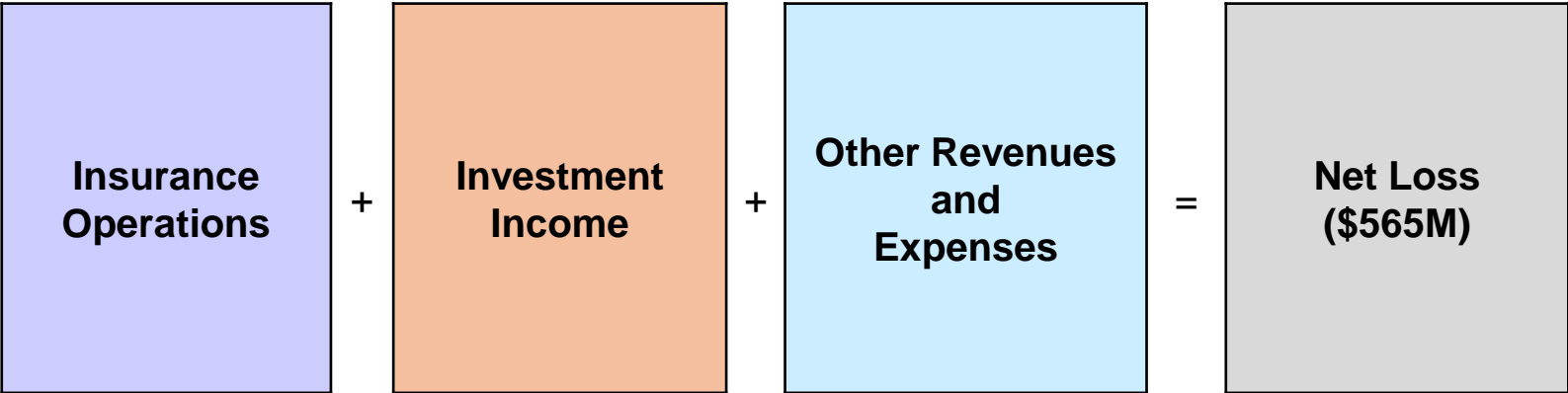
## Change in contingency reserve by quarter for fiscal year 2025

- July 1 to September 30, 2024 – a decrease of \$123 million
- October 1 to December 31, 2024 – a decrease of \$56 million
- January 1 to March 31, 2025 – a decrease of \$616 million

# State Fund Results

“Net Income”

July 2024 through March 2025



# Insurance Operations

July through March 2025  
(in millions)

## Nine Months Ended

		March 31, 2025	March 31, 2024
We took in (Premiums Earned)	+	\$ 1,701	\$ 1,500
We spent (Expenses Incurred)			
Benefits Incurred		2,710	1,436
Claim Administrative Expenses		278	168
Other Insurance Expenses		79	76
Total Expenses Incurred	-	3,067	1,680
Net Income (Loss) from Insurance Operations	=	\$ (1,366)	\$ (180)

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 March 2025  
(in millions)

	Nine Months Ended		Difference
	March 31, 2025	March 31, 2024	
Standard Premiums Collected	\$1,819	\$1,675	
Less Retrospective Rating Adjustments	(40)	(38)	
Less Ceded Reinsurance Premiums	(12)	(8)	
Net Premiums Collected	1,767	1,629	
Changes in future Premium Amounts To Be Collected	4	(14)	
Changes in future Retrospective Rating Adjustment Refunds	(70)	(115)	
Net Premiums Earned	\$ 1,701	\$ 1,500	\$ 201

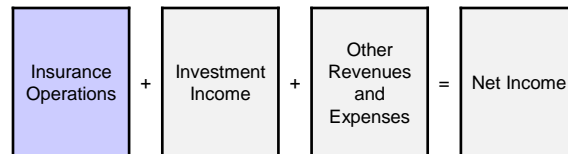


# Benefits Incurred

July 2024 through March 2025  
(in millions)

## Nine Months Ended

	March 31, 2025	March 31, 2024	Difference
Benefits Paid	\$ 1,446	\$ 1,330	\$ 116
Change in Benefit Liabilities	1,264	106	1,158
<b>Total Benefits Incurred</b>	<b>\$ 2,710</b>	<b>\$ 1,436</b>	<b>\$ 1,274</b>



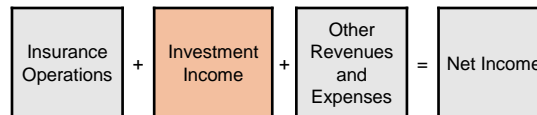
# Investment Income

July 2024 through March 2025

(in millions)

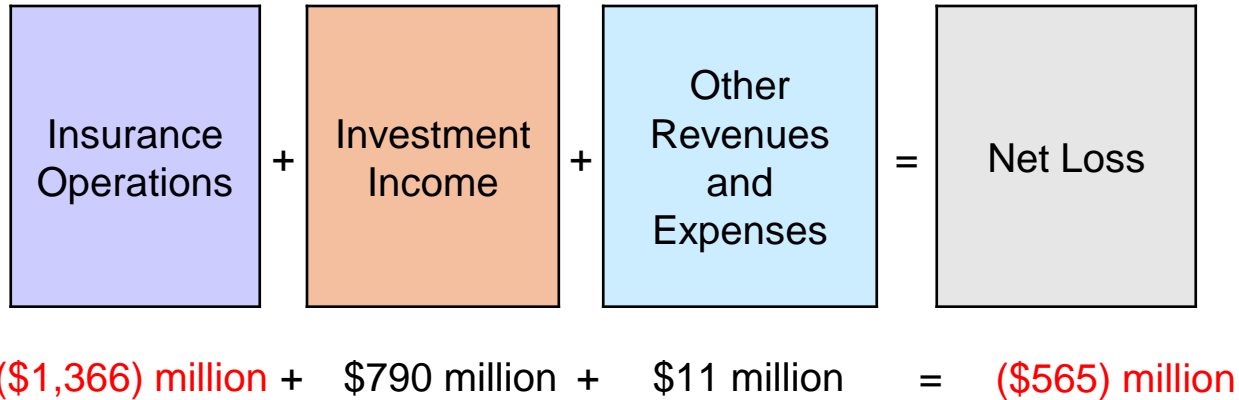
## Nine Months Ended

		March 31, 2025	March 31, 2024
Investment Income Earned from Interest on bonds	+	\$ 503	\$ 435
Realized Gain/(Loss) from Fixed Income Investments Sold	+	(26)	(15)
Realized Gains from Stocks (Equity Investments) Sold	+	313	0
<b>Total Investment Income</b>	<b>=</b>	<b>\$ 790</b>	<b>\$ 420</b>



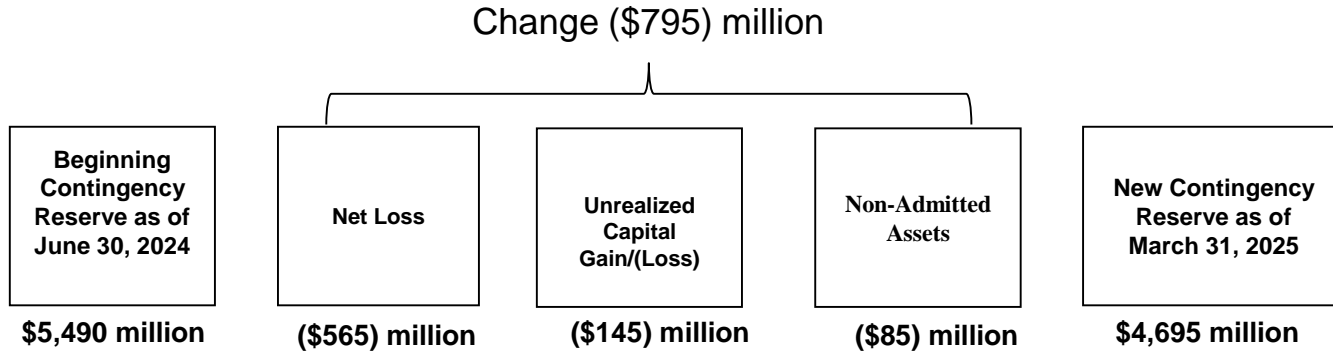
# Results of Operations

July 2024 through March 2025



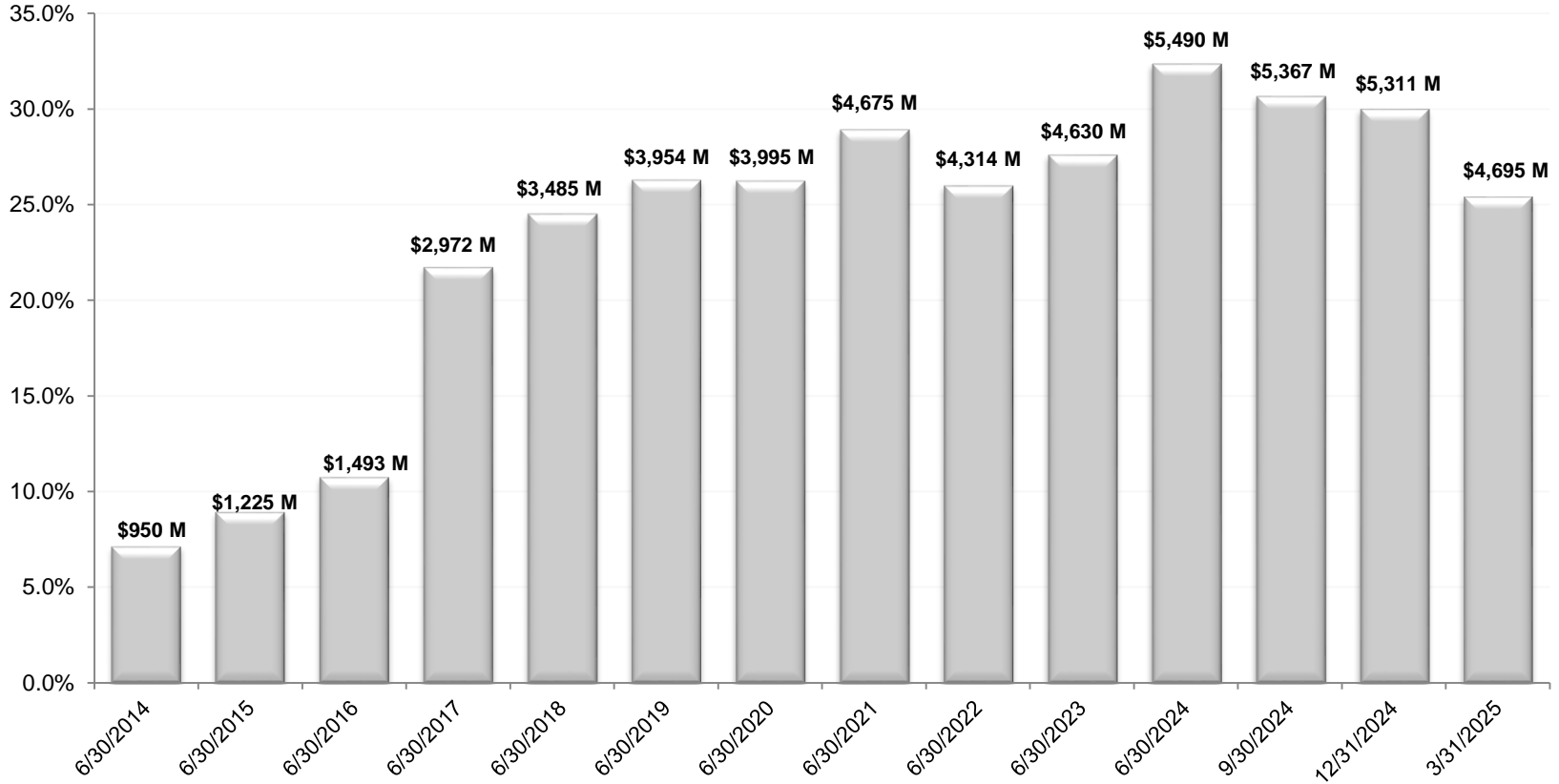
# How Did Contingency Reserve Perform?

July 2024 through March 2025



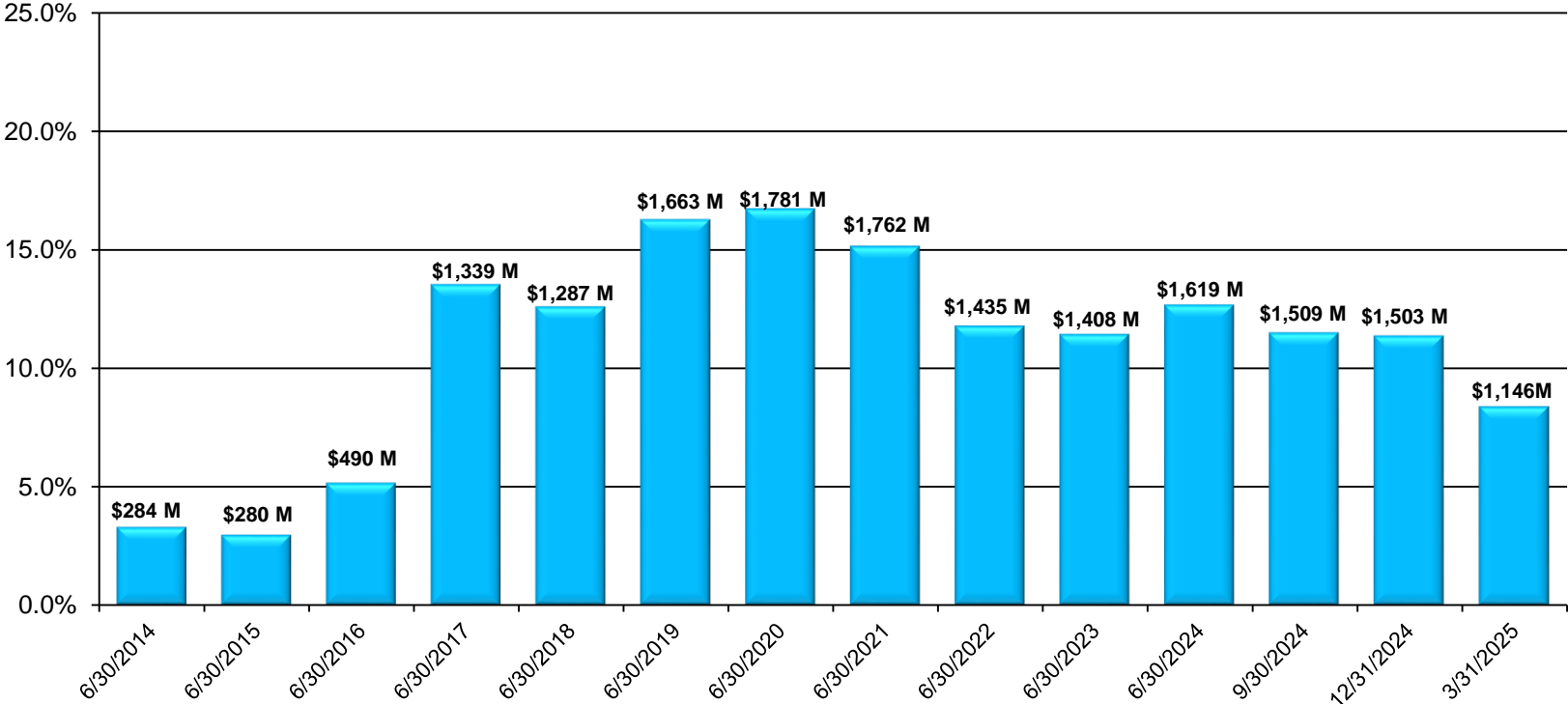
# Combined Contingency Reserve

Combined Contingency Reserve is 25.4% of Total Liabilities



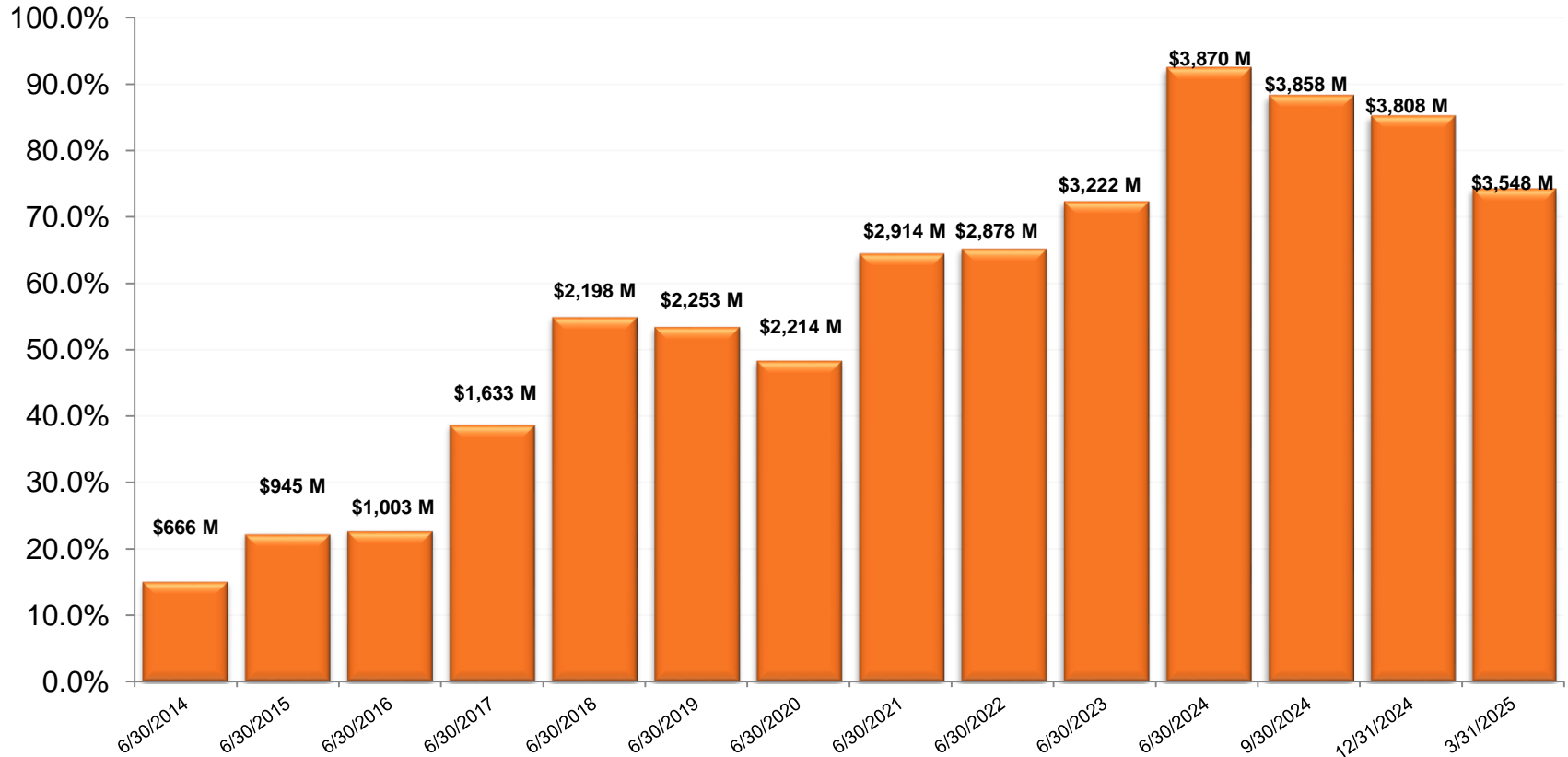
# Accident & Pension Contingency Reserve is 8.4% of Liabilities

## Accident & Pension Contingency Reserve



# Medical Aid Contingency Reserve is 74.3% of Liabilities

## Medical Aid Contingency Reserve



# Key Financial Ratios

as a percentage of premium earned

Ratios	Quarter Ended March 31, 2025		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)	99.3%			97.6%	99.8%
Prior Year Benefit (Loss Ratio)	60.0%			2.9%	14.5%
<b>Total Benefit (Loss Ratio)</b>	<b>159.3%</b>	<b>44.2%</b>	<b>103.1%</b>	<b>100.5%</b>	<b>114.3%</b>
Current Year CAE Ratio	12.1%			11.8%	12.0%
Prior Year CAE Ratio	4.3%			(0.5%)	(1.2%)
<b>Total Claim Administration Expense (CAE) Ratio</b>	<b>16.4%</b>	<b>13.7%</b>	<b>12.1%</b>	<b>11.3%</b>	<b>10.8%</b>
Sub-Total: Benefit and Claim Administration Expense Ratios	175.7%	57.9%	115.2%	111.8%	125.1%
Underwriting Expense Ratio includes all insurance administrative expenses except CAE	4.7%	26.6%	4.7%	5.1%	5.2%
<b>Combined Ratio (Industry omits dividends)</b>	<b>180.4%</b>	<b>84.5%</b>	<b>119.9%</b>	<b>116.9%</b>	<b>130.3%</b>
Investment Income Ratio	29.6%	19.4%	25.2%	28.9%	25.9%
<b>Operating Ratio</b>	<b>150.8%</b>	<b>65.1%</b>	<b>94.7%</b>	<b>88.0%</b>	<b>104.4%</b>

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



Contact Kim Hurley,  
Chief Accounting Officer  
Email: [Kim.Hurley@Lni.wa.gov](mailto:Kim.Hurley@Lni.wa.gov)

Thank You!



# Closing Comments & Adjourn

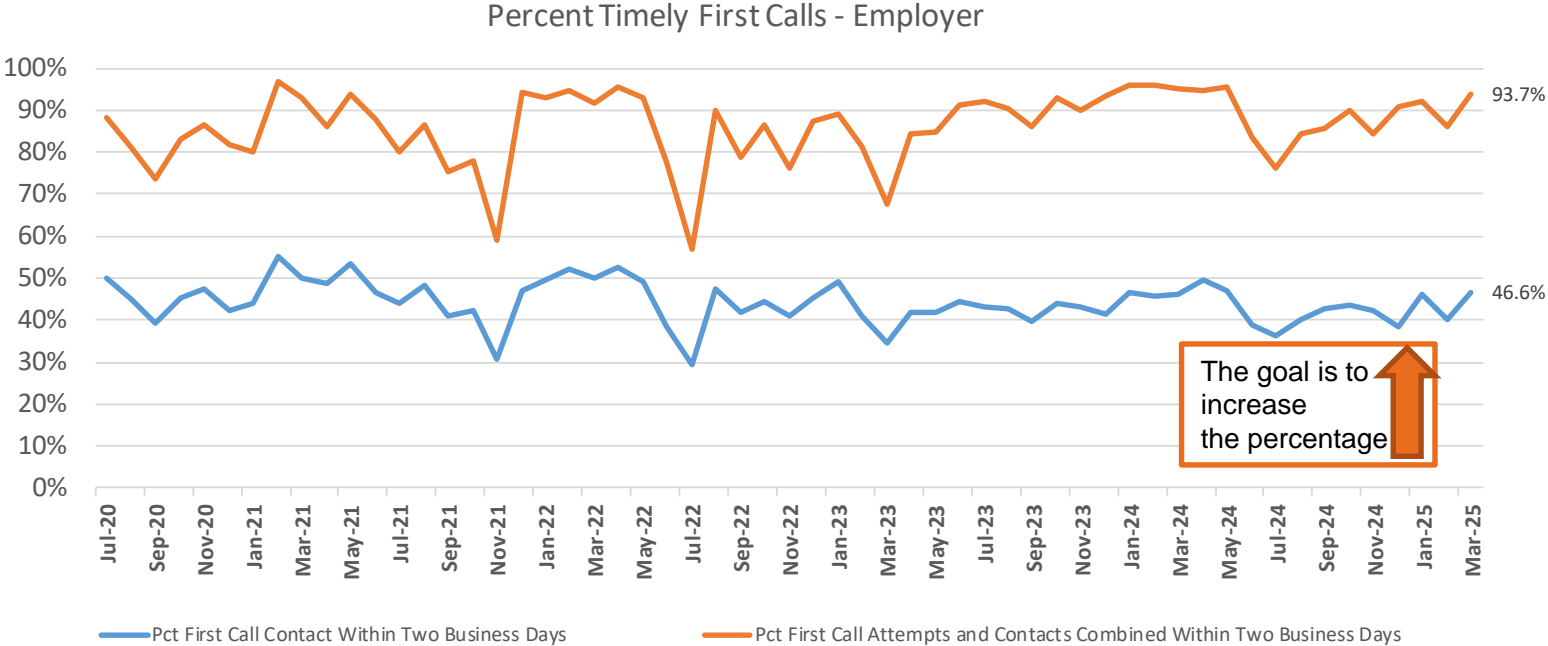
*Joel Sacks, Agency Director*

*Brenda Heilman, Assistant Director for Insurance Services*

Next meeting: September 25, 2025

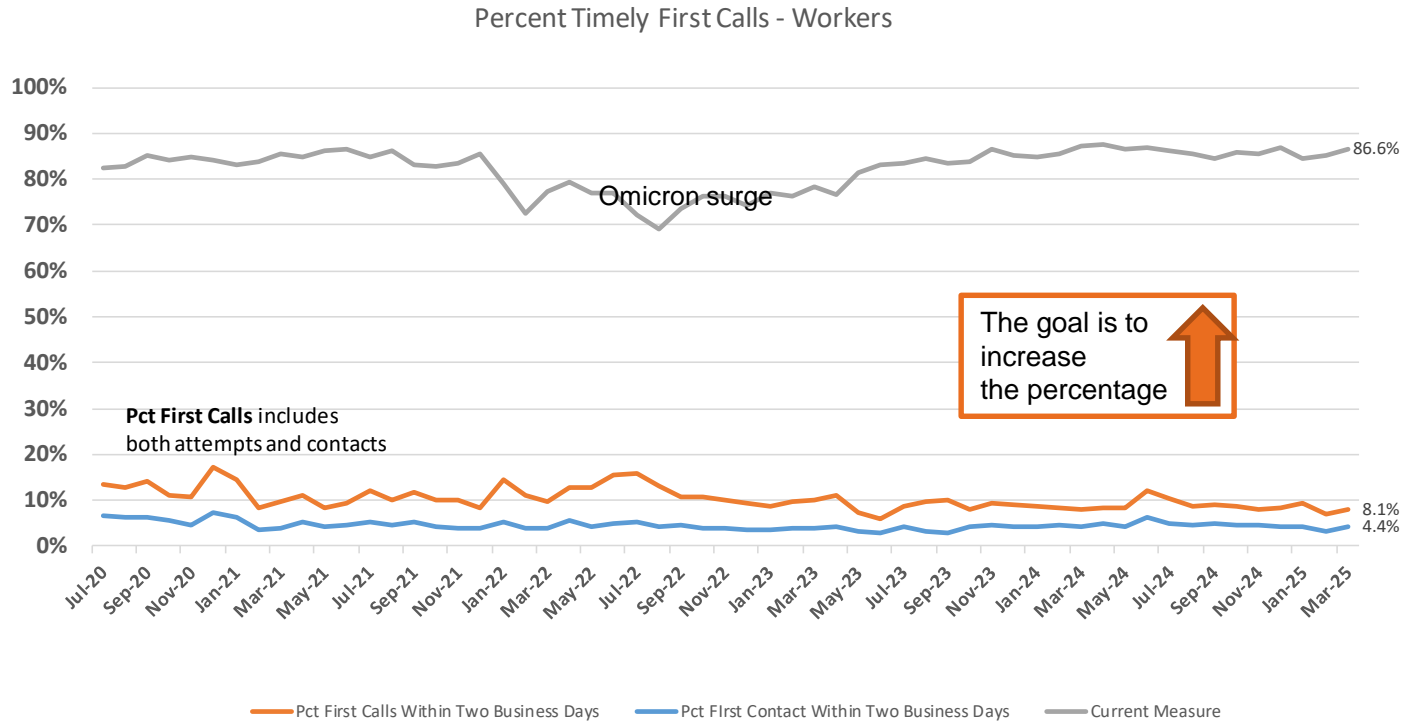
# **OPERATIONAL HEALTH DASHBOARD – APPENDIX SLIDES**

# JLARC recommended employer contact measure



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

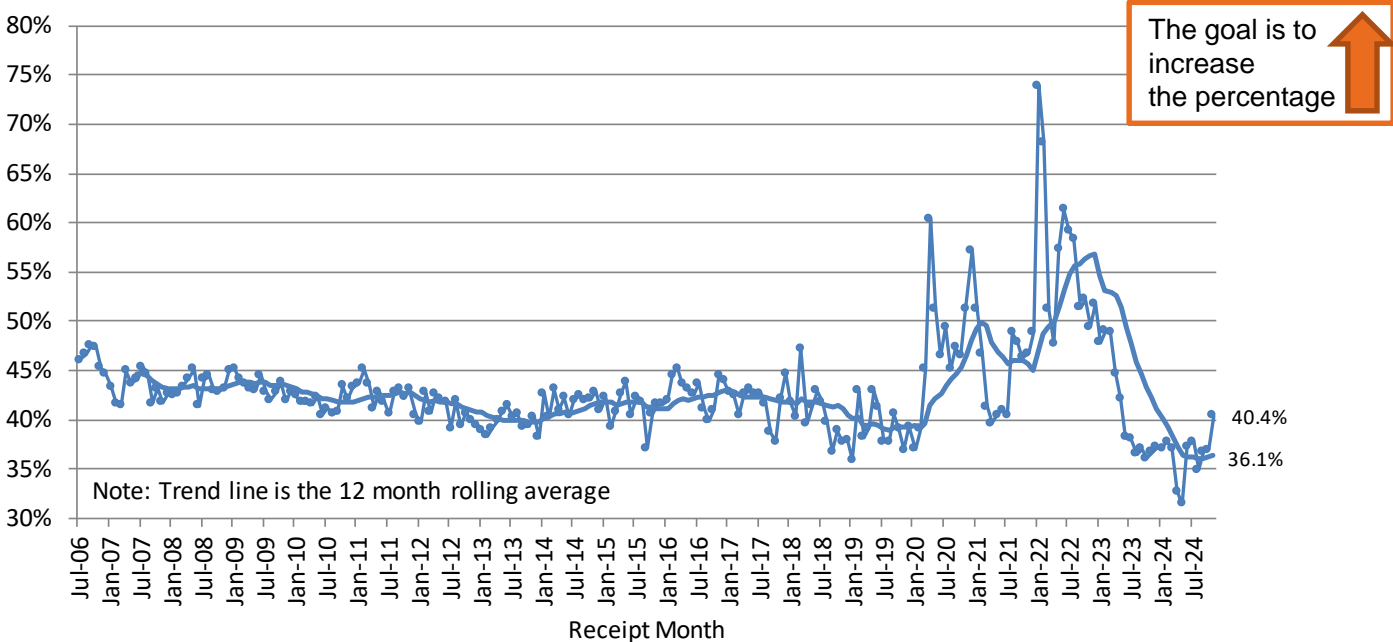
# JLARC recommended worker contact measures & L&I's current measure



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.

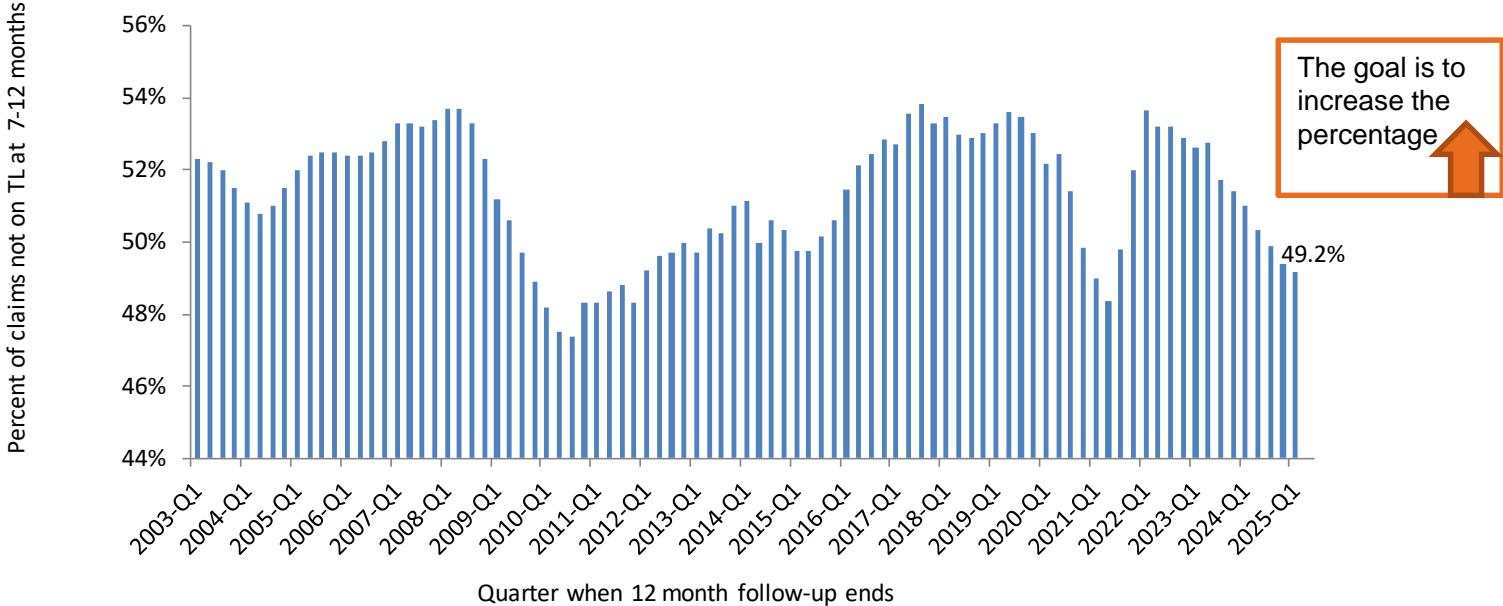
# The share of time-loss claims resolved six months after claim receipt

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

57

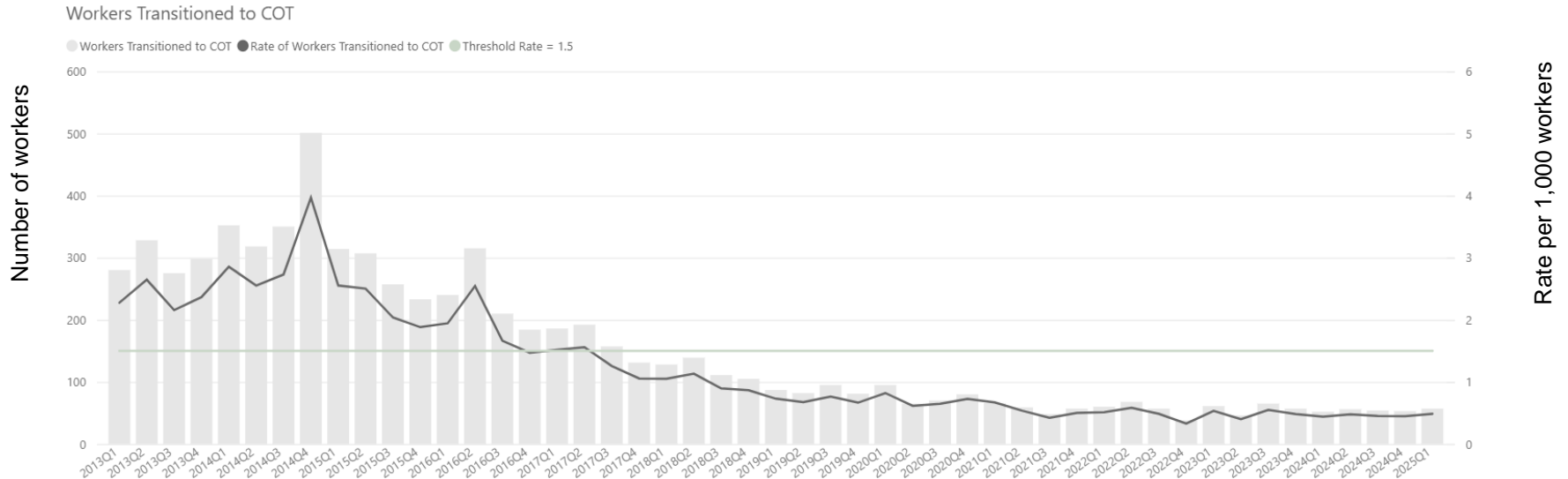
Workers Transitioned to COT

+8%

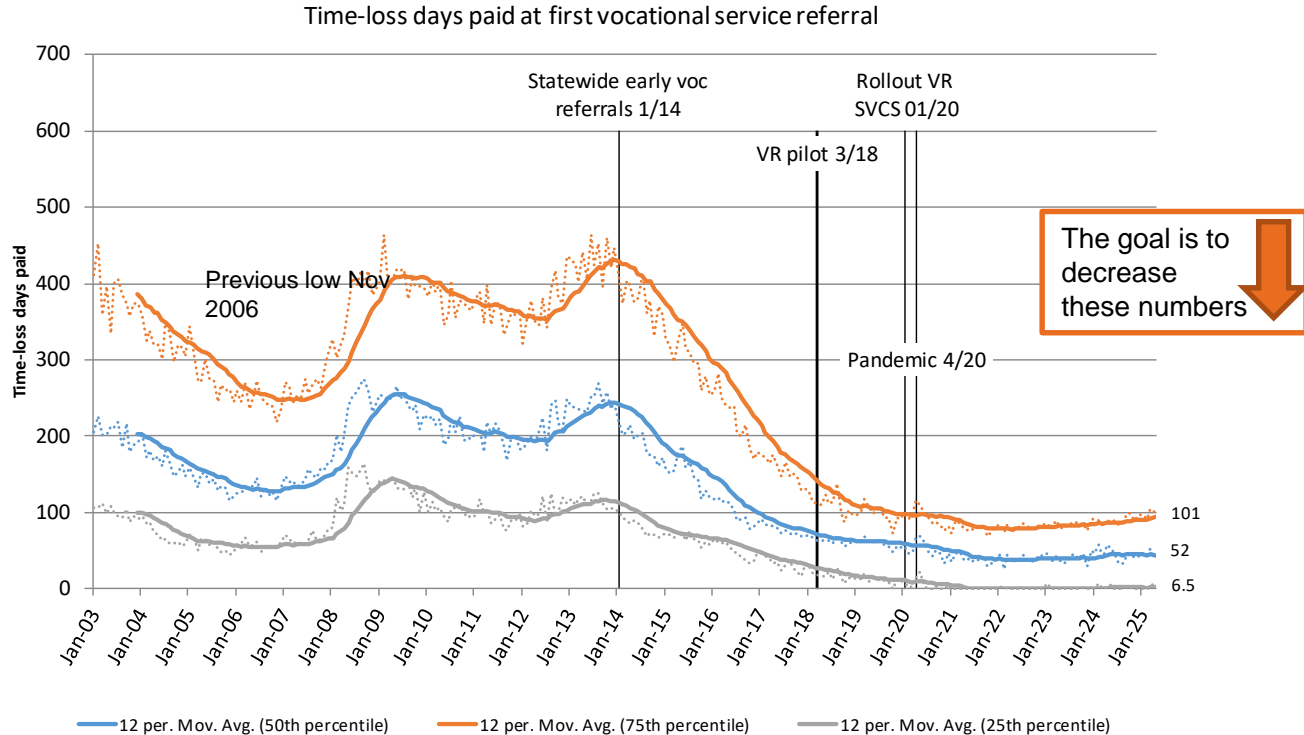
Change Since Previous Quarter

0.49

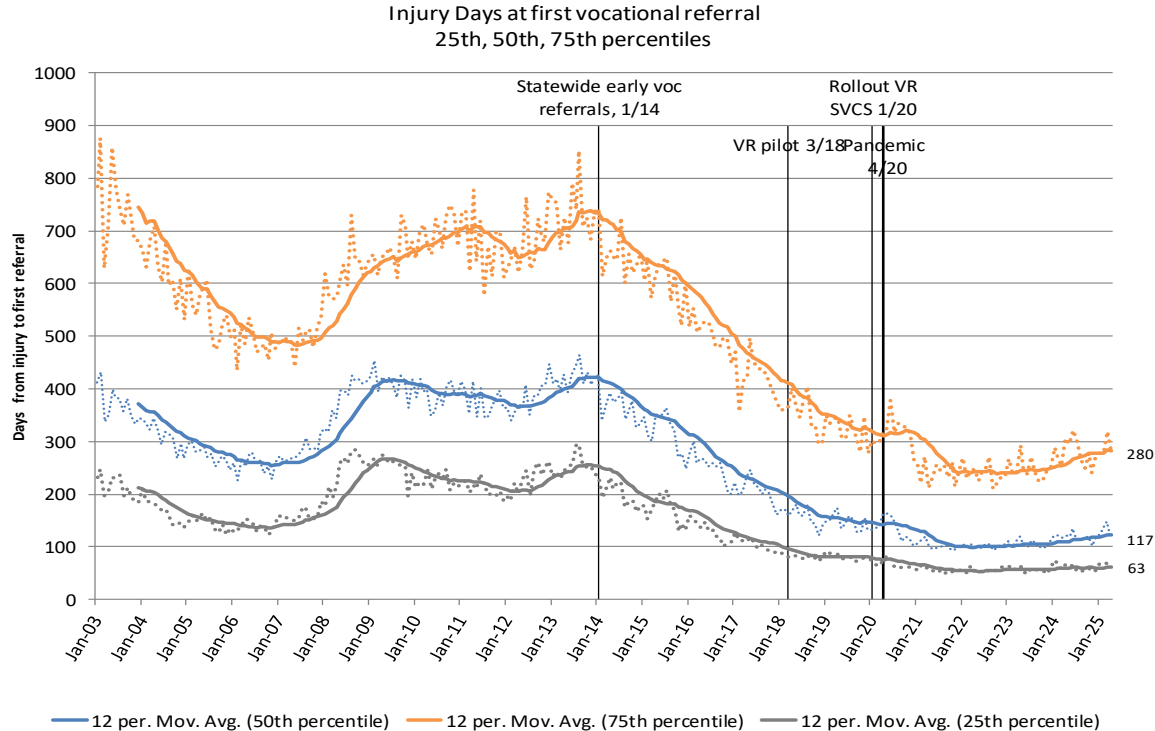
Rate per 1000 Injured Workers



# Referrals are now targeted to address the onset of disability

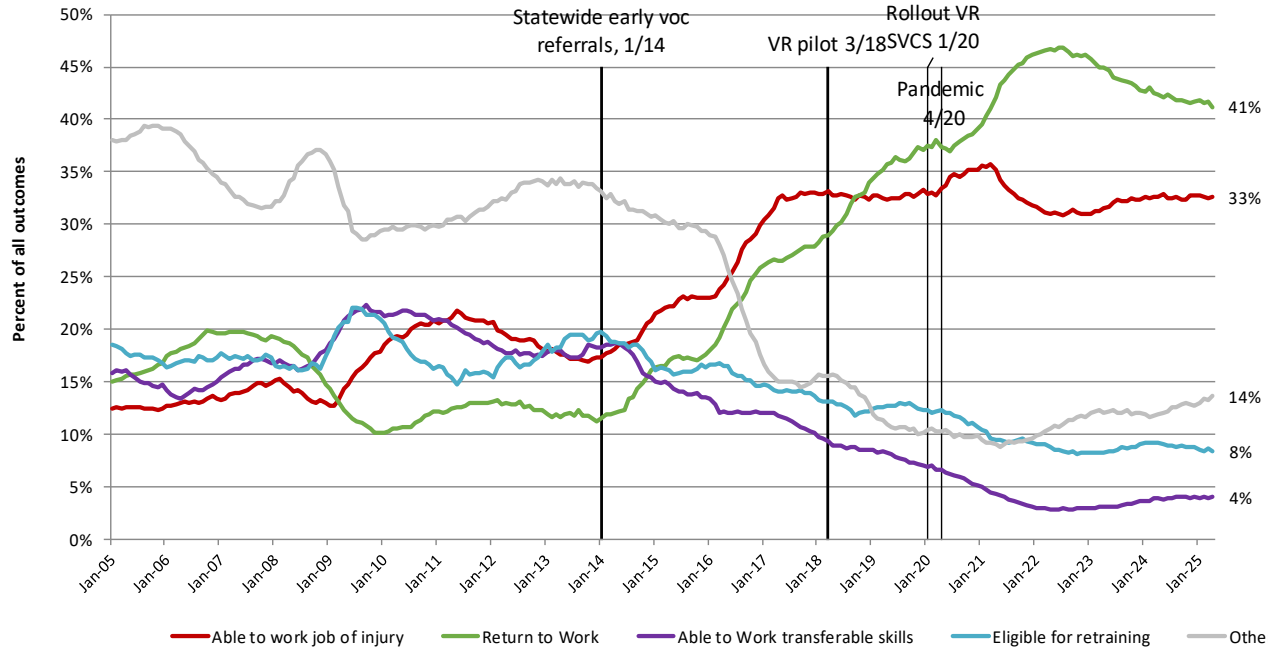



# Referrals are now targeted to address the onset of disability Days from date of injury



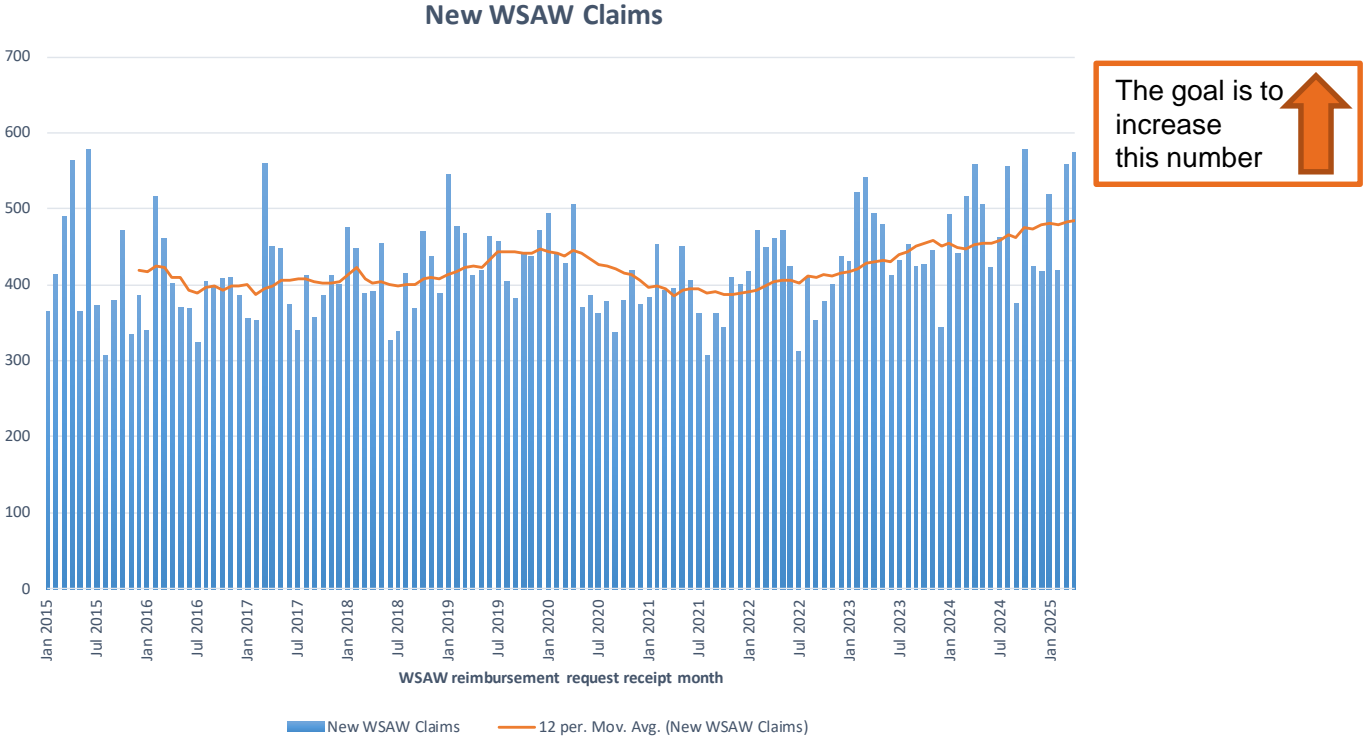
# New focus on return to work has increased positive employable outcomes for all first vocational referrals

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

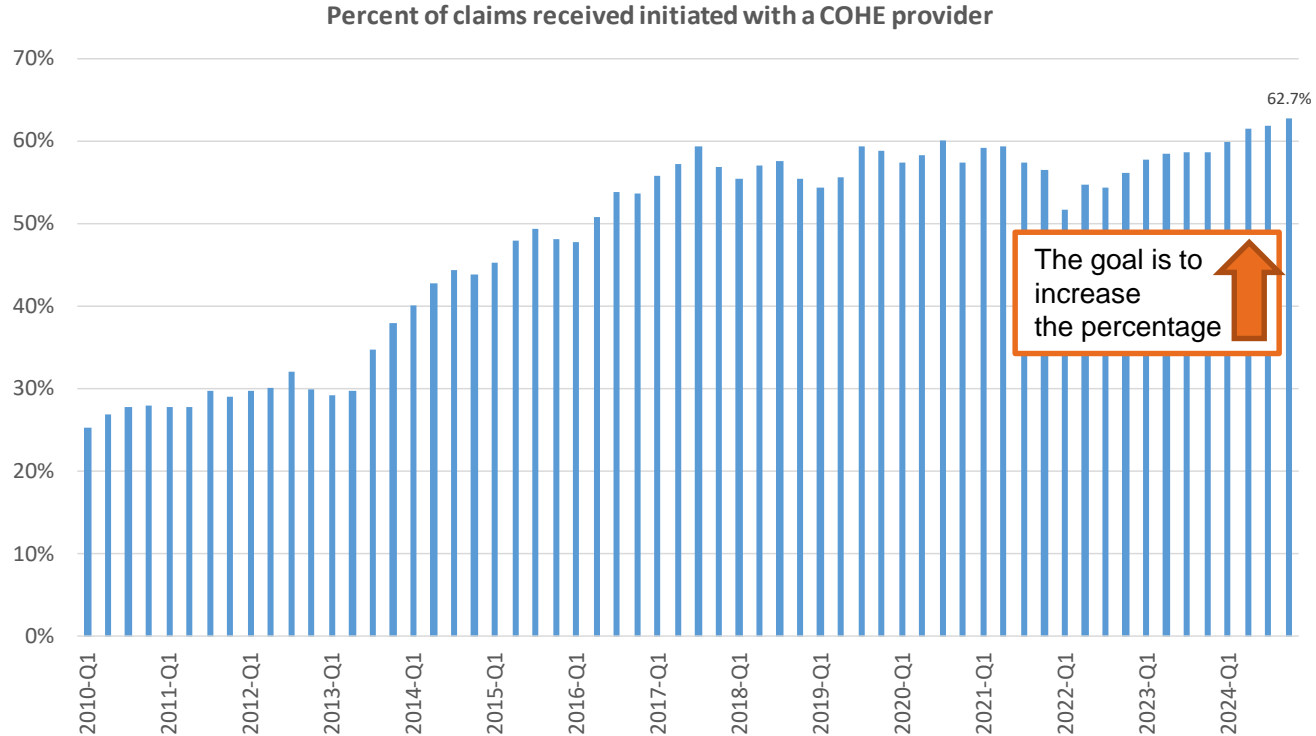


The goal is to increase the share of RTW outcomes 

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



# Percentage of claims for injured workers 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	(\$1,273,355)
Prior Year Development and Model Change (Favorable)	\$728,459
Self Insurance Prefunded Pension Transfers	\$0
Regular reserve discount reduction	\$292,684
Net Total Prior Year Benefit Liability as of March 31, 2025	<u>\$15,266,904</u>
New Current Year Benefit Liabilities	\$1,515,697
March 31, 2025 Benefit Liabilities Ending Balance	<u><u>\$16,782,601</u></u>
<b>Change Between Beginning and Ending Balance</b>	<b>\$1,263,485</b>

# Highlights of Changes in the Contingency Reserve

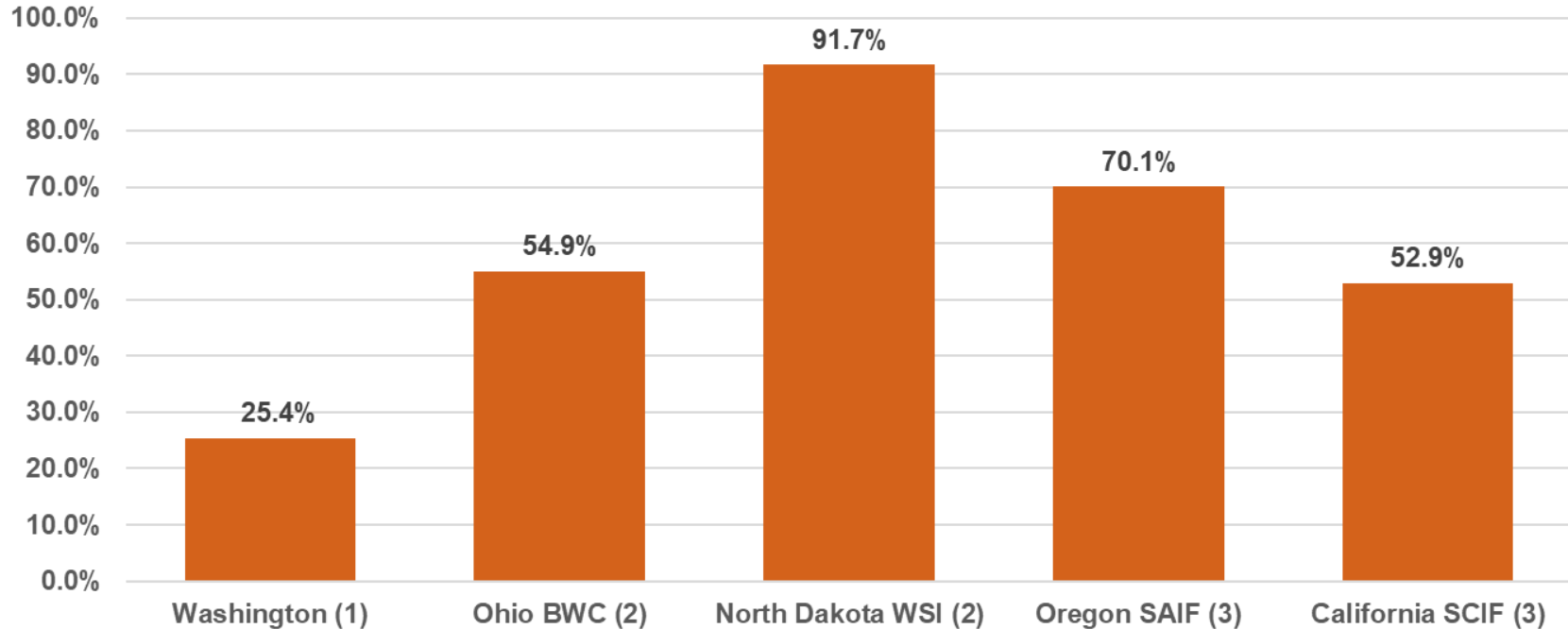
	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Total
*Actuarial Development <sup>1</sup>	\$149M	\$543M	\$147M	\$926M	\$941M	\$352M	\$(171)M	\$287M	\$526M	\$(55)M	\$(311)M	\$791M	\$4,125M
Rate Changes	\$58M	\$59M	\$38M	\$27M	\$(14)M	\$(120)M	\$(110)M	\$(44)M	\$(29)M	\$17M	\$75M	\$15M	\$(28)M
Greater (less) than expected changes in the stock market	\$279M	\$(29)M	\$(101)M	\$411M	\$199M	\$50M	\$340M	\$1,263M	\$(639)M	\$413M	\$445M	\$51M	\$2,682M
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 3/31/2025

(2) As of 6/30/2024

(3) As of 12/31/2023

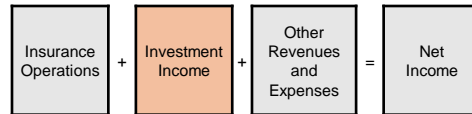
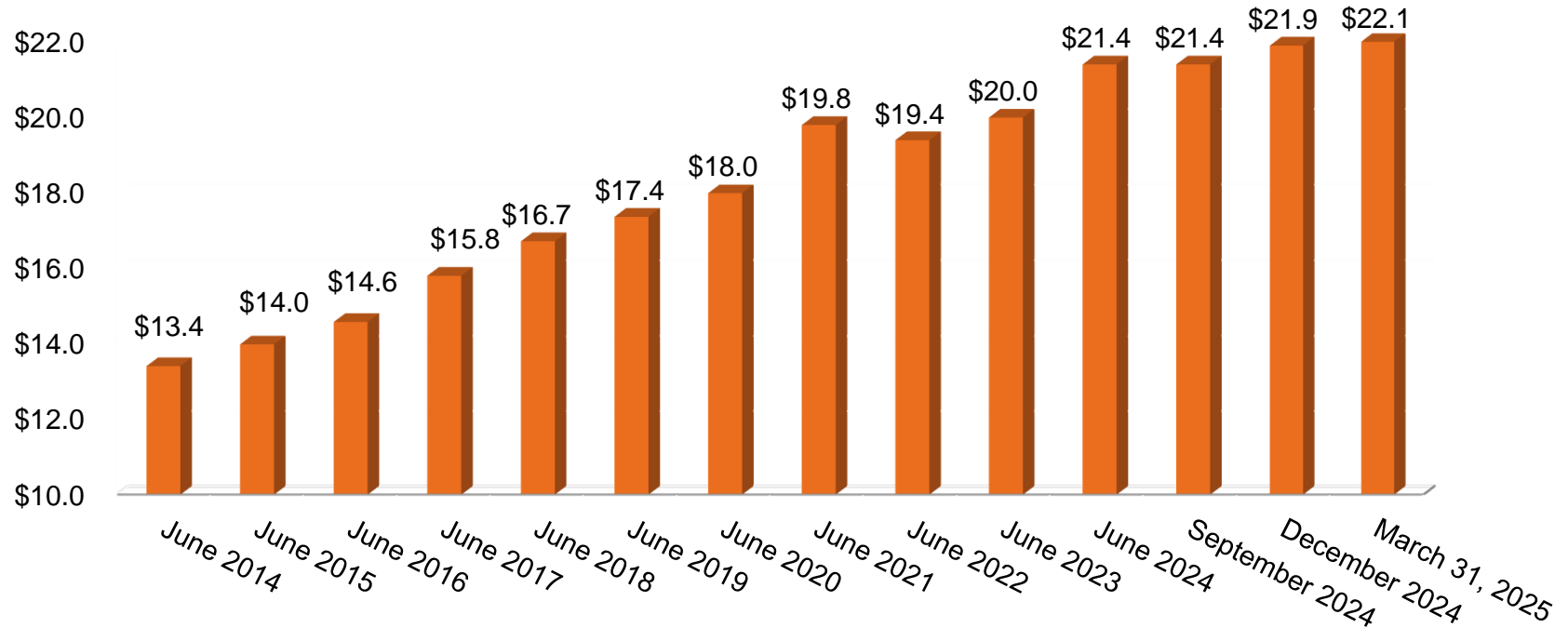
# Historical Investment Performance

## Fiscal Year Ended

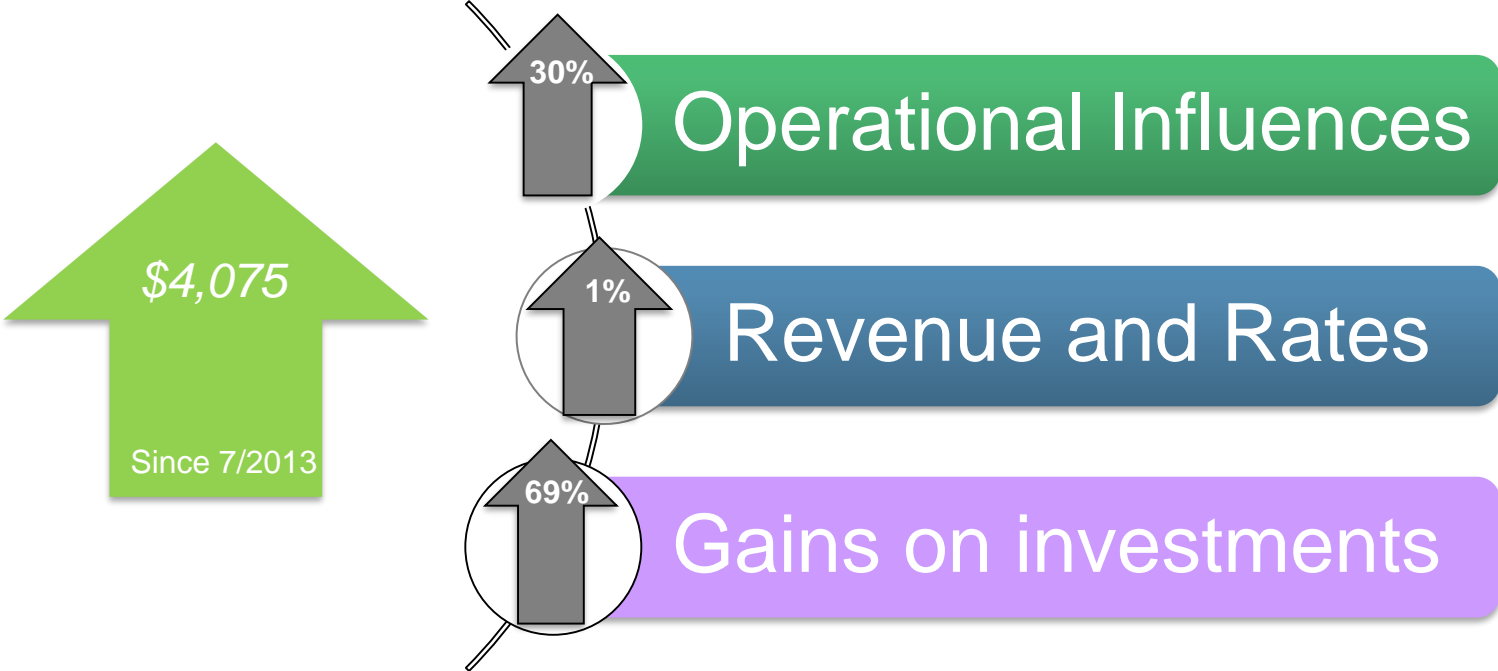
	Quarter Ended March 31, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Investment Income	502,674,000	592,620,000	504,416,000	456,375,000	462,700,000	496,981,000
Realized Gain (Loss)	287,012,000	16,179,000	139,573,000	141,857,000	299,787,000	272,266,000
Unrealized Gain (Loss)	(145,284,000)	532,457,000	360,212,000	(676,444,000)	1,069,560,000	161,264,000
Total Invested Assets	22,112,969,000	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 3/31/2025 the CR is at \$4,695M

# Benefit Liability History

(in thousands)

	<b>Benefit Liabilities</b>	<b>\$ Increase/ (Decrease)</b>	<b>% Increase/ (Decrease)</b>
March 31, 2025	\$ 16,782,601	1,263,485	8.1%
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	<b>(251,425)</b>	<b>(1.9%)</b>
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 \$412,244

