

# WSIA Liaison Committee Report

**Glenn Hansen, WC Manager, Multicare Health System**  
**Patrick Reiman, Manager Claims, Sedgwick**  
**November 2, 2017**

The Liaison Committee met with representatives from the Department of Labor & Industries on November 2, 2017. Present for the meeting in whole or part from the Department were Jim Nylander, LaNae Lien, Brian Schmidtkofer, Mike Ratko, Gina Mayo, Mike Ratko, and Simone Javaher. Present from WSIA were Kris Tefft, Lisa Vivian, Glenn Hansen and Patrick Rieman.

As your representatives for the WSIA Liaison Committee we can provide assistance in resolving claim management issues, policy or procedure concerns or specific individual claim related issues through our bi-monthly meetings with the L&I representatives.

Please contact S-I Employer Representative Glenn Hansen, Self-Insured Employer Representative 253-459-6803 or email at [glenn.hansen@multicare.org](mailto:glenn.hansen@multicare.org) or TPA Representative Pat Reiman at 206-214-2813 or email at [patrick.reiman@sedgwickcms.com](mailto:patrick.reiman@sedgwickcms.com) with any issues you would like discussed during our next scheduled meeting in November.

## **GENERAL**

Fire safety tips for fall were briefly discussed and handed out. That is attached to the minutes.

## **FOLLOW-UP ITEMS**

### **SFT (Electronic Sending of files) update:**

The SFT pilots are completed and employers/TPA's may send requested documents electronically. The Department has sent a list serve notice with the requirements for uploading and the types of documents accepted.

### **Employer Attorney CAC Access**

An issue was discussed regarding letters received from the Department that refer to correspondence that is not attached to the letter. Without CAC access, our attorneys are unable to view the documents. There is a service request still in the works because there is a programming estimate that must be completed. LaNae will follow up further on progress. The issue is that employer CAC access is not built.

## **WSIA NEW ISSUES**

### **EDI/Nurse Case Manager Fee Schedule**

We discussed that the nature of the use of nurse case managers by employers does not lend itself to EDI reporting. This is because most nurse case managers in our practice are more consultants than treaters. How we use them is different and none that we know of currently bill with any fee schedule codes or rates.

### **Why Send Closing Medical a Second Time?**

We have received requests for closing medical when the entire file was submitted with the closure request. LaNae asked that we let her know when this happens because the expectation is that the adjudicators will review the entire file when closure is requested and there should be no need for an adjudicator to ask for a separate set of documents.

### **Department of Medical Director**

Simone presented the Health and Policy News. A lively discussion was held about the draft Foot and Ankle Guidelines and briefly demonstrated the new attending physician resources on the Department's web page to replace the old paper guides. She asked that we encourage providers to submit feedback about the information.

### **Pilot Language on Vocational Determinations**

The plan is to "pilot" language on vocational/closure determinations that would allow the Department to resume jurisdiction to allow for vocational services if a claim goes before the Board and the Board reverses an employability determination and directs a pension. We questioned by the Department was taking a passive stance on this issue and not being more aggressive at getting the language changed. The Department is looking for just the right set of facts and we pressed that issue because it could be years to develop that without any interim solution.

### **Access to Risk Analytics Reports**

The Department is waiting to make this available because they are not clear what data they are looking at yet. They hope to have reports available by the first of the year.

### **Does a Denial Order Need to be Issued?**

We are seeking clarification of the role of the employer/Department on claim forms received in error. The issue is that workers complete a claim that is submitted to a self-insurer and the worker is not an employee of the self-insurer. Does the employer simply return the form to the provider, send it with a note to the Department, or does the Department require that it be denied. The Department will look at what the preferred standard work is around this issue.

### **Hearing Loss Cases with Two Self-Insurers**

Why does it take so long to get an order when the two employers involved are self-insured? That will be reviewed.

## **SELF-INSURANCE UPDATE**

### **Measures**

The targets for measures have not been updated since the last update and are shown on the SICAMS report. The current target for most closures is 60 days. We encouraged the Department to emphasize closing cases, particularly at year end to get them off the books.

### **LINUS Migration**

The LINUS migration project may prevent or delay many IT projects. We requested a better outline of what is in the project queue and what the plan is going forward to address our system requests. We want to know when the IT change was requested, what the current status is, and what barriers exist to implementing our requests.

### **Tier II Audit:**

Brian ([scbs235@LNI.WA.GOV](mailto:scbs235@LNI.WA.GOV)) provided a brief on the status of the Tier 2 and 3 audits and provided a Tier 2 report. There will be a summary list serve that was to be sent. Tier 3 has had notices go out.

### **Rules Group**

Mike mentioned that the next meeting of the Rules Review Group would be the week of 11/6. They are looking at financial requirements for certification and trying to modernize the rules to use updated tools for monitoring. Also discussed 2<sup>nd</sup> injury fund and the costs associated with that. Trying to work within current statute to avoid over and under collection. Glenn raised the issue of NOT experience rating the additions needed due to lack of investment income on the entire fund.

### **Certifications/Surrenders**

General Dynamics, 10/1/17

### **Staffing**

The claims section is looking to fill two WACA 3 openings and one WACA 4. They are also replacing the Initiation Supervisor. They are also bringing on Casey Wilkerson from the Department of Health to work on analytics with EDI.

Next Meeting: 1/4/18

Work Item	Target	January	February	March	April	May	June	July	August	September	October
<b>Allowance</b>											
In (Newly Received)		222	531	829	706	736	743	574	729	563	734
Out (Completed During Month)		1149	972	1190	708	770	748	642	755	623	728
Completed within 30 days		305	804	1160	692	762	731	633	747	615	724
Issued within 30 days percentage	98%	27%	83%	97%	98%	99%	98%	98%	99%	99%	99%
Average days to complete		38	22	9	7	6	5	6	7	7	
Pending		86	183	70	25	28	20	20	85	30	92
<b>Denial</b>											
In (Newly Received)		394	427	552	416	396	420	291	421	359	374
Out (Completed During Month)		442	480	567	401	426	413	320	443	376	409
Completed within 30 days		421	473	555	397	418	402	311	435	364	398
Issued within 30 days percentage	98%	96%	99%	98%	99%	98%	97%	97%	98%	97%	97%
Average days to complete		12	8	8	6	7	7	7	6	8	
Pending		75	78	73	63	34	65	50	65	47	40
<b>Closure PPD</b>											
In (Newly Received)		216	230	272	215	215	263	222	195	158	210
Out (Completed During Month)		243	238	323	256	245	212	278	253	188	227
Completed within 60 days		221	227	291	240	235	195	260	233	173	217
Issued within 60 days percentage	90%	91%	95%	90%	94%	96%	92%	94%	92%	92%	96%
Average days to complete		29	22	25	22	20	22	20	22	24	
Pending		176	199	146	128	142	193	152	121	92	116
<b>Closure TC/NC</b>											
In (Newly Received)		543	602	650	561	645	680	484	493	435	508
Out (Completed During Month)		765	618	868	729	628	703	639	629	483	598
Completed within 60 days		573	512	721	646	549	602	570	570	427	552
Issued within 60 days percentage	90%	75%	83%	83%	89%	87%	86%	90%	91%	88%	92%
Average days to complete		48	34	34	30	30	33	30	29	30	
Pending		637	763	600	539	641	642	492	398	367	373
<b>Protest</b>											
In (Newly Received)		286	279	360	271	339	256	232	356	290	349
Out (Completed During Month)		354	314	353	316	327	361	327	415	349	329
Completed within 90 days		300	270	309	285	287	324	273	342	299	296
Issued within 90 days percentage	90%	85%	86%	87%	90%	88%	90%	83%	82%	86%	90%
Average days to complete		53	52	50	49	45	48	55	50	47	
Pending		468	435	464	448	504	444	428	433	403	350
<b>Wage</b>											
In (Newly Received)		675	683	936	909	974	829	689	866	667	840
Out (Completed During Month)		1394	1007	1154	1130	868	896	775	896	781	871
Completed within 60 days		945	850	1065	1021	807	835	718	828	733	825
Issued within 60 days percentage	70%	68%	84%	92%	90%	93%	93%	92%	92%	94%	95%
Average days to complete		50	34	26	24	20	22	24	23	20	
Pending		756	767	672	464	607	569	476	439	353	387
<b>Total New</b>		<b>2336</b>	<b>2752</b>	<b>3599</b>	<b>3078</b>	<b>3305</b>	<b>3191</b>	<b>2492</b>	<b>3060</b>	<b>2472</b>	<b>3015</b>
<b>Total Out</b>		<b>4347</b>	<b>3629</b>	<b>4455</b>	<b>3540</b>	<b>3264</b>	<b>3333</b>	<b>2981</b>	<b>3391</b>	<b>2800</b>	<b>3162</b>
<b>Total Pending</b>		<b>2198</b>	<b>2425</b>	<b>2025</b>	<b>1667</b>	<b>1956</b>	<b>1933</b>	<b>1618</b>	<b>1541</b>	<b>1292</b>	<b>1358</b>



## Fire Safety Tips for Fall

When the weather turns cold most people spend more time inside their homes using fireplaces, furnaces, and heaters to keep warm. There's nothing quite as cozy as a fire, but it presents some safety hazards. Keep these tips in mind.

### Service Your Furnace

Before the cold autumn and winter weather sets in, be sure to call your heating and cooling company to service your furnace. A specialist should inspect the furnace to make sure everything is in working order and that there are no leaks.

### Use Fireplaces Safely



Keep that fire in its proper place by using a fireplace screen to keep sparks from flying out of the fireplace. Never leave a burning fire unattended, and make sure a fire in a fireplace is completely out before going to bed.

### Use Caution with Space Heaters

A space heater can be an effective way to warm up a chilly room, but it's essential that you read the instructions on the unit before you use it. If your space heater requires venting, make sure you have vented it to the outdoors. Never use your stove or oven to heat your home; only use space heaters that are approved for this purpose. Always allow at least three feet of empty area around space heaters.

**Reconsider Leaf Burning**

The [Air Defenders](#) reports that burning leaves produces dangerous and cancer-causing chemicals and urges homeowners to avoid disposing of leaves this way. If you decide to burn leaves, wear a protective mask. Burning leaves should only be attempted far away from a house or other structures on a homeowner's property. Always check the weather forecast before starting to burn leaves. This activity should not be attempted in windy conditions.

**Exercise Candle Caution**

Candles are a great way to give a room that warm glow, but they can also cause fires. According to the [National Candle Association](#), almost 10,000 home fires start with improper candle use. Never leave candles burning if you go out or go to sleep, and keep your candles away from pets and kids.

**Change Smoke Alarm Batteries**

Change the batteries in your smoke alarms and carbon monoxide detectors when you turn back your clocks for Daylight Saving Time. Make sure to check the alarms with the new batteries installed. Check and replace any home fire extinguishers that have expired.



## OCCUPATIONAL HEALTH BEST PRACTICES

— Working together to keep people working —

# Health Policy News for Self-Insured Employers November, 2017

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## Completed Work

Be sure to check out the web page, [ProviderNews.Lni.wa.gov](http://ProviderNews.Lni.wa.gov) for postings about new health care policies and guidelines. The latest ones are:

### New Attending Provider Resource Center

Version “1.0” of the [Attending Provider Resource Center](#) is now live on the Medical Provider page of L&I’s website. Updates and improvements will continue to be added, some of which have already come from the [providerfeedback@lni.wa.gov](mailto:providerfeedback@lni.wa.gov) link. Coming soon will be a link to more detailed information on occupational diseases, a redesigned graphic look, and version 2.0 is already in the works. Stay tuned!

### Three New Coverage Decisions are Online

FYI. We have published two new coverage decisions on L&I website: treatment of [chronic migraine and chronic tension-type headache](#), and selected treatments for [varicose veins](#). We also updated the L&I coverage decision for [Botulinum toxins](#) to conform to the new HTCC coverage determination. They all have the effective date of December 1, 2017.

## Work that is Underway

### Acupuncture

The acupuncture pilot started as scheduled on October 1<sup>st</sup>. L&I staff have been speaking to providers and answering questions. Details can be found at [www.lni.wa.gov/acupuncturepilot](http://www.lni.wa.gov/acupuncturepilot).

### SIMP Working Group

A small group of IIMAC members and L&I staff met in September to further the discussion and planning for how multidisciplinary pain programs can best be integrated within a collaborative care structure for pain management. Scoping to focus on 1) What is the best use for the classic, intensive SIMP model? and 2) How could a less intensive multidisciplinary model be used earlier? In addition, several potential targeted functions of SIMPs were identified. With the project scoping outlined, stakeholders and consultants have been identified to join our effort. They combined group is scheduled to meet in November.



### **Non-surgical Use of Peri-neural Blocks**

We will soon be examining the use of peri-neural blocks for use in non-perioperative settings. While this is a standard practice for anesthesia, we have received inquiries about peri-neural injections for non-perioperative pain management. Literature is being reviewed now.

### **Superior Capsular Reconstruction (SCR) of the Shoulder with Allograft**

A literature review for this procedure is in its early phases. SCR was not reviewed for the development of the 2013 Shoulder Guideline. As requests for the procedure have significantly increased, staff review for allowance was deemed necessary. If the results of the review indicate that the procedure should be allowed, those results will be presented to IIMAC for inclusion within the guideline.

### **Three New Topics**

The Health Policy Unit has been asked to review Pituitary Hormone Replacement Therapy, Skin Replacement Products, and Genicular Nerve Ablation to see what evidence is available, whether or how they should be covered, and when they are appropriate.

### **Health Technology Decisions from the WA Health Technology Clinical Committee**

Topics scheduled for review in 2018 are: Gene expression profile testing of cancer tissue, Genomic micro-array and whole exome sequencing, and a re-review of continuous glucose monitoring.

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Self-insured Colloquium scheduled for November 16th at Microsoft Center

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# **Tier 2 Audit Pilot: A Comprehensive Report**

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## Executive Summary

### Background

In June 2013, the Self-Insurance Audit Reform Advisory Committee was formed to develop a new audit process. The committee is led by The Department of Labor and Industries (L&I) and is comprised of representatives from both business and labor.

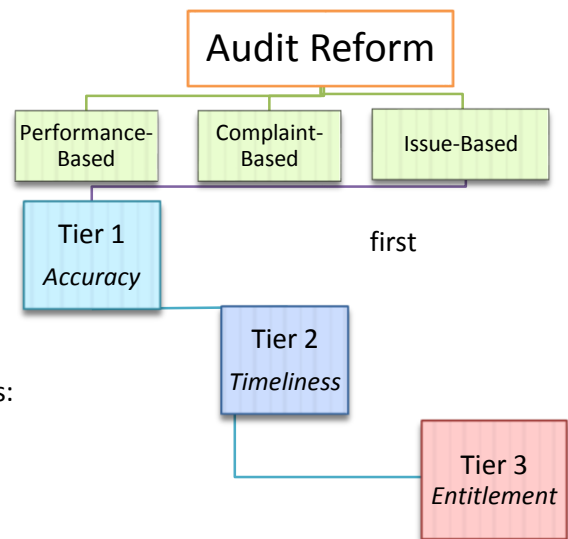
L&I in collaboration with this Committee has developed a new audit model. The new audit model focuses on areas of priority as recommended by business and labor, and is aimed to educate and promote compliance with Washington State Industrial Insurance Laws.

The new model is also designed to shorten the existing audit cycle of approximately 5 to 6 years, which was lengthy due to a broad review. The focused Tier 1 wage review took just under two years to complete. Although this was longer than anticipated, it's still substantially shortened the length of the audit cycle.

The new model consists of three distinct types of audits:

- Performance-based.
- Issue-based.
- Complaint-based.

In addition, the performance-based audit includes three levels of review: Tier 1, Tier 2, and Tier 3. The level of review is determined by the performance in the preceding tier.



## Summary of Activities and Findings

Self-Insurance Audit Reform consists of three types of audits: performance-based, issue-based and complaint-based. The performance based audit model has three tiers.

Tier 2 focused on the timeliness of time loss compensation and permanent partial disability payments. The reason this is so important is that the worker is entitled to sure and certain relief pursuant to RCW 51.04.010. The pilot ran from February 2017 through July 2017, during which time 126 of 358 self-insured employers were reviewed.

The following criteria was developed to evaluate Tier 2 audits.

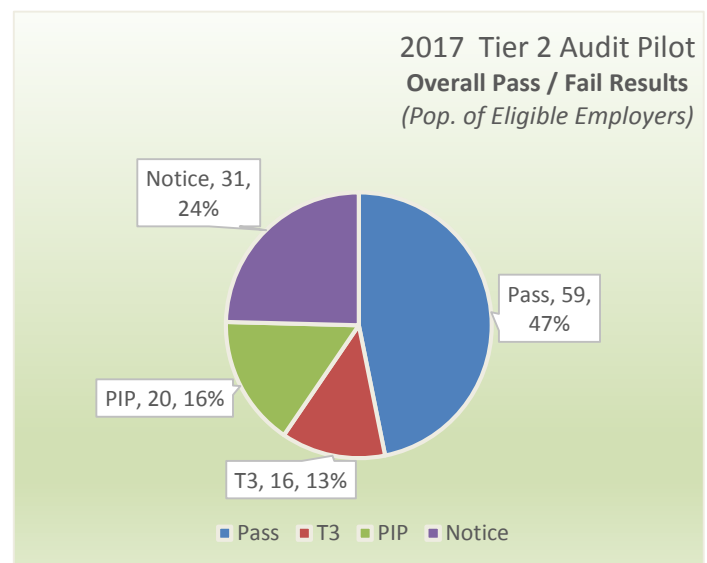
Result	Scenario
Pass	Equal to or greater than 80% on time payments
Performance Improvement Plan (PIP)	Between 70 and 79% on time payments
Notice	SIEs that have 0 on time payments in at least one payment category and few transactions available for review.
No Action	A minimum of one timely transaction in each category and had few transactions available for review.
Tier 3 Audits	Less than 70% success on time payments

SIEs with a small number of transactions were identified by determining if they had less than or equal to 40% of the number of transactions evaluated. Those SIEs were then evaluated to determine if they had timely payments. If they had zero timely payments, then they would be given a notice to review their processes and make adjustments, as needed. If they had timely payments (regardless of percentage), then no action would be taken.

## Audit Results

Of 126 employers audited:

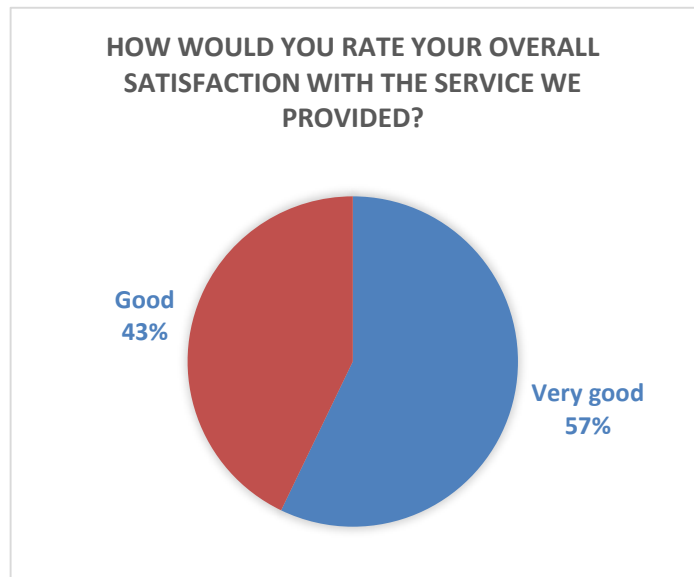
- Fifty-nine firms passed
- Twenty will be required to submit a Performance Improvement Plan
- Sixteen employers did not pass Tier 2 and will qualify for a Tier 3 Audit.
- Thirty-one employers did not pass the threshold due to a limited number of transactions available for review. These will receive a notice.



### Customer Service

Another key measurement was customer satisfaction. After each audit walkthrough an electronic survey was sent to the self-insured employer and their third party claims administrator.

In response to the survey question “How would you rate your overall satisfaction with the service we provided?” the response was overwhelmingly positive, with 100% of our customers rating “Good” or “Very Good.” Generally, client satisfaction ratings above 75% are positive, and this level was far exceeded by receiving a 100% satisfaction rate.



### Lessons Learned

Optimized the process by developing short and concise letters and reports.

Due to low transactions in certain payment categories. The audit team will plan to focus on only those payment categories that provide the ability to meet a reasonable number of transactions for review.

Gave employers the option to waive the audit walkthrough if they had no further questions or concerns. This allowed for a more efficient finalization of the audit.

### Future Opportunities

Additional training or outreach should be provided to the community to reinforce the need to date stamp documents.

Have a clearly defined pass/fail threshold.

### Conclusion of Findings

Sixteen employers did not pass Tier 2 and will participate in the Tier 3 audit pilot, dependent upon the number of transactions available for review. The Tier 3 audit will focus on entitlement (the amount of benefits paid). Tier 3 is scheduled to begin in October 2017 and anticipated to conclude in December 2017. A passing threshold will be determined based on the reviews.