

# WSIA Liaison Committee Report

**Glenn Hansen, WC Manager, Multicare Health System**  
**Patrick Reiman, Manager Claims, Sedgwick**  
**November 6, 2014**

The Liaison Committee met with representatives from the Department of Labor & Industries on November 6, 2014. Present for the meeting in whole or part from the Department were Jim Nylander, Brenda Heilman, Charla Bennett, Brian Schmidlkofer, and Simone Javaher. Present from WSIA were Glenn Hansen, Lisa Vivian and Kris Tefft.

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 early January, 2015.

## **GENERAL**

We were introduced to Brian Schmidlkofer, the new Self-Insurance Operations Manager. His background is in internal audit. Simone Javaher represents the Medical Director's office on matters related to self-insurance.

## **FOLLOW-UP ITEMS**

### **Staffing**

The Audit area is restructuring with two supervisors, Sandra Aguilar and Janet Blume. Each of them will have one of the two experienced auditors, Susan Kaufman and Lynn Kuntz. There are three open auditor positions. Interviews are next week and the goal is to have the hires completed by December 1<sup>st</sup>.

Penalty adjudicators now report to Brian in his role as Operations Manager and overseer of Audit.

Certification Services has hired Amy as an Auditor 3.

In VDRO, one staff left and there are two remaining. The jobs have been reclassified to allow for overtime.

Unit I hired Melinda Benson as a WACA 3 and has one other vacancy. Unit S has changed a position from WACA 4 to 3 and is recruiting for that position. Brenda noted that they are now looking to open up hiring to level 2 employees to train them for advancement.

## **Vocational Services**

Deb Tollefson was not able to attend. The current VDRO backlog is 29 out of a total of 50 cases and 10 of those are Self-Insured cases. Lisa recommended Ryan Guppy be invited to the next meeting to hear concerns that are being voiced relating to vocational reviews, including customer frustration, process issues, and costs of continued inconsistent information.

## **Imaging**

The Pilot is still underway. The Department is going to be changing some hardware so will continue testing with the existing pilot until the new hardware is tested. There have been a few glitches that remain to be ironed out such as the service that accepts incoming files shutting off without monitoring for two days.

## **WSIA NEW ISSUES**

### **Medical Records Prepayment Requests**

Discussion around 3<sup>rd</sup> party vendors who retrieve medical records demanding payment prior to record release and also correctness of billing amounts. Suggest L&I send letter to vendors. Jim brought a couple of examples of letters that had been written by the Department previously.

### **Some Documents Should Not Be Perceived as Protests**

Glenn brought up a recent case that involved an addendum by an IME company that agreed with an order already issued and favorable to the employer. In that case, the Department re-adjudicated the order and reaffirmed the prior order. The issue was that the employer by sending the addendum was not protesting the order, so no further adjudication should have been made.

## **Ebola**

There was a lively discussion about Ebola and the position State Fund may be taking on this. Simone spoke about the policy and authority for the State Fund to allow claims for furlough benefits even if Ebola was not contracted. She alluded to a discussion by State Fund that they would issue allowance orders on these claims and pay time loss. Glenn pointed out that by allowing claims without injury or disease it would open employers up to potential mental stress claims (illness plus mental) and accept claims that would normally be rejected. There would be no condition meeting the "such disease or infection" that arises out of work. Glenn also pointed out that having such a policy for Ebola would open the door for allowance and payment of many other exposure claims such as pertussis. The current practice is to pay provisional time loss until the diagnosis is verified and deny claims where no condition was contracted and recover the time loss. We need to carefully review the policy when it comes out. There are questions of whether the Department has the authority to allow conditions not allowed by the

statutory language. There is no prophylaxis presently available and treatment is only experimental at this point.

### **APF Form:**

The new APF form has been issued by the Department. There are still concerns about the form such as not having an address space for physicians and some missing language on hours worked. Jim described this as an opportunity for continued process as opposed to substantive improvement of the form.

### **Adjudicators Not Receiving Work Items:**

Adjudicators have been reporting to claims managers that they are not receiving work items so may be unaware of a request to take action on a claim. Brenda asks that screen shots be taken or other examples provided to her so she can research where the problem lies from initiation to receipt.

### **IME Scheduling Form:**

There was a discussion about IME scheduling consistency and what constitutes a no show or late arrival. Some companies communicate a check in time and an appointment time. Others only use one time. There have been issues about arrival times, form completion and no show fees because the companies are inconsistently communicating the time requirements and expectations.

### **Risk of Harm:**

A request was made for the next meeting to include an update to the medical provider network progress. What steps if any have been made to continue to review poor providers. We also requested better direction on how to report risk of harm discovered and reported during an IME or other medical records review.

### **Crabb Case:**

A guidance document for self-insured employers and claims administrators is under development and may be available for release as early as next week. Jim said there are a few questions about policy being run by the AG's office. There is a question about those employees whose wages were at max, but when applied to the new max may make their time loss rate between the two max rates. Jim will follow up on that.

### **SIMP:**

Simone is going to be seeking information about SIMP (Structured Intensive Multidisciplinary Program) pain programs. Are they working or not working? Are the rules and fee schedules appropriate? More to come on that.

## **SELF-INSURANCE BUSINESS PLAN UPDATE**

### **Audit Reform**

Brian is coming up to speed on the audit reform. He is heavily involved in the audit pre-pilot with one employer and TPA. His plan is to bring Redbook standards to the audit process with consistency and standardization. The plan is to provide a preliminary report before having a walkthrough with the TPA. This will be done next week.

The audit process will go into full pilot 1/1/15. The Department is pulling together firms to participate fully. The plan is to have two levels of review including the supervisor level and Brian's level. The first report produced will be a preliminary report with opportunities to address issues before finalization.

Other enhancements will be an audit plan for each calendar year. They will need to address how many Tier 1, Issue, and Complaint audits that will be done plus defining how Tier 2 and Tier 3 will work. They will also be sending out a quarterly report to the community discussing issues and progress. Glenn asked that this be a balanced report including both positive and negative findings.

There is a plan for a webinar to take place on 12/11 from 9 to 12 hosted by WSIA to introduce the self-insured community to the fundamentals of the first-tier audit reform project.

### **SIE Annual Report**

We requested that the math in the Excel sheets be tested before the annual reports are distributed to make sure it is accurate. We also requested that enough space be available to document excess insurance and other cases. One suggestion was to move those fields into the year by year fields where the financial information is entered.

### **SI-CAMS Standard Performance Metrics**

Brenda Heilman provided report on totals percentage report by month for Allowance, Closures PPD and TC/NC, Denial, Interlocutory, Protests and Wage Orders base don set goals. As of 11/6/14, the total number of outstanding work items was 3640, down below 4,000 items for the first time since program initiation.

## **CLAIM STATISTICS**

### **Protests/Appeals Pending**

These statistics were not available.

### **Pension Requests Pending**

No status provided.

### **Pay During Appeal Stay Requests**

514 stays requested. 450 denied. 64 granted.

### **Vocational Rehabilitation and Option 2**

No stats provided

### **Allowance**

As of 11/6 133 pending items, improvement as support staff now issuing

### **Denials**

As of 11/6 140 pending items

### **Wage Order**

As of 11/6 888 items pending.

### **Time Loss / Closure Orders**

As of 11/6 636 pending and 157 PPD items pending.

### **Initiation Backlog**

No stats provided

### **New Certified Self-Insureds / Surrenders**

No new certifications for 10/1/14, a couple new SIE reviewing for 2015 application.