

WSIA Liaison Committee Report

Patrick Reiman, Asst. V.P. Claims, Sedgwick
Laura Merritt, King County
March 7, 2019

The Liaison Committee met with representatives from the Department of Labor & Industries on March 7, 2019 from 9:00-12:00. Present for the meeting in whole or part of meeting from the Department were Jim Nylander, Mike Ratko, Brian Schmidtkofer, Debra Hatzialexiou and Starla Treznoski. Present from WSIA were Kris Tefft, Lisa Vivian, Patrick Reiman Lloyd Brooks and Laura Merritt.

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 Employer Representative Laura Merritt at 206-477-3380 or email Laura.Merritt@kingcounty.gov or TPA Representative Pat Reiman at 206-214-2813 or email at patrick.reiman@sedgwickcms.com with any issues you would like discussed during our next scheduled meeting in

General

Welcome and introductions. Safety tip- be careful, safe driving, make good decisions while driving especially in the current snow conditions.

Legal Services Update

VDRO

Debra discussed VDRO disputes are well under hand. The oldest back log they have is a little over one month pending file receipt. In the last year the Dept. has only one appeal which is a little over one month old. They are now adding on both State Fund and Self-Insured orders language to relook at vocational issues vs. using discretionary decisions on when to add the language.

CRSSA

Structured Settlements are up in volume. She indicated the Self Insured has settled between 400-700 claims and the State Fund section has settled over 2000. Debra mentioned when we are discussing a settlement we need to make sure we are using the settlement check list and contact her if we have any questions. Debra offered a session with SIE counsel to cover the contract and ways to adjust L&I standard items as well as common errors. She also wanted to remind SIE to remember to remove reference to Dept. from language and not to add in State Fund claims. Debra also mentioned BIIA on pro se CRSSA is starting to inquire on how value was derived. Upjohn is to publish 2nd report on their study. L&I feels an impact on pension has been made and down 10% or almost 100 a year.

WSIA Items

LEP

The Department of Labor & Industries formally pulled together a working group to address Loss of Earning Power (LEP) calculation policy issues that were brought to light in the Department's summer self-insurance training sessions. The Department and WSIA wants to thank Erik Samuelson of Sedgwick's Boeing team, Terri Nienkark of Seattle Children's Hospital, Chris Fowler of Eberle Vivian, and Kelly Early of ESD 113 along with DLI staff. The working group made some good progress initially in laying out some principles about how they are going to approach clarifying LEP. The intent is not to establish anything new they want to provide clarification of what they already have in the guidelines. DLI is going to put this group on hold until they see what direction the legislators go with wage law.

Rules Modernization

Forms & correspondence- DLI developed some new forms which are going to be used for purpose driven activities which involve requesting services from DLI such as allowance, denial or requesting interlocutory orders. DLI will have another form for closure requests. They want to make it as streamlined and efficient as possible so DLI can take action as soon as possible. In contrast DLI developed templates which were described as more like letters and communication just between the Employer or TPA and the worker. DLI had a lot of feedback on the forms and they have made a lot of changes based on the feedback. They want to get these forms out as soon as possible so everyone has a chance to put them in the computer system and provide training. L&I will be sending out more information in the coming weeks. They will continue with ongoing publications including emphasis on no wage orders going forward unless disputed issue.

Comprehensive goal – oriented curriculum/CRC approval- DLI is taking steps to work with certified administrators in getting the web updated with information regarding core curriculum, certified administrators and any new requirements with continuing education.

Financial Rules Modernization

L&I is looking at the current financial rules which are outdated and need to be updated. L&I will develop a work group and get feedback from the Insolvency Trust Board in March. It was questions if labor needed to be part of this workgroup.

EDI Status

See handouts. Out of the 353 active self-insured employers the reporting rate is about 83% which is a rough number right now. L&I will continue to work with onboarding the remaining employers. Anticipate in 11/2019 colloquium topic on how using medical EDI.

L&I Web-site Redesign

DLI and SI Webpages are being modernized; intended to be made easier to use. The anticipated roll out- end of June, 2019.

Self-Insurance Updates

Provider Quality and Compliance would like to announce a new email address for all Provider Complaints effective March 1, 2019. All complaints previously sent to Suzie Wilson, ONC, either through ORION or her work email, should now be sent to:

PQCONCIntake@lni.wa.gov

Audit

See attached report. Claim and Compliance Performance Measures as of February 7, 2019 the overall cycle completion ratio is 99.3%. This is based on calendar year Jan-Dec. Please see attached handout for more detailed information.

SI-Claims Performance Metrics

See attached report. DLI is looking at new measures to add and potential old measures to delete as far as timeliness. Discussed were dispute tracking and 90% resolved in 90 days and dropping wage order tracking. Also discussed raising goal on closures.

Certifications

No new Self Insured Certifications this last reporting period.

Staffing

New Hires- DLI has one new hire for Office Assistant. They will send out a new L&I phone list soon. Lester Bell has retired. Interviewing for positions in office the medical director.

WSIA Liaison Meeting Agenda

DATE: March 7, 2019 **FACILITATOR:** ☒ Jim Nylander
TIME: 9:00am-12:00pm (TC304A&B) **MINUTES:** ☒ Gina Mayo

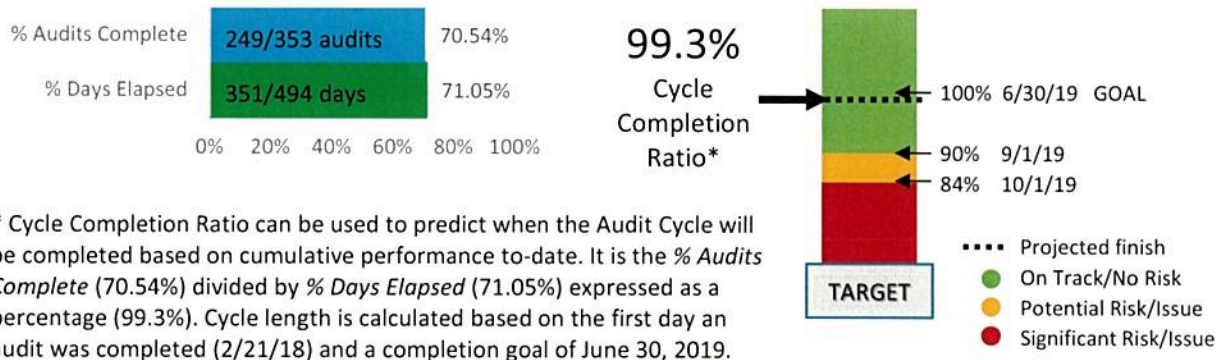
Attendees: ☐ Kris Tefft, ☐ Lisa Vivian, ☐ Patrick Reiman, ☐ Laura Merritt, ☐ Brian Schmidtkofer, ☐ LaNae Lien,
☐ Mike Ratko, ☐ Simone Javaher/Zach Gray, ☐ Kelli Zimmerman, ☐ Starla Treznoski, ☐ Lisa Wood;
☐ Debra Hatzialexiou

Time	Subject	Discussion Leader
9:00-9:05	<input type="checkbox"/> Welcome and Safety Tip	Jim
9:05-9:20	<input type="checkbox"/> Legal Services Updates <ul style="list-style-type: none"> • VDRO • Structured Settlements/Appeals 	Debra
9:20-10:15	<input type="checkbox"/> WSIA Topics <ul style="list-style-type: none"> • New forms/correspondence • LEP work group 	
10:15-11:05	<input type="checkbox"/> Rules Modernization <ul style="list-style-type: none"> • WAC Implementation – GovDelivery – Review/Highlight • Forms and Templates – Review Near-Final Drafts • Comprehensive Goal-Oriented Curriculum/CRC Approval • Performance Measures – Possible New Measures to Add and Potential Old Measures to Delete 	Mike/Jim/Starla (in LaNae's absence)
11:05-11:20	<input type="checkbox"/> Medical Policy Updates <ul style="list-style-type: none"> • Acupuncture • Masters' Level Therapy 	Simone/Zach
11:20-11:30	<input type="checkbox"/> Financial Rules Modernization <ul style="list-style-type: none"> • New Credit Monitoring Tool • Ad Hoc Insolvency Trust Board Meeting in March 	Jim
11:30-11:45	<input type="checkbox"/> Medical EDI <ul style="list-style-type: none"> • Status Update • Proposed Draft Plan for Rules Development 	Jim
11:45-11:50	<input type="checkbox"/> L&I Web-site Redesign L&I and SI Web Pages are being modernized; intended to be made easier to use. Anticipated roll-out end of June, 2019.	Jim
11:50-12:00	<input type="checkbox"/> SI Updates <ul style="list-style-type: none"> • Claims Performance Measures • Compliance Performance Measures (and Audit Status) • New Certs • New Hires • Committee Member Updates 	Jim/Brian (LaNae)

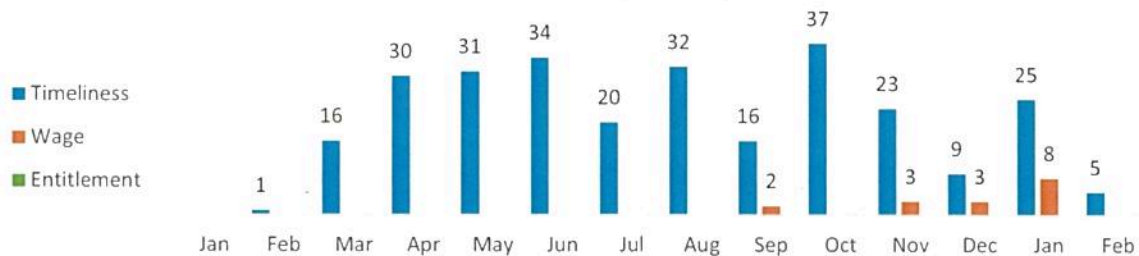
Audit Plan Dashboard: 2018-2019 Audit Cycle

February 7, 2019

Overall



2018-2019 Audits Completed per Month



All Performance-based Audits

Completed	Total # Employers in Cycle
249	353

232 Timeliness + 17 Accuracy + 0 Entitlement = 249/353 Employers completed audit cycle.*

*Audits which do not pass at Tiers 1 and 2 are not counted toward this total.

Hours Used	Budgeted
8,761	21,045

Tier One: Timeliness

296	353
232 Passed 64 Not passed	

Hours Used	Budgeted
7,353	14,256

Tier Two: Accuracy

19	64
17 Passed 2 Not passed	

Hours Used	Budgeted
1,406	4,526

Tier Three: Entitlement

0	2
0 Passed 0 Not passed	

Hours Used	Budgeted
1.8	2,263

Staff contact

Brian Schmidkofer, Self-Insurance Operations Manager
scbs235@lni.wa.gov | (360) 902-6839

Measures on this report include figures on performance-based audits only. Complaint-based and issue-based audits are not featured.

		2018												2019	
Work Item	Target	February	March	April	May	June	July	August	September	October	November	December	January	Year Average	
Allowance															
In (Newly Received)		733	722	331	504	719	750	778	632	915	864	627	591	681	
Out (Completed During Month)		756	733	565	903	929	831	881	691	848	895	613	686	778	
Completed within 30 days		721	717	501	794	829	809	864	677	832	880	600	672	741	
Issued within 30 days percentage	98%	95%	98%	89%	88%	89%	97%	98%	98%	98%	98%	98%	98%	95%	
Average days to complete		11	12	10	30	9	19	17	20	11	8	13	17	15	
Pending		170	19	44	12	108	14	11	11	18	105	66	21	50	
Denial															
In (Newly Received)		378	452	330	312	342	390	362	377	421	371	311	418	372	
Out (Completed During Month)		329	367	468	401	375	377	409	388	435	365	344	400	388	
Completed within 30 days		320	360	432	384	364	361	397	377	418	358	335	393	375	
Issued within 30 days percentage	98%	97%	98%	92%	96%	97%	96%	97%	97%	96%	98%	97%	98%	97%	
Average days to complete		10	9	21	24	19	19	22	15	16	34	37	41	22	
Pending		69	30	43	22	51	43	33	42	47	36	35	27	40	
Closure PPD															
In (Newly Received)		210	236	175	184	200	234	234	219	264	233	216	211	218	
Out (Completed During Month)		171	236	210	237	210	228	260	225	240	232	231	212	224	
Completed within 60 days		156	225	200	225	195	213	250	222	233	225	224	198	214	
Issued within 60 days percentage	90%	91%	95%	95%	95%	93%	93%	96%	99%	97%	97%	97%	93%	95%	
Average days to complete		23	23	46	27	25	23	24	23	15	22	27	19	25	
Pending		167	123	113	100	110	123	97	83	106	99	100	87	109	
Closure TC/NC															
In (Newly Received)		572	714	578	551	537	657	647	581	828	636	519	704	627	
Out (Completed During Month)		460	704	601	865	580	668	703	562	740	645	565	731	652	
Completed within 60 days		430	648	526	792	536	620	666	522	708	625	534	688	608	
Issued within 60 days percentage	90%	93%	92%	88%	92%	92%	93%	95%	93%	96%	97%	95%	94%	93%	
Average days to complete		30	30	28	29	26	23	22	22	21	27	30	23	26	
Pending		599	540	577	417	441	429	413	448	439	416	461	481	472	
Protest															
In (Newly Received)		249	335	155	296	276	271	321	295	323	267	275	275	278	
Out (Completed During Month)		267	345	319	378	269	290	305	309	335	241	266	348	306	
Completed within 90 days		236	310	275	334	228	265	277	262	309	217	235	327	273	
Issued within 90 days percentage	90%	88%	90%	86%	88%	85%	91%	91%	85%	92%	90%	88%	94%	89%	
Average days to complete		45	48	49	54	50	53	53	45	44	45	48	55	49	
Pending		400	427	396	380	411	388	391	418	388	450	491	415	413	
Wage															
In (Newly Received)		764	829	466	614	725	762	881	719	905	837	614	828	745	
Out (Completed During Month)		694	867	634	1048	902	804	961	800	815	731	780	843	823	
Completed within 60 days		663	832	606	1017	861	781	938	778	788	719	757	805	795	
Issued within 60 days percentage	70%	96%	96%	96%	97%	95%	97%	98%	97%	97%	98%	97%	95%	97%	
Average days to complete		20	21	29	26	19	20	19	23	17	20	26	22	22	
Pending		515	404	435	289	387	309	313	304	263	407	424	380	369	
Total New		2906	3288	2035	2461	2799	3064	3223	2823	3656	3208	2562	3027	2921	
Total Out		2677	3252	2797	3832	3265	3198	3519	2975	3413	3109	2799	3220	3171	
Total Pending		1920	1543	1608	1220	1508	1306	1258	1306	1261	1513	1577	1411	1453	

Medical EDI – Status – CY Ending 2018

2018 Year End SIE EDI Participation

353 Active SIEs

2018 Reporting Rate: 83%*

2018 Registration Rate: 98.58%

5 SIEs not registered

61 Active SIEs that are not reporting

64% of the SIEs that are not reporting are either finalizing the system requirements or have low claim volume.

*Reporting is defined as having submitted at least one bill. The proposed rule may further define reporting as having submitted at least one bill for each claim filed and allowed.

Medical EDI - Rule Draft

03/06/19

Self-Insurance Medical Bill Electronic Data Interchange

1. Self-insurers are required to report medical bills incurred from their workers' compensation claims according to department guidelines.
 - a. Department guidelines will expect at least one bill incurred for each claim filed.
 - b. All bills associated with qualifying claims must be reported, and a minimum threshold percentage of bill to claims will be established.
 - c. Qualifying claims include claims for which:
 - i. The date of injury (DOI) was on or after January 1, 2020.
 - ii. The claim was initiated during a time that the employer was self-insured, and the liability for that claim remains with the employer.
2. Self-insurers must submit complete and accurate reports based on standards set forth by the International Association of Industrial Accident Boards and Commissions (IAIABC).
 - a. The department will systematically monitor report data for quality and timeliness, and establish objective performance standards based on the overall reporting of data.
 - b. The department will establish a maximum threshold percentage for errors or untimely submittals.
 - c. Notification will be provided to submitters if performance measures are below the standard set by the department.
 - d. Submitters will have 30 days from the date of notification to make corrections to errors and re-submit, or request an extension in writing to the department.
 - e. Uncorrected errors may result in audit, rule violation penalties, and/or a corrective action process.
3. Self-insurers may apply for an exemption to reporting medical bills.
 - a. To qualify for the exemption, claims filed annually in the State of Washington must be under 3 claims.
 - b. The department may deny any request for exemption.
 - c. Authority to grant or deny exemptions belongs to the Supervisor of Industrial Insurance, or designee.
 - d. If granted, exemption expires after one year. The employer may apply for another exemption at that time.

Good day everyone!

Provider Quality and Compliance would like to announce a new email address for all Provider Complaints effective March 1, 2019.

All complaints previously sent to Suzie Wilson, ONC, either through ORION or her work email, should now be sent to:

PQCONCIntake@lni.wa.gov

Please continue to send all IME complaints to IMEcomplaints@lni.wa.gov

Please share this new information with your staff as well as any others who may need to report provider complaints.

This is also an opportune time to remind those sending complaints to state facts only. While we understand the frustrations leading you to send your complaint, please remember that your original complaint will be added to the complaint file and may be subject to Public Disclosure.

We greatly appreciate the time and effort you spend gathering the pertinent information to include in your complaints. I can assure you that even though you do not receive feedback or the resolution to your complaint, each one is worked through our process. There is always some type of action taken in response to your complaint.

Please feel free to contact me or Suzie Wilson for any questions or concerns.

Sincerely,

Teri Baughman, RN, BSN, CWN, CPIP, CPHW
PQC ONC Supervisor
360-902-6823
Baut235@lni.wa.gov

Update on Rule Changes effective July 1, 2019

The Self-Insurance program is continuing to prepare for changes related to thirteen Washington Administrative Codes (WACs) that will become effective July 1, 2019. We encourage you to begin evaluating your systems and processes for changes that you may need to make due to the revised or new rules.

Training

Update 2019 – This all-day course is **mandatory** for those certified administrators choosing the option of renewing their certification through continued education. Much of this year's training will focus on the WAC changes, so all are encouraged to attend. Please register early to take advantage of this training before the rule changes become effective. <https://fortress.wa.gov/lni/sicatspub/ContinuingEducationPublicCourseSearch.aspx>

New forms and templates have been widely reviewed

The forms and templates needed to implement the updated rules have been stakeholdered with customers, and we will send out the final versions by April.

Forms — New task-based forms will replace the all-purpose SIF-5 along with the SIF-4, both of which will be retired. Self-insurers will use the forms to request the following orders:

- Allowance
- Interlocutory
- Denial
- Closure

Templates — Self-insurers will use department-developed templates to communicate key actions involving delivery of benefits to workers at specific points during a claim, including:

- Calculation of monthly wage as a basis for time-loss compensation
- Starting, stopping or denying compensation benefits
- Accepting or denying newly contended conditions
- Authorizing or denying treatment
- Assessment of underpayments or overpayments

The template language encourages injured workers to contact the self-insured employer with concerns at the time an action is taken. It will also be clear to injured workers what to do if they dispute an action taken by a self-insurer.

Disputes

With the exception of statutory requirements for the department to allow, deny or close certain claims, the revised rules require L&I to intervene to adjudicate claims only when there are disputes. This will reduce the department's involvement in routine matters.

Unless there is a dispute from a worker, L&I will no longer issue the following orders:

- Calculation of monthly wage as a basis for time-loss compensation
- Assessment of overpayments (exception is at claim closure)
- Acceptance or denial of newly contended conditions

Certified Claims Administrators

There are changes in requirements to become and maintain claims administrator certification, including:

- Requirement that a comprehensive goal-oriented curriculum be completed prior to taking the certification test, effective July 1, 2021
- 2 years of experience, at least 20 hours per week, in the administration or oversight of time-loss claims under title 51, in the 5 years immediately prior to filing the application to take the test
- The continuing education credit requirements have changed to 45 credits in 3 years

Effective July 1, 2020, each person making claims decisions outside the state of Washington is required to be a certified claims administrator.

Next Steps

To help you continue preparing for these changes, we will share regular updates over the next few months.

If you have questions, contact LaNae Lien, Self-Insurance Claims Operations Manager at 360-902-6968 or lanae.lien@lni.wa.gov

Read and review the upcoming changes to Washington Administrative Code:

Be sure to review the versions effective July 1, 2019.

WAC 296-15-200 – Repealed effective 7/1/2019

WAC 296-15-266

WAC 296-15-320

WAC 296-15-330

WAC 296-15-340

WAC 296-15-350

WAC 296-15-360

WAC 296-15-400

WAC 296-15-405

WAC 296-15-420

WAC 296-15-425

WAC 296-15-4316

WAC 296-15-450