

Workers' Compensation Advisory Committee

June 19, 2013



Agenda

Time	Topic	Presenter(s)
9:00am-9:10am	Welcome <ul style="list-style-type: none"> • Introductions • Safety Message – Head Injury After Fall from Stepladder • Stay at Work 	Joel Sacks Vickie Kennedy
9:10am-9:20am	Debrief from Conning Presentation – Workers’ Compensation Industry Outlook	Joel Sacks Vickie Kennedy
9:20am-9:30am	Board of industrial insurance appeals (BIIA) Update	Dave Threedy
9:30am-10:15am	Financial Update	Sharon Elias
10:15am-10:30am	Health Care Sub-Committee: Transition Plan	Janet Peterson Diana Drylie
10:30am-10:50am	BREAK	All
10:50am-11:35am	Prevention Efforts Can Reduce Injury, Lost time and Costs	Barbara Silverstein Anne Soiza
11:35am-11:55am	Claims Evolution	Vickie Kennedy
11:55am-12:00pm	Closing Comments <ul style="list-style-type: none"> • Adjourn 	Joel Sacks Vickie Kennedy

WELCOME & INTRODUCTIONS

*Joel Sacks,
Director*

*Vickie Kennedy,
Assistant Director for Insurance Services*



SAFETY MESSAGE

*Head Injury After Fall from
Stepladder*

Stay at Work



DEBRIEF FROM CONNING PRESENTATION – WORKERS’ COMPENSATION INDUSTRY OUTLOOK

*Joel Sacks,
Director*

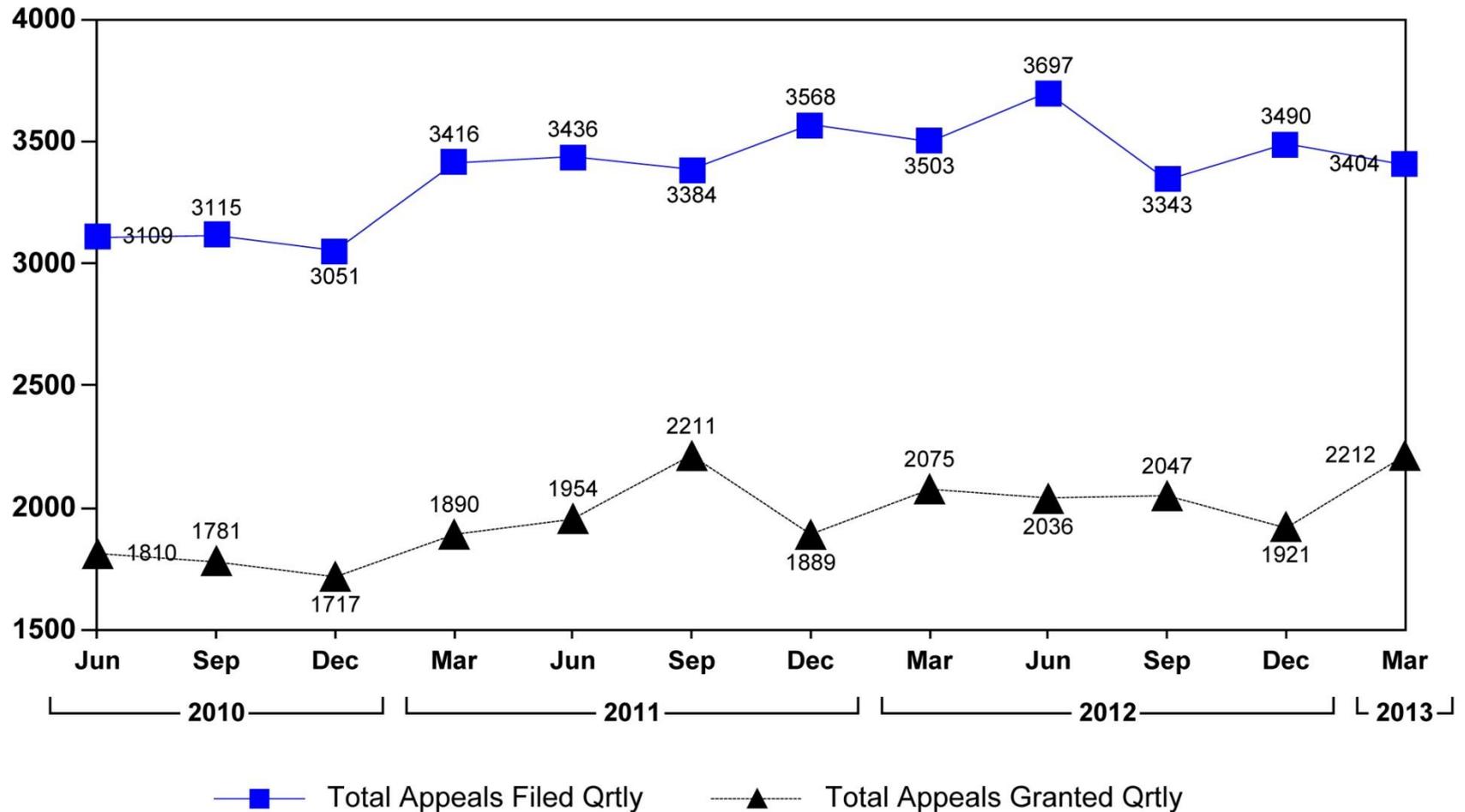
*Vickie Kennedy,
Assistant Director for Insurance Services*

BOARD OF INDUSTRIAL INSURANCE APPEALS (BIIA) UPDATE

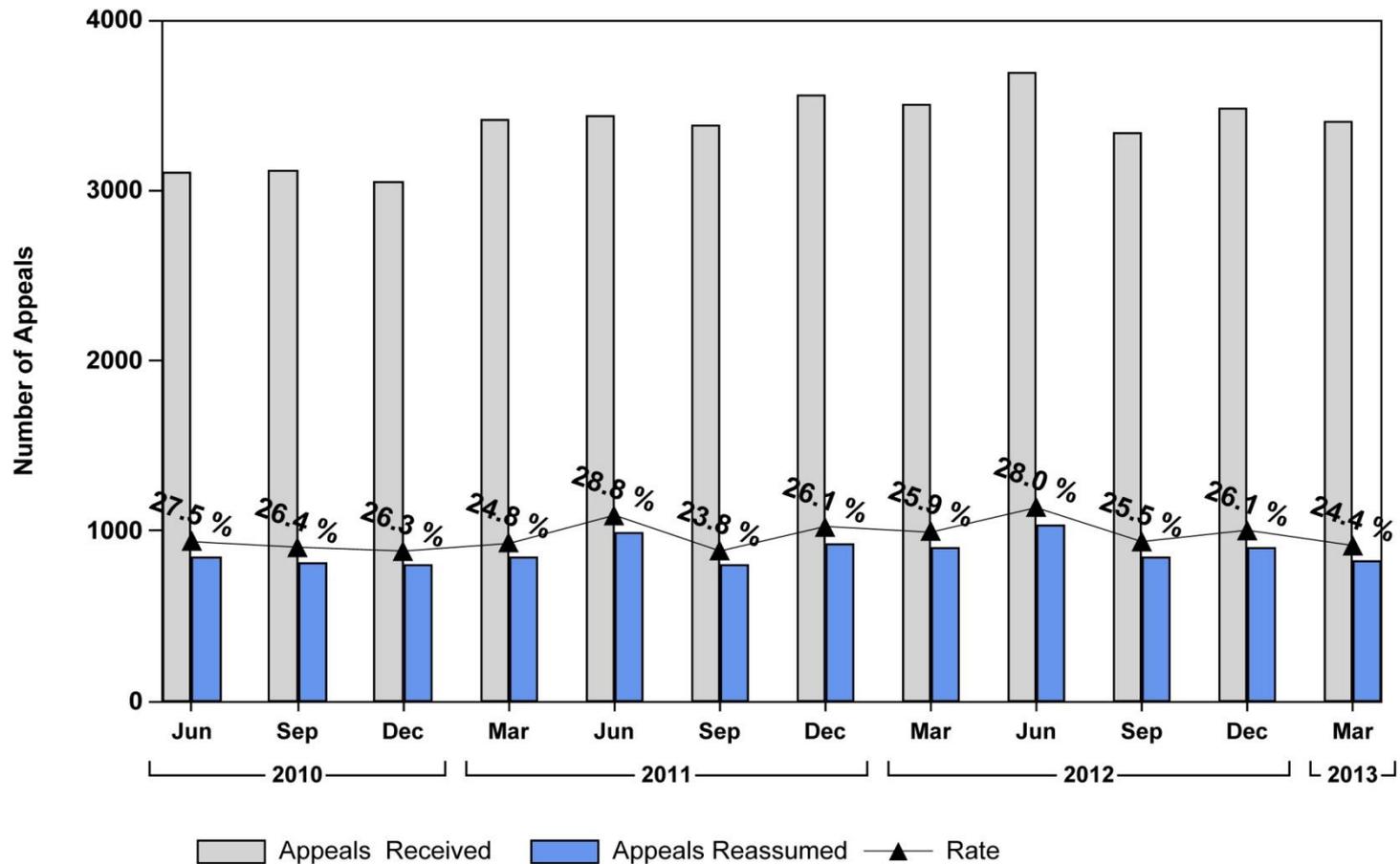
Dave Threedy, Chair



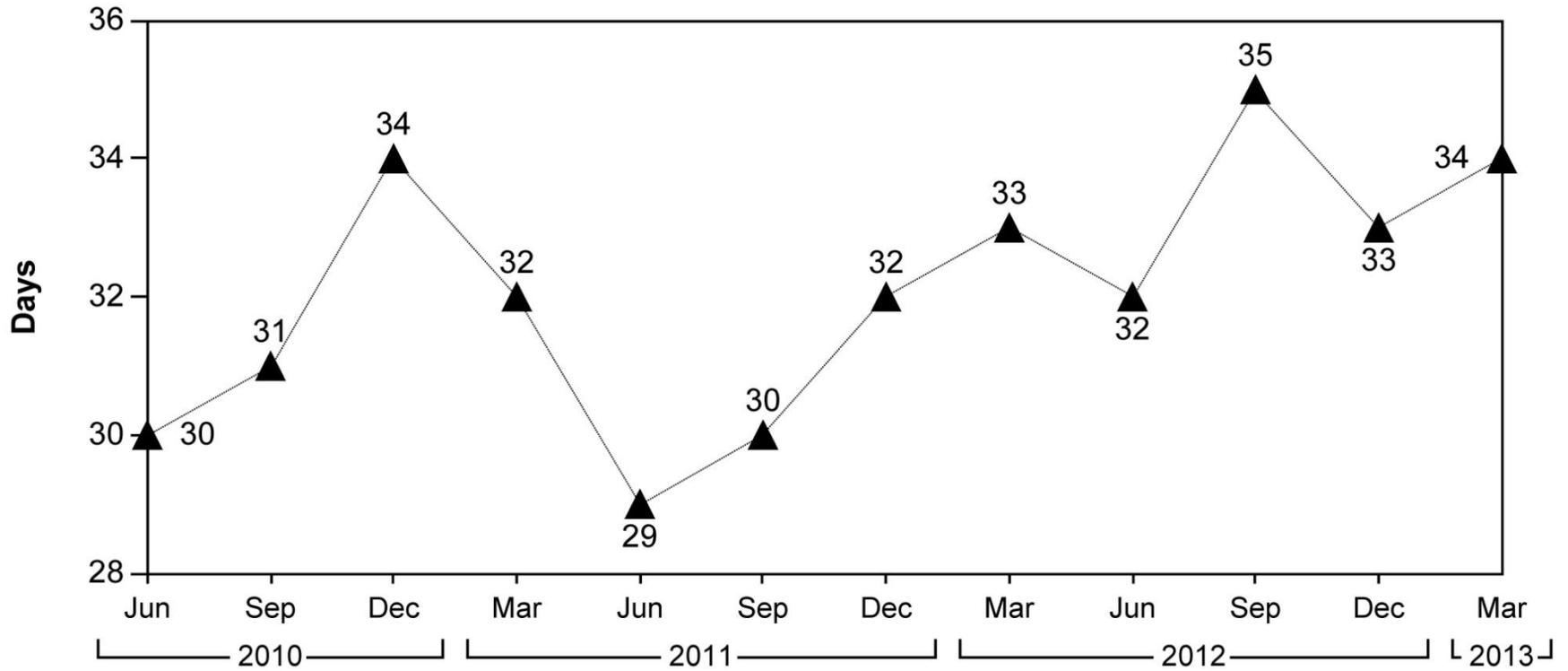
Total Appeals Filed and Granted



Department Reassumption Rate by Quarter

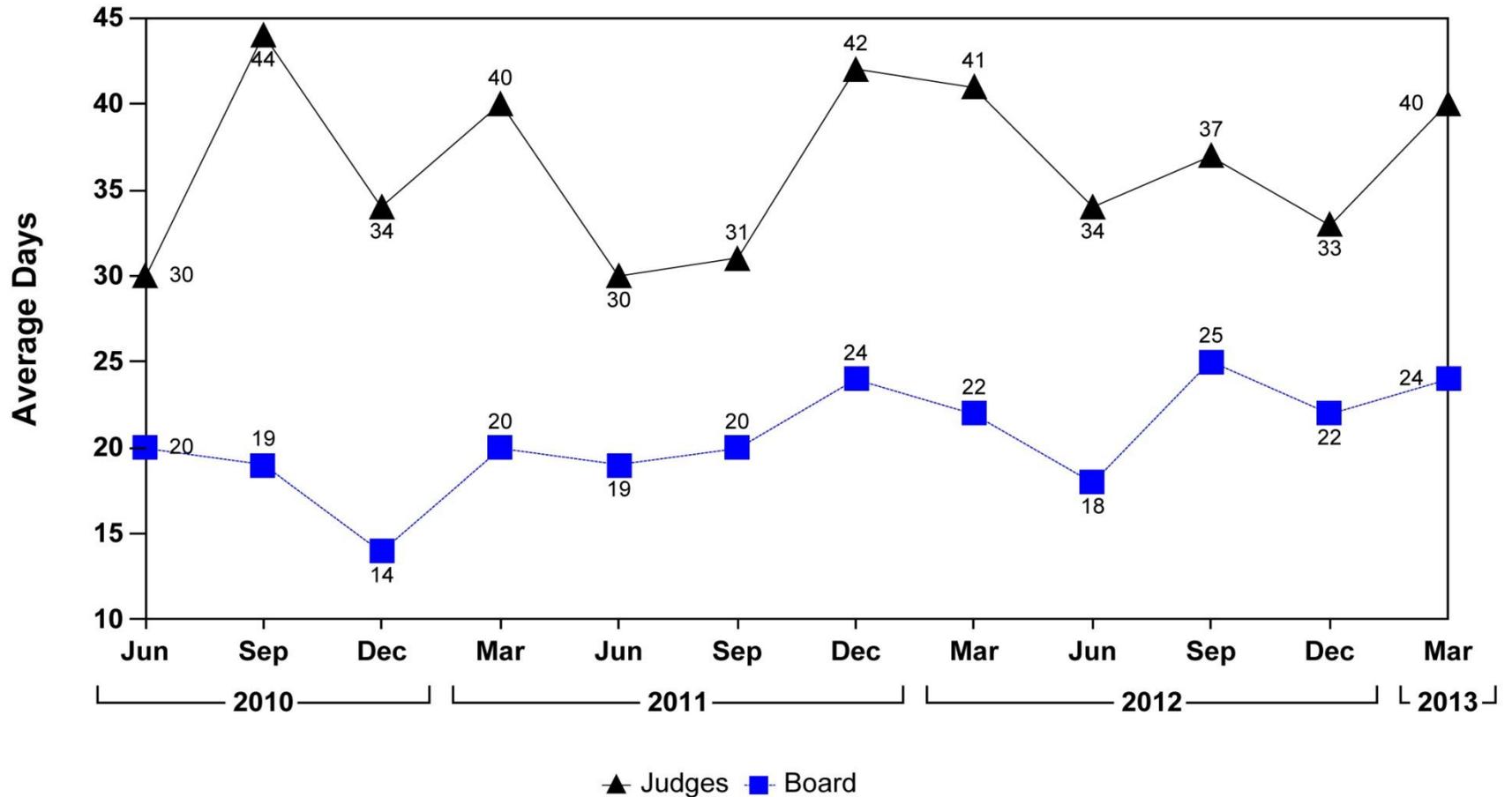


Average PD&O* Time-lag by Quarter for Hearing Judges



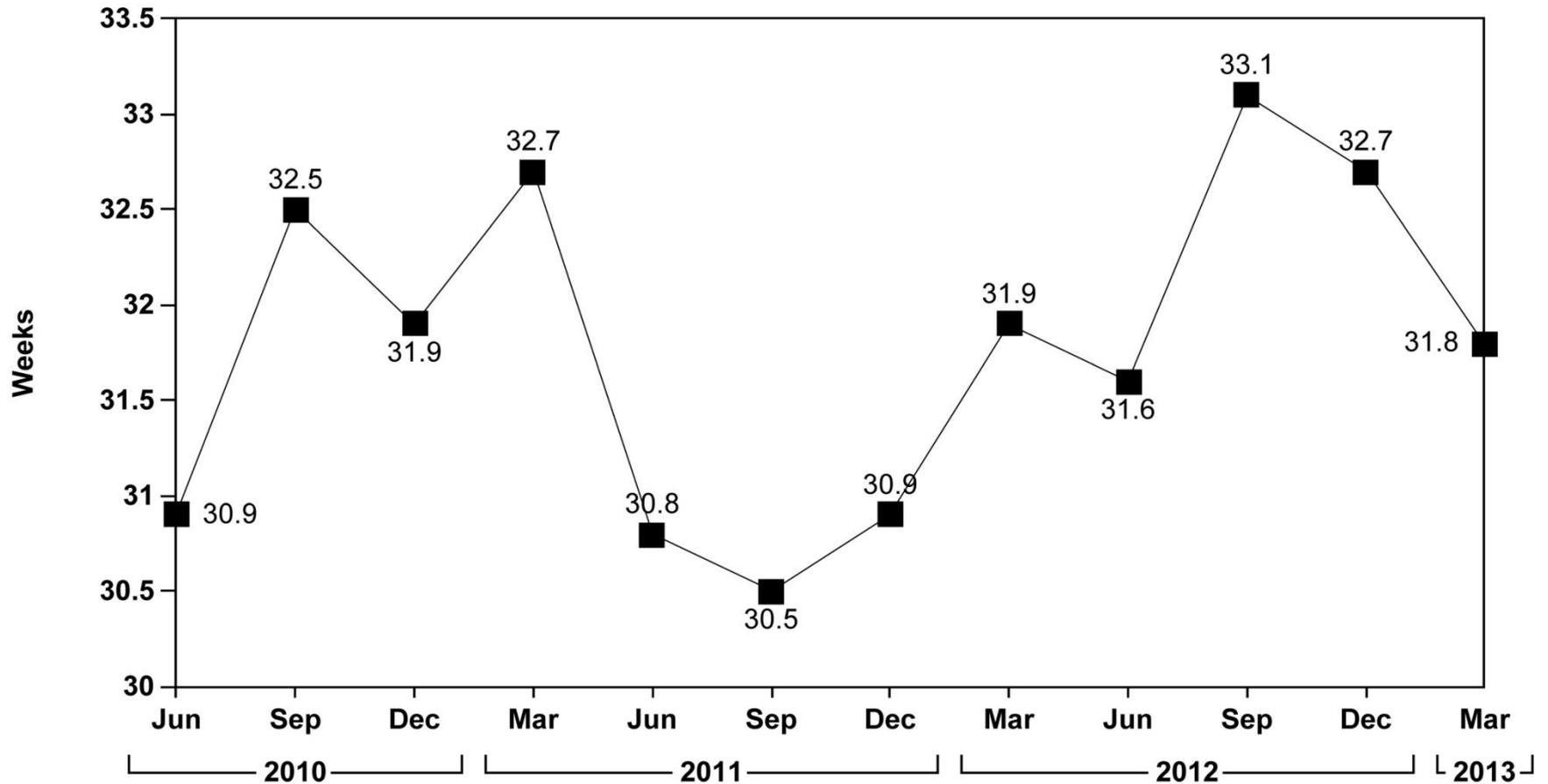
*Proposed Decision and Order

D & O* Time-Lag by Quarter



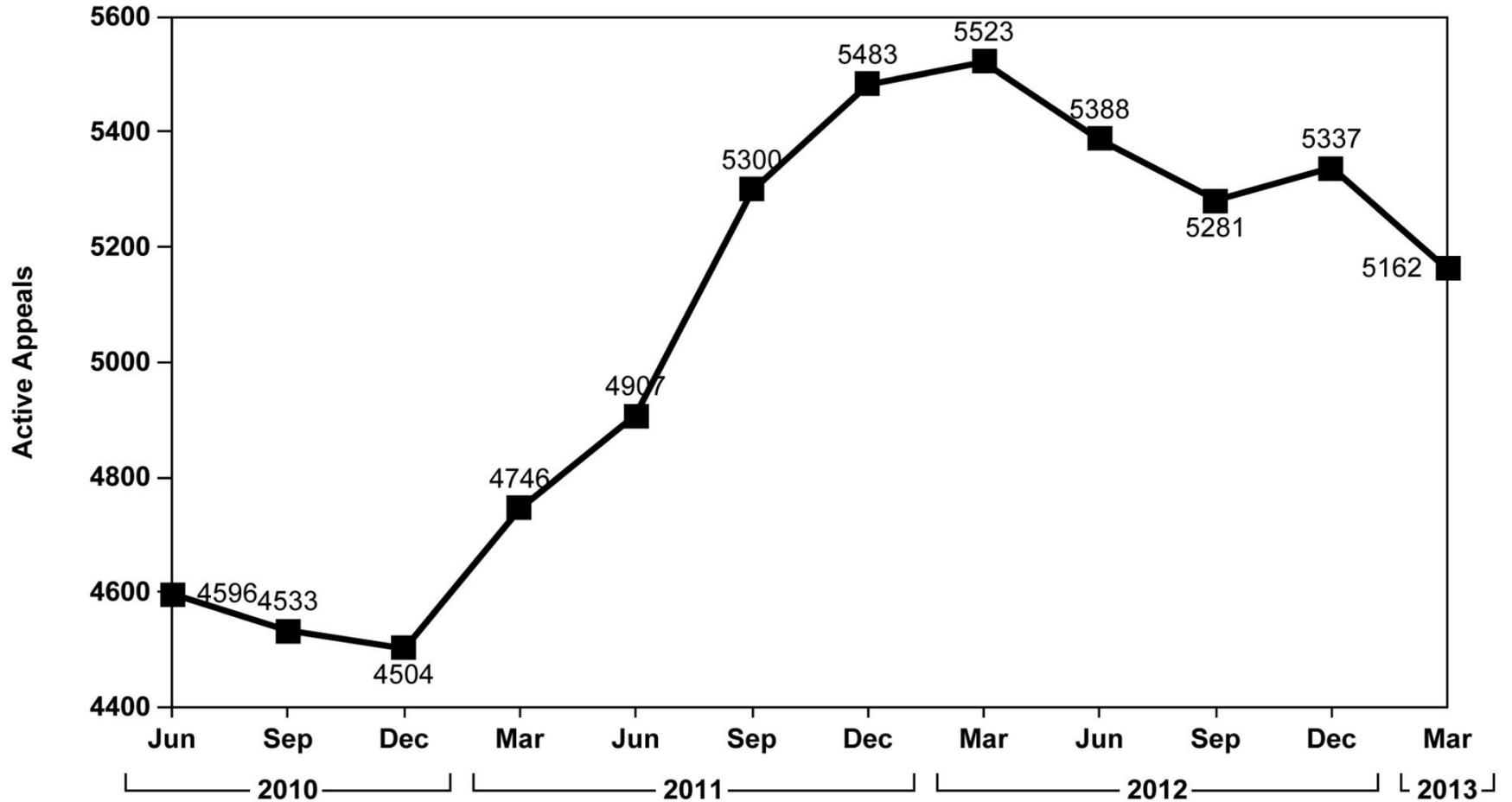
▲ Judges ■ Board

Quarterly Average Weeks to Completion



All orders issued by quarter from date filed to date of final order

Caseload at End of Quarter



Structured Settlements as of 6/13/13

- 70 agreements received*
 - 12 Rejected
 - 50 Approved
 - 8 Pending

* Numbers adjusted to
remove multiple filings

Structured Settlements as of 6/13/13

Self-Insured	State Fund
24 agreements received*	46 agreements received*
15 approved	43 approved
9 rejected	3 rejected

* Numbers adjusted to
remove multiple filings

INDUSTRIAL INSURANCE (STATE) FUND FINANCIAL OVERVIEW

STATUTORY FINANCIAL INFORMATION
FISCAL YEAR 2013 – THIRD QUARTER
JULY 2012 THROUGH MARCH 2013

Sharon Elias
Chief Accounting Officer



Nine Month Financial Highlights

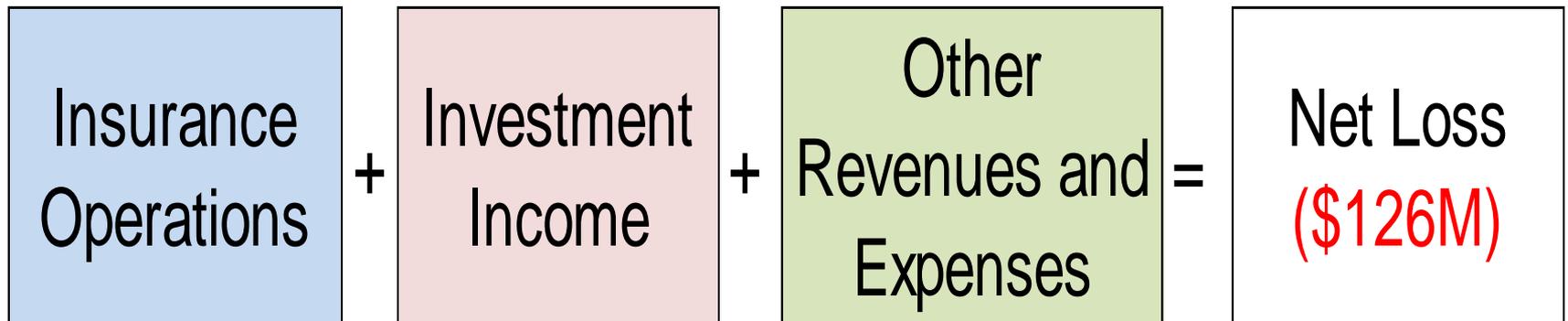
Overall, the performance of state fund since the beginning of the fiscal year, July 2012, is positive. The contingency reserve has increased by \$113 million to \$693 million, due to

- Higher than expected investment income
- Decrease in benefit liabilities due to positive trends in pension
- However, the contingency reserve balance is lower than reported on December 31, 2012 mainly due to a one-time reduction in Structure Settlement savings taken during the third quarter.

State Fund Results

“Net Income”

July 2012 through March 2013 expenses exceeded revenues resulting in a Net Loss of **(\$126)** million, mainly due to a change in structured settlement reserve assumptions.



Insurance Operations

(in millions)

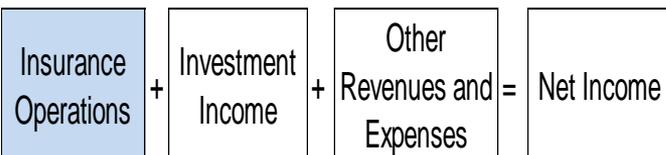
Nine Months Ended

March 31, 2013

March 31, 2012

We took in (Premiums Earned)	+	\$	1,151	\$	1,073
We Spent (Expenses Incurred)					
Benefits Incurred			1,568		1,499
Claim Administrative Expenses			107		142
Other Insurance Expenses			55		52
			<hr/>		<hr/>
Total Expenses Incurred	-		1,730		1,693
			<hr/>		<hr/>
Net Loss from Insurance Operations	=	\$	(579)	\$	(620)
			<hr/> <hr/>		<hr/> <hr/>

An operating loss is normal for workers compensation insurers who routinely rely on investment income to cover a portion of benefit payments.



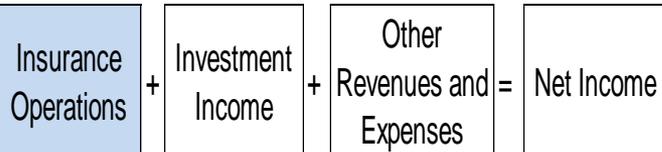
Premiums Earned

July 2012 through March 2013
(in millions)

	Nine Months Ended		
	March 31, 2013	March 31, 2012	Fiscal Year Ended June 30, 2012
Standard Premiums Collected	1,305	1,234	1,614
Less Retrospective Rating Adjustments	(38)	(39)	(140)
Net Premiums Collected	1,267	1,195	1,474
Changes in Future Premiums Amounts To Be Collected	(37)	(35)	20
Changes in the future Retrospective Rating Adjustment Refunds	(79)	(87)	(31)
Net Premiums Earned	1,151	1,073	1,463

$\$1,151 - \$1,073 = \$78$ million increase

Increase of \$78 million -- mainly driven by increase in hours reported.



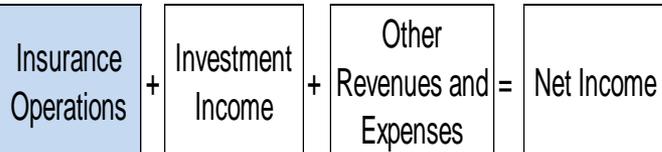
Benefits Incurred

July 2012 through March 2013
(in millions)

	Nine Months Ended		Fiscal Year Ended June 30, 2012
	March 31, 2013	March 31, 2012	
Net Benefits Paid	1,153	1,147	1,547
Change in Benefits Reserved for Future Payment	415	352	410
Net Benefits Incurred	1,568	1,499	1,957

$\$1,568 - \$1,499 = \$69$ million increase

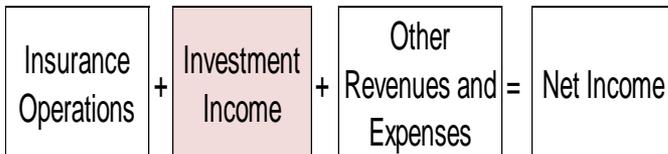
- Benefits incurred increased \$69 million, compared to last year.



Investment Income

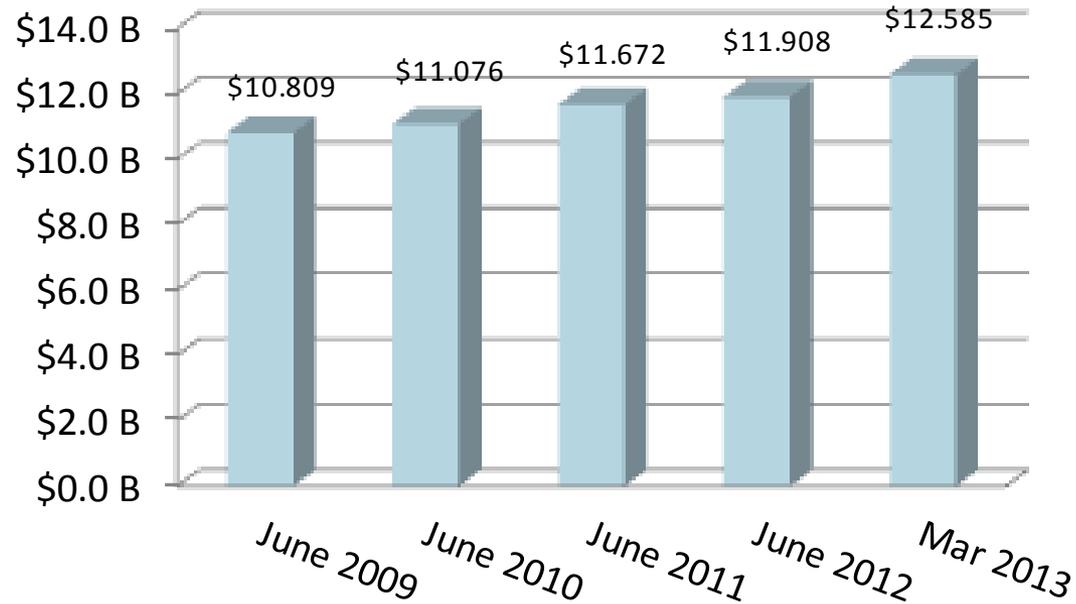
(in millions)

	Nine Months Ended	
	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Investment Income Earned from Dividends and Interest	+ \$ 350	\$ 366
Realized Gains from Bonds (Fixed Income Investments) Sold	+ 71	30
Realized Gains from Stocks (Equity Investments) Sold	+ 6	(1)
Total Investment Income	= <u>\$ 427</u>	<u>\$ 395</u>



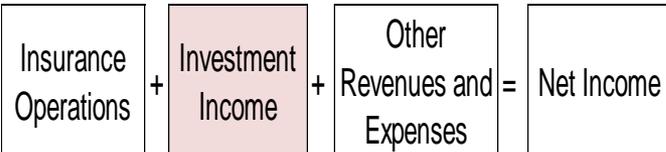
Total Investments

(rounded to billions)



Note: Securities lending collateral not included

Investments grew \$677 million in the past nine months and ended at \$12.6 billion as a result of bond investment income and a strong stock market.

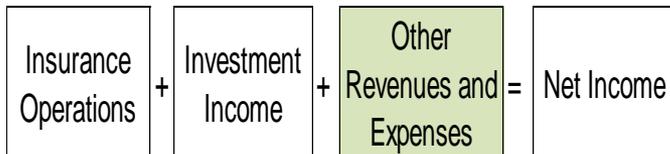


Other Revenues & Expenses

(in millions)

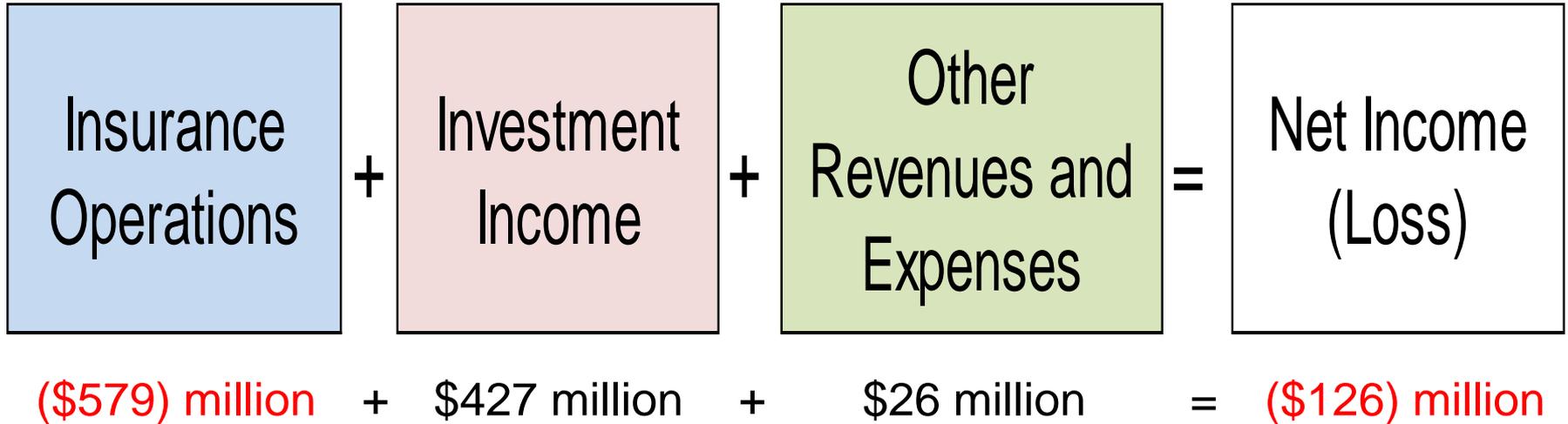
	Nine Months Ended	
	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Fines, Penalties, Interest, and Other Revenues	+ \$ 35	\$ 36
Net of Self Insurance Reimbursements and Expenses	+ 27	49
Non-Insurance Expenses	- 36	33
Net of Other Revenues and Expenses	= \$ <u>26</u>	\$ <u>52</u>

Note: For example, non-insurance expenses include DOSH, SHARP, Employment Standards, Apprenticeship, and Department of Health.



Results of Operations

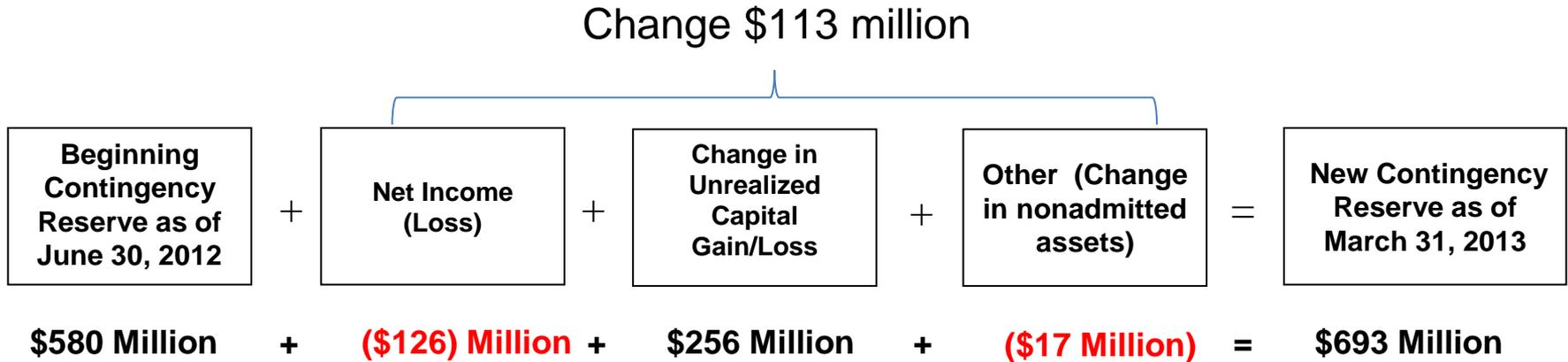
July 2012 through March 2013
(in millions)



$$(\$579) + \$242 = (\$337) + \$427 + \$26 = \$116$$

Net income without the \$242 million reduction in the structured settlement savings estimate would be a net income of \$116 million.

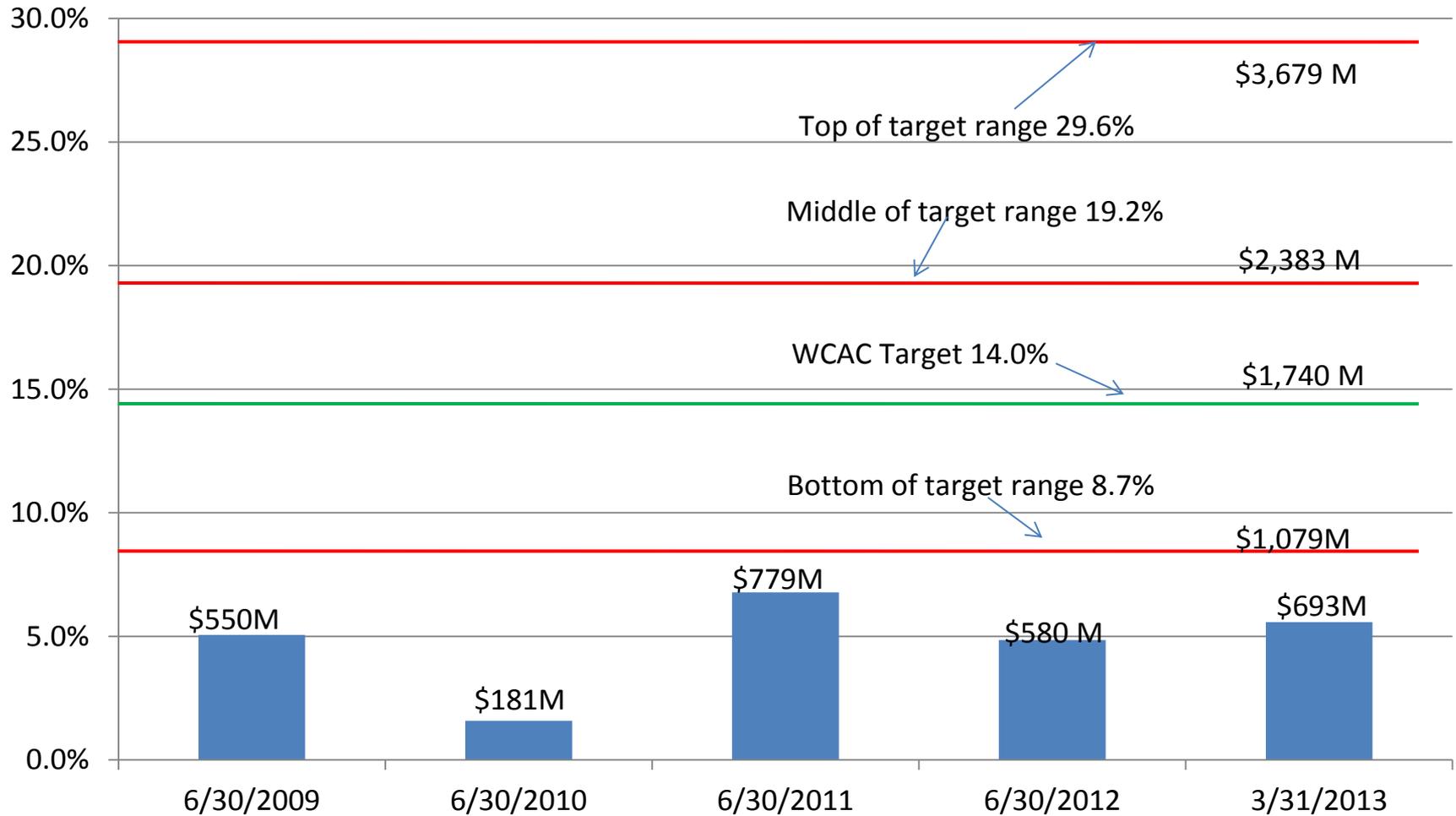
How Did Contingency Reserve Perform?



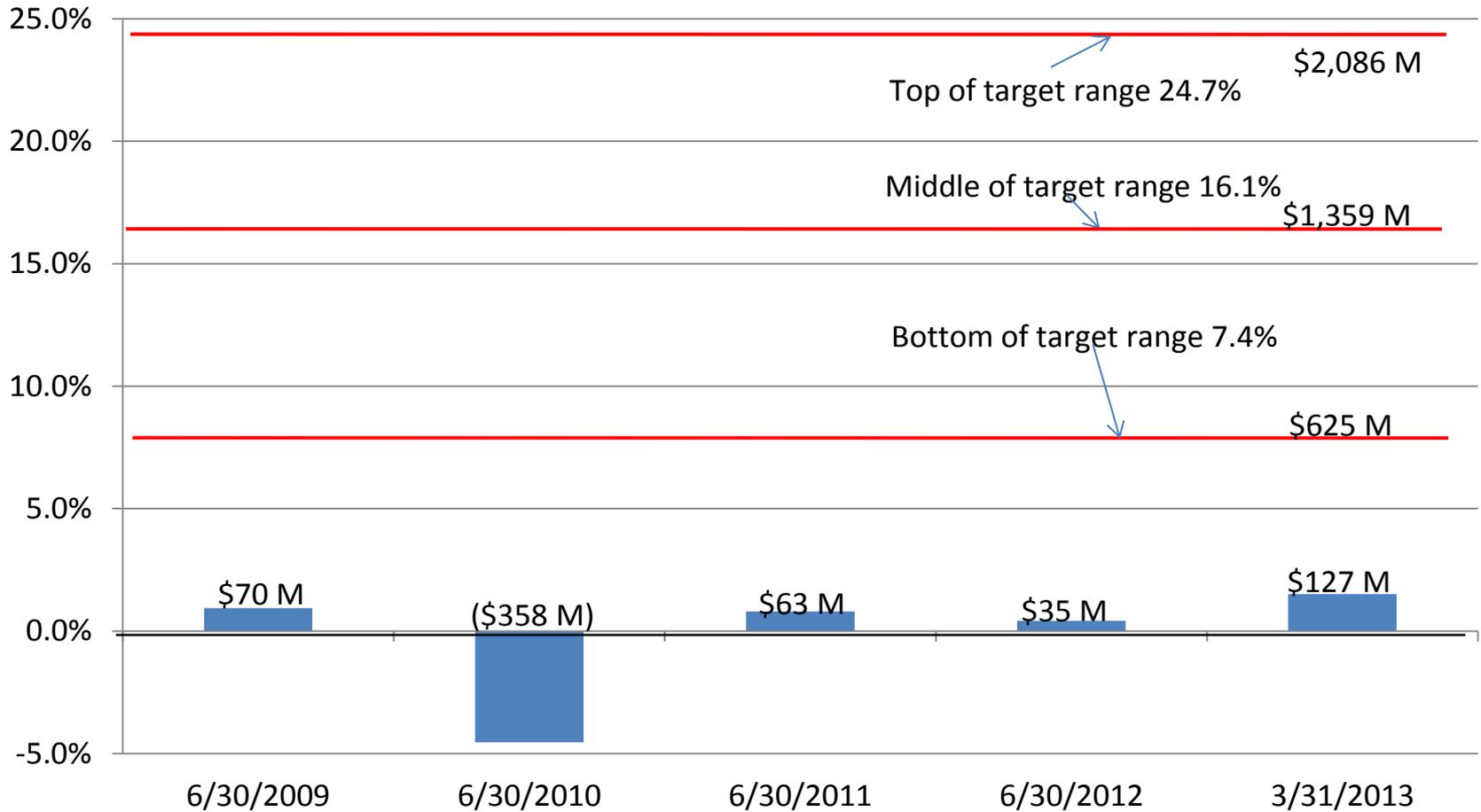
- Contingency Reserve balance on December 31, 2012 was \$953 million.
- Contingency reserve balance would have been \$935 on March 31, 2013, had we not adjusted for the reduction in structured settlement estimated savings.

*Note: Unrealized capital gain/loss are not a part of net income because we have not “**cash**ed in” our profits or losses.*

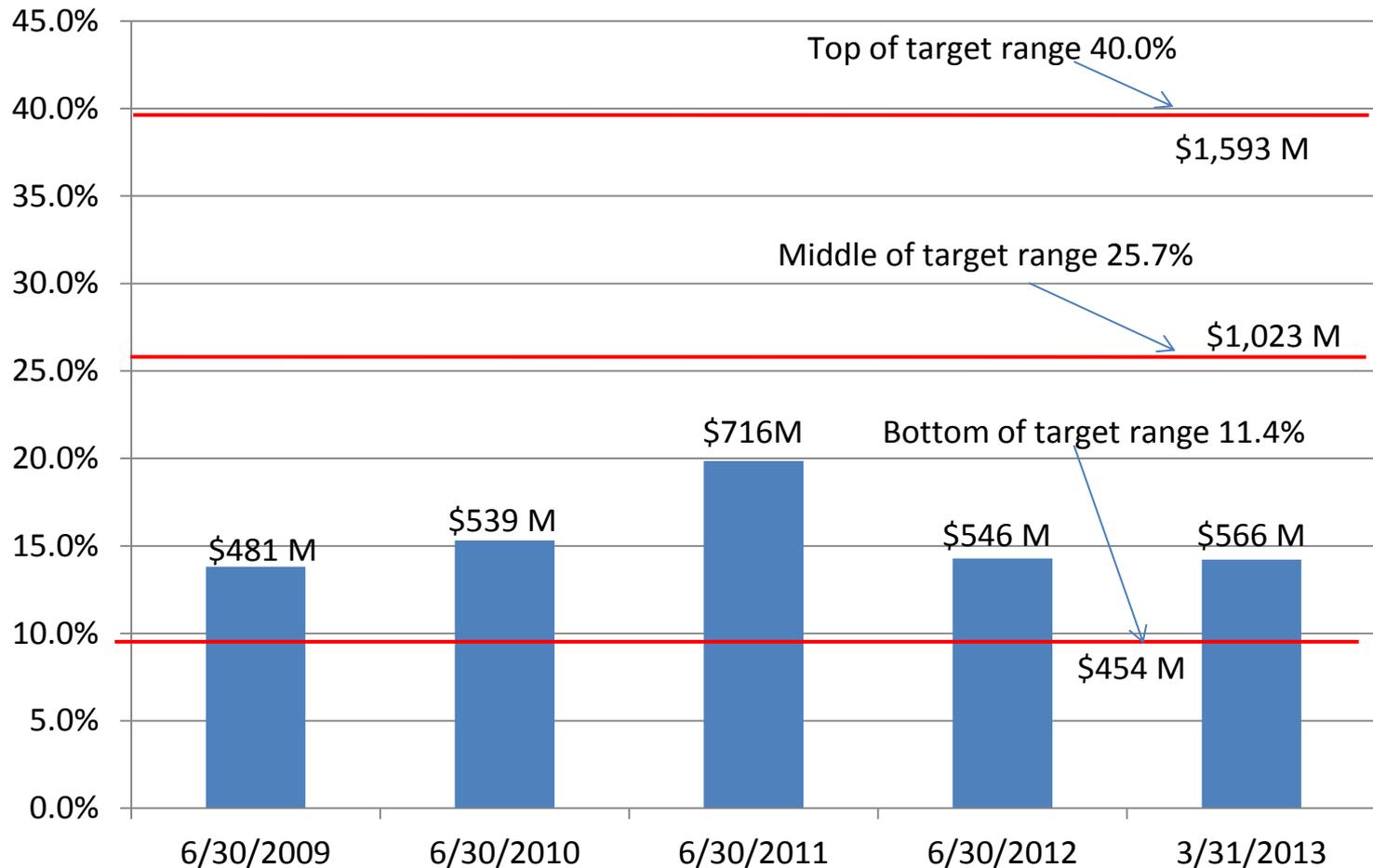
Combined Contingency Reserve vs. Targets



Accident & Pension Contingency Reserve vs. Targets



Medical Aid Contingency Reserve vs. Targets



Key Financial Ratios

as a percentage of premium earned

as of March 31, 2013

	Ratios	State Fund	Industry Forecast*	State Fund excluding change in Structured Settlement savings
A	Benefit (Loss Ratio)	136.3%	67.0%	115.2%
B	Claim Administration Expense (CAE) Ratio	9.3%	15.5%	9.3%
	Sub-Total: Benefit and Claim Administration Expense Ratios	145.6%	82.5%	124.5%
C	Underwriting Expense Ratio includes all insurance administrative expenses except CAE	4.8%	25.0%	4.8%
D	Combined Ratio (A+B+C)	150.4%	109.5%	129.3%
E	Investment Income Ratio	30.4%	17.2%	30.4%
F	Operating Ratio (D-E)	120.0%	92.3%	98.9%

* Industry forecast for 2013Q1 was provided by Conning

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

Questions & Comments

Contact Sharon Elias, Chief Accounting Officer,
at 360-902-5743 or email at:

elia235@lni.wa.gov

Thank You!

Historical Investment Yield —the annual rate of return on investments expressed as a percentage of average total investments

	Nine Months Ended		Fiscal Year Ended					
	March 31, 2013	March 31, 2012	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Investment Income/Average Invested Assets	2.9%	3.1%	4.1%	4.3%	4.5%	4.7%	4.9%	5.0%
Realized Gain (Loss)/Average Invested Assets	0.6%	0.2%	4.6%	0.6%	0.2%	(0.4%)	3.2%	2.1%
Unrealized gain (Loss)/Average Invested Assets	2.1%	0.2%	(4.6%)	3.6%	1.6%	(3.3%)	(3.9%)	2.5%
Total Investment Yields	5.6%	3.5%	4.1%	8.5%	6.3%	1.0%	4.2%	9.6%

Unrealized gain (loss) changes are impacted mostly by stock market results.

Note: Unrealized gains and losses are commonly known as “paper” profit or losses which imply that they have not been “cashd in.”

Quarterly Change in Benefit Liabilities

(in millions)

	Quarter Ended September 30, 2012	Quarter Ended December 31, 2012	Quarter Ended March 31, 2013
Beginning Estimated Benefit Liabilities	\$ 11,203	\$ 11,210	\$ 11,216
Change Benefit Liabilities for injuries occurring 6/30/12 and prior			
Discount accretion	92	89	87
Other developments:			
Change in Structured Settlement Assumptions	14	(34)	262
TPD Pension Development	(92)	(95)	(16)
Medical development	(16)	(20)	52
All other development on prior liabilities	13	21	39
Total other development	(81)	(128)	337
Change in non-pension discount rate	-	77	-
Total Change in Benefit Liabilities for injuries occurring 6/30/12 and prior	11	38	424
New benefit liabilities for injuries occurring 7/1/12 and after			
New Liabilities	367	372	315
Change in Structured Settlement Assumptions	-	-	26
Total new benefit liabilities incurred	367	372	341
Claim Payments in 3 months	(375)	(409)	(370)
New Self insurance 2nd injur pension awards	4	5	7
Ending Benefit Liabilities	\$ 11,210	\$ 11,216	\$ 11,618
Change in benefit liability	\$ 7	\$ 6	\$ 402

Structured Settlements

- We reviewed the original fiscal note assumptions for Structured Settlements after one year of activity. Based on this review:
 - We lowered our assumptions on the number of settlements that will be processed.
 - This change in assumption resulted in a decrease in previously recognized estimated savings, and caused a bigger than normal increase in benefit liabilities.

Key Factors Changing the Contingency Reserve (July 1, 2012 to March 31, 2013)

Impact	Drivers	Amount
	Discount Accretion on Benefit and Claims Administrative Expense (CAE) Liabilities	\$275 Million
	Reduction in Structured Settlement Savings	\$242 Million
	Change in the Non-Pension Discount Rate on Benefit Liabilities	\$77 Million
	Change in Non Admitted Assets	\$17 Million
	Investment Income Anticipated by Reserve Discount	\$275 Million
	Unrealized Gains on Investments	\$256 Million
	Other Favorable Development on Benefit and CAE Liabilities	\$117 Million
	Premium rates higher than needed to cover new liabilities	\$76 Million

HEALTH CARE SUB-COMMITTEE: TRANSITION PLAN

Janet Peterson
Program Manager, Health Services Analysis

Diana Drylie
Occupational Health Services Unit Manager

Purpose of Discussion

- Consolidating the functions of the Provider Network Advisory Group and the WCAC-Health Care Subcommittee
- Selecting members for the COHE Regional Business and Labor Advisory Boards

Current State

Provider Network Advisory Group

- Mandated by SSB 5801
- Role: Advise L&I on implementation of SSB 5801 (not limited to the Medical Provider Network)
- 4 medical providers designated by the Industrial Insurance Medical Advisory Committee
- 2 chiropractors designated by the Industrial Insurance Medical Chiropractic Committee
- 2 business / 2 labor representatives designated by WCAC caucus chairs

WCAC Health Care Subcommittee

- Not required by statute
- Role: Support creation and oversight of Centers of Occupational Health & Education and related pilots
- 4 business / 4 labor representatives designated by WCAC
- 4 L&I representatives
- 1 BIIA representative

Current Members of the Provider Network Advisory Group

From IIMAC:

- Dianna Chamblin MD, Chair
- Andrew Friedman MD
- Janet Ploss MD
- Robert Waring MD

From IICAC:

- Clay Bartness DC
- Ron Wilcox DC

From Business:

- Rebecca Forrester
- Katrina Zitnik

From Labor:

- VACANT
- Teri Rideout

Current Members of the WCAC – Health Care Subcommittee

From Labor:

- Sofia Aragon
- John Aslakson
- Karen Gude
- Ed Wood

From L&I:

- Gary Franklin MD, Chair
- Diana Drylie
- Bob Mootz DC
- Janet Peterson

From Business:

- Tammie Hetrick
- Breen Lorenz
- John Meier
- 4th position vacant

From BIIA:

- Dave Threedey

Role of New Committee

- Provide a venue for business, labor, and providers to advise on L&I health care programs
- Continue monitoring and provide advice on Provider Network implementation
- Finalize rules and policies on Top Tier eligibility and incentives
- Review “Risk of Harm” criteria for network removal
- Support COHE expansion statewide
- Advise on development and piloting of new occupational best practices
- Support self-insured participation in COHEs and/or other health care initiatives
- Provide updates to WCAC on reform implementation and other issues

Membership of New Committee

- **Recommendation:**

- Add 1 business and 1 labor representative to Provider Network Advisory Group
- New business and labor representatives designated by WCAC caucus chairs

Role of Regional Business Labor Advisory Boards

Role:

- Ensure community support
- Share input from business and labor
- Update new consolidated committee, when appropriate

Membership:

- Current board membership (at each COHE):
 - 4 business / 4 labor representatives designated by WCAC caucus chairs

Regional Board Recommendations

- **Location of Boards:**
 - 1 in eastern Washington; 1 in western Washington
- **Board Membership:**
 - Between 8 and 12 members
 - Evenly distributed between business and labor
 - Nominations from Centers of Occupational Health and Education (COHEs) to WCAC caucus chairs
 - Recommendations from WCAC caucus chairs to L&I

BREAK



PREVENTION EFFORTS CAN REDUCE INJURY, LOST TIME AND COSTS

*Barbara Silverstein, PhD, MPH, MSN, CPE
Safety & Health Assessment & Research Prevention
(SHARP) Program Manager, Research Director*

*Anne Soiza
Assistant Director for the Division of Occupational
Safety & Health (DOSH)*

RESEARCH FOR ACTION

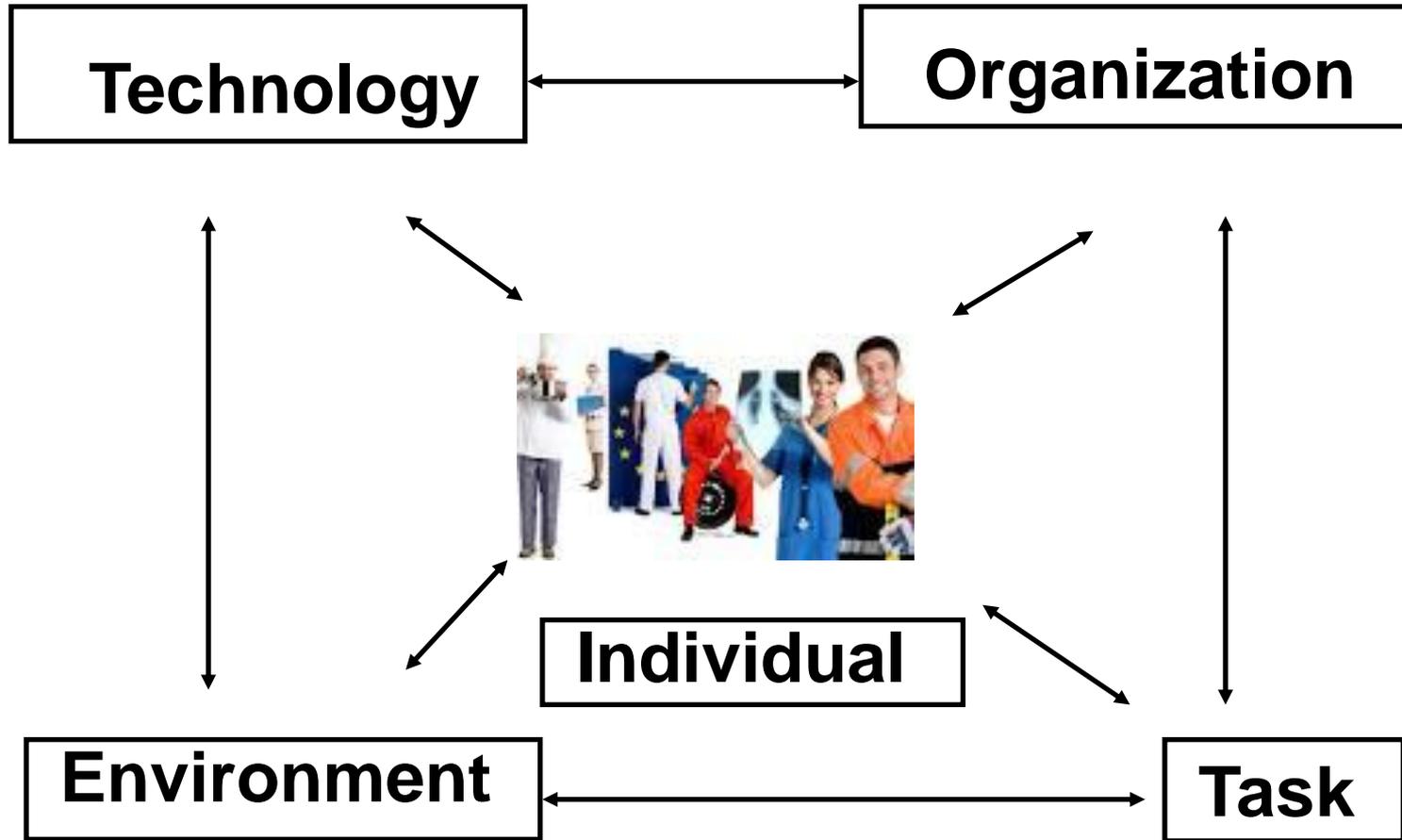
Barbara Silverstein, PhD, MPH, MSN, CPE
Research Director
Safety & Health Assessment and Research
for Prevention
(SHARP)



Objectives for today

- Share what does SHARP really do?-Systems
- Current Key Studies
- Committee Input/Discussion

We look at **Systems**



Balance Model- Pascale Carayon, University of Wisconsin-Madison, Professor of Systems Engineering

Looking for Broken Connections

Leading Indicators:

Communication (complaints?)
Response to suggestions, Complaints
Reporting near misses
Lack of new hire training

Lagging Indicators:

Recruitment/Retention
Injuries
Turnover
Productivity: stagnant, falling
Quality
Customer dissatisfaction



Looking for Broken Connections:

Lost time claims - Non-traumatic shoulder comp claims 2002-10 (n=28,8842)

Sector	#	\$Mil	LT Days	Rate	Sev Rate
Manufacture	4,145	136	609k	19.1	2,977
Trade	4,145	142	1,005k	16.2	2,921
Construction	5,800	199	1,348k	28.6	11,305
Transport	2,500	65	362k	31.6	4,579
Health Care	3,748	76	602k	17.4	2,797
Services	8,658	222	1,709k	9.5	1,875
Agriculture	576	19	137k	10.9	2,597

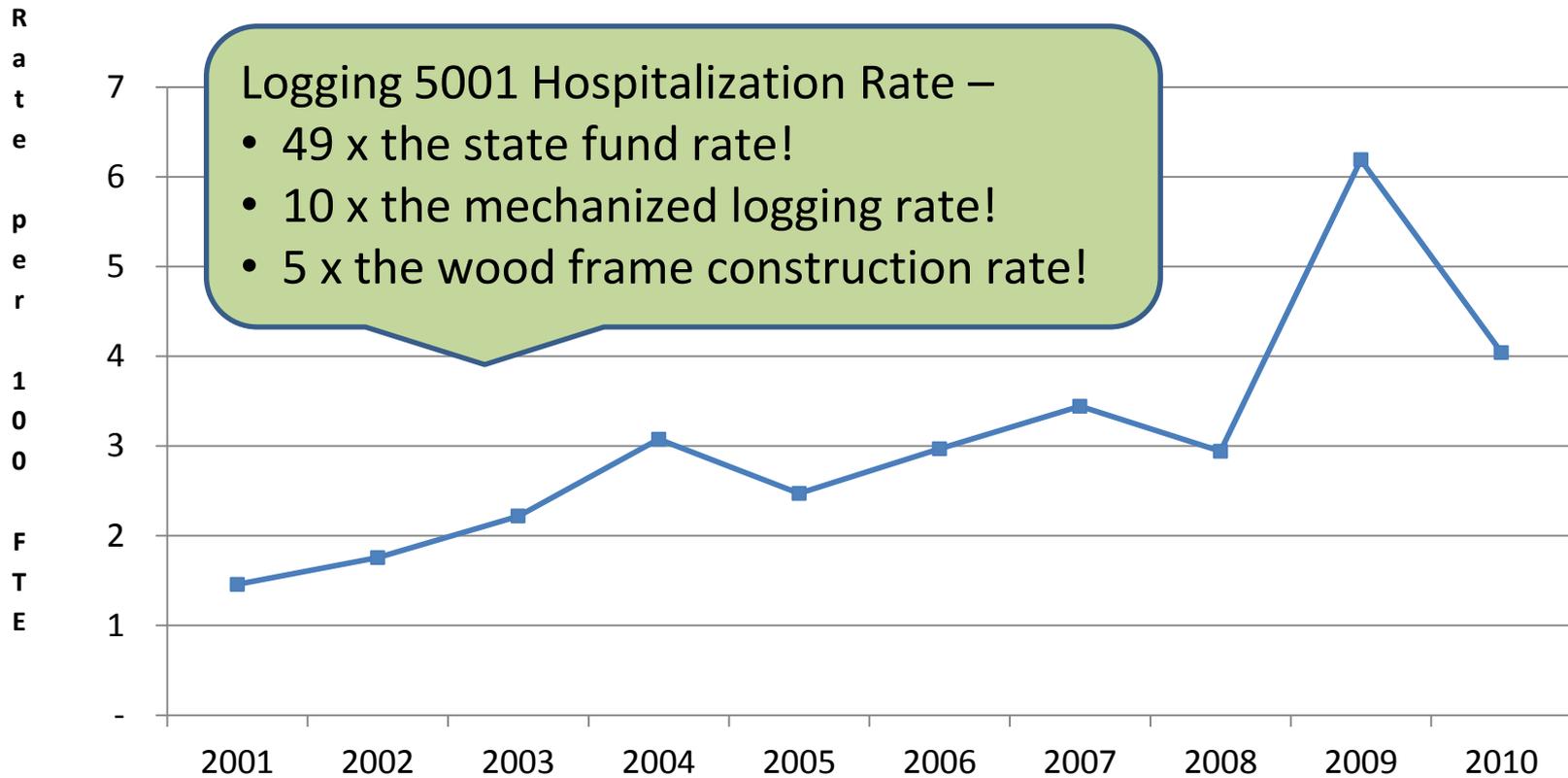
SHARP Research Studies (examples)

- Do DOSH enforcement and consultation visits improve workplace safety?
- Why are our BLS rates so high compared to other states?
- Work-related musculoskeletal disorder: what is the difference between companies with high and low rates?
- Safe patient handling: does legislation make a difference?

Injury rates in non-mechanized logging are 10-times higher than mechanized logging & all other state fund risk classes

Logging (5001) claim rate comparisons, 2002-2010		
	Accepted Claims Rate/100 FTE	Compensable Claims Rate/100 FTE
Non-Mechanized Logging (5001)	58.9	27.7
Mechanized Logging (5005)	5.5	2.1
All other State Fund	7.1	

Acute Inpatient Hospitalization Rate for Logging (5001)



Increasing trend in acute inpatient hospitalization rate.

Example: **logging**

Landowner, Contractor, Sub-contractors

Technology

Organization

Mechanized logging is safer and cheaper

Choker setting & fallers



Individual

Environment

Task

Steeper slopes

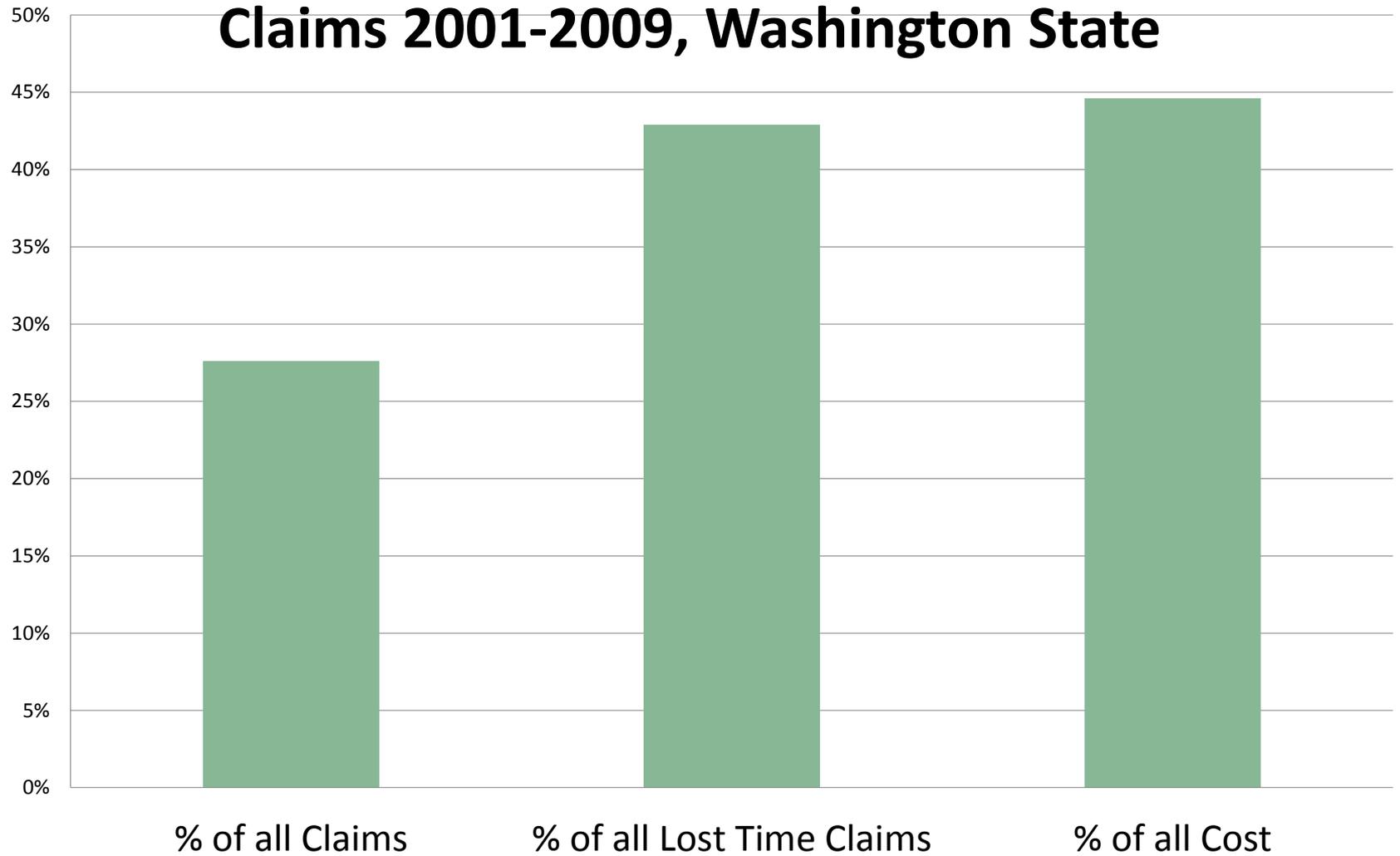
SHARP WORK-RELATED MUSCULOSKELETAL DISORDER STUDY

Barbara Silverstein, Darrin Adams,
Stephen Bao, Ninica Howard,
Han Kim, Daniel Hunter, Shalene Petrich

Funded in part by CDC-NIOSH



Magnitude: WMSD Workers Compensation Claims 2001-2009, Washington State



How do we address this problem?

- There are no rules regarding prevention requirements
- The problem remains
- How can we help workplaces prevent injuries?
- How can we make this information available to more workplaces?
- What do you suggest?

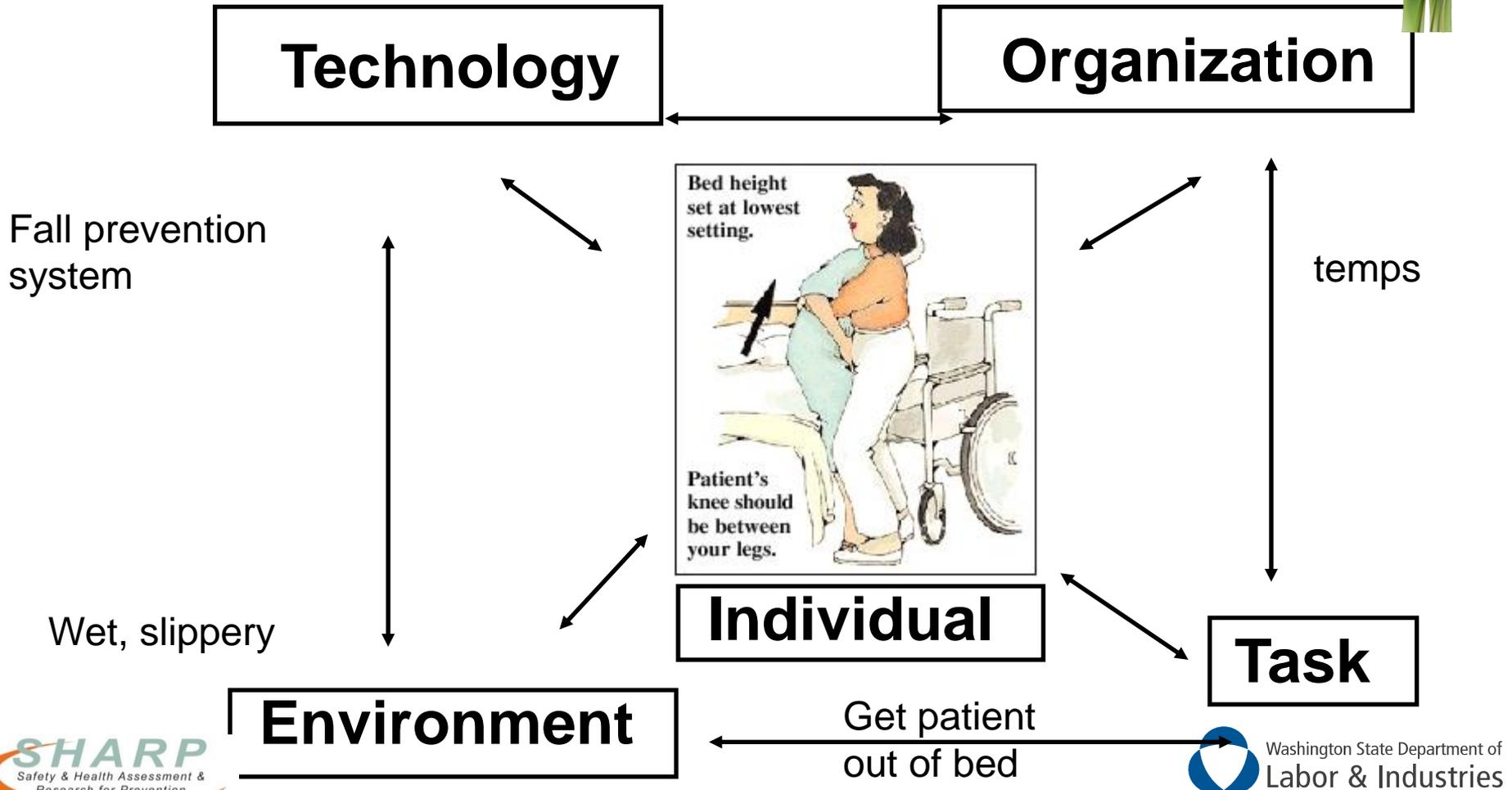
WA Safe Patient Handling (SPH) (1)

- WA 1st state to have SPH legislation for acute care hospitals in US (coalition of SHARP, WSHA, WSNA, SEIU, UFCW & large hospitals (supported by 4 nurses in house & 4 nurses in senate))
- Premium discount for State Fund Hospitals
- B&O tax break \$1000/acute care bed up to \$10K
- Evaluation: SHARP compared 4 small & 4 large hospitals in WA and ID (no legislation), trends in claims rates for acute care hospitals ↓ vs. nursing homes ↑
- Just held 2nd conference with national attendance

www.washingtonsafepatienthandling.org

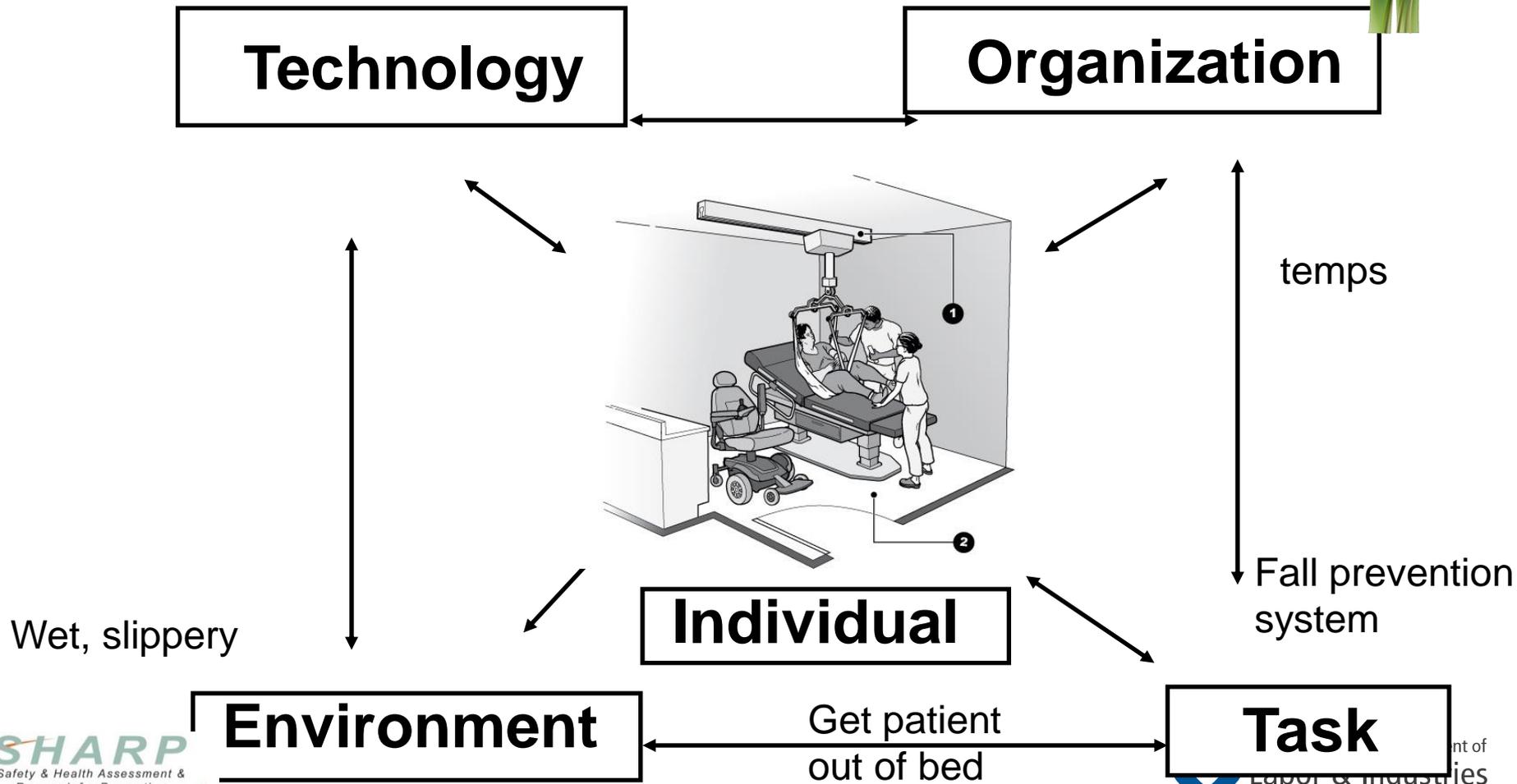
Sustaining Programs: think about the whole work system: e.g. health care

P Carayon –Balance Model



Sustaining Programs: think about the whole work system: e.g. health care

P Carayon –Balance Model



Storm clouds brew in health care

- Patients are getting older, heavier, multiple system failures
- Staff are getting older, heavier, sicker
- Nursing faculty are becoming fewer
- Uncertainty around implementation effects of Affordable Care Act





There are always tradeoffs



← Young but inexperienced

Older-Bad hips
but experienced →



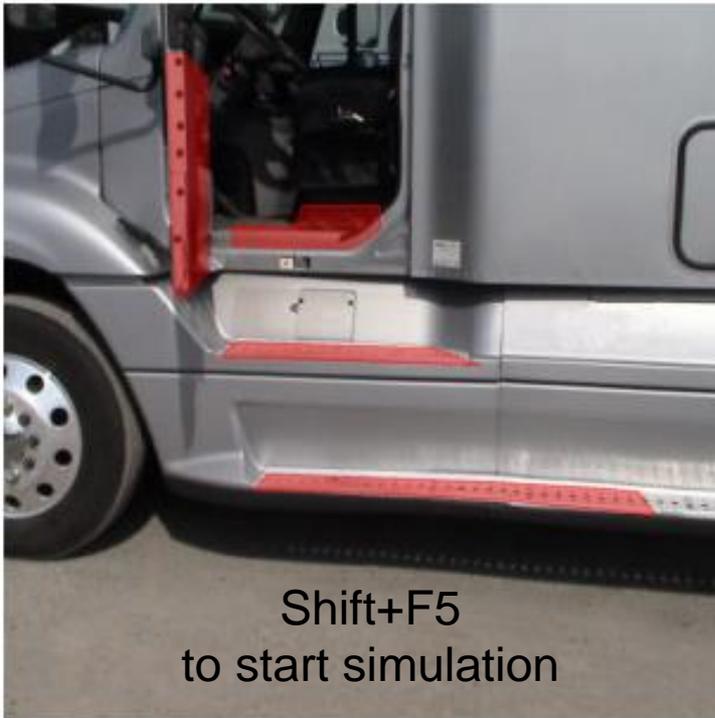
Collaboration: Trucking Injury Reduction Emphasis for Safety (TIRES)

- Steering committee: WTA, Teamsters, Large trucking companies, independents, Insurance, TPAs, SHARP
- Discuss safety needs of companies and workers. Develop posters, simulations, test effects of different exposures on drivers
- Issues of good food & enough rest on the road (fatigue, sleep apnea and obesity issues)

www.keeptrucking safe.org

Impact of Jumping from Truck Cab

Determine Your Impact Force



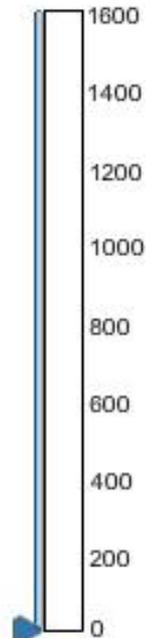
Shift+F5
to start simulation

Equipment:

Your body weight: lbs

How to use:

1. Select your equipment (above)
2. Enter your body weight
3. Click on any of the red zones (on the picture)
4. Find your impact force!



[Facts about fall injuries](#)
[Get more information](#)

[Read a true story](#)
[Disclaimer](#)



Washington State Department of
Labor & Industries



Washington State Department of
Labor & Industries

L&I DOSH WORKPLACE DEATH, INJURY AND ILLNESS PREVENTION ACTIVITIES

Anne Soiza

*Assistant Director for the Division of
Occupational Safety & Health (DOSH)*



Today's Objective

- Statewide Prevention Services in DOSH
- What are ways we use trends and data studies
- DOSH Effectiveness study by SHARP
- What do you want to know?

The Impact of DOSH Enforcement and Consultation Visits on Workers Compensation Claims Rates and Costs, 1999-2008

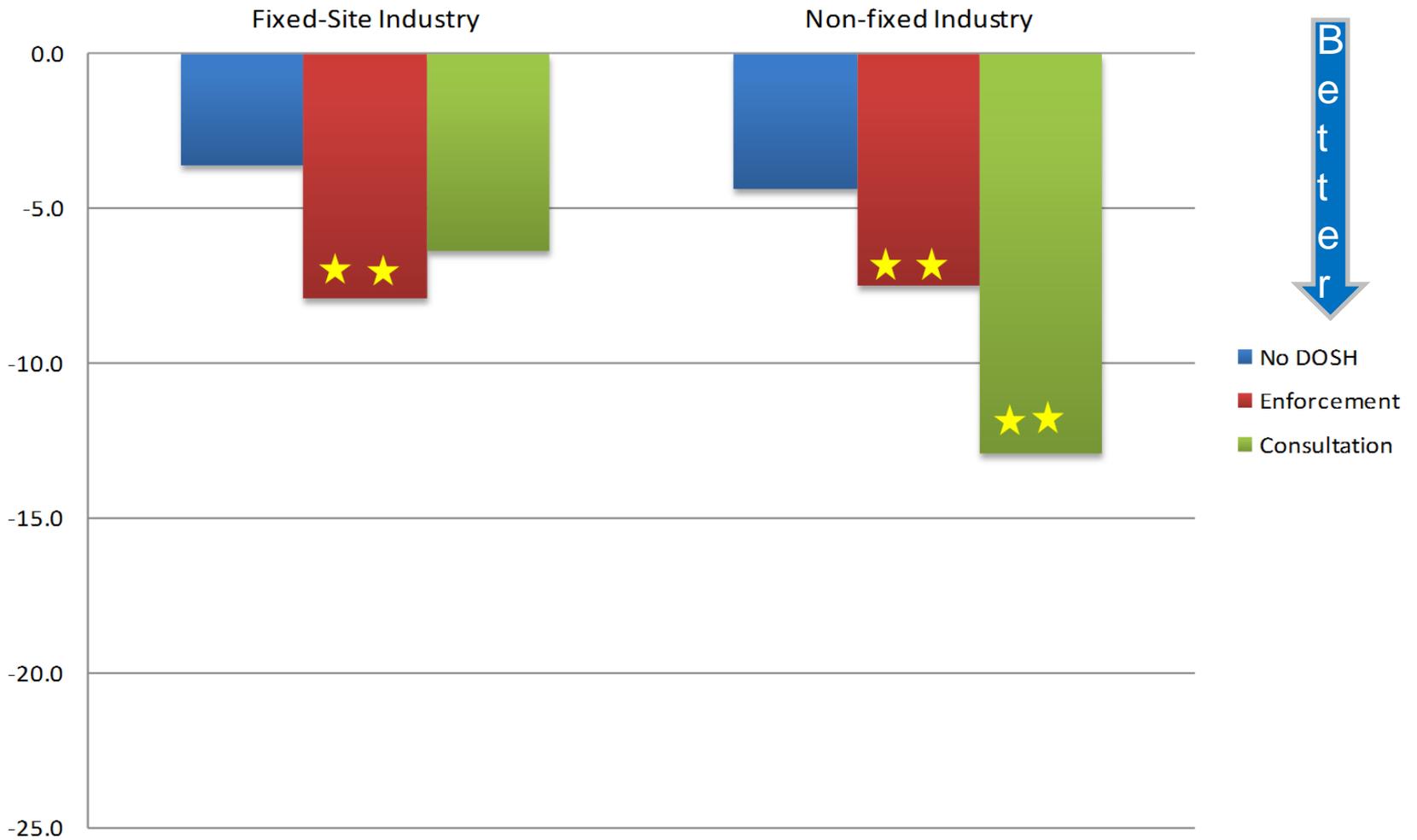
Michael Foley, Z Joyce Fan, Eddy Rauser, Barbara Silverstein

Safety and Health Assessment and Research for Prevention (SHARP) Program
Washington State Department of Labor and Industries

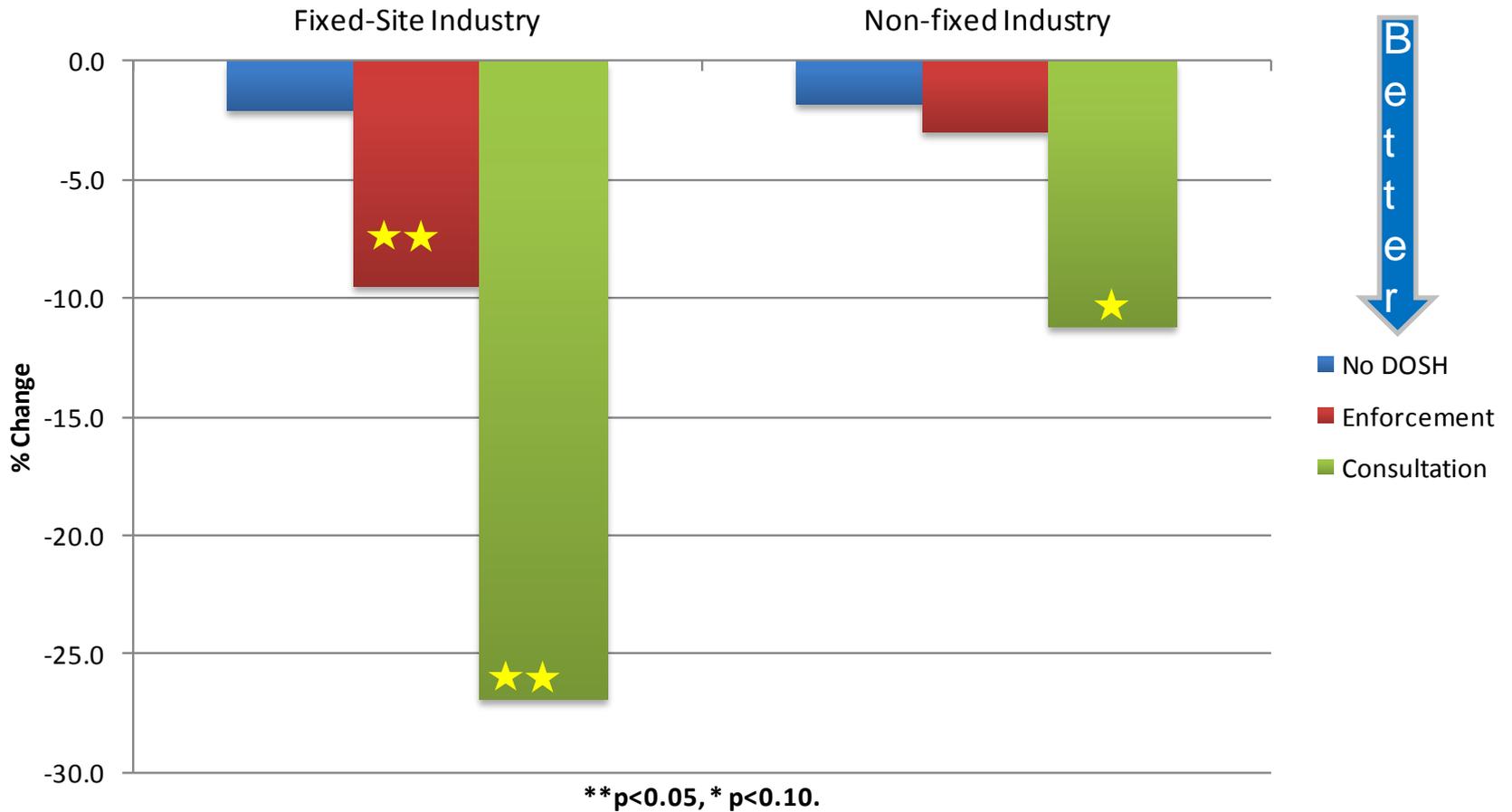
DOSH Enforcement & Consultation Impacts: Study Questions

- How much impact did enforcement inspections and consultation visits have on the compensable claims rates?
- Did the impact of compliance activity differ by industry? By type of claim?
- Did inspections with citations have a greater impact?

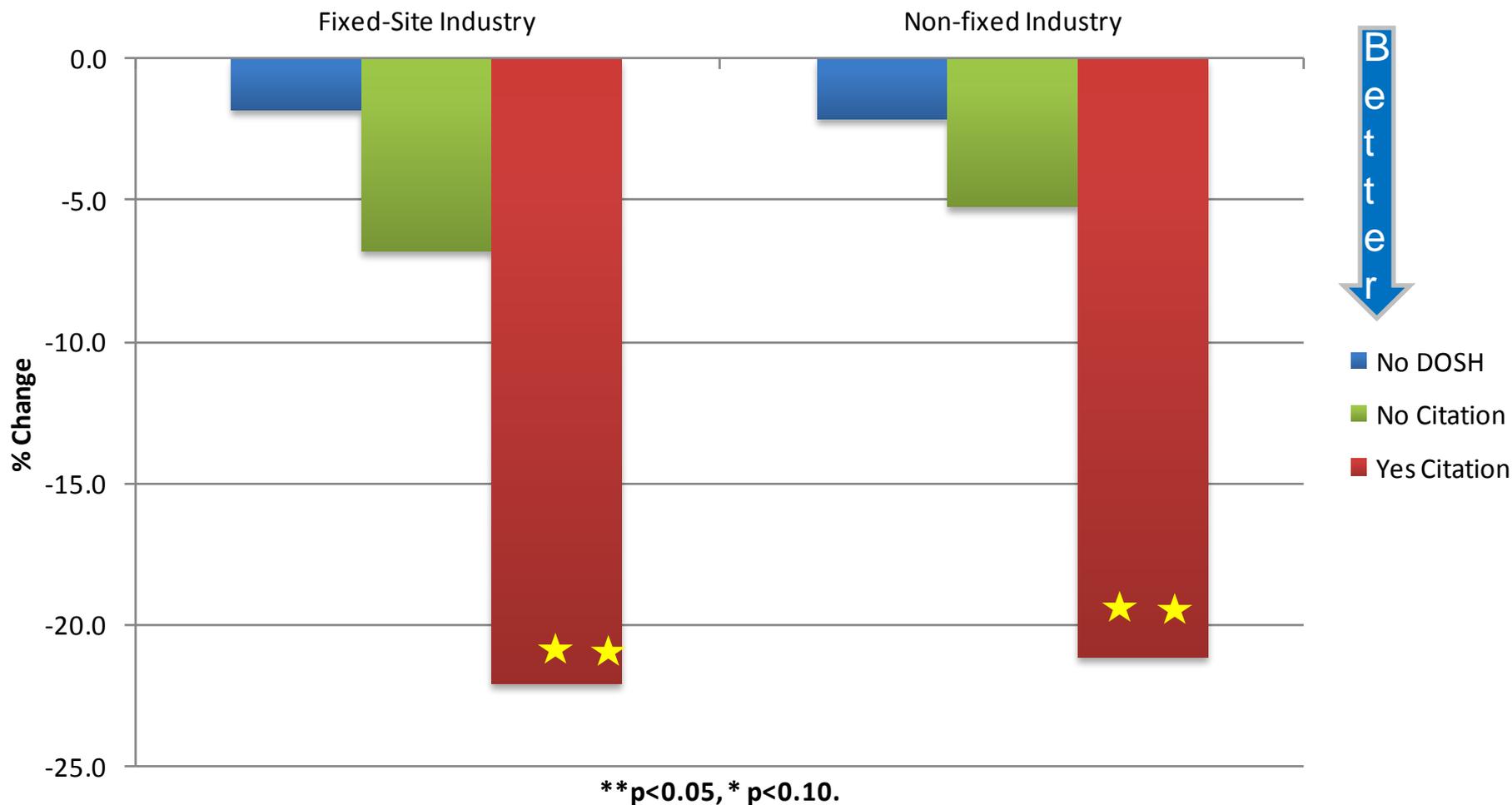
Changes in All Compensable Claims Rate: No DOSH vs Enforcement vs Consultation, Fixed-Site and Non-fixed Site



Changes in Non-MSD Compensable Claims Rate: No DOSH vs Enforcement vs Consultation, Fixed-Site and Non-fixed Site



Changes in Non-MSD Compensable Claims Rate: No DOSH vs DOSH/No Citation vs DOSH/Yes Citation, Fixed-Site and Non-fixed Site



Direct* WC Cost Savings due to DOSH Activities

Fixed site Industries

- **Enforcement:** \$2.1 million savings per year
 - extrapolated to all DOSH enforcement = **\$19.8 million** per year
- **Consultation:** small numbers (NS)

Non-fixed-site Industries

- **Enforcement:** \$1.8 million savings per year
 - extrapolated to all DOSH enforcement = **\$10.7 million** per year.
- **Consultation:** \$0.3 million savings per year
 - extrapolated to all consultation = **\$3.6 million** per year

*Lost productivity, training, impacts to family costs not assessed

Conclusions

- DOSH enforcement and consultation activities make a significant contribution to reducing WC claims rates and costs in the year following the visit.
- Having hazard-specific rules matters
 - When WMSDs were excluded, the effect of DOSH activity strengthens substantially
- Citations have a powerful effect on time-loss injuries
 - non-WMSD claims rates fell by more than triple the amount at worksites receiving a citation than at those having an enforcement visit without citation.

DOSH Prevention Services

- Maximize our resources by focusing on the top hazards which lead to worker deaths, injuries and illnesses
- Staff located statewide
- Full spectrum of safety and health professionals
 - Industrial Hygienists, Safety Specialists, Risk Managers, Ergonomists, Chemists
- We coordinate our strategies over our three outward facing services:
 - Education and Outreach
 - Consultation
 - Compliance

What do we learn from studying SHARP and WC data?

Top Fatality Causes

Motor vehicle Incidents
Falls from elevation
Electrocution
Confined Space/Commercial
Diving
Trench collapse/Caught in
Struck by large items

Top Serious Injuries

Musculoskeletal Hazards-
Materials Handling
Falls from elevation/ladders
Falls to same level
Amputations
Caught in
Struck by large items

Sample Top Hazardous Industries

- Construction
- Maritime/ship breaking and repair
- Cranes
- Utilities
- Agriculture
- Healthcare-Nursing Homes-Mental Institutions
- Petroleum Refining
- Heavy Manufacturing

Three Strategies for Our Prevention Focus

Transient hazardous operations

- Construction, Logging, Agriculture, Maritime and Utilities

Hazardous fixed site operations

- Employers with the highest rate of compensable claims in the top 20 hazardous private and public sector industries

Meeting Small Business Needs

- Consultation Goal - 60% with Employers < 25 employees
- Outreach product partnerships with small biz and reps
- Risk management proactively seek to help for employers with high claims rates

Continuous Learning about What Leads to Incidents

- Share with employers and our staff lessons learned
- Scheduling system for inspections and consultations
- Hundreds of videos and training the trainer kits for employers based on the most important hazards
- Industry Partnerships
 - Logging Partnership; very high rates, industry partnership
 - Construction Partnerships- over 20 years old
 - Restaurant Partnership

What comments/questions might you have for us today?

THE OPERATIONAL HEALTH PLAN -- *CLAIMS EVOLUTION*



Moving forward, together

Vickie Kennedy,
Assistant Director for Insurance Services

Claims Evolution

- Claims Evolution is a multi-year initiative to improve claims and medical management operations.
- We want to give employers, workers, and medical providers high quality service to reduce delays and return workers to work.

Claims Evolution

- L&I has consolidated several inputs about claims operations:
 - Building a Better Customer Experience (BBCE)
 - Employer Surveys
 - Lean
 - Best Practices

Claims Customer Experience

- Semi-annual surveys of injured workers and employers with active time-loss claims.
- Customer data & insights bring customer voice to improvement projects.
- For example, customers said the initial contact matters. Satisfaction levels are much higher for workers and employers contacted early in the course of claims.

What we heard from staff

- Employee surveys:
 - Employees shared that they often face situations where they don't have enough knowledge or know-how to effectively fulfill their responsibilities.
- Lean efforts:
 - We learned consistency in handling RTW, the priority shared by all staff, can be improved.
 - Our current system does not include tools to identify which claims likely need RTW assistance or to create appropriate referrals to get these claims the attention they need at the right time.

Best Practices According to National Experts

- Ratio of claim managers to nurse consultants is low. Currently 23:1 should be 10:1.
- As a result, timely and accurate clinical expertise is not always available and can be critical to ensuring medical or claim issues are resolved without delay to the injured worker.
- Early contact with the workers and employers, ensure issues and barriers are identified.

Key Focus Areas

- Use industry best practices to offer our customers proactive service from the beginning of the claim.
- Collaborate across programs and partner with employers and providers to get every worker possible back to work.
- Develop tools and streamline processes to eliminate waste, move claims forward, and ultimately reduce costs.

Key Activities

- Provide new resources for claim managers to help them support and focus on helping the injured worker heal and return to work.
- Test new approaches for RTW building on relationships with WorkSource.
- Identify delays and redundancies in our processes.
- Update technology to improve claims handling.
- Modernize claims training program.

First Call Training

- Techniques specifically for disability cases
- Build relationship with the worker
- Identify barriers to return-to-work
- Strong positive response from claims managers

CLOSING COMMENTS

Joel Sacks,
Director

Vickie Kennedy,
Assistant Director for Insurance Services



ADJOURN



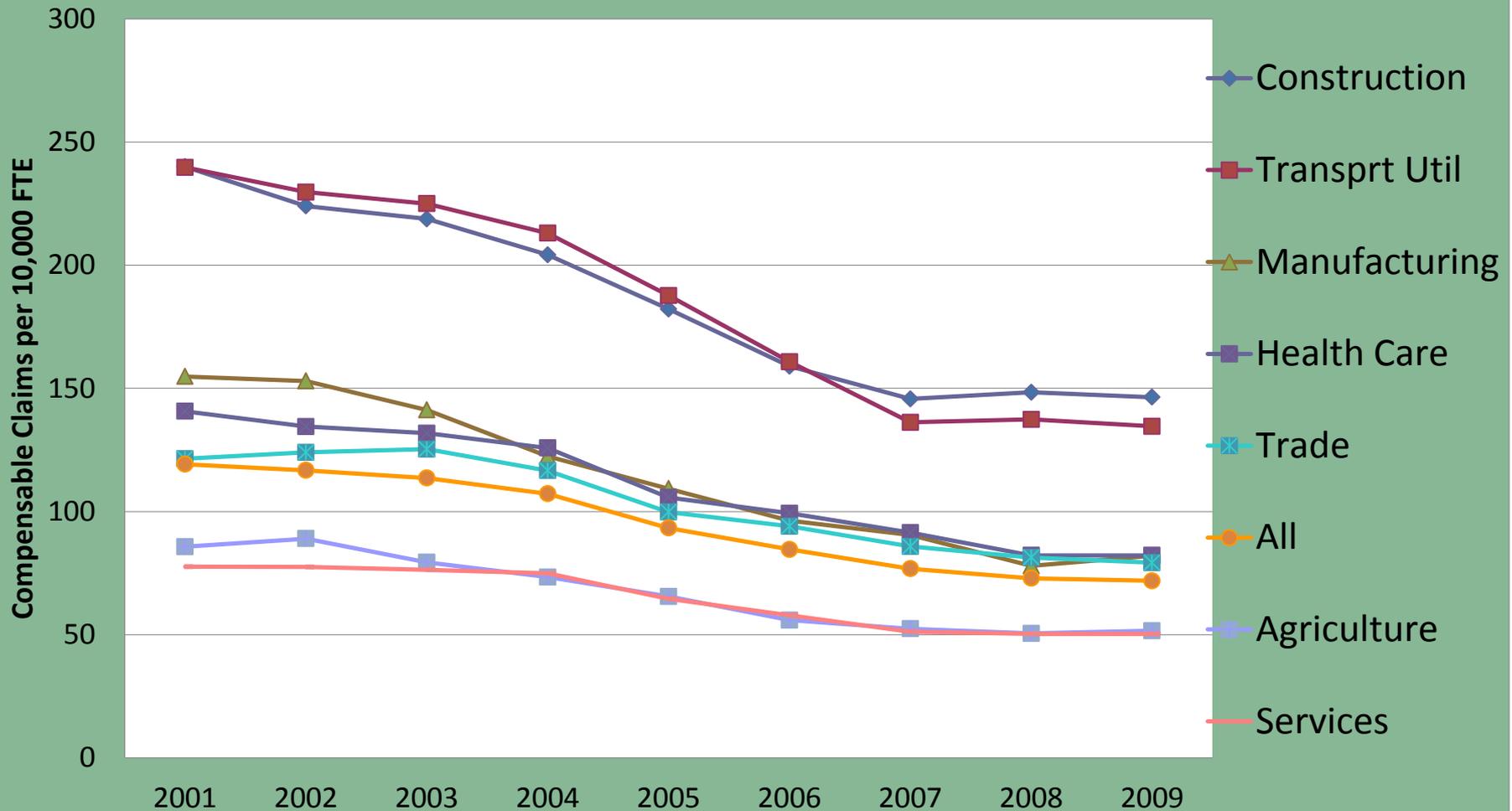
Supplemental Slides from the SHARP/DOSH Presentation

Design: Industry Sub-sectors: Highest WMSD Incidence Rates

- Within 3-4 weeks of compensable WC case (shoulder, wrist, back, or knee WMSD) in industry sub-sector of interest, interview injured worker (n=320):
 - risk factors present
 - ideas for prevention, safety culture
- 64 paired site visits (industry/size) in high & low WC rate quartiles (*shoulder, wrist, back, knee*): WMSD exposures, safety issues, management culture
- Manager & union/safety committee interviews in top & bottom injury rate quartile
- Develop/disseminate hazard surveillance tool for practitioners & worksites to focus WMSD prevention efforts

WMSDs by Industry Sector

Washington Compensable Claims Rates 2001-2009: WMSD



Daniel engaging employers, interviewing injured workers



Injured Worker Interviews

I've probably done that thousands of times, and I've never had anything like that and it just happened to be at the exact right angle, I guess. It must have been something [about my stance or the angle at which I was facing], just the perfect kind of storm to make it happen... I think it was just: body failure, just pulling so hard it caused that joint to just fail. I can't imagine doing it any differently or there being any easier way to do that job. And just like our General Manager at our office said, things like this, it wasn't even really an accident. It was just one of those fluke things that just kind of happens. You didn't slip, you didn't fall and you weren't doing anything that you weren't supposed to be doing. You just were doing your normal job and it happened.

--Fire Sprinkler Fitter

Injured Worker Interview Comments

“When you work in a warehouse, of course you're going to tweak your back now and then. You work in warehouses, your back is taking a lot of pressure. I limped around the rest of the week in pretty bad shape. I didn't know what it was. And then I just finally made it in to the doctor who said I did exactly what the book says: just twisted the wrong way and it just completely went. The MRI showed how the nerves come down. The disc came out and crushed the nerves. So the two weeks before surgery, I was crawling on my hands and knees in abject pain trying to get to the bathroom and get food. I couldn't even move.

Construction Foreman, Concrete

*Whether someone usually help out depends if they're there or not. If they're not there, then we try to do it by ourselves, but if they're there then we try to do a team up lift. **Caregiver, Assisted Living***

Safety Culture (a)

- Safety incentives used?
- Process improvements to reduce WMSDs?
- Light duty for injured workers?
- Cooperation/conflict between management and labor on H&S issues
- New employee expectations to follow H&S practices
- Employees informed when not following H&S practices
- Labor/management work together to ensure safety
- No major shortcuts with H&S
- H&S high management priority
- Employees freely report safety problems

Asked of management and worker representatives

Safety Culture Scales (1-5) (b)

- Stability
- People oriented
- Innovative
- Fair
- Calm
- Reflective
- Achievement oriented
- Quick on opportunities
- High performance expectation
- Pay for performance
- Employment security
- Enthusiasm for job
- Emphasis on quality
- Risk taking
- Distinctive from others
- Good reputation
- Team-oriented
- Results oriented
- Clear guiding philosophy
- Competitive
- Share information freely
- Highly organized
- Socially responsible
- Low conflict
- Professional growth
- Collaboration
- Praise good performance
- Take individual responsibility

Job Evaluation: Methods Selection Criteria

- address at least one of the WMSD risk factors,
- be relatively easy to use,
- no need for complicated and expensive instruments,
- be able to be used among relatively large populations with minimal interruptions to the workers, and
- be able to categorize job risks.

WMSD Risk Factors to be Addressed

- high hand force,
- highly repetitive motion,
- awkward postures,
- lifting,
- pushing/pulling
- carrying,

- repetitive impacts,
- hand-arm vibration,
- whole body vibration,
- environmental factors (e.g. thermal comfort and lighting conditions)
- work organizational factors

The Sun Rises Over Mt Rainier



From my backyard last week
B Silverstein

May 2013 Outreach Activities Sample

- **Outreach** - 8 events, 4,600 participants, Construction Safety Day
- **Safety and Health Video Library** – 336 videos checked out; 7,568 audience viewers; 3,179 safety videos distributed
- **Hispanic Outreach** – 15 events; 4,005 participants; 150,000 radio listeners; 101 complaints handled
- **VPP national safety recognition program** – 17 site visits
- **Web Services** – 1,577,841 page views; 72 web pages published
- **Training Development Programs** – 3 online projects completed
- **SHIP – Biennium Grants 2011-13** – 17 funded, 58 received

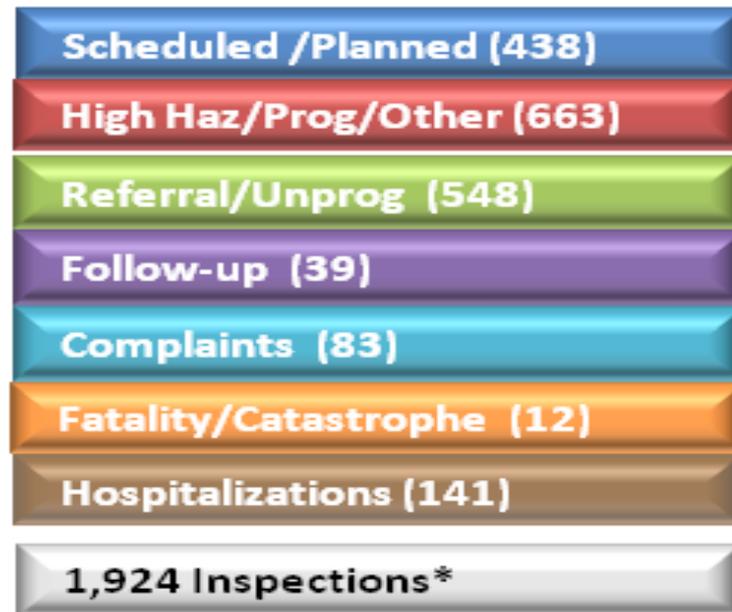
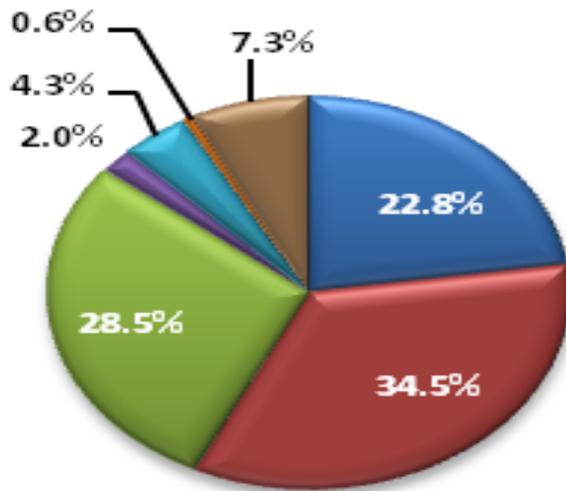
May 2013 Consultation Activities Sample

- **48** Risk Management Consultations
- **112** Risk Management Assistance Training
- **15** Workshops & Customized Training
- **4** Logging Visits
- **7** Agricultural Visits
- **56** Construction Visits
- **30** Other consultation Visits
- City of Seattle/KC/L&I/Commerce “Restaurant Startup” Initiative Meetings

DOSH Compliance Prevention Activities

- 1200 hazards noted each month, 100% abated hazards, programs tied to preventing future hazards

2013 Statewide DOSH YTD
Inspections Issued by Inspection



DOSH Consultation Prevention Activities

- Safety specialists, industrial hygienists, ergonomists, and risk managers available “at no cost”
- Employers must agree to fix serious hazards identified by staff
- Multidisciplinary Team approach to consultation requests from employers
- Marketing to top 20 most hazardous industry fixed site small employers (<25 employees) who have had poor claims experience
- Marketing in Construction to all construction employers who have the very worst compensable claims rates.
- About 2700 onsite consultations, numerous workshops and onsite training opportunities each year

DOSH Outreach

- Industry WebPages, online training, video snacks, fatality animations, conferences, publications, video/DVD library (via UPS)
- Cover most hazardous topics, hazards, and emerging hazards
- Industries can partner with us to create products that are unique to their concerns
- LNI.wa.gov/safety

Summary: Opportunities

1. WC, DOSH, Survey data rich sources of information to focus prevention opportunities
2. Synergy of efforts between WC, DOSH, Research, Labor & Industry stakeholders
3. Changing demographics and nature of work require that **we work together to ensure a better future** for workers, employers, health care providers, and society as a whole



Intervention: When and where?

● Consultation

- When companies getting started
- When system is being developed
- Embed safety with leading indicators
- When you don't have enforcement capacity
- Publicize good actors

● Enforcement

- When connections are broken: lagging indicators
- When consultation (government or private) being ignored/shunned
- Publicize “bad actors”

● Research What, why and how

Why does Washington have higher BLS rates than other states?

Dave Bonauto, Mike Foley, Sara Wuellner
Darrin Adams, Barbara Silverstein

Funded in part by BLS



How do we address this problem?

- Site visits to employers
 - Employers are more concerned about WC rates than BLS rates
- How can we help workplaces prevent injuries?
- How can we make this information available to more workplaces?

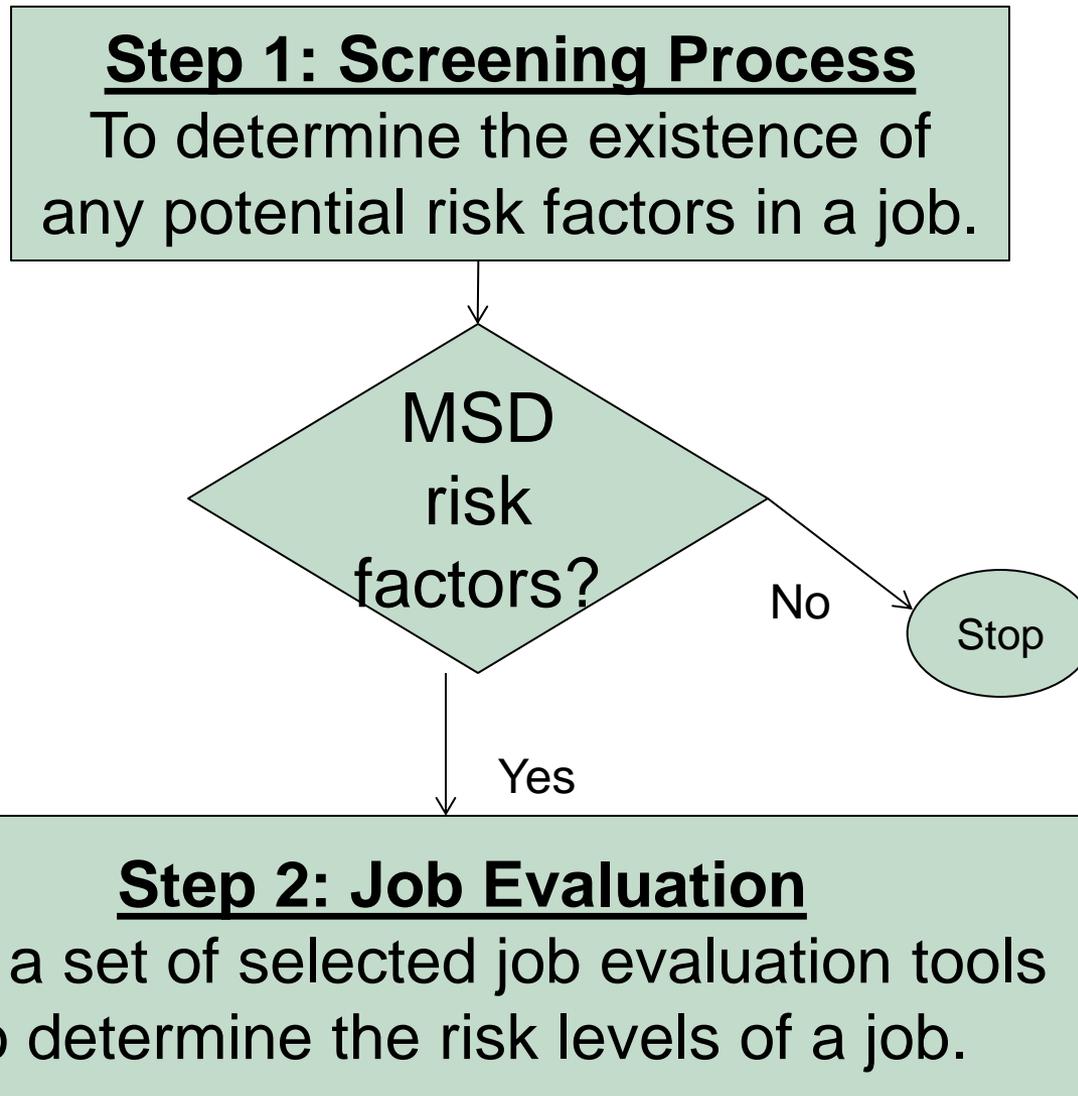
BLS Project-Under-reporting?

- Match SOII to WC claims 2006-2008
- Interview employers to identify patterns
- Pilot tracking system for amputations & CTS

Key findings:

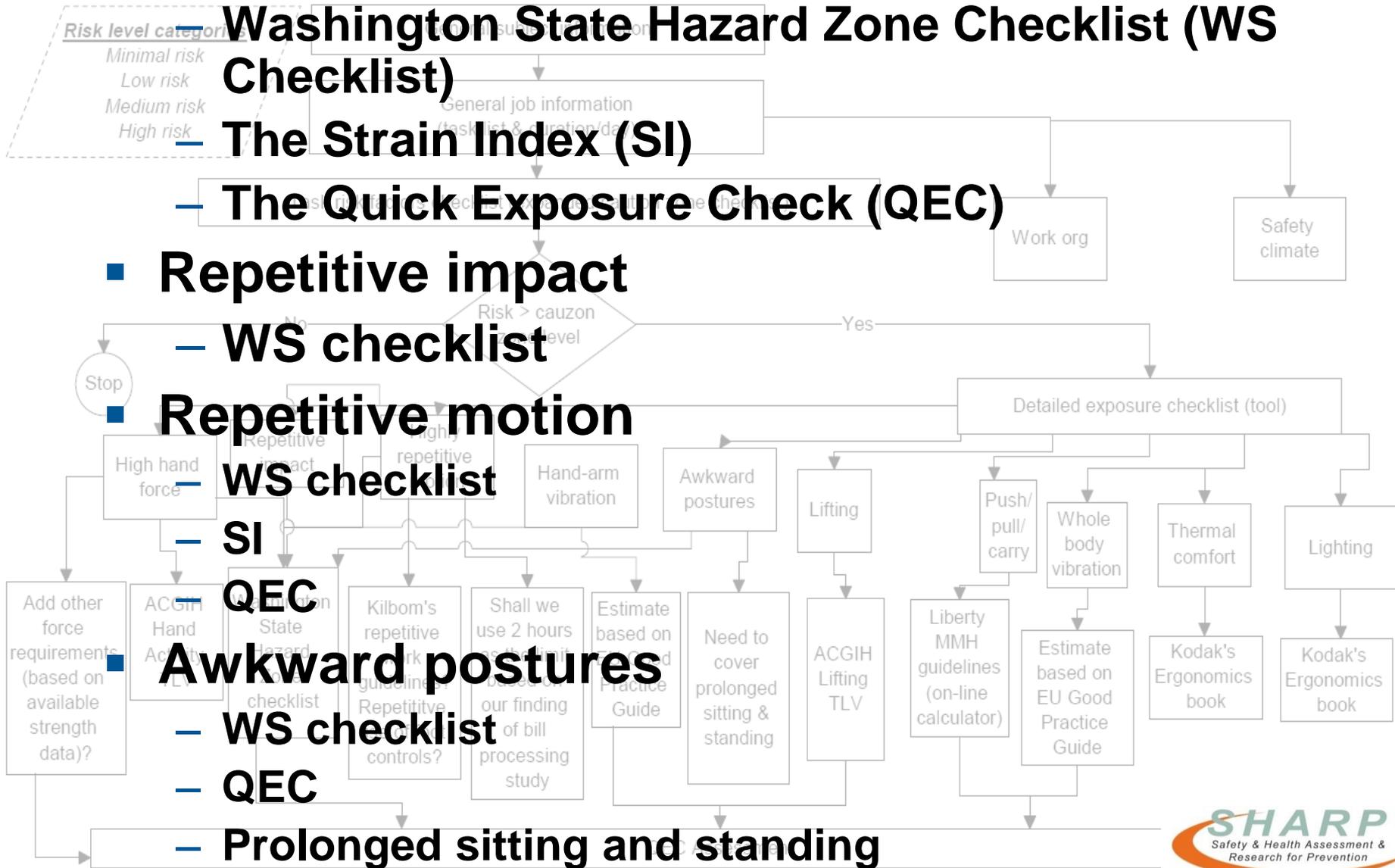
- SOII captures approximately 70% of eligibles
- 10-20% TL claims do not meet BLS requirements. Employers likely underreport to BLS “kept on salary” in WC
- 30% of compensable WMSD claims likely ineligible for SOII based on delayed disability
- 80% employers interviewed used WC data to complete

Two-step Job Evaluation Process



Selected Job Evaluation Methods (1)

- Hand forces



Washington State Hazard Zone Checklist (WS Checklist)

The Strain Index (SI)

The Quick Exposure Check (QEC)

- Repetitive impact

WS checklist

- Repetitive motion

WS checklist

SI

QEC

Awkward postures

WS checklist

QEC

Prolonged sitting and standing

Selected Job Evaluation Methods (2)

- Manual material handling

ACGIH Lifting TLV

- Risk level categories
- Minimal risk
 - Low risk
 - Medium risk
 - High risk

Liberty Mutual's Manual Material Handling guidelines

QEC

Washington State checklist

- Whole body vibration

ISO WBV standard

Published vehicle vibration data

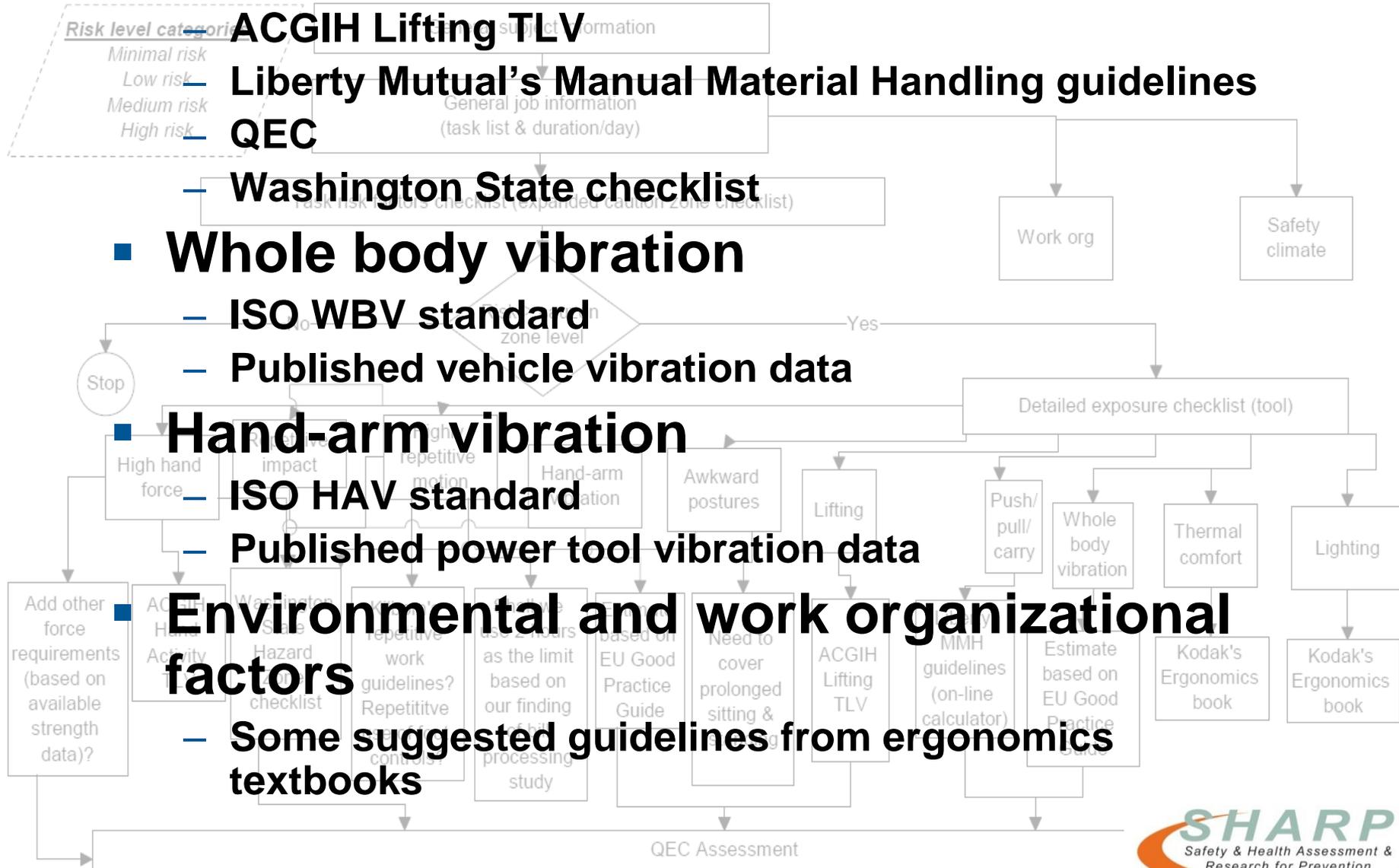
- Hand-arm vibration

ISO HAV standard

Published power tool vibration data

- Environmental and work organizational factors

Some suggested guidelines from ergonomics textbooks



On-site Job Evaluation



- Assign same ergonomists to paired comparison
- Assign same ergonomists to similar jobs in paired companies if possible.
- All ergonomists need to know all jobs in assigned companies (reduce subjective bias)
- Data collection through worker/supervisor interview & job observation
- Collect force data with various methods, collect data related to vibration exposures
- Consider all job tasks and assign % of time to all tasks
- Post site visit debriefing to obtain consensus on evaluations

Electronic Data Collecti

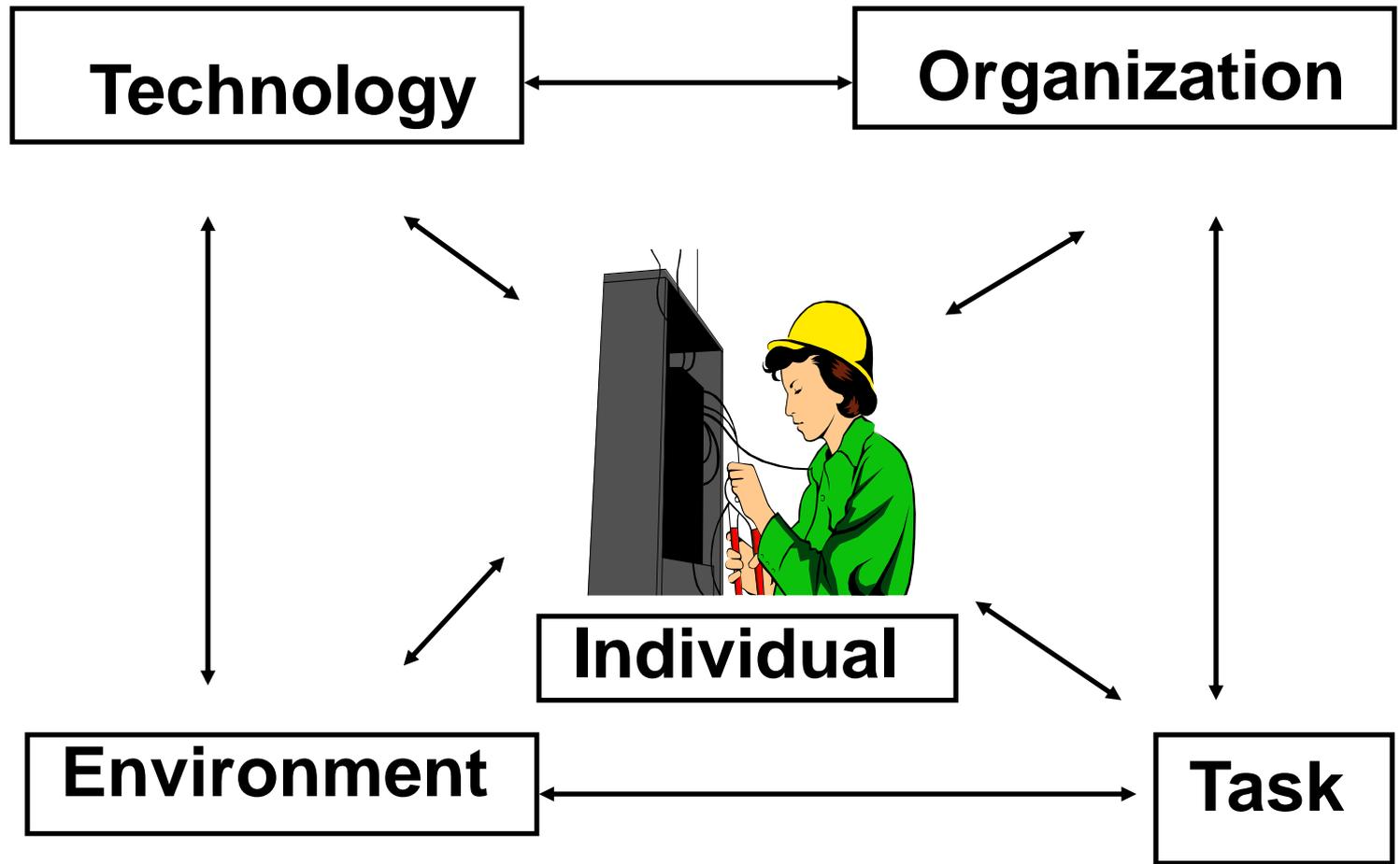




At-A-Glance Assessment

	Finished		
Company and job information	<input checked="" type="checkbox"/>	G1	
Task definition	<input checked="" type="checkbox"/>	T1	
Elevated hand/elbow	<input checked="" type="checkbox"/>	P1	
Neck bent	<input checked="" type="checkbox"/>	P2	
Back bent	<input checked="" type="checkbox"/>	P3	
Squatting/Kneeling	<input checked="" type="checkbox"/>	P4	
Deviated/bent wrist	<input checked="" type="checkbox"/>	P5	
Prolonged sitting or standing	<input checked="" type="checkbox"/>	P6	
Repetitive neck, shoulder, elbow motion	<input checked="" type="checkbox"/>	R1	
Repetitive hand/wrist motion	<input checked="" type="checkbox"/>	R1	F4
Intensive keying	<input checked="" type="checkbox"/>	R2	
Repetitive use of foot controls	<input checked="" type="checkbox"/>	R3	
Hand or knee as hammer	<input checked="" type="checkbox"/>	R4	
Pinching	<input checked="" type="checkbox"/>	F1	F4
Gripping	<input checked="" type="checkbox"/>	F2	F4
Forceful hand exertions	<input checked="" type="checkbox"/>	F3	F4
Strain Index	<input checked="" type="checkbox"/>	F4	
Pushing or pulling	<input type="checkbox"/>	M1	M4
Carrying	<input checked="" type="checkbox"/>	M2	M4
Lifting	<input type="checkbox"/>	M3	M4
Lifting/Pushing/Pulling QEC	<input checked="" type="checkbox"/>	M4	
Hand arm vibration	<input checked="" type="checkbox"/>	V1	
Whole body vibration	<input checked="" type="checkbox"/>	V2	
High visual demands	<input checked="" type="checkbox"/>	E1	
Noise	<input checked="" type="checkbox"/>	E2	
Temperature	<input checked="" type="checkbox"/>	E3	
Moisture	<input checked="" type="checkbox"/>	E4	
Overall Work Environment	<input checked="" type="checkbox"/>	O1	
Save data and quit evaluation	<input checked="" type="checkbox"/>	I1	

Which components of the work system are considered in the intervention?



Challenges

Demographics: older, heavier workforce,
more sedentary workers
more temp workers
more diverse backgrounds

Organization: High stress work environments
Bullying at work more pervasive
Telecommuting (isolation &
freedom - a double edge sword?)



Leadership: Authoritarian or collaborative

Health Care: Compensable WC Back WMSDs 2001-2009.

