

Workers' Compensation Advisory Committee (WCAC)

March 28, 2024



This meeting will be streamed by TVW

Time	Topic	Presenter(s)
9:00 am – 9:15 am	Welcome	
	• Introductions	Mike Ratko
	• Motion to approve minutes	Mike Ratko
	• Safety Message	Kirsta Glenn
9:15 am – 9:35 am	General Updates	Elizabeth Smith
	• WCSM	Mike Ratko
	• PTSD Subcommittee	Mike Ratko
	• Staffing and Caseload Levels	
9:35 am – 9:55 am	Legislative Updates	Brenda Heilman
9:55 am – 10:10 am	Independent Medical Exam (IME) Recordings	Brenda Heilman
10:10 am – 10:30 am	Operational Health Dashboard	Mike Ratko
10:30 am – 10:55 am	Ergonomic Rulemaking Update	Beth Covert Cari Anderson
10:55 am – 11:05 am	Break	All
11:05 am – 11:20 am	Program Spotlight – Self-Insurance	Knowrasa Patrick
11:20 am – 11:35 am	Industrial Insurance State Fund Financial Overview	Kim Hurley
11:35 am – 11:55 am	Board of Industrial Insurance Appeals (BIIA) Update	Holly Kessler
11:55 am – 12:00 pm	Closing Comments & Adjourn	Mike Ratko

Safety Message

Kirsta Glenn

*Chief of Return to Work Partnerships
Insurance Services*





Workers' comp is recognizing more occupational injuries and illness related to mental health

- Recognizing post traumatic stress disorder (PTSD) as an occupational illness for 911 operators
- Presumptive coverage for PTSD for firefighters, first responders, and law enforcement
- Presumptive coverage for nurses
- Recognizing PTSD as an occupational illness for coroners considered, but didn't pass
- Task force to make recommendations to improve first responder wellness across the first responder professions

84% of employees report that their workplaces contribute to at least one mental health challenge – Surgeon General 2022

- Employee physical health
 - Poor sleep
 - Headaches
 - Heart disease
 - Muscle tension and pain
 - Weight gain
- Mental health
 - Fatigue
 - Burnout
 - Withdrawal
 - Substance use disorder
 - Depression
 - Emotional outbursts
 - Lack of motivation or focus

Signs of burnout at work

The infographic features six circular icons arranged in two rows. The top row contains three icons: a person looking exhausted, a person surrounded by silhouettes, and a person with a question mark. The bottom row contains three icons: a person at a desk with a question mark, a person at a desk with a lightning bolt, and a person sitting in a chair with a question mark. Each icon is accompanied by a text label below it.

- Always feeling tired
- Increased anxiety
- Poor performance
- Lack of motivation at work
- Increase in mood swings
- Other physical ailments include unable to sleep, frequent migraines, dizziness or fainting, etc.

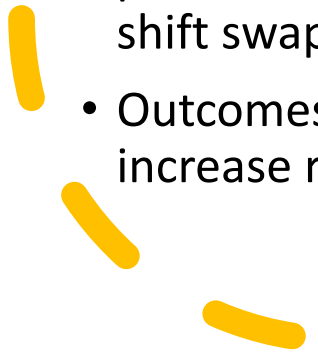
Impact of high psychosocial workplace stress on employers

- Reduced productivity
- Absenteeism
- Presenteeism
- Lower moral and higher turnover
- Low employee loyalty
- Less organizational resiliency and ability to adjust
- Increase risk of workplace accidents
- Higher costs of employer sponsored health plans
- Reputational risk





Case study: GAP, INC. Surgeon general 2022

- Background: Like many retail employees, Gap Inc. workers did not know their schedules until a few days before work or had to be "on-call" without a guaranteed shift.
 - The Approach: Gap Inc. began posting schedules 2 weeks in advance and eliminated on-call shifts. Some managers at locations added staffing for peak times, guaranteed at least 20 hours per week of work, and allowed shift swapping. Total intervention cost were approximately \$31,200.
 - Outcomes: 5% increase in productivity, 7% increase in sales, \$2.9 million in increase revenue. Employees reported 608% improved sleep quality.
- 



What are the top psychosocial risk factors for workplace injuries?

- All workers
 - Dangerous situations
 - Stressful clients
 - High job demand
 - Low job satisfaction
- Women
 - Low job control
 - Conflicts at work
- Men
 - High workload variance
 - Low job security

What we learned from other countries

10 Cultural Practices that Contribute to Workplace Safety

1. Clear expectations
2. Safe, supportive physical work environment
3. Effective change management
4. Strong working relationships
5. Reasonable job demands and increased influence
6. Reasonable workload and hours
7. Predictable, flexible schedules
8. Psychologically safe environment
9. Employee support & recognition
10. Support and accommodation of personal needs

Australia

- Requires employers to manage hazards & risks to workers' psychological health & safety
- 14 key risk factors identified & resources provided

UK

- Legal requirement to protect employees from stress at work
- 6 key factors identified in Management Standards; resources provided

Netherlands

- Psychosocial workload policy
- 5 key factors identified & resources provided

Nordic Countries

- Many regulations amongst Nordic countries relating to psychosocial working environment
- Several different factors identified amongst the countries

Leveraging existing programs - NIOSH's Total Worker Health initiative

Total Worker Health as policies, programs, and practices that integrate protection from work-related safety and health hazards with promotion of injury and illness-prevention efforts to advance worker well-being.

- Prevention and control of hazards and exposures
- Built environmental supports
- Community supports
- Compensation and benefits
- Healthy leadership
- Organization of work
- Policies
- Technology
- Work arrangements
- Workforce demographics





Total Worker Health Centers of Excellence (COE)

- California Labor Laboratory
- Caroline Center for Healthy Work Design and Worker Well-being
- Massachusetts Center for Health and Work Environment
- New England Workplace Center for the Promotion of Health
- Midwest Healthier Workforce Center
- Johns Hopkins Center for Mental Health
- Oregon Health Workforce Center
- The Harvard T.H. Chan Center for Work, Health & Well-being
- UC Center for Healthy Work
- Utah Center for Promotion of Work Equity

Case study: Doctor Fix

- Background: A family-owned plumbing, heating, cooling, and electrical business with 67 FTEs had a vision to build a team of healthy and safe employees but didn't know where to start.
- The Approach: Doctor Fix partnered with Colorado's Health Links to create an action plan. This included a workplace assessment and consultation.
- Outcomes: Safety program & policy assessment scores rose 25% in two years; employee participation in safety & health programs increased 54%; retention increased 213%.

*Walking the Talk: creating safety, healthier work with Health Links and Doctor Fix It

In Washington, DOSH now has a webpage with mental health resources

Mental Health in the Workplace

SAFETY TOPICS

Search By Topic

Industry

Chemicals & Materials

Machinery & Equipment

Environmental Hazards

Biological

Prevention Measures

Work Activities

Find Immediate Help - Call or Text 988

If you or someone you know is struggling or in crisis, call or text 988 for immediate help. The 988 Suicide and Crisis Lifeline provides 24/7, free, and confidential support by connecting individuals with professional crisis counselors. In Washington State, callers can also choose option 4 to connect to the Native and Strong Lifeline for Washington's tribal communities.

CALL OR TEXT THE 988 LIFELINE ANYTIME, 24/7

Mental health has numerous and cascading effects on workers and their families, business productivity, the bottom-line for businesses, and the economy. The Bureau of Labor Statistics states that there are more than 160 million people who are a part of the U.S. workforce today. [According to the CDC](#), Mental illnesses are among the most common health conditions in the United States, and more than 1 in 5 US adults live with a mental illness.

**FOR EVERY
\$1 INVESTED
IN MENTAL HEALTH
TREATMENT**
**THERE IS A
\$4 RETURN
IN IMPROVED HEALTH
AND PRODUCTIVITY**



General Updates

- WCSM
- PTSD Subcommittee
- Staffing and Caseload Levels



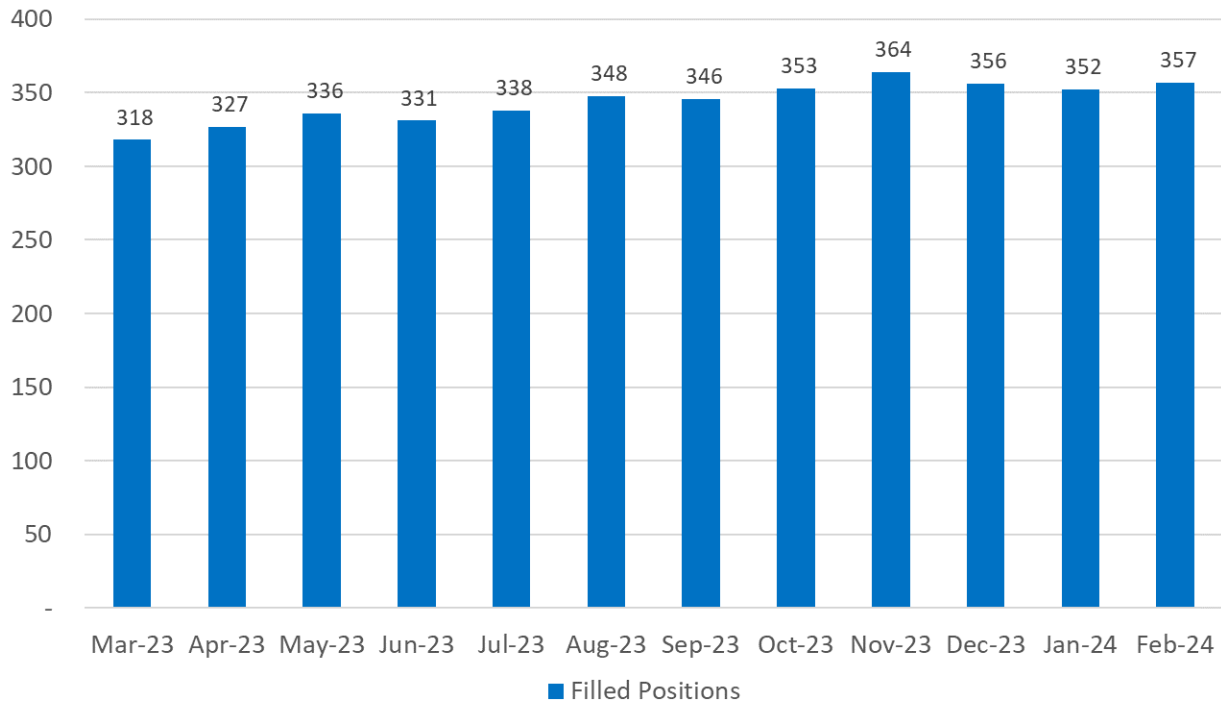
Workers' Compensation Systems Modernization (WCSM)

- Reaffirming our modernization approach.
- Determining building block components for the procurement work ahead.
 - Foundational technology elements, claims processes, data planning.
- Searching for our new project director.
- Next WCAC meeting: We'll show you an overview of our approach and a draft timeline.

WCAC PTSD Subcommittee

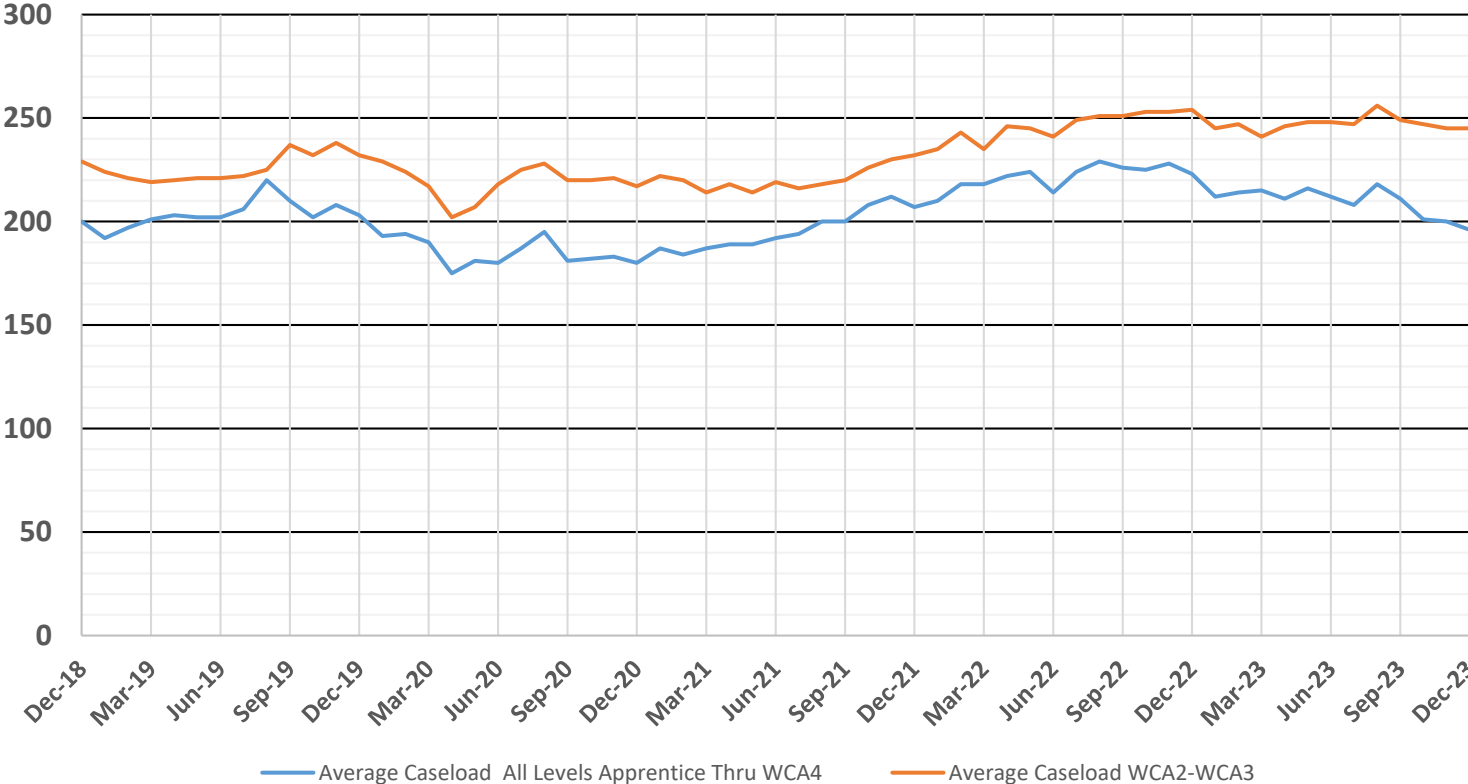
- Completed draft charter
- Purpose of the committee
- Working with Joe and Bob on membership
- Developing an agenda and date for the first meeting

Workers' Compensation Adjudicator Staffing Levels by Month, 3/23 - 2/24



Average Claims Manager Caseload

(Includes open claims except those scheduled for future closure and closed claims with unresolved protests or pending reopening applications)



Legislative Updates

Brenda Heilman
Deputy Assistant Director
Insurance Services



Workers' Comp Bills that Passed

Bill	Title	Effective date
HB 1927	Reducing the number of days a workers' TTD must continue to receive time loss for the first 3 days after injury	7/1/25
SHB 2127	Workers' Comp Incentives	1/1/25
SHB 2382	Death benefits for Transportation Network Company drivers; report due 7/1/2029	6/6/24
SSB 6197	LEOFF 2 Death Benefit	Various
SB 5886	Adding purposes for the use of existing firefighter safety funding	6/6/24
E2SB 2311	First responder wellness	Various
Proviso funding	\$200k (608/609) for a resolution process for complaints regarding light duty work; report due 6/30/25	Upon signature
Proviso funding	\$400k (608/609) to contract to assess PTSD workers' comp policies and claims in WA and other states, including best practices and recommendations; report due 6/30/25	Upon signature

IME Recordings

Brenda Heilman
Deputy Assistant Director
Insurance Services

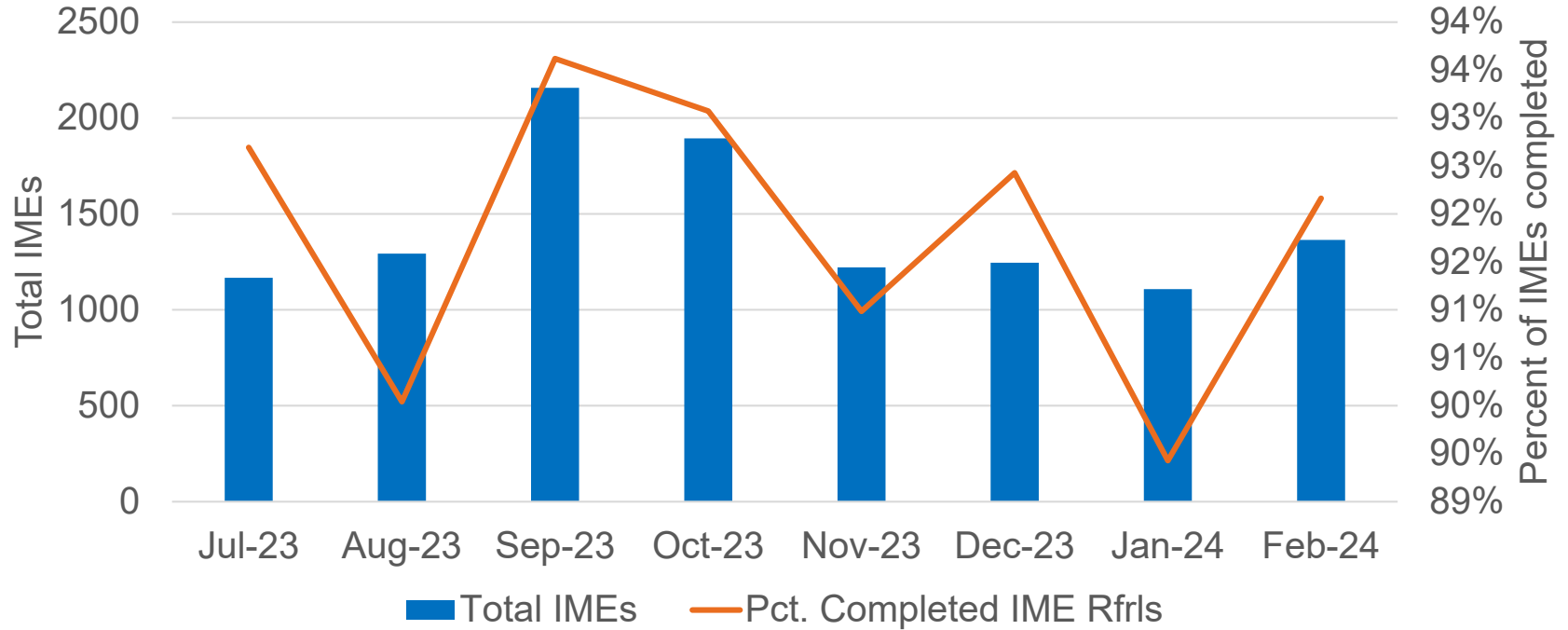


Substitute House Bill 1068

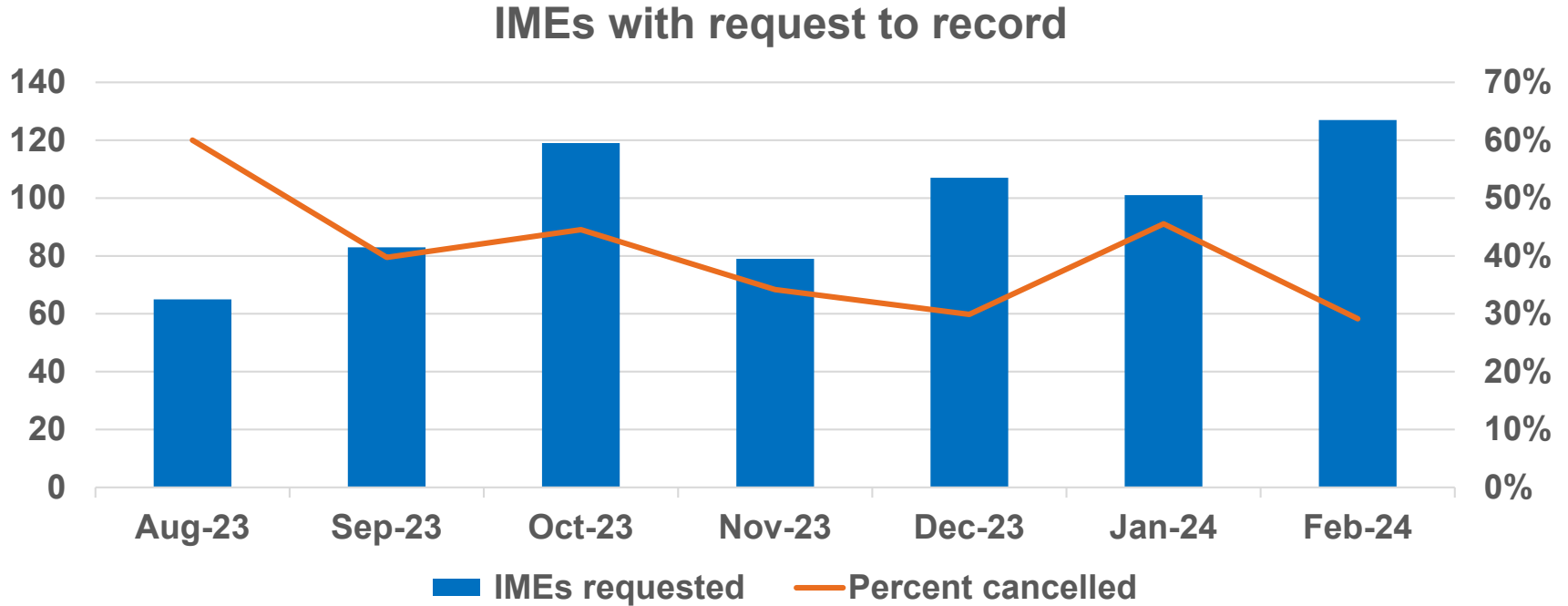
Effective July 23, 2023, giving workers the right to record independent medical examinations (IMEs).



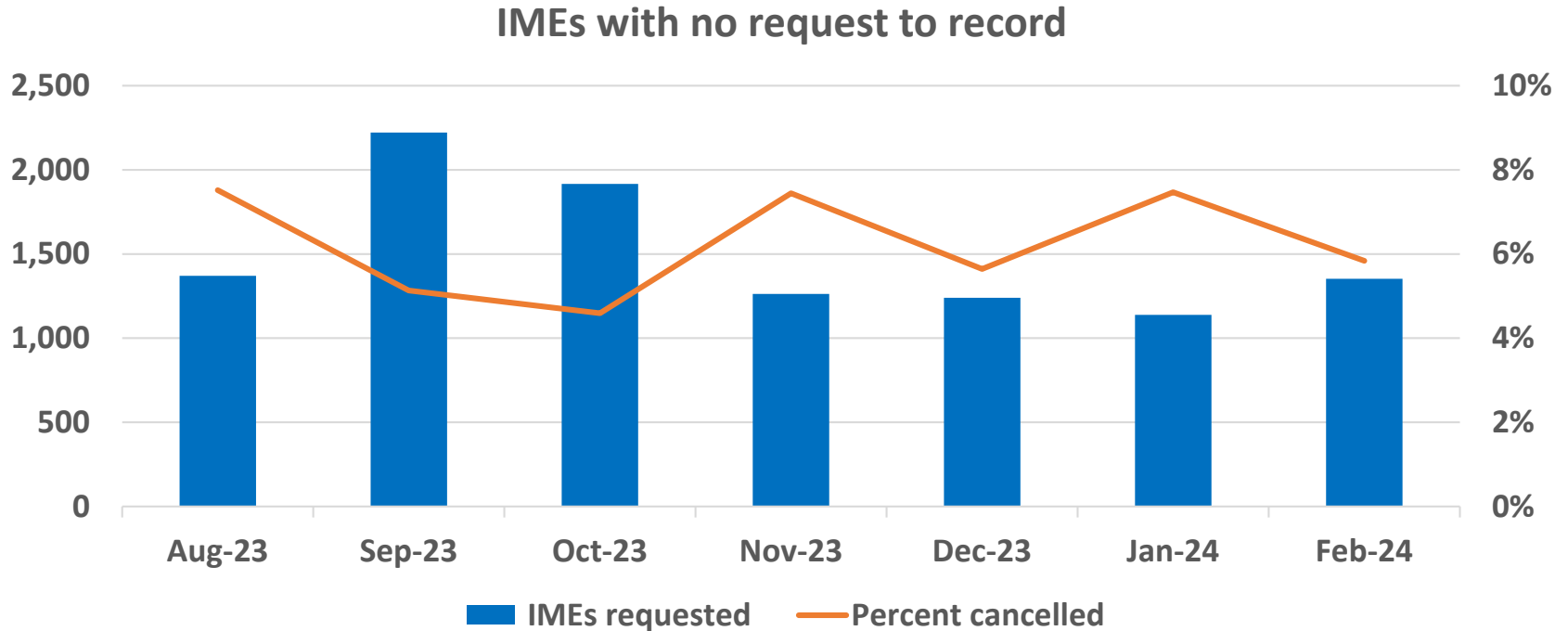
IME completion rate



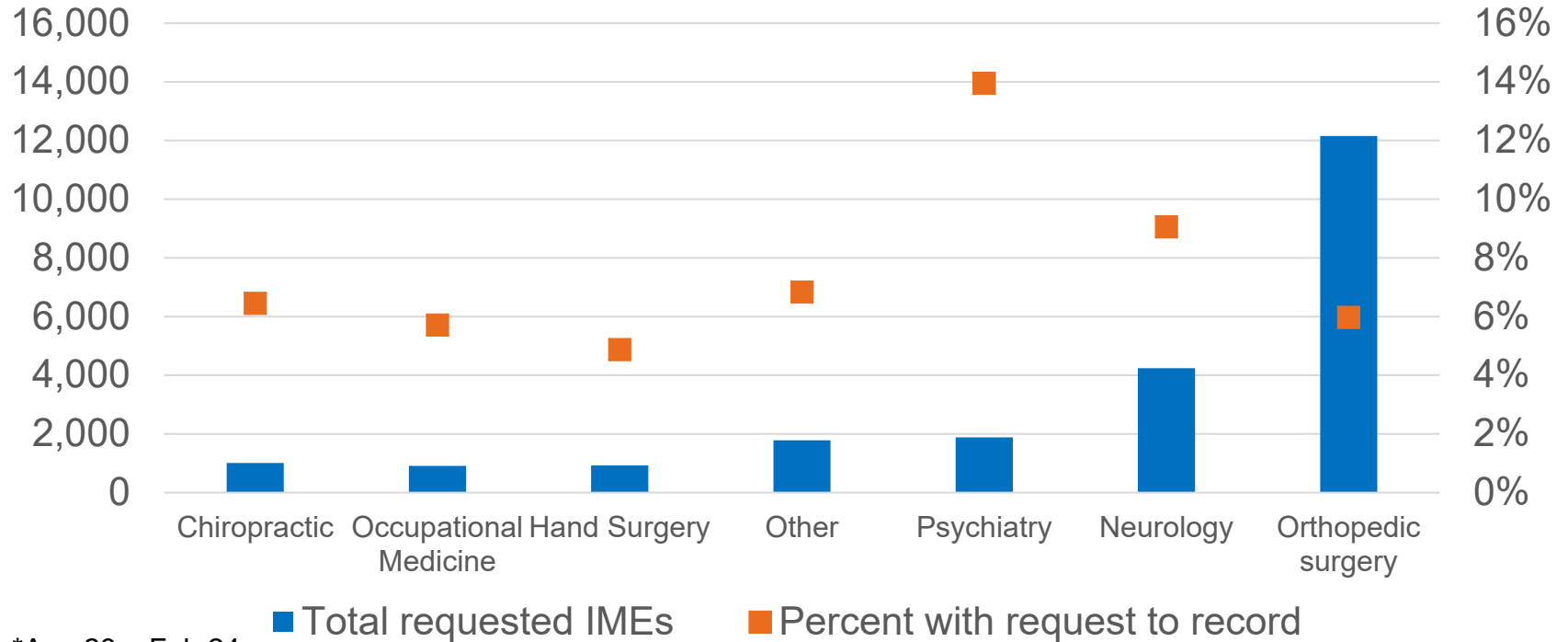
IME Cancellation Rates



IME Cancellation Rates

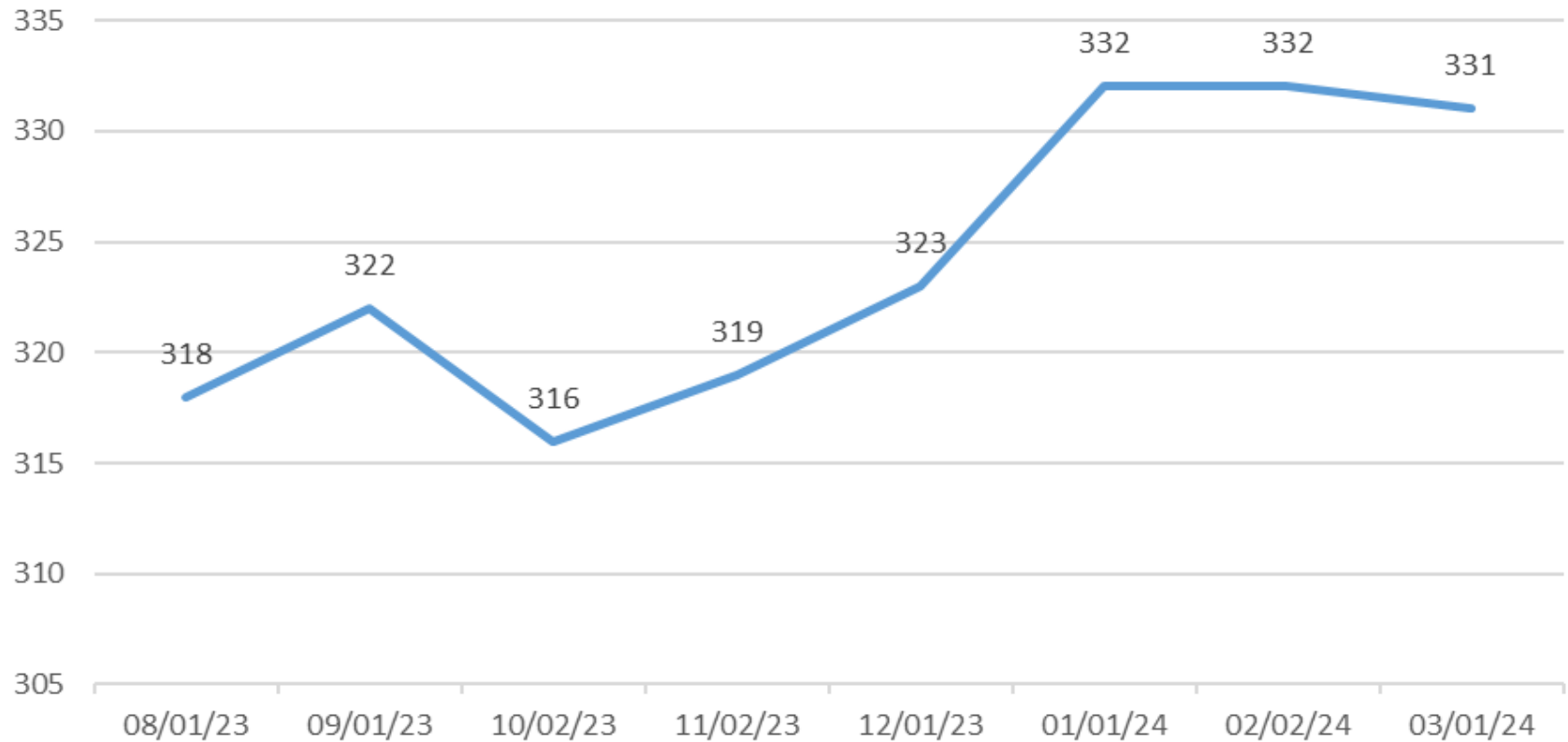


IMEs with request to record by specialty

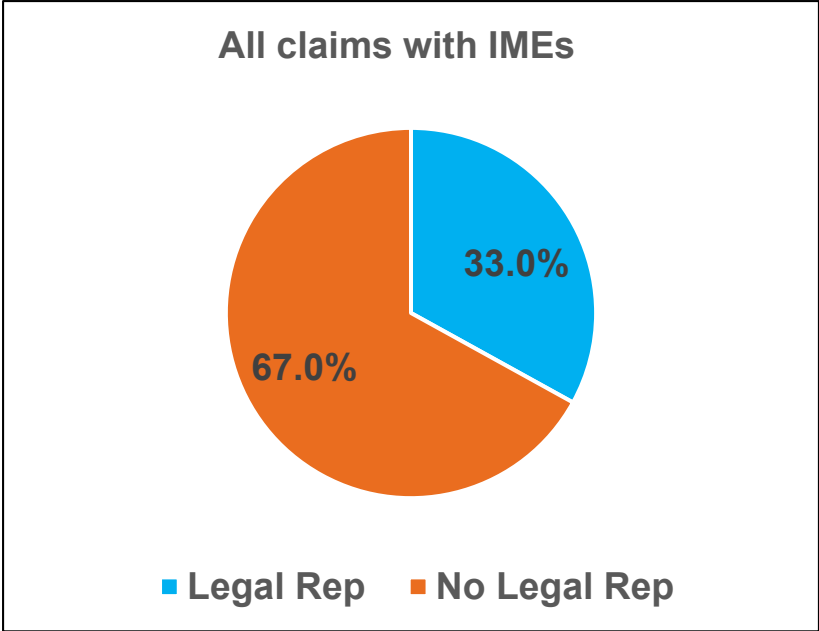
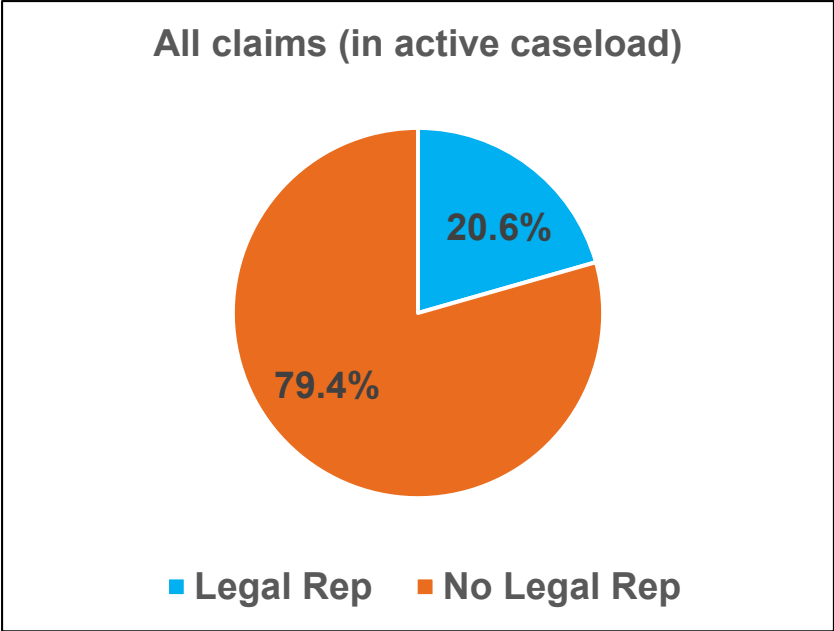


*Aug 23 – Feb 24

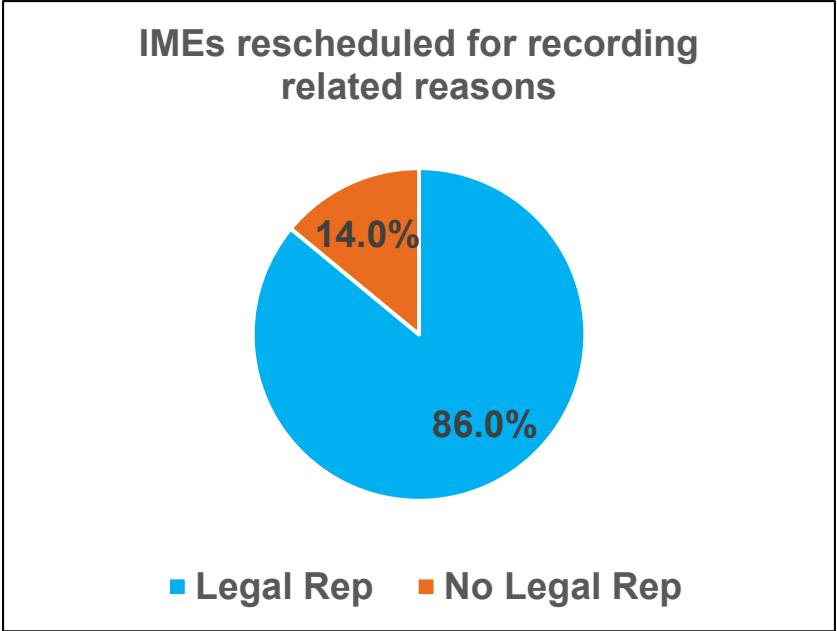
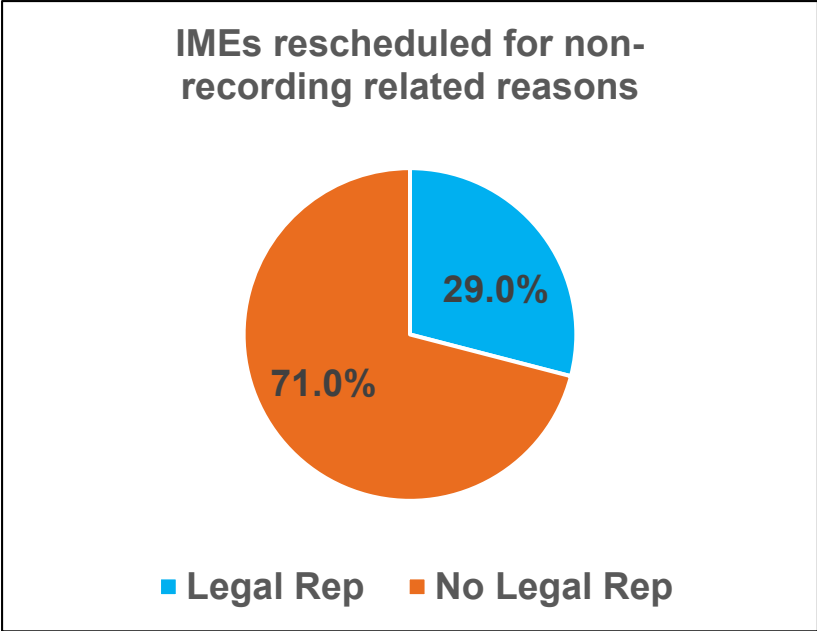
Total Approved Examiners by Month



Legal Representation, Recording, & Rescheduling



Legal Representation, Recording, & Rescheduling

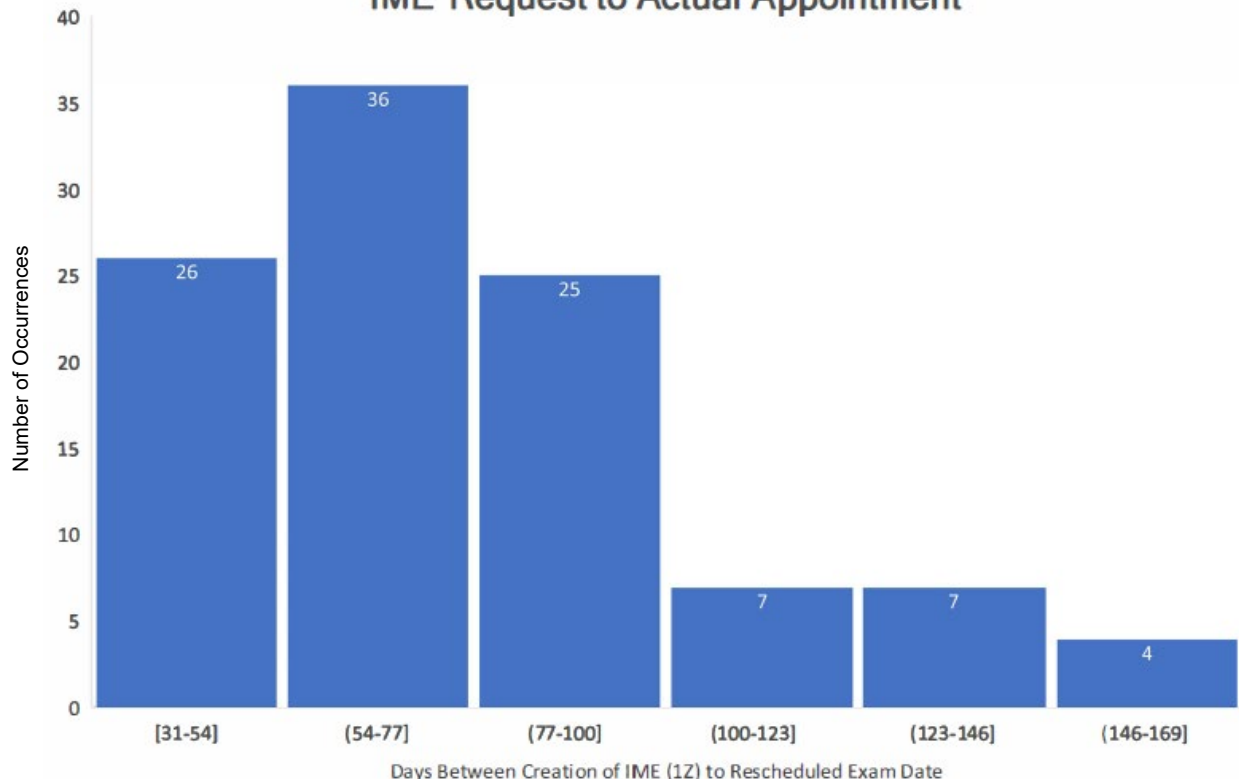


QA manual review

527 IME requests (1/21/22 – 11/28/23)

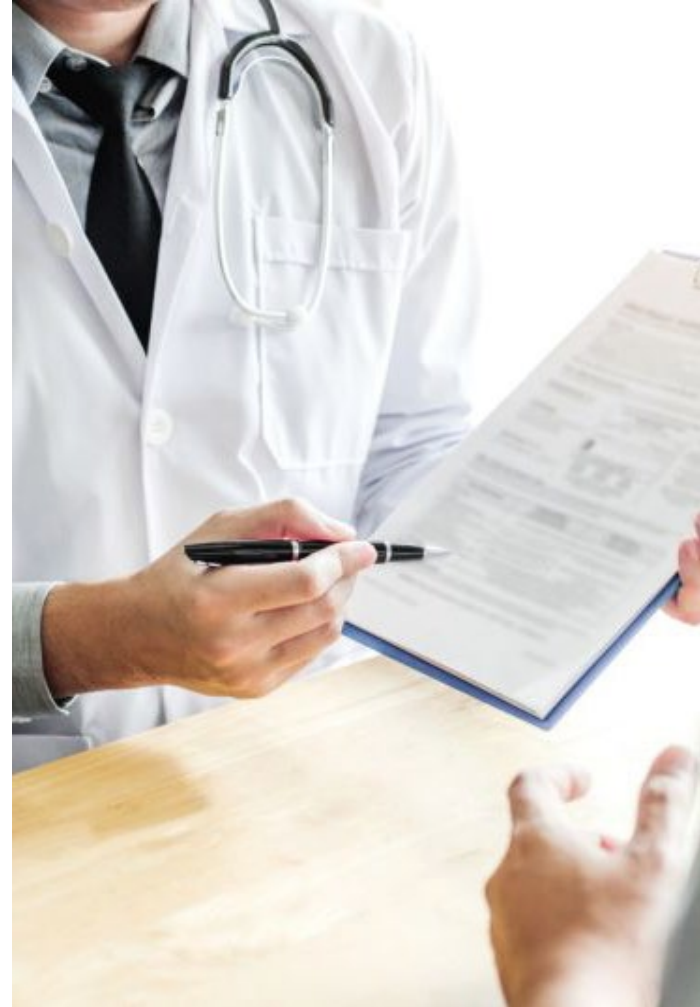
- 194 initiated in 2022 (random selection)
 - 135 (70%) no scheduling issues
 - 34 (17%) rescheduled & not cancelled
 - 4 (2%) rescheduled & then cancelled
 - 21 (11%) cancelled
- 333 initiated in 2023 (claims selected because referral notes included the word “record”)
 - 11 (3%) no scheduling issues
 - 198 (60%) rescheduled & not cancelled
 - 67 (20%) rescheduled & then cancelled
 - *Most common reason for rescheduling: IME provider declining request to record
 - 57 (17%) cancelled

Time Delay on IME Referrals with Requests to Record IME Request to Actual Appointment



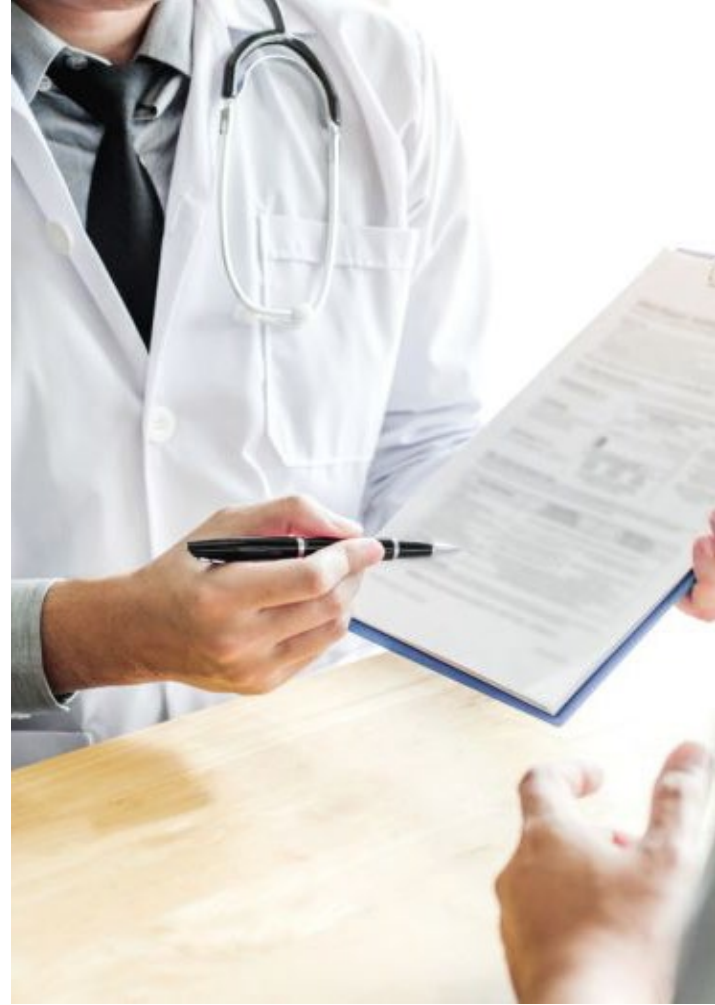
Improvement Opportunities (Claims Administration)

- Best Practices for IME panels
- Additional Claim Manager training and improved training/reference materials regarding:
 - Processes when worker doesn't provide proper notice of intent to record
 - Considering non-IME options (i.e. consultations)
 - Importance of having a contingency plan for if IME doesn't occur



Improvements

- Technology enhancement for rescheduled exams
- Letter attachment that provides contact information for workers to notify the panels of intent to record



Questions



Operational Health Dashboard







Mike Ratko

Assistant Director

Insurance Services

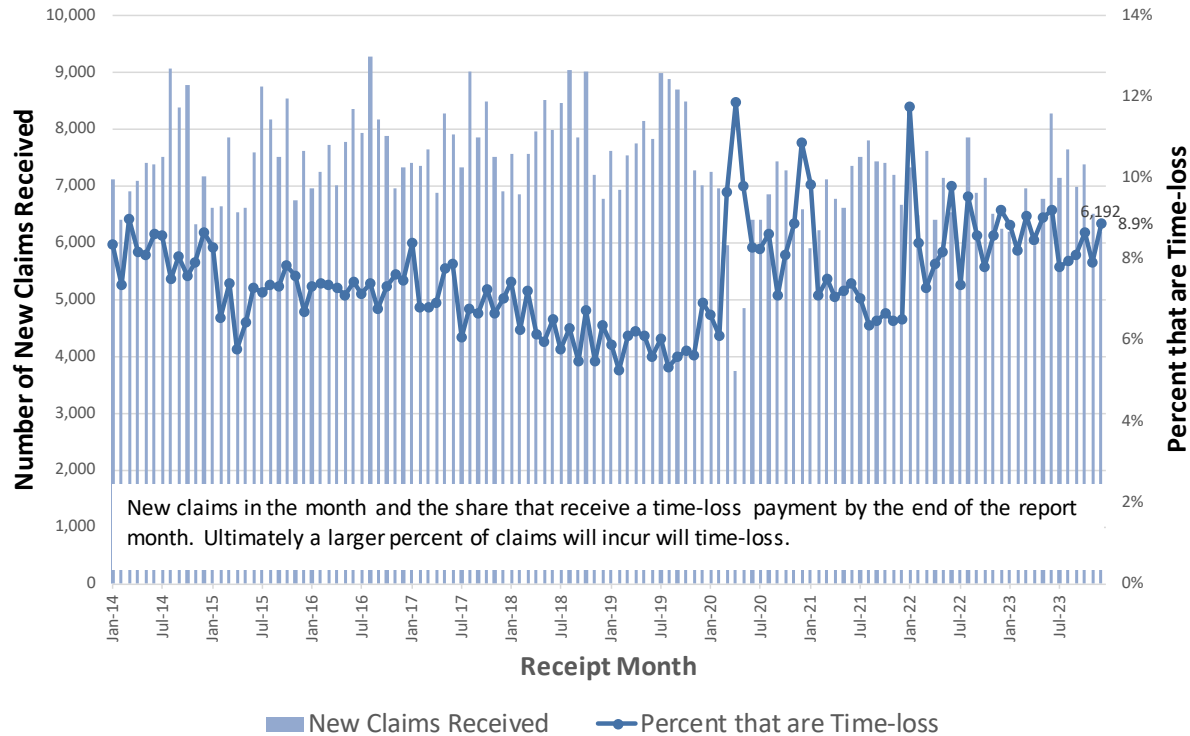


Operational Health Dashboard

Measure	Trend	Status	Definition
Percent of new claims that are time-loss	declining		Claims new (received) in the month and percent with a time-loss payment by the end of the month – increase in percent that are time-loss indicates a more severe claim mix.
Long-term disability rate	increasing		Percent of all compensable claims with a time-loss payment 12 months post injury – decrease indicates less long-term disability
Pensions funded	steady		Number of pensions funded in the quarter – decrease indicates less permanent total disability
Covered hours and claim rate	steady		Claims received per 100 FTE indicates the rate of claims considering volume of work - increase indicates higher claim frequency.
Medical cost growth	declining		Percent change in medical costs for services performed in the current quarter vs. the same quarter last year – increase means higher costs estimated for the quarter.
Operational efficiency	steady		Percent of operational measures meeting target greater than 80 percent– increase indicates more measures exceeding target.

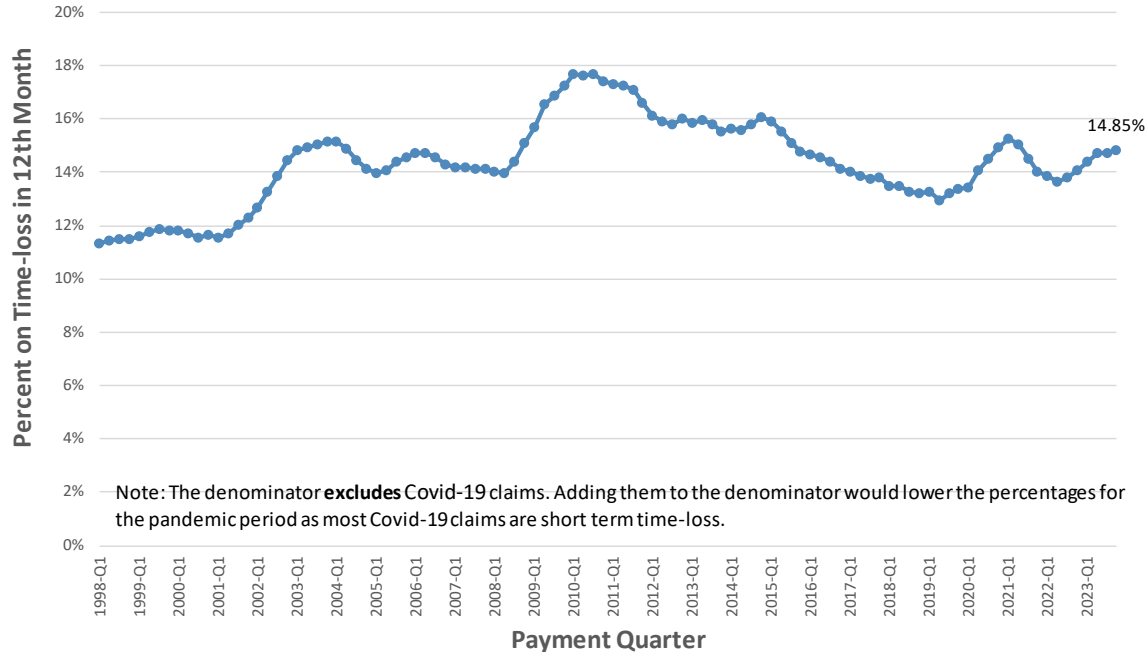
● Right direction — Neutral ▲ Wrong direction

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

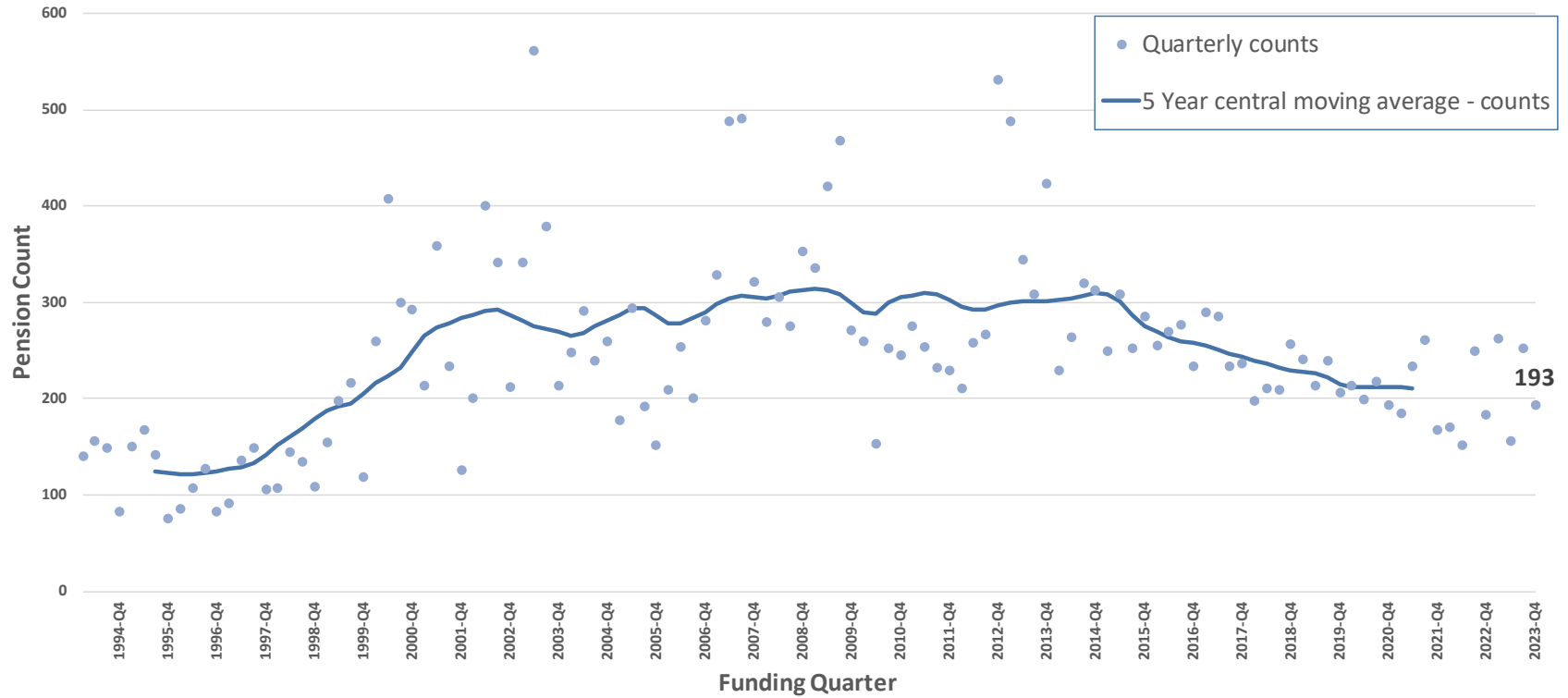


Long Term Disability Claims

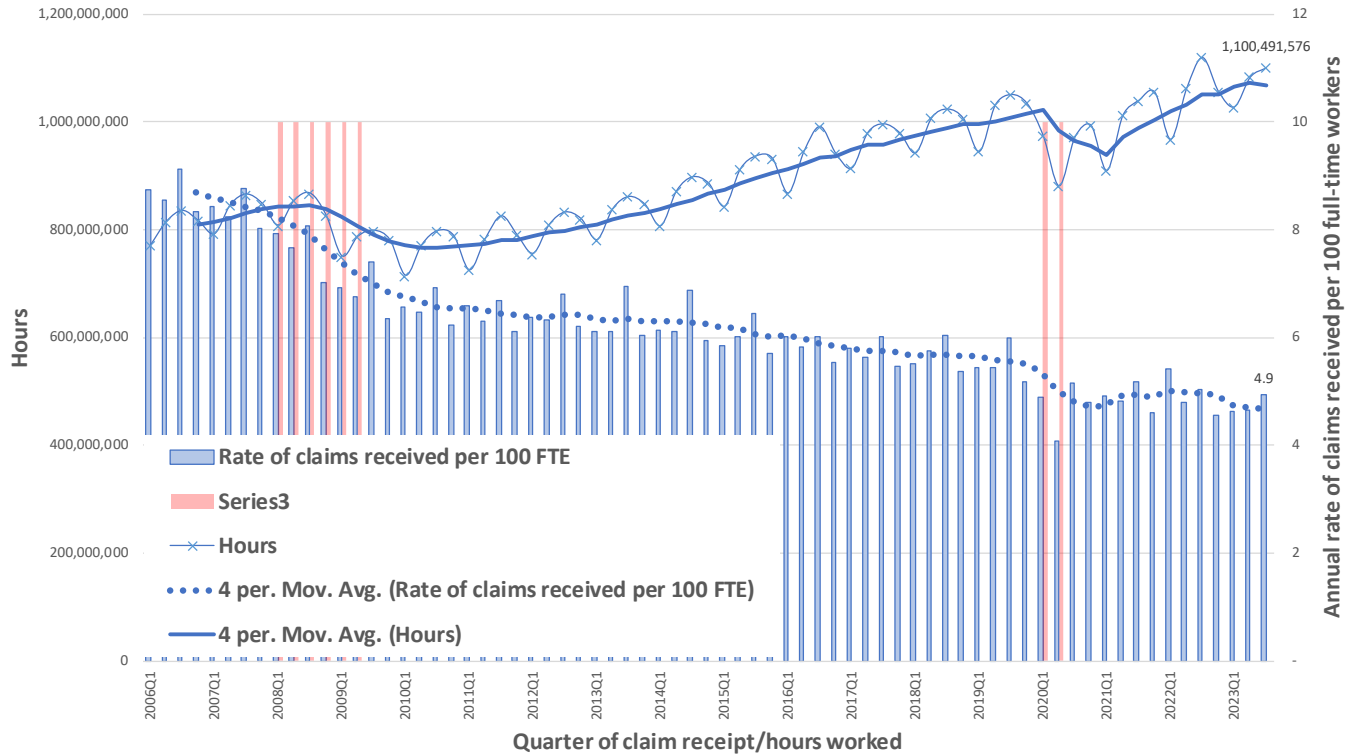
The percent of injured workers with compensable claims that have time-loss paid in the 12th month post injury: *smaller percentage indicates less long-term disability*



State Fund Total Permanent Disability Pensions Funded per Quarter

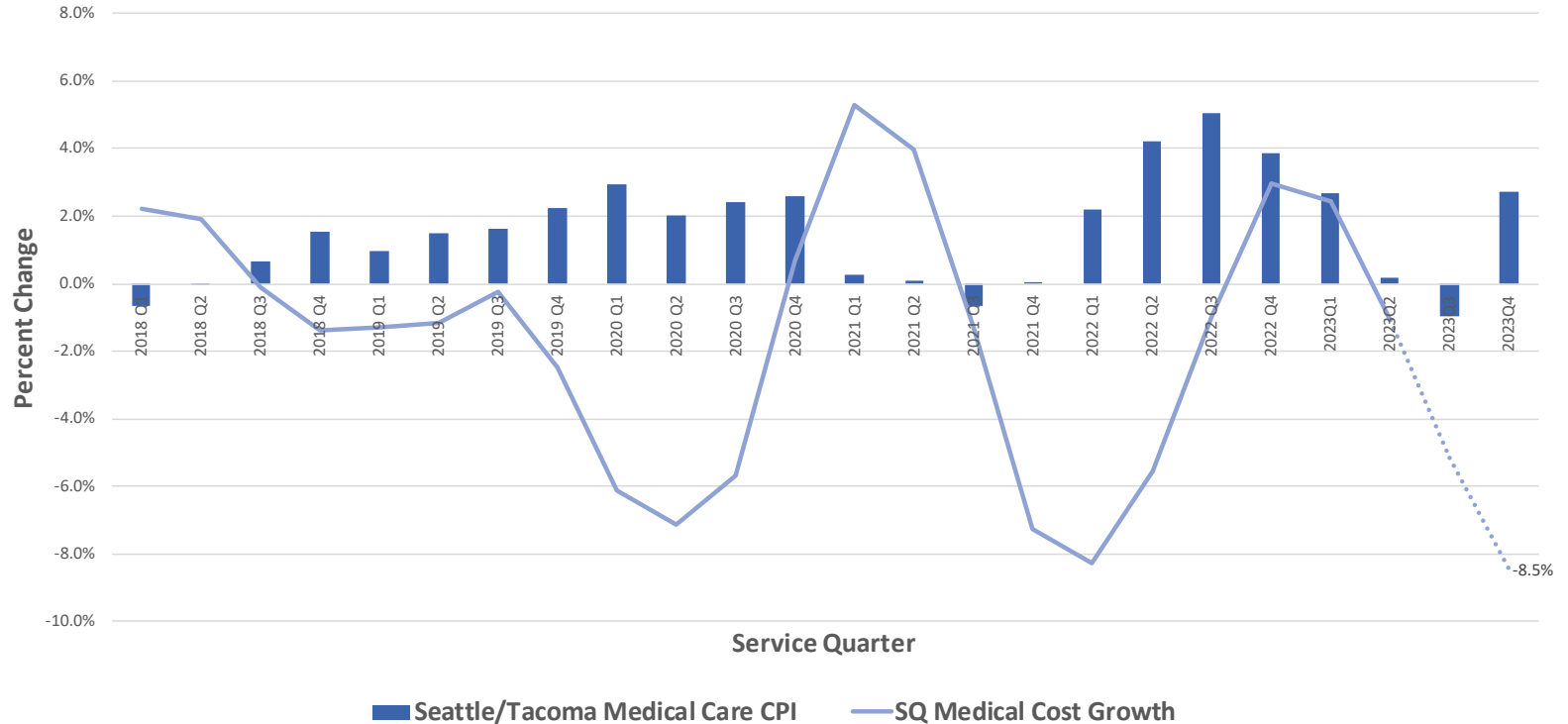


Covered Hours and the Rate of Claims Received



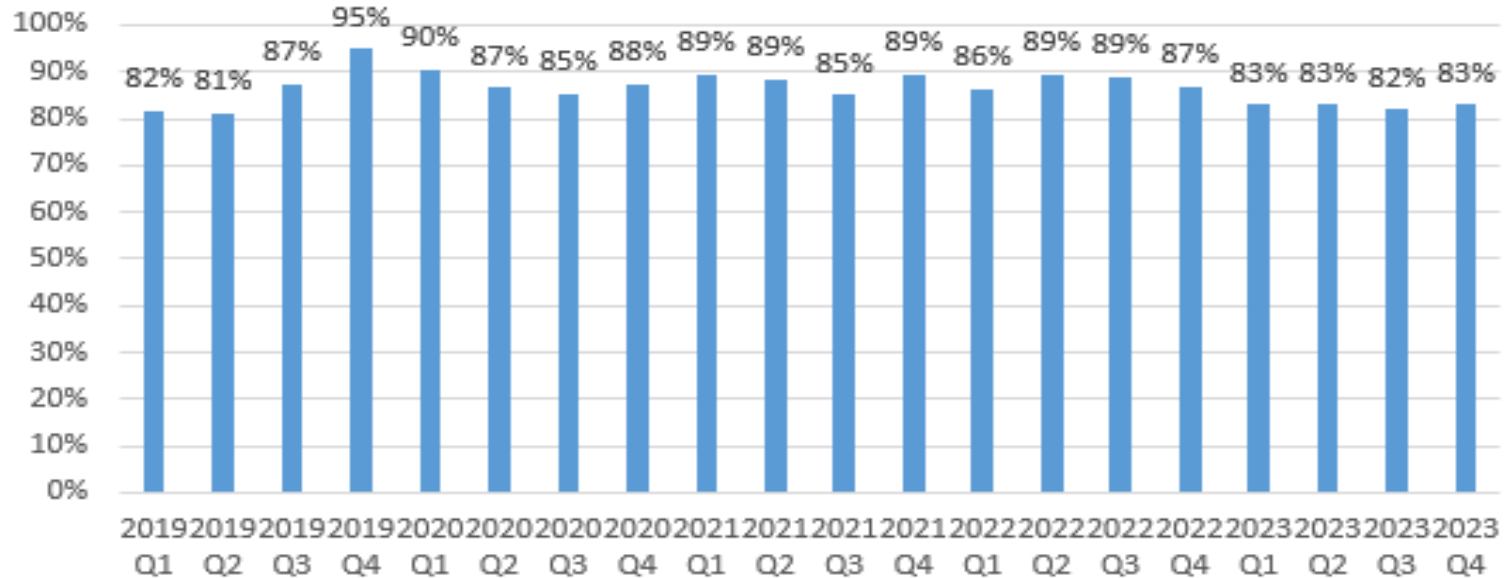
Annualized Medical Cost Growth

All Claims Excluding Hearing Loss



Percent of Workers' Comp Operational Measures Meeting Target

Share of Operational Measures Meeting Targets



Currently there are 40 active operational measures in Insurance Services

Metrics: November to December

Into-standard:



Legal Services

- VDRO Dispute Resolution

Office of the Medical Director

- Utilization Reviews

Support Services

- Word Processing



Out-of-standard:

Legal Services

- Structured Settlements Completed

Office of the Medical Director

- ONC Monthly Referrals

Employer Services

Measure: WSAW – Oldest Unworked Application From Date of Receipt

Goal:

Green: ≤30 Days

Yellow: 31-40 Days

Red: ≥41 Days

Metric Status: 53 Days

Mitigation Plan:

- Added four new adjudicators since February 2023 (two WCA 3s joined in February 2023, one WCA 2 joined in March 2023, and one WCA 3 joined in June 2023).
- Initiated a project to identify processing efficiencies to help reduce the amount of time spent on each application.

Employer Services

Measure: Business License Applications (BLA) – 95% completed before quarterly report is due

Goal:

Green: $\geq 95\%$

Yellow: 86%-94%

Red: $\leq 85\%$

Metric Status: 84%

6,100 BLAs received and 5,136 completed before the quarterly report was due.

Mitigation Plan:

- Hired 4 new underwriters in January (6 months training to proficiency).
- Hiring 5 more underwriters soon – bringing us to full staffing.

Employer Services

Measure: Maintain Business License Application Inventory of <1,600

Goal:

Green: ≤1,600

Yellow: 1,601-1,699

Red: ≥1,700

Metric Status: 3,257 applications in inventory

Mitigation Plan:

- Hired 4 new underwriters in January (6 months training to proficiency).
- Hiring 5 more underwriters in spring – bringing us to full staffing.
- Considering changing this metric as the volume of BLAs coming in the door is out of our control.

Legal Services

Measure: Claim Resolution Settlement Agreements: Sent to BIIA

Goal:

Green: ≥ 25

Red: < 25

Metric Status: 13 sent in December

Mitigation Plan:

- Small team was down two staff Program Specialists and an Office Assistant.
- Filled the OA position.
- Considering changing this measure – the volume of settlement agreements we process is out of our control.

Legal Services

Measure: Claim Resolution Settlement Agreements: Completed within 60 days

Goal:

Green: ≤60 days

Yellow: 61-70 days

Red: ≥71 days

Metric Status: 73 days

Mitigation Plan:

- Small team down two staff Program Specialist and an Office Assistant.
- Filled the OA position.
- Considering changing this measure – duration of negotiation process is not in our control.

Office of the Medical Director

Measure: Occupational Nurse Consultants (ONC): Less than 10% of monthly referrals are outstanding

Goal:

Green: $\leq 10\%$

Yellow: 11-14%

Red: $\geq 15\%$

Metric Status: 15% of referrals outstanding

Mitigation Plan:

- ONC out on unexpected intermittent leave
- Unexpected increase in scheduled AL by ONCs due to the holidays

Support Services

Measure: Bill Processing: Bills are entered within 4 calendar days of receipt

Goal:

Green: ≤ 4

Yellow: 4.1-8.9

Red: ≥ 9

Metric Status: 19 days

Mitigation Plan:

- Bill Processing has continued to experience staff turnover and we continually have new staff in training.
- A new supervisor started in January 2024 and we expect to be moving closer to our goals as the new staff members get trained and staffing levels are met.

Break Time



Ergonomic Rulemaking Update (RCW 49.17.520)

*Beth Covert, Ergonomics Initiative Implementation Manager
Division of Occupational Safety and Health*



Background: RCW 49.17.520¹

Authorizes L&I to adopt rules for work-related musculoskeletal disorder (WMSD) hazards, with constraints:

- Only one rule for an industry or a risk class in a 12-month period
- Industry or risk class must have a compensable WMSD claim rate greater than two times the overall state rate, including all subdivisions
- May not adopt emergency rules
- May not adopt rules for employee home offices
- Rule may not go into effect sooner than July 1, 2026

¹ [RCW 49.17.520: Rules related to preventing musculoskeletal injuries. \(wa.gov\)](#)

Background: RCW 49.17.520¹

Requires L&I to annually publish:

- Industries and risk classes eligible for rule making
- “Low priority” industries or risk classes based on decreasing statistical trend
- “High priority” industries or risk classes most likely to be selected for future rule making
- Review of compensable WMSD claims

¹ [RCW 49.17.520: Rules related to preventing musculoskeletal injuries. \(wa.gov\)](#)

Background: Work-related musculoskeletal disorders (WMSDs)

- Are the leading type of occupational injury in WA– 1/3 of all compensable claims
- Affect the muscles, nerves, tendons, joints, cartilage, spinal disks and other components of the musculoskeletal system
- Are caused by overexertion; repetition; bodily reaction from bending, climbing, crawling, reaching, twisting, sitting, or standing; being jarred by vibration
- Are *not* injuries resulting from impact such as falls, struck by/against events, cuts or motor vehicle crashes

Project progress to date

Date	Task
August 2023	Project kickoff and charter signed
November 2023	Website launched
November 2023	'Industries and Risk Classifications Eligible for Ergonomic Rulemaking' report published
January through March 2024	Gather preliminary input and pare down priority list

High priority list, NAICS:

NAICS code	NAICS description	WMSD claim rate compared to all statewide (Rate Ratio)	WMSD claim rate per 1,000 FTE	Predicted rate ratio <2 2024	Number of workers' compensation accounts	Average number of compensable WMSD claims per year	Average number of FTE per year
23814	Masonry Contractors	2.9	12.9	N	588	22.8	1,762.8
31171	Seafood Product Preparation and Packaging	2.3	10.3	N	67	36.2	3,501.4
31181	Bread and Bakery Product Manufacturing	2.3	10.4	N	630	54.4	5,246.5
31211	Soft Drink and Ice Manufacturing	2.5	10.9	N	49	27.2	2,494.9
42441	General Line Grocery Merchant Wholesalers	3.3	14.8	N	179	137.0	9,253.0
42481	Beer and Ale Merchant Wholesalers	2.7	11.8	N	101	36.80	3,126
44413	Hardware Stores	2.4	10.9	N	327	96.60	8,901
44511	Supermarkets and Other Grocery (except Convenience) Stores	2.5	11.2	N	898	424.60	38,062
45291	Warehouse Clubs and Supercenters	2.9	12.8	N	12	364.60	28,452
48111	Scheduled Air Transportation	4.7	21.0	N	49	226.60	10,789
48412	General Freight Trucking, Long-Distance	2.5	10.9	N	1,373	107.40	9,848
48421	Used Household and Office Goods Moving	3.9	17.3	N	399	31.80	1,836
492	Couriers and Messengers	4.2	18.8	N	664	278.4	14,839.3
562*	Waste Management and Remediation Services	2.5	11.0	N	705	105.0	9,584.5
62191	Ambulance Services	4.7	21.0	N	58	49.40	2,354
62321	Residential Intellectual and Developmental Disability Facilities	3.4	15.1	N	22	41.20	2,729
92216	Fire Protection	3.3	14.8	N	281	83.80	5,681

*Excludes NAICS 5629

High priority list, risk class:

Risk class (4-digit) code	Risk class (4-digit) description	WMSD claim rate compared to all statewide (Rate Ratio)	WMSD claim rate per 1,000 FTE	Predicted rate ratio <2024	Number of workers' compensation accounts	Average number of compensable WMSD claims per year	Average number of FTE per year
0302	Masonry Construction	3.9	17.3	N	1,025	24.4	1,407.3
0507	Roof Work – Construction and Repair	3.2	14.3	N	3,479	55.4	3,872.2
2002	Freight Handling Services	3.2	14.1	N	408	68.6	4,852.0
2103	Fulfillment Centers	10.5	46.5	N	6	306.2	6,580.0
3403	Aircraft Manufacturing	2.3	10.2	N	31	523.0	51,256.3
3906	Bakeries, Cracker, Pasta, Confection-Manufacturing/Wholesale, NOC	2.9	12.9	N	299	59.8	4,619.5
6105	Hospitals, NOC	2.3	10.0	N	81	858.2	85,789.4
6108	Nursing and Convalescent Homes	2.2	9.6	N	355	173.2	18,126.4
6402	Supermarkets	2.6	11.5	N	475	436.2	37,998.1
6407	Wholesale Stores, NOC incl. wholesale/retail combination	2.8	12.5	N	1,851	252.0	20,145.1
6801	Scheduled Airlines - Flight Crew	3.0	13.3	N	22	60.6	4,545.2
6802	Scheduled Airlines - Ground Crew	10.6	47.0	N	37	167.4	3,558.5
6904	County and City Fire fighters - Salaried	4.9	21.8	N	247	206.4	9,456.3
7201	State Patient and Health Care Personnel, NOC	4.5	19.9	N	44	69.6	3,495.1

Narrowed Down List *In order by risk class/NAICS

Risk class (4-digit) code	Risk class (4-digit) description	WMSD claim rate compared to all statewide (Rate Ratio)	WMSD claim rate per 1,000 FTE	Predicted rate ratio <2 2024	Number of workers' compensation accounts	Average number of compensable WMSD claims per year	Average number of FTE per year
2103	Fulfillment Centers	10.5	46.5	N	6	306.2	6,580.0
6108	Nursing and Convalescent Homes	2.2	9.6	N	355	173.2	18,126.4
6407	Wholesale Stores, NOC including wholesale/retail combination	2.8	12.5	N	1,851	252.2	20,145.1
6802	Scheduled Airlines – Ground Crew	10.6	47.0	N	37	167.4	3,558.5

NAICS code	NAICS description	WMSD claim rate compared to all statewide (Rate Ratio)	WMSD claim rate per 1,000 FTE	Predicted rate ratio <2 2024	Number of workers' compensation accounts	Average number of compensable WMSD claims per year	Average number of FTE per year
42441	General Line Grocery Merchant Wholesalers	3.3	14.8	N	179	137.0	9,253.0

Industry Summary

Businesses in risk class 2103* offer merchandise in an online marketplace, operate warehouses that store, select, pack and ship customer orders for their own merchandise and third-party seller merchandise and use automated vehicles and robotics. Common tasks include unloading trailers, unpacking cases, stowing items, picking and packing orders, loading trailers, and sorting items for final delivery.



Placeholder photo, no permission to use.

Work-related Musculoskeletal Disorders (WMSDs)

Fulfillment Centers have a compensable** WMSD rate that is more than ten times the statewide average for all industries.



Common causes of WMSDs	Injury description examples
Repetitive placing, grasping, or moving objects	"Gripping 500 packages an hour"
Lifting boxes, crates, cartons	"Unloading 40+ pound boxes from truck"
Bending, climbing, crawling, reaching or twisting	"Squatting to pull items out of lower bin"
Pushing or pulling cart, dolly, hand truck	"Pulling overweight pallets"

Top three occupations reporting WMSDs

1. Stock clerks and order fillers
2. Manual freight, stock, and material movers
3. Manual packers and packagers

Workers with more serious WMSDs received time loss benefits. Most of these workers needed 56+ days to recover before returning to work.

Ideas for preventing WMSDs

- Use ergonomics analysis tools to set a reasonable pace of work.
- Use height adjustable pallet lifts and carts to allow lifting at waist level.
- Use vacuum lifts for lifting cases when unloading and loading trailers, and when palletizing.
- Use powered pallet jacks to move heavy pallets.

Industry Summary

Employers in risk class 6108* operate skilled nursing facilities, including nursing homes, rehabilitation centers, and similar facilities. Common tasks include assisting residents with activities of daily living, transferring residents and repositioning them in bed, providing rehabilitative therapies, dispensing medications, doing laundry, preparing and serving meals, and housekeeping.



Work-related Musculoskeletal Disorders (WMSDs)

Nursing Homes and Skilled Nursing Centers have a compensable** WMSD rate that is more than twice the statewide average for all industries.

WMSD Compensable Claim Rate per 1,000 FTEs

Statewide Average 4.4

Nursing Homes 9.6

Common causes of WMSDs	Injury description examples
Lifting during resident care activities	"Transferring resident from wheelchair to bed"
Holding or turning residents	"Boosting resident to head of bed"
Pushing or pulling objects	"Pulling a hoist lift when transferring a resident"
Bending, climbing, crawling, reaching or twisting	"Knelt down to put shoes on a resident"

Top three occupations reporting WMSDs

1. Nursing aides, orderlies, and attendants
2. Personal and home care aides
3. Registered nurses

Workers with more serious WMSDs received time loss benefits. Most of these workers needed 28+ days to recover before returning to work.

Ideas for preventing WMSDs

- Develop a safe resident handling and mobility plan and train caregivers, with competency testing, on use of equipment and procedures.
- Use sit-stand lifts and total body lifts in place of stand pivot transfers with a gait belt.
- Use lift assist devices for bringing residents up from the floor when they have fallen.
- Use friction-reducing slider sheets when boosting residents in bed.

Industry Summary

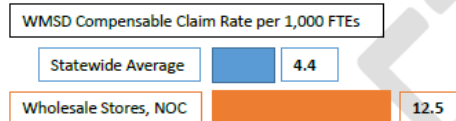
Businesses in risk class 6407* sell wholesale merchandise, or have combined wholesale and retail sales of merchandise not covered by another risk classification (Not Otherwise Classified). Common tasks include receiving, warehousing, order selecting, packing and shipping of goods, either to other businesses or direct to customers.



Placeholder photo, no permission to use.

Work-related Musculoskeletal Disorders (WMSDs)

Wholesale Stores, NOC have a compensable** WMSD rate that is almost three times the statewide average for all industries.



Common causes of WMSDs	Injury description examples
Repetitive placing, grasping or moving objects	"Continuous packing for long hours"
Lifting boxes, crates, or cartons	"Lifting boxes unloading a truck"
Pushing or pulling carts, dollies or hand trucks	"Pulling a pallet jack into a trailer"
Bending, climbing, crawling, reaching or twisting	"Wrapping a pallet low to the ground"

Top three occupations reporting WMSDs

1. Retail salespersons
2. Manual freight, stock, and material movers
3. Cashiers

Workers with more serious WMSDs received time loss benefits. Most of these workers needed 17+ days to recover before returning to work.

Ideas for preventing WMSDs

- Arrange for incoming shipments on pallets or slip sheets instead of floor-loaded loose freight.
- Use height-adjustable packing tables.
- Use powered pallet jacks to move heavier goods.
- Wrap pallets with a long-handled tool to avoid awkward postures.

Industry Summary

Employers in risk class 6802* operate scheduled airlines. Ground crews include baggage handlers and aircraft maintenance workers. Common tasks include checking in passenger baggage, loading baggage into containers and carts, and transferring bags to conveyors for stacking in the cargo hold of aircraft.




Placeholder photo, no permission to use.

Work-related Musculoskeletal Disorders (WMSDs)

Airline Ground Crews have a compensable** WMSD rate that is more than ten times the statewide average for all industries.

WMSD Compensable Claim Rate per 1,000 FTEs

Statewide Average  4.4

Air Transportation Ground Crew  47.0

Common causes of WMSDs	Injury description examples
Lifting and throwing luggage and cargo	"Lifting heavy bags in the bin of an airplane"
Repetitive placing, grasping or moving objects	"Loading and unloading bags and freight"
Bending, climbing, crawling, reaching or twisting	"On my knees throwing heavy objects"
Pushing or pulling carts or wheelchairs	"Pulling a cart and pushing a tug at the same time"

Top three occupations reporting WMSDs

1. Transportation workers, all other
2. Customer service representatives
3. Manual freight, stock, and material movers

Workers with more serious WMSDs received time loss benefits. Most of these workers needed 24+ days to recover before returning to work.

Ideas for preventing WMSDs

- Install conveyors inside the terminal where passengers can place their own checked bags.
- Use lifting devices to transfer bags between conveyors and carts.
- Use extendable conveyors inside the cargo hold of narrow body aircraft.

Industry Summary

Employers in the North American Industry Classification System (NAICS) code 42441* distribute a general line (wide range) of grocery products. Common tasks include receiving freight, selecting customer orders in warehouses, and delivering orders to grocery stores, restaurants, health care facilities, and other customers.



Placeholder photo, no permission to use.

Work-related Musculoskeletal Disorders (WMSDs)

General Line Grocery Wholesalers have a compensable** WMSD rate that is more than three times the Washington statewide average for all industries.

WMSD Claim Rate per 1,000 FTEs

Statewide Average

4.4

Grocery Wholesalers

14.8

Common causes of WMSDs	Injury description examples
Lifting boxes, bags, sacks and totes	"Carrying 60 pounds and bending under a rack."
Repetitive grasping or moving objects	"Picking up 2,500 cases per day."
Bending, climbing, crawling, reaching or twisting	"Bent over to pick up a box of cheese."
Pushing or pulling carts, dollies and hand trucks	"Pushing a dolly with 300 pounds of product."

Top three occupations reporting WMSDs

1. Retail salespeople
2. Stock clerks and order fillers
3. Truck drivers

Workers with more serious WMSDs received time loss benefits. Most of these workers needed 20+ days to recover before returning to work.

Ideas for preventing WMSDs

- Place heavy or frequently picked items where they can be handled without bending, twisting or reaching.
- Use a carton clamp or layer picker to break down pallets of product to reduce lifting above shoulder level.
- Use lifting analysis tools to set reasonable pick rates.
- Raise low-stacked items with an additional rack, empty pallets, or a pallet lift in order to bring the items to waist height.

Next steps

- One industry or risk classification from “high priority” list will be selected for rulemaking in spring 2024
 - File CR-101
 - Assemble advisory committee to develop proposed rule language
 - Seek input from stakeholders
- DOSH consultation services will be available for technical assistance
- Continue to review data and publish annual lists of those “eligible for rule-making” and “high priority”

Recommendation Discussion

- Advisory Committee input for L&I as we make the decision to pick the NAICS or Risk Class for the first rulemaking.

Program Spotlight: Self-Insurance

Knowrasa Patrick, Program Manager

LaNae Lien, Claims Operations Manager

Cyal Christmas, Compliance Operations Manager

Currently Open Position, Policy Operations Manager



Self-Insurance in Washington

- Self-insured employers administer and pay for their own workers' compensation claims.
- About 360 employers are self-insured in the State of Washington.
- Over 25 percent of the workforce in the state are covered by self-insured employers.

Self-Insurance Program Areas

- Claims
- Compliance
 - Certification Services
 - Penalty
 - Audit
- Policy
 - Specialty claims
 - Management analysts
 - Training

Claims Operations

Adjudication and Dispute Resolution:

- Issue allowance, denial, segregation, closure, and reopening orders.
- Respond to requests for intervention in claim disputes.
- Address protests to orders.

Claims Operations

Additional Adjudication and Dispute Resolution

- Adjudication of pension request.
- Manage claims of bankrupt/defaulted employers.

Compliance Operations

Certification Services:

- Educate and certify self-insured employers
- Manage Surety Requirement
- Quarterly reports and billings
- Annual SIF-7
- Monitor certification, including financial requirements and credit risk
- Account maintenance
- Collections
- Exiting self-insurance
 - Surrender
 - Default
 - Decertification

Compliance Operations

Penalty:

- Self-Initiated penalties
- External requests
- Rule violations
- Delay of benefits
- Good faith and fair dealing

Compliance Operations

Audit:

- Performance based audits
- Issue based audits
- Complaint based audits

Policy Operations

- Annual update training
- Internal Training
- Monthly external training
- Failed audit training
- Bridging the Gap training
- License third party administrators
- Test and certify self-insured claims administrators
- Manage the continuing education program for certified claims administrators

Policy Operations

- Specialty claims:
 - Covid Claims
 - PTSD Presumption Claims
 - Hazardous Waste Materials
- Management Analysts

Ongoing & Upcoming Projects

- Streamline claims adjudication to regulation process
- Implementation of SHB 1521
- EDI/SIEDRS compliance

Thank You



Industrial Insurance (State) Fund Financial Overview

Statutory Financial Information Fiscal Year 2024 July 2023 – December 2023

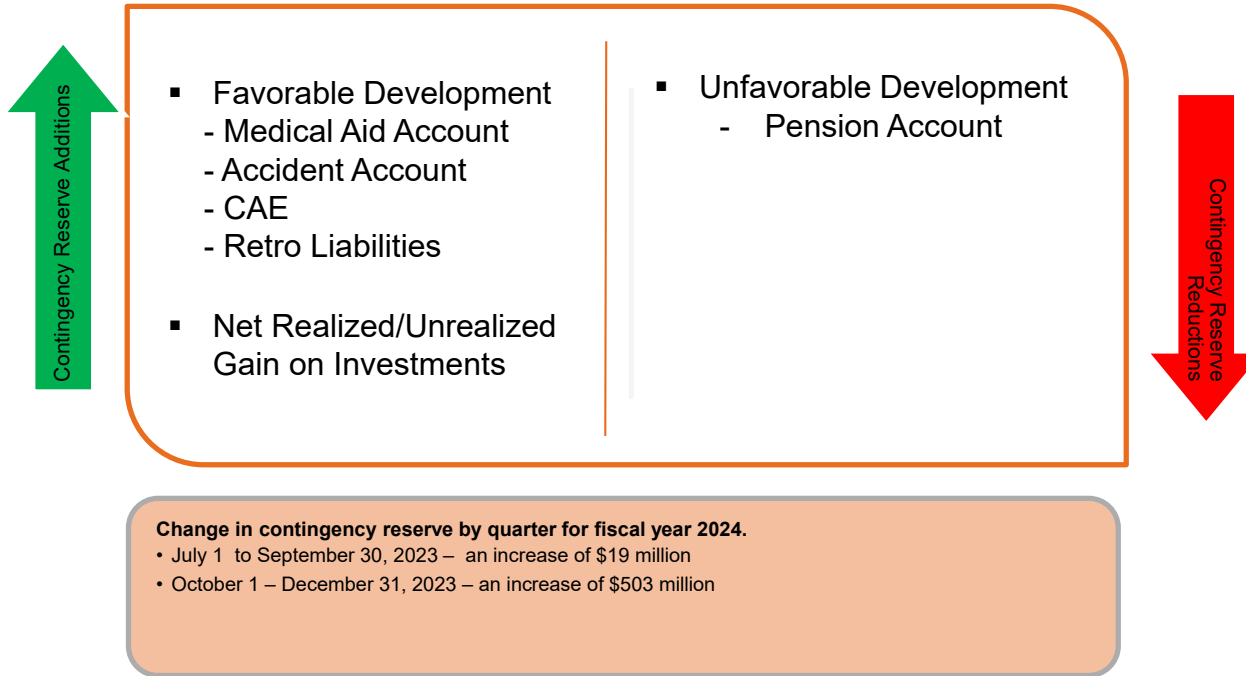
Kim Hurley
Interim Chief Accounting Officer



Significant Financial Highlights

July 2023 through December 2023

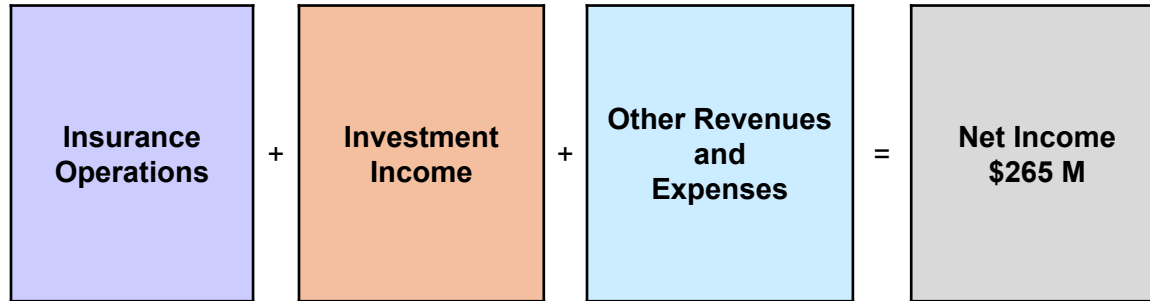
The contingency reserve increased **\$522 million**, from \$4,699 million on July 1, 2023 to \$5,221 million on December 31, 2023.



State Fund Results

“Net Income”

July 2023 through December 2023



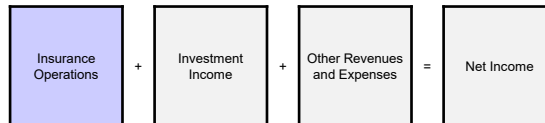
Insurance Operations

July through December 2023
(in millions)

Six Months Ended

		December 31, 2023	December 31, 2022
We took in (Premiums Earned)	+	\$ 1,044	\$ 1,023
We spent (Expenses Incurred)			
Benefits Incurred		896	1,109
Claim Administrative Expenses		117	112
Other Insurance Expenses		51	49
Total Expenses Incurred	-	1,064	1,270
Net Income (Loss) from Insurance Operations	=	\$ (20)	\$ (247)

Net loss from insurance operations is normal for workers compensation insurers who routinely rely on investment income to cover a portion of benefit payments.



Premiums Earned

July through December 2023
(in millions)

	Six Months Ended		Difference
	December 31, 2023	December 31, 2022	
Standard Premiums Collected	\$1,127	\$1,080	
Less Retrospective Rating Adjustments	(35)	(41)	
Less Ceded Reinsurance Premiums	(8)	(7)	
Net Premiums Collected	1,084	1,032	
Changes in future Premium Amounts To Be Collected	3	38	
Changes in future Retrospective Rating Adjustment Refunds	(43)	(48)	
Net Premiums Earned	\$ 1,044	\$ 1,022	\$ 22

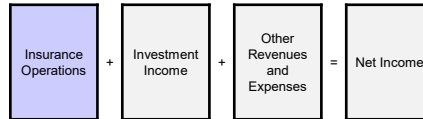


Benefits Incurred

July through December 2023
(in millions)

Six Months Ended

	December 31, 2023	December 31, 2022	Difference
Benefits Paid	\$ 888	\$ 867	\$ 21
Change in Benefit Liabilities	8	242	(234)
Total Benefits Incurred	\$ 896	\$ 1,109	\$ (213)



Investment Income

July through December 2023
(in millions)

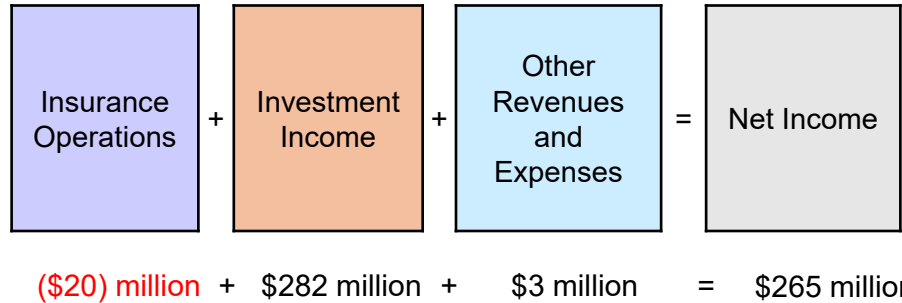
Six Months Ended

		December 31, 2023	December 31, 2022
Investment Income Earned from Interest on bonds	+	\$ 286	\$ 244
Realized Gain/(Loss) from Fixed Income Investments Sold	+	(4)	(7)
Realized Gains from Stocks (Equity Investments) Sold	+	0	14
Total Investment Income	=	\$ 282	\$ 251



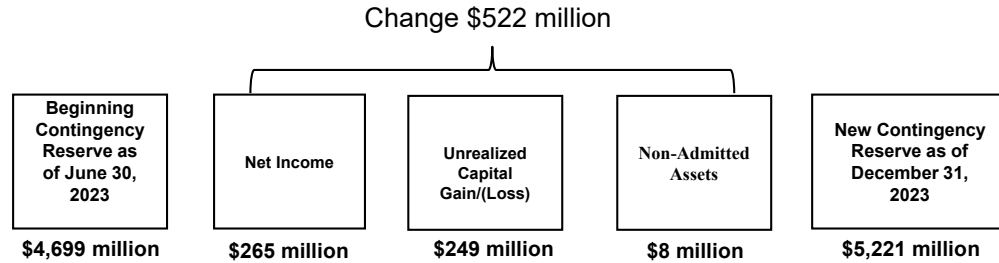
Results of Operations

July 2023 through December 2023

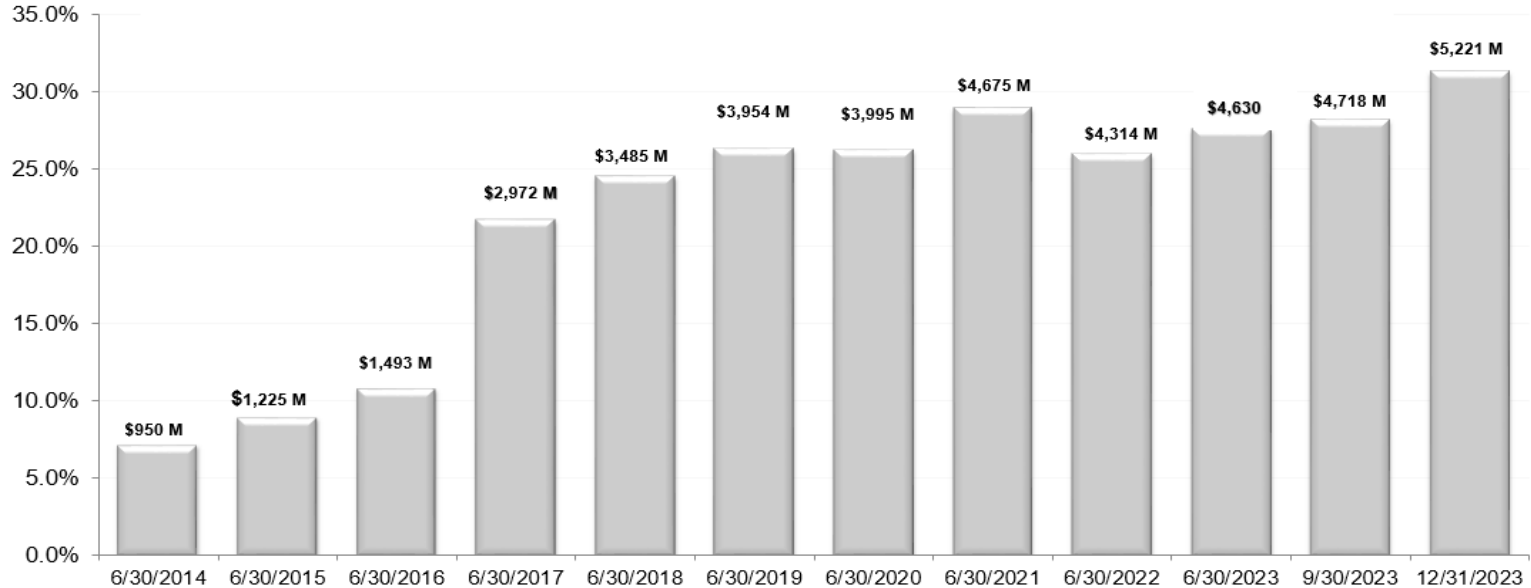


How Did Contingency Reserve Perform?

July 2023 through December 2023



Contingency Reserve Restricted and Unrestricted is 31.4% of Total Liabilities



Key Financial Ratios

as a percentage of premium earned

Ratios	Quarter Ended December 31, 2023		Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022
	State Fund	Industry Forecast *		
Current Year Benefit (Loss Ratio)	92.9%		99.8%	104.2%
Prior Year Benefit (Loss Ratio)	(7.1%)		14.5%	(6.1)%
Total Benefit (Loss Ratio)	85.8%	49.6%	114.3%	98.1%
Current Year CAE Ratio	10.8%		12.0%	12.7%
Prior Year CAE Ratio	0.4%		(1.2)%	(1.5)%
Total Claim Administration Expense (CAE) Ratio	11.2%	16.3%	10.8%	11.2%
Sub-Total: Benefit and Claim Administration Expense Ratios	97.0%	65.9%	125.1%	109.3%
Underwriting Expense Ratio includes all insurance administrative expenses except CAE	4.9%	29.1%	5.2%	5.1%
Combined Ratio (Industry omits dividends)	101.9%	95.0%	130.3%	114.4%
Investment Income Ratio	27.4%	19.9%	25.9%	24.6%
Operating Ratio	74.5%	75.1%	104.4%	89.8%

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

** Industry Forecast: As of December 31, 2022*

Questions & Comments

Contact Kim Hurley,
Interim Chief Accounting Officer

– Email: kim.hurley@lni.wa.gov.

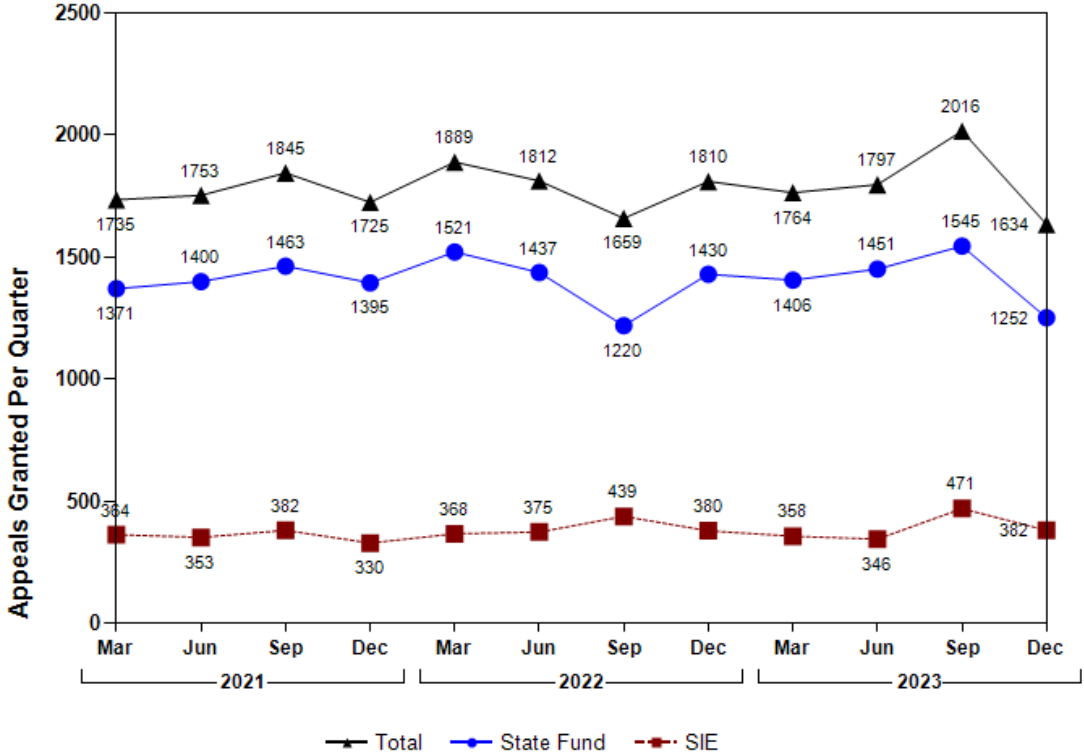
Thank You!

Board of Industrial Insurance Appeals (BIIA) Update

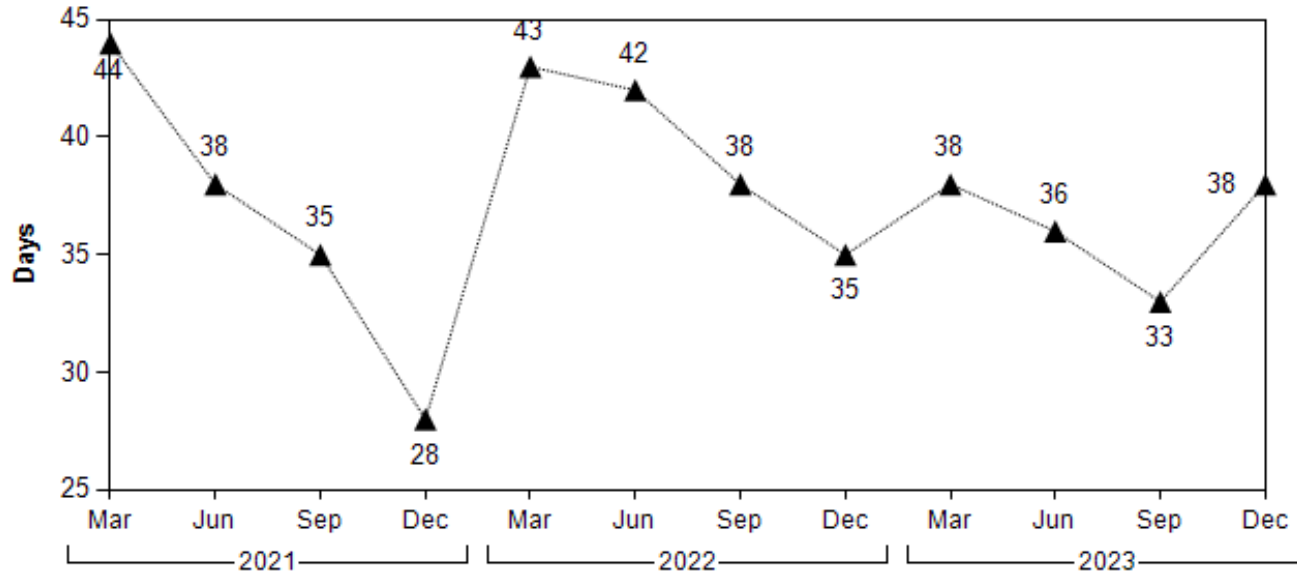
Holly Kessler
BIIA Chair



Total Industrial Insurance Appeals Granted by Quarter

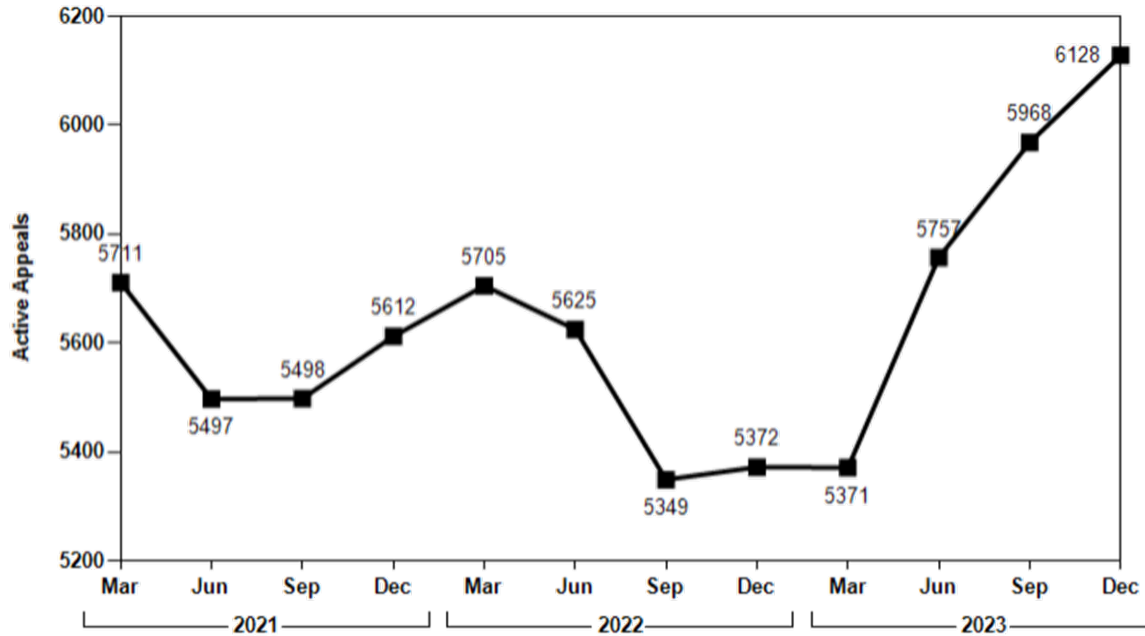


Average PD&O* Time-lag by Quarter for Hearing Judges



*Proposed Decision and Order

Caseload at End of Quarter



BIIA Updates

- The apparently successful bidder for the replacement of our legacy case management system is Delaney Advantage Technologies.
- Judicial Survey results are available on our website:

The screenshot shows a website navigation bar with five items: PROCESS, FILING, BOARD DECISIONS, FORMS & PUBLICATIONS, and ABOUT US. The 'ABOUT US' item is highlighted in a dark red color. Below the navigation bar, the text '& measures' is visible. The main content area is titled 'Reports & measures' and contains two columns of links. The left column lists 'Monthly statistical report' and 'Quarterly statistical report', each with a link to a specific report. The right column is titled 'Judicial Survey 2023' and lists four links: 'Judicial Survey Overview', 'Mediation: Represented', 'Mediation: Self-Represented', 'Hearings: Represented', and 'Hearings: Self-Represented'.

PROCESS FILING BOARD DECISIONS FORMS & PUBLICATIONS ABOUT US

& measures

Reports & measures

All reports are in [Adobe Acrobat/PDF format](#).

Monthly statistical report

- > [January 2024](#)

Quarterly statistical report

- > [Report ending December 2023](#)

Judicial Survey 2023

- > [Judicial Survey Overview](#)
- > [Mediation: Represented](#)
- > [Mediation: Self-Represented](#)
- > [Hearings: Represented](#)
- > [Hearings: Self-Represented](#)

Closing Comments & Adjourn

Mike Ratko
Assistant Director
Insurance Services



**NEXT WCAC MEETING
JUNE 25, 2024**

OPERATIONAL DASHBOARD FEBRUARY 2024 – APPENDIX SLIDES

COVID Claims – received through 02/29/24

	State Fund	Self-Insured	Total
Accepted total	12,997	10,129	23,126
<i>Open</i>	88	244	332
<i>Closed</i>	12,909	9,885	22,794
Rejected	2,706	1,060	3,766
Pending	40	1	41
Total	15,743	11,190	26,933

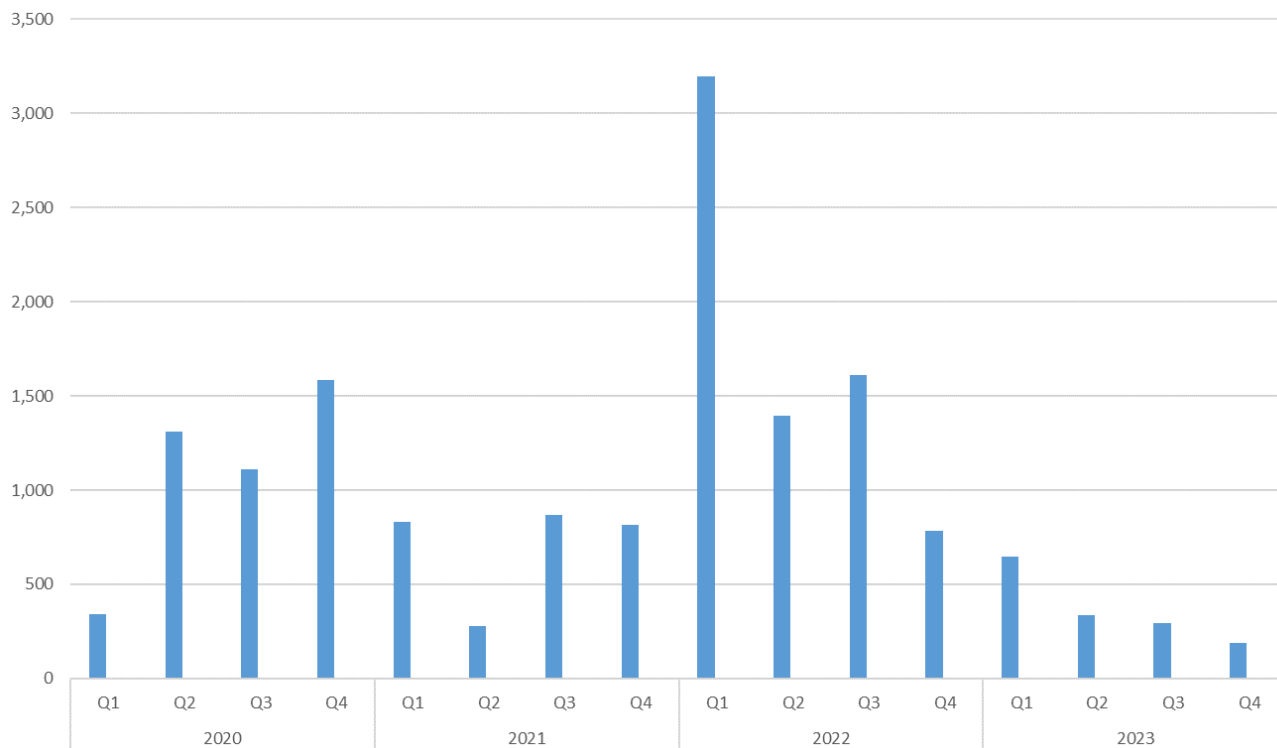
Fatal Claims

State Fund	38
Self-Insured	15
Total	53

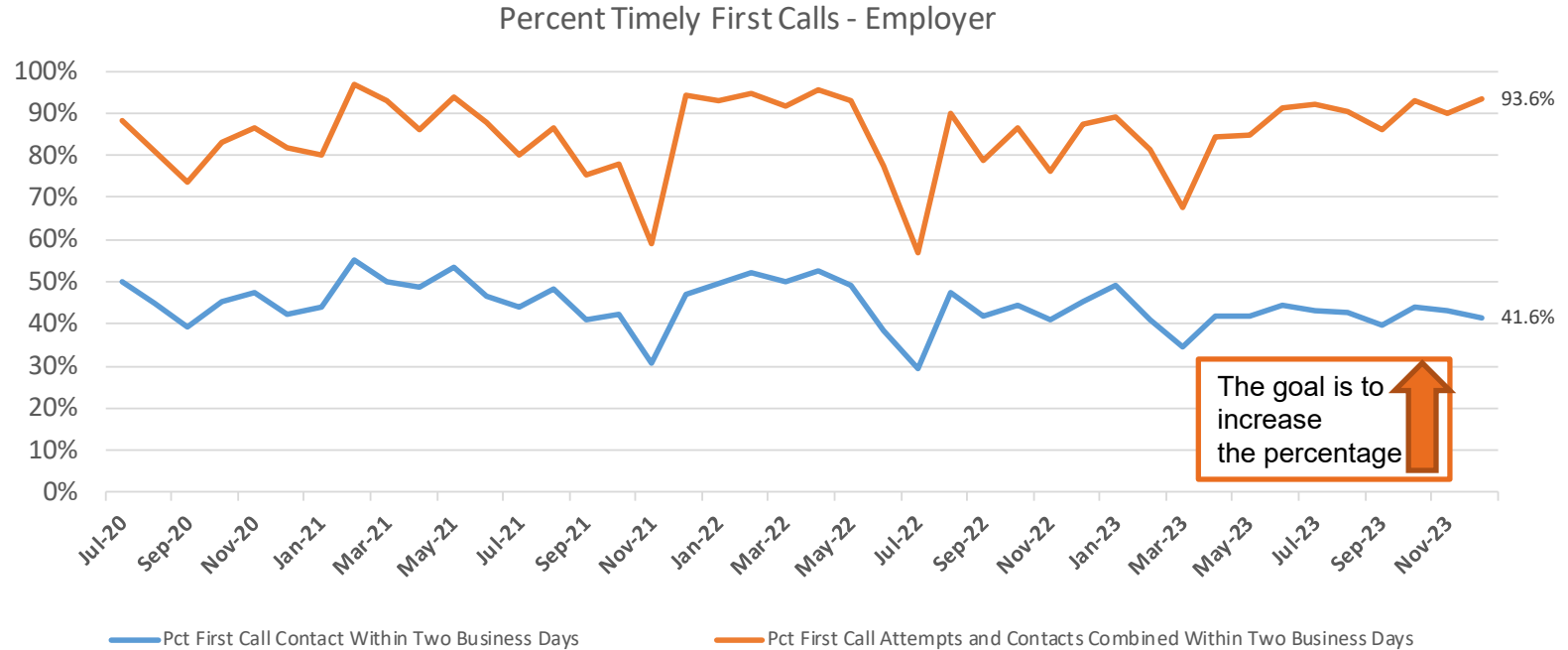
Accepted Claims	State Fund	Self-Insured	Total
Time-loss	11,200	9,832	21,032
Medical	818	192	1,010
KOS	979	105	1,084
Total	12,997	10,129	23,126

	State Fund	Self-Insured	Total
Healthcare related	7,492	5,467	12,959
First responders	2,355	1,649	4,004
Miscellaneous Servic	1,846	63	1,909
Government	547	977	1,524
Misc. Professional an	237	830	1,067
Schools	92	953	1,045
Stores	142	28	170
Transportation and V	63	64	127
Agriculture	100	11	111
Food Processing and	53	19	72
Miscellaneous Manu	13	31	44
Temporary Help	13	16	29
Trades	16	5	21
Other	28	16	44
Total	12,997	10,129	23,126

Covid impact on incoming claims

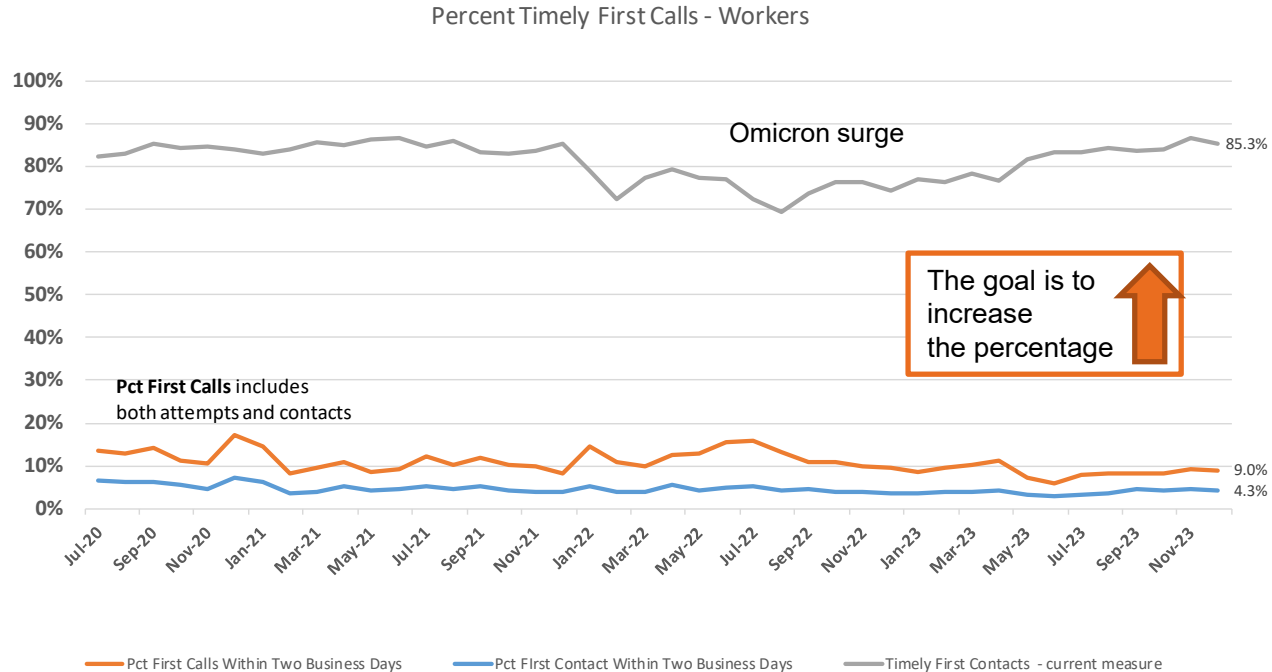


JLARC recommended employer contact measure



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

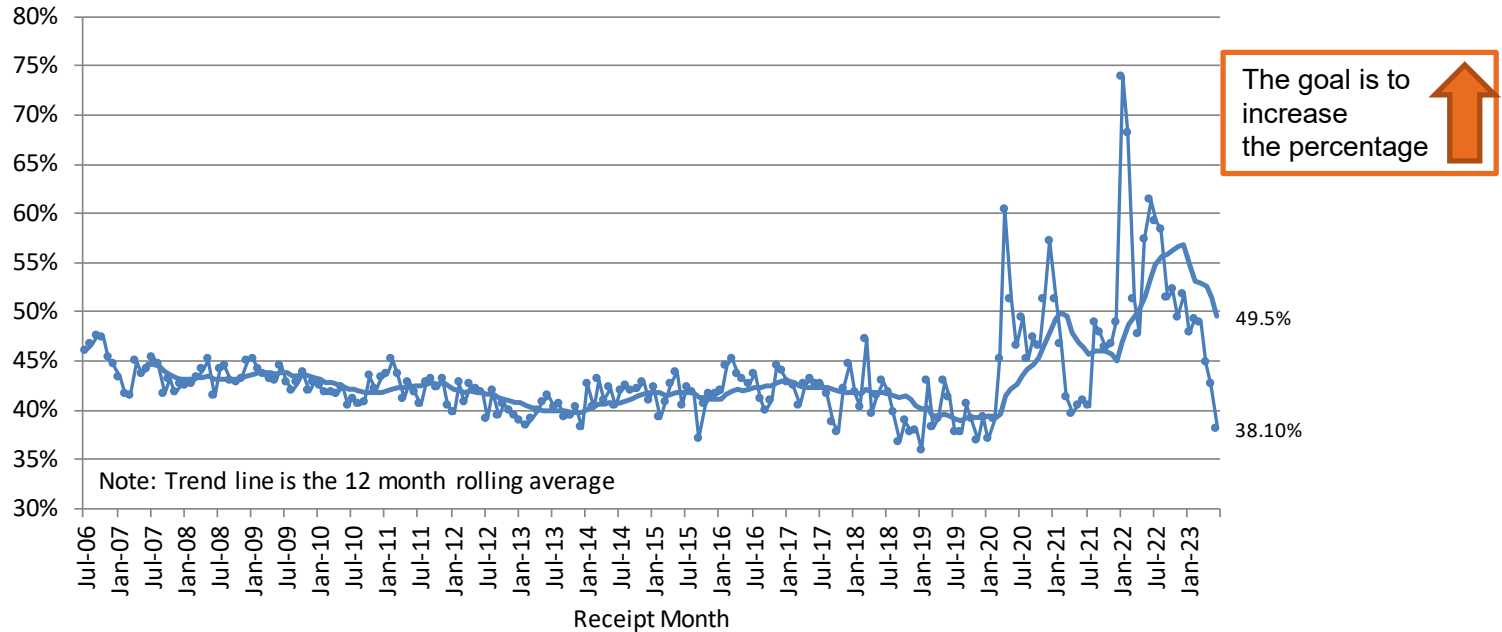
JLARC recommended worker contact measures & L&I's current measure



Note: Clock starts when firm and class are assigned on the JLARC recommended measure and when time loss is first paid on the current operational measure.

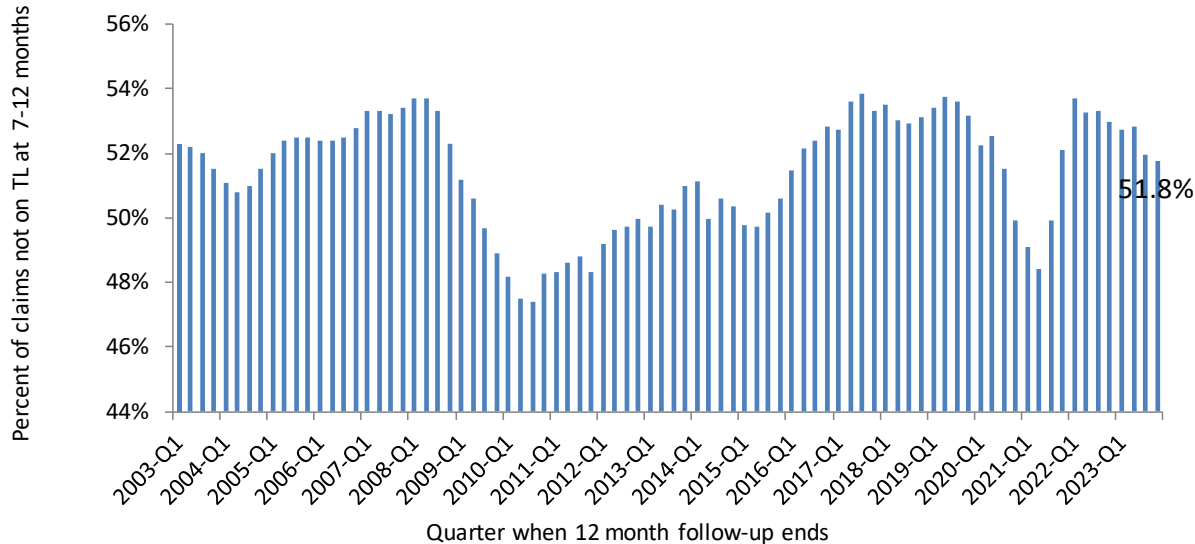
The share of time-loss claims resolved six months after claim receipt


Share of time-loss claims resolved six months after claim receipt



High risk claims – Initiatives in the first year are improving RTW outcomes

The share of injured workers off work 40 days after claim receipt who are likely to have returned to work: Note: 12-month rolling average



The goal is to increase the percentage 

High risk workers are defined as those being disabled on the 40th day following claim receipt, about 1,400 claims per quarter. RTW is defined as the status of not receiving disability benefits between 7 and 12 months

Transitioned to COTS

Workers newly on opioids transitioned to chronic opioid therapy

57

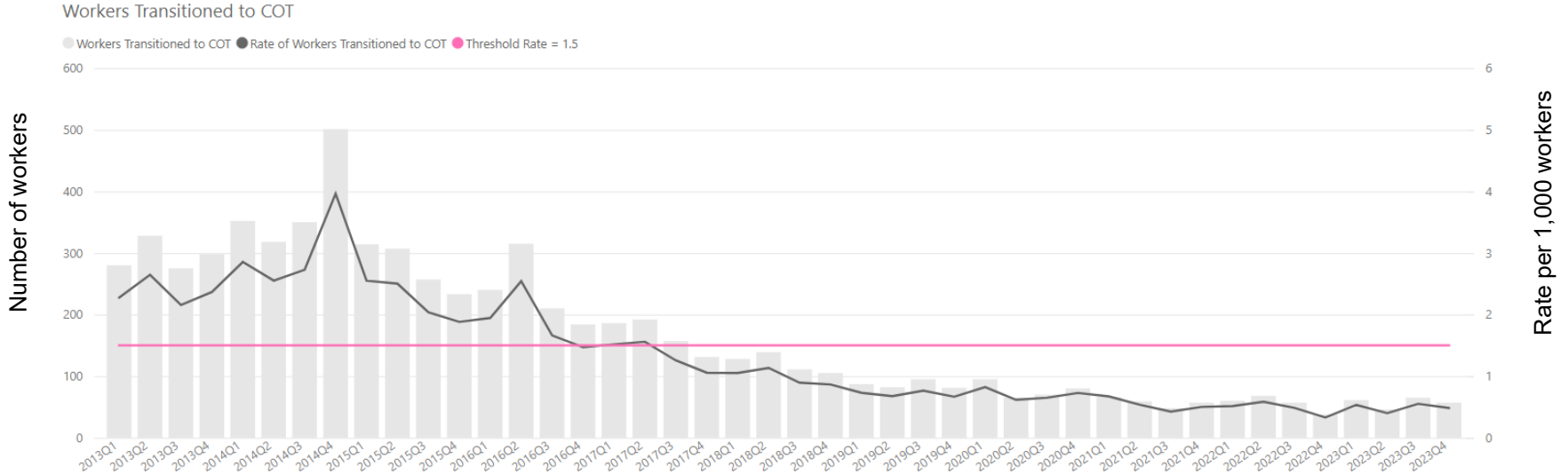
Workers Transitioned to COT

-12%

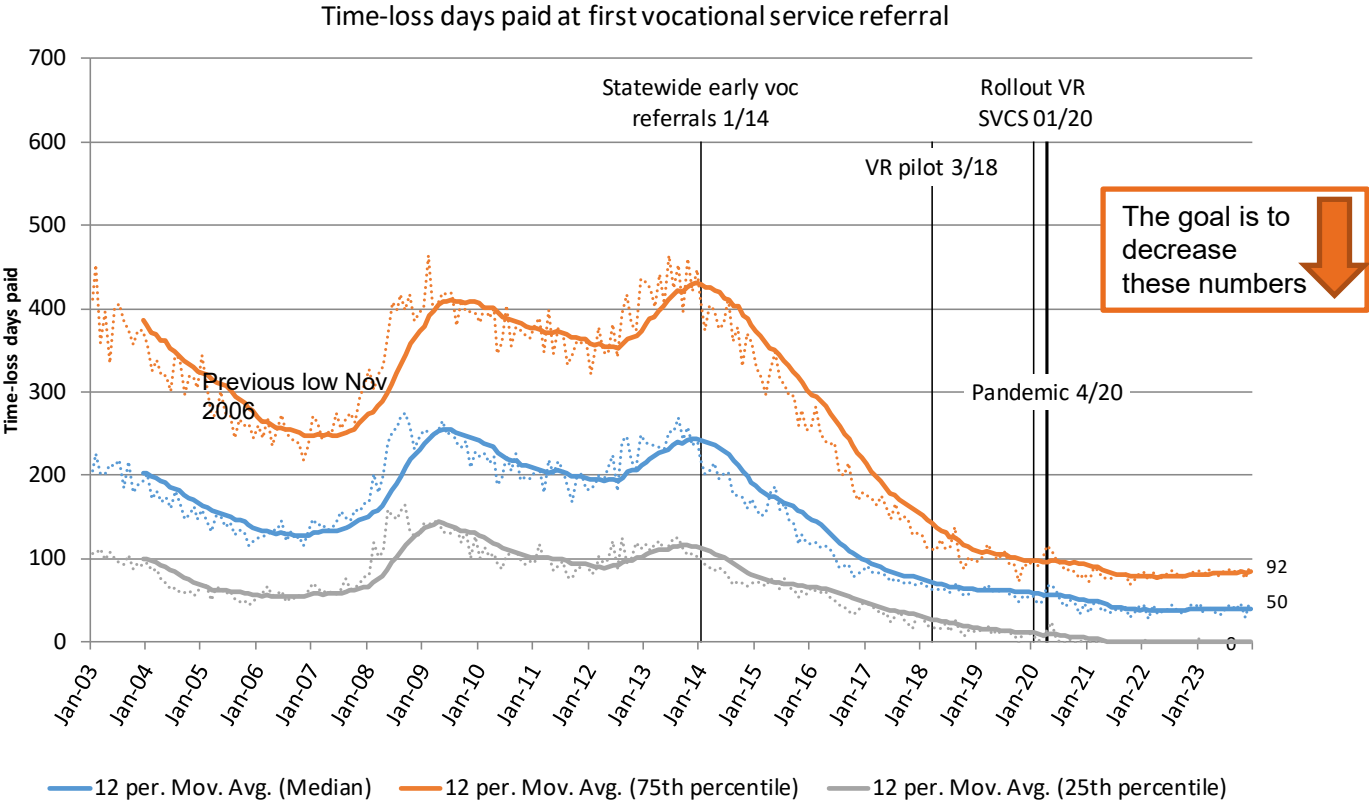
Change Since Previous Quarter

0.48

Rate per 1000 Injured Workers

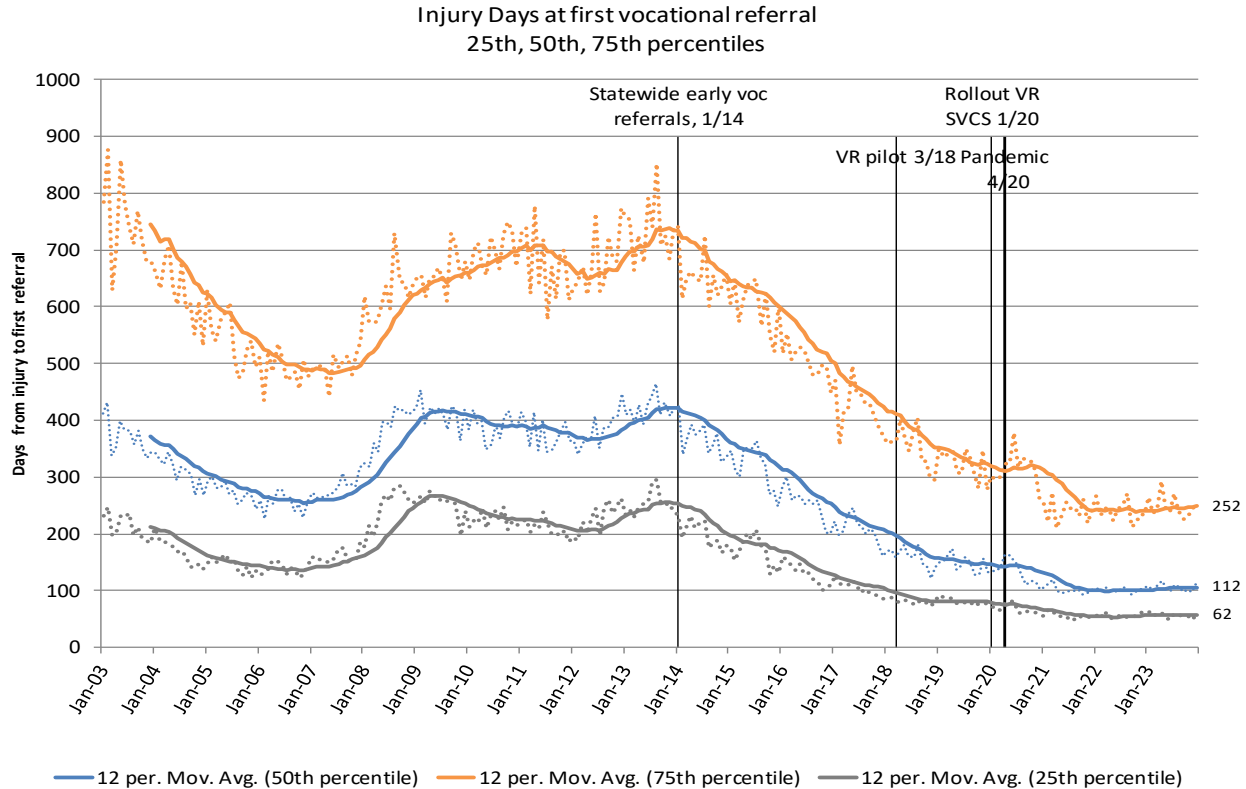


Referrals are now targeted to address the onset of disability



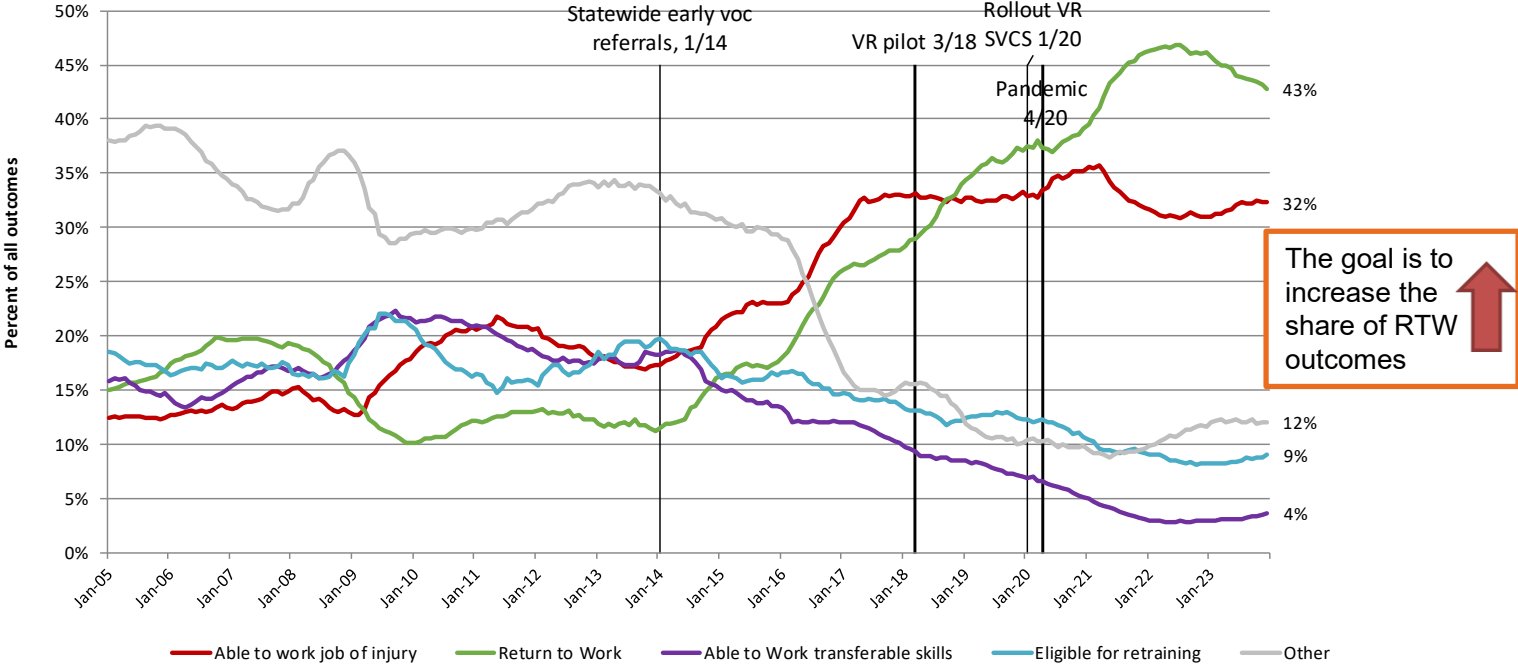
Referrals are now targeted to address the onset of disability

- days from date of injury



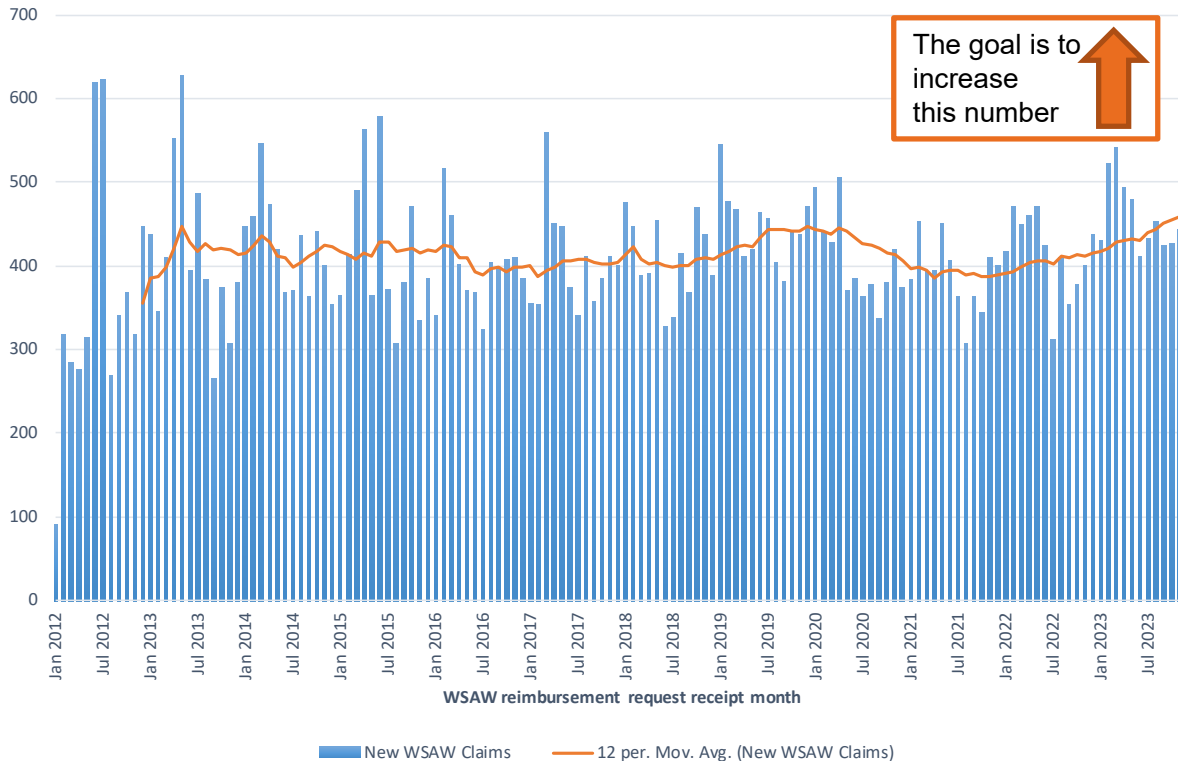
New focus on return to work has increased positive employable outcomes for all first vocational service referrals

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

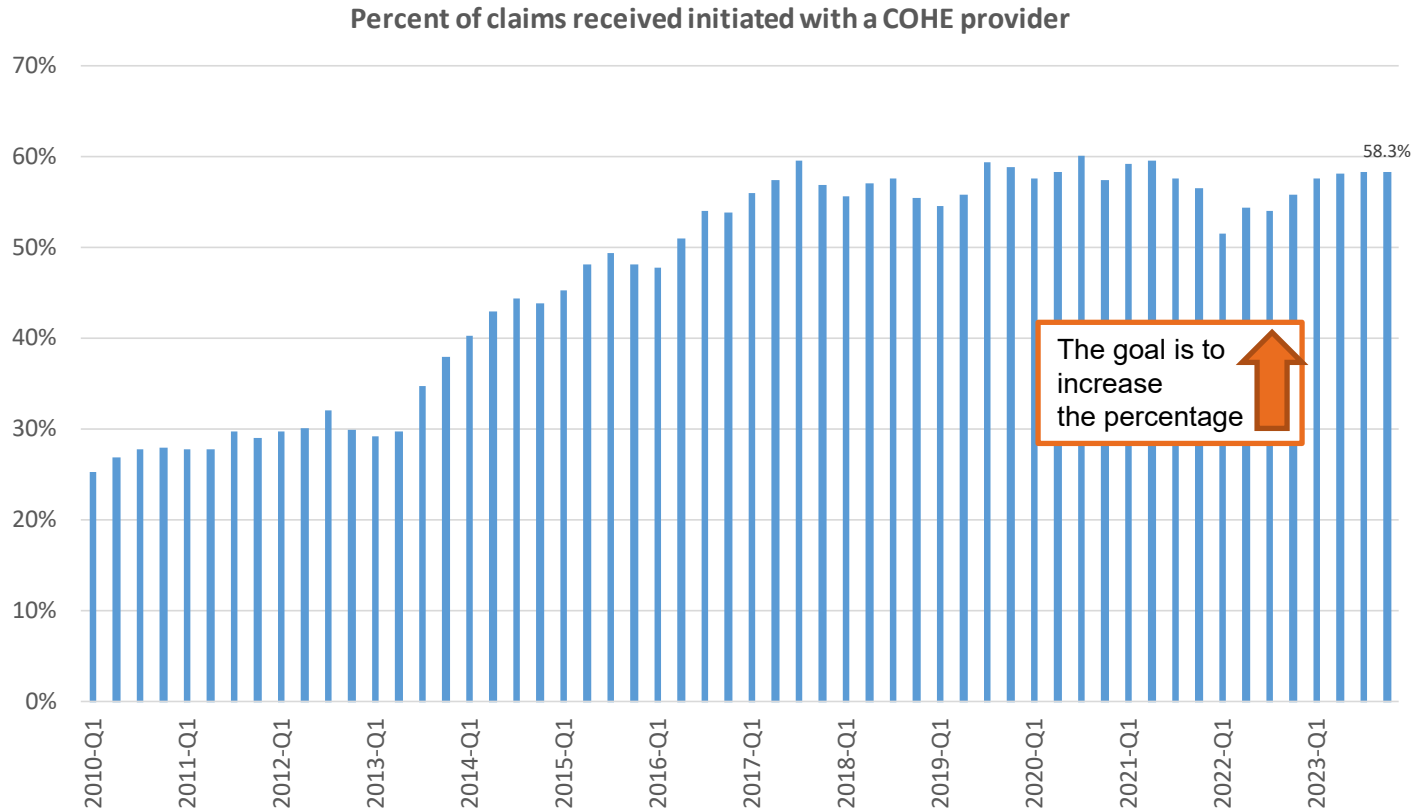


Participation in light duty job assignments helps maintain the employer/injured worker relationship.

New WSAW Claims



Percentage of claims for injured workers initiated with a COHE provider



Industrial Insurance (State) Fund Financial Overview – APPENDIX SLIDES

Reconciliation of Change in Benefit Liabilities

(In \$1,000s)

July 1, 2023 Benefit Liability Beginning Balance	\$15,267,934
Prior Year Benefit Payments	(\$803,087)
Prior Year Development and Model Change (Favorable)	(\$266,961)
Self Insurance Prefunded Pension Transfers	\$0
Regular reserve discount reduction	\$193,146
Net Total Prior Year Benefit Liability as of December 31, 2023	<u>\$14,391,032</u>
New Current Year Benefit Liabilities	\$884,592
December 31, 2023 Benefit Liabilities Ending Balance	<u><u>\$15,275,624</u></u>
Change Between Beginning and Ending Balance	\$7,690

Highlights of Changes in the Contingency Reserve

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
*Actuarial Development ¹	\$149M	\$543M	\$147M	\$926M	\$941M	\$352M	\$(171)M	\$287M	\$532M	\$(40)M	\$267M
Rate Changes	\$58M	\$59M	\$38M	\$27M	\$(14)M	\$(120)M	\$(110)M	\$(44)M	\$(29)M	\$17M	\$39M
Greater (less) than expected changes in the stock market	\$279M	\$(29)M	\$(101)M	\$411M	\$199M	\$50M	\$340M	\$1,263M	\$(639)M	\$413M	\$200M
Mortality table change	-	\$(146)M	-	-	-	-	-	-	-	-	-
Adjustments to avoid double counting 2011 reform savings	\$(130)M	\$(83)M	-	-	-	-	-	-	-	-	-
*Discount rate change - State Fund	\$(256)M ²	\$(31)M	\$(31)M	\$(36)M	\$(639)M ³	-	\$(84)M ⁴	\$(384)M ⁵	-	\$102M ⁷	-
Discount rate change - Self-Insurance	-	\$(6)M	\$(7)M	\$(8)M	\$(7)M ³	-	\$(6)M ⁴	-	\$(6)M ⁶	\$(7)M ⁸	-

1. Includes numerous, offsetting factors including model changes, operational influences, and the state of the economy.

2. Model change for 13-year plus claims \$102 M; Pension Discount change \$154 M.

3. Pension Discount Rate reduction from 6.2% to 4.5%

4. Non-Pension Discount Rate reduction from 1.5% to 1.0%

5. Proposed Pension Discount Rate 4.5% to 4.0%

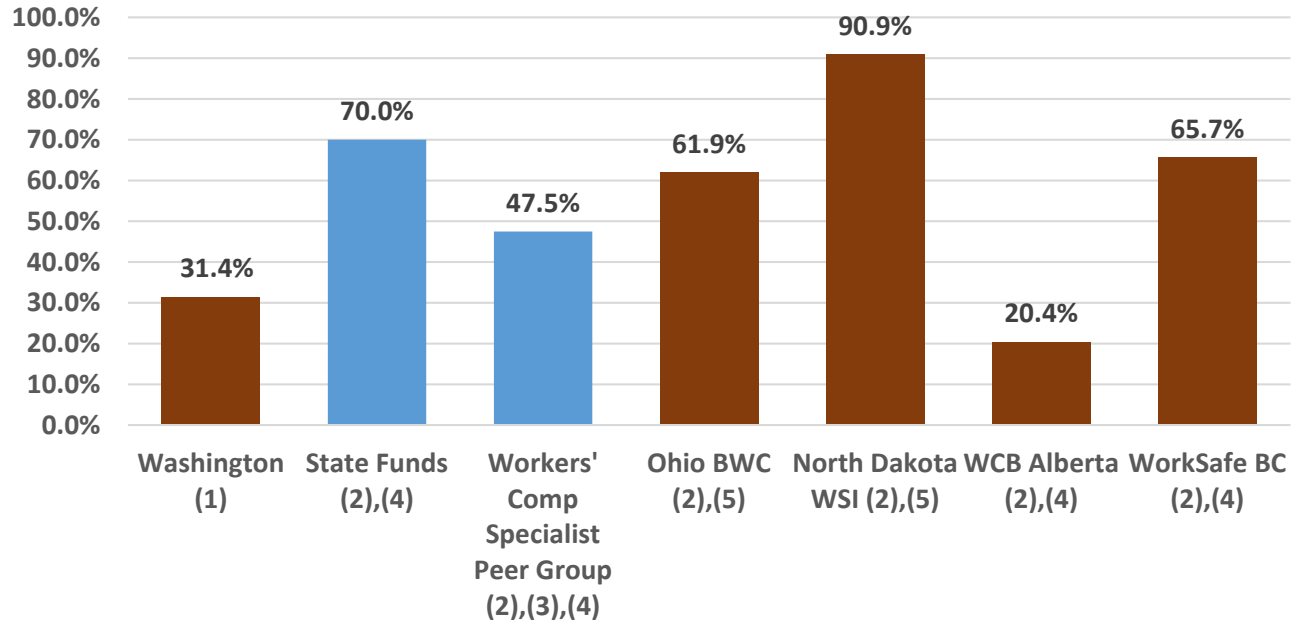
6. Self-insurance prefunded rate reduction from 5.8% to 5.7%.

7. Non-Pension Discount Rate increase from 1.0% to 1.5%

8. Self-insurance prefunded rate reduction from 5.7% to 5.6%

* Actuarial Development and Discount Rate Change is only for Benefit Liabilities

Washington's CR is below most other funds as a percent of liabilities



(1) Preliminary as of 12/31/2023

(2) Source: Conning Peer Analysis, August 17, 2022

(3) Worker's Comp Specialist Peer Group—workers' compensation specialist insurers including some state funds

(4) As of 12/31/2021

(5) As of 6/30/2021

Historic Results of Operations

July through December

(in millions)

As of Quarter Ended December 31,	Insurance Operations	+	Investment Income	+	Other Revenues & Expenses	=	Net Income (Loss)
2023	(20)		282		3		265
2022	(247)		251		(15)		(11)
2021	127		358		(10)		475
2020	(506)		487		(20)		(39)
2019	(299)		343		-9		35
2018	(70)		245		10		185
2017	423		351		28		802
2016	172		268		30		470
2015	(274)		313		30		69
2014	(196)		262		26		92
2013	(108)		273		26		191
2012	(70)		305		15		250

Historical Investment Performance

Fiscal Year Ended

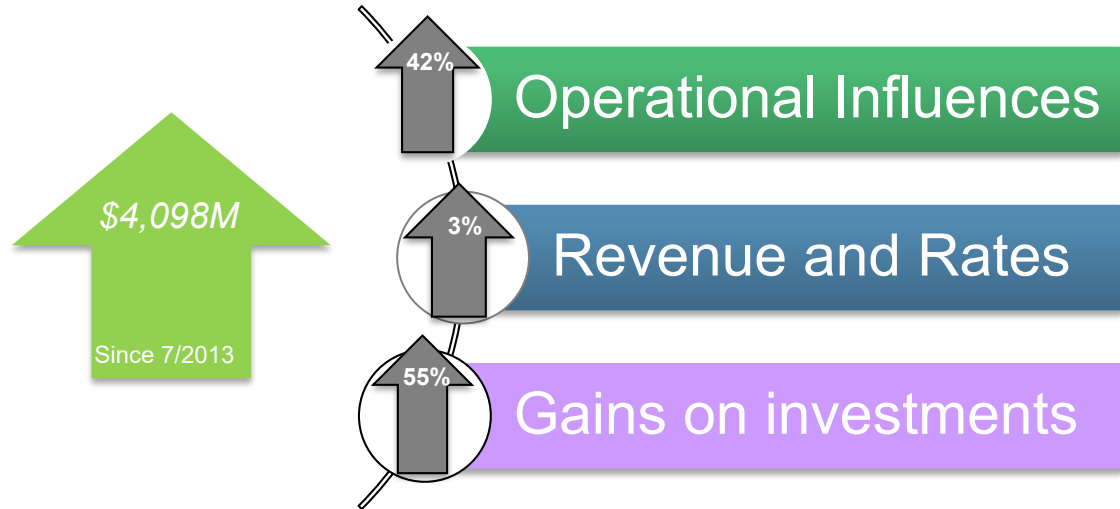
	Quarter Ended December 31, 2023	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Investment Income	285,684,000	504,416,000	456,375,000	462,700,000	496,981,000	498,626,000
Realized Gain (Loss)	(4,171,000)	139,573,000	141,857,000	299,787,000	272,266,000	(23,498,000)
Unrealized Gain (Loss)	248,812,000	360,212,000	(676,444,000)	1,069,560,000	161,264,000	151,820,000
Total Invested Assets	20,894,066,000	20,028,513,000	19,420,354,000	19,793,907,000	17,992,984,000	17,443,448,000

Total Investments

(rounded to billions)



Contingency Reserve Drivers



As of 12/31/2023 the CR is at \$5,221M

Benefit Liability History

(in thousands)

	Benefit Liabilities	\$ Increase/ (Decrease)	% Increase/ (Decrease)
December 31, 2023	\$ 15,275,624	7,690	0.1%
June 30, 2023	15,267,934	499,244	3.4%
June 30, 2022	14,768,690	146,597	1.0%
June 30, 2021	14,622,093	728,107	5.2%
June 30, 2020	13,893,986	730,933	5.6%
June 30, 2019	13,163,053	71,245	0.5%
June 30, 2018	13,091,808	365,076	2.9%
June 30, 2017	12,726,732	(251,425)	(1.9%)
June 30, 2016	12,978,157	317,999	2.5%
June 30, 2015	12,660,158	287,485	2.3%

The 10-year average increase is \$290,295.