

Workers' Compensation Advisory Committee (WCAC) Meeting

Labor and Industries, Tumwater, WA

Meeting Notes

June 15, 2023

Hybrid – L&I Boardroom and Zoom

Business Representatives:

Bob Battles, Association of Washington Business

Sheri Call, Washington Trucking Association

Jon DeVaney, Washington State Tree Fruit Association

Sheri Sundstrom, Washington Self-Insurers Associations

Labor Representatives:

Joe Kendo, Washington State Labor Council

AJ Johnson, Washington State Council of Firefighters (*not in attendance*)

Mark Riker, Washington State Labor Council

Brenda Wiest, Teamsters Local 117

Labor and Industries:

Joel Sacks, Director

Mike Ratko, Assistant Director for Insurance Services

Board of Industrial Insurance Appeals (BIIA):

Holly Kessler, Chair

Court Reporter:

Connie Church, Capitol Pacific Reporting

Recorder:

Ashley Oberst (*present*)

Cristina Gaffoglio (*present*)

Guests:

AJ Johnson, Ali Ishaq, Amy Early, Angelique Guppy, Anna Minor, Azadeh Farokhi, Bill Vasek, Brenda Heilman, Brenda Wiest, Celeste Monahan, Celia Nightingale, Cherell Fisher, Cherie Wagaman, Cheri Ward, Chris Ristine, Ciara High, Connie Church, Cristina Gaffoglio, David Bonauto, David Kennerud, Debra Hatzialexiou, Eddie Macsalka, Elizabeth Drown, Herbert Atienza, Holly Kessler, Jennifer Marcum, Jerry Bonagofsky, Ji Young Nam, Joel Sacks, John Cox, Joshua Ligosky, Julie Black, June Spector, Kaethe Long, Karen Jost, Kathy Petruzzelli, Keith Bingham, Kelly Early, Ken Nielson, Kim Kyler, Kim Wallace, LaNae Lien, Leigh Haley, Lisann Rolle, Liz Smith, Lynda Ducharme, Maria McClain, Mark Phillips, Meenu Thapar, Melissa Sutherland, Nichole Runnels, Kelly Leonard, Rob Cotton, Rose Gundersen, Ryan Guppy, Sarah Battin, Sarah Crain, Scott Dilley, Sheri Call, Thomas Feller, Todd Gendreau, TVW Streaming, Uriel Iniguez, Zachary Gray

Welcome and Introduction: Mike Ratko and Joel Sacks

The meeting began with a brief overview of the agenda and introductions of the committee members.

Mr. Ratko moved to approve the minutes from the March 30, 2023 meeting. Ms. Sundstrom seconded the motion. There was no opposition to the motion. The minutes were approved.

Mr. Ratko introduced Sheri Sundstrom, the Business Representatives from Washington Self-Insurers Associations, who presented the safety message.

General Updates: Mike Ratko and Joel Sacks

Mr. Ratko announced Sheri Sundstrom's retirement and introduced Kelly Early as her replacement, who is with the Educational Service District 113

Mr. Ratko gave an update on the current status of COVID-19 claims and talked through slides 8-10.

Mr. Ratko introduced Liz Smith, Deputy Director, who gave an update on the Workers Compensation Systems Modernization (WCSM).

Ms. Smith explained that going forward the plan is to focus on smaller incremental changes that are based on customer processes rather than a system-by-systems approach. This effort is expected to take 6-10 years to complete. **Mr. Battles voiced** concern about the technology infrastructures and whether they would support the system in the future, and would the new technology be obsolete after 10 years? **Ms. Smith responded** that is the reason we are being so deliberate in our assessment of next step so as we bring on foundational and new technologies we are able to learn as we go and enable ourselves to grow and innovate. **Mr. Ratko responded** that we've done a comprehensive market scan and feel confident that we are able to procure technologies that from a mature market with many options. **Mr. Sacks stated** that we are striving to procure new technologies that are foundational and give us enterprise capabilities that connect to workers' comp technologies that all talk to each other and share and manage our data effectively. We don't want to build but procure proven products that come with support and position ourselves to stay on their upgrade paths as these products evolve. **Mr. DeVaney shared** that he appreciated the deliberate approach but wondering how we planned to mitigate the impact of training staff on new systems and the potential operational and productivity implications. **Mr. Ratko responded** that we have a robust performance metric system that enables us to monitor performance and we'll be watching these closely as we implement new technologies. We expect an operational dip in productivity, but plan to mitigate, for example, by backfilling subject matter experts assigned to the project.

Mr. Ratko and Mr. Sacks gave an update on 23-25 Budget Requests.

Operational Health Dashboard: Mike Ratko

Mr. Ratko talked through slides 14-27.

In regards to the fluctuation in the percent of time-loss loss claims coming in the door, **Mr. Battles asked** if this tied to Covid claims. **Mr. Ratko confirmed** that was the case and pointed out the multiple spikes in the percentage of time-loss claims during the pandemic. **Mr. Sacks shared** that another contributing factor most likely had to do with the fact that we'd seen a significant reduction in medical-only claims during that same time period, noting this was a national phenomenon.

Mr. DeVaney wondered if the fluctuations and decreases in percentage of medical-only and the percent time-loss are similar across industries and if perhaps hybrid/telework has effected particular industries. **Ms. Rolle stated** that drop-offs in medical-only claims have been universal across all industries, but she can look into it further and report back, including a review of the industries more likely to be working in a hybrid environment.

Ms. Gunderson shared that she was seeing a trend in frontline workers moving out of state and reducing their options for return to work. Rose indicated she had proposed legislation last session that didn't pass that attempted to mitigate this concern and she was interested if the department had data on workers moving out of state during their injury. **Mr. Ratko indicated** that the department would look into this.

Board of Industrial Insurance (BIIA) Update: Holly Kessler, BIIA Chair

Mr. Ratko introduced Ms. Holly Kessler, BIIA Chair, who talked through slides 22-27.

Mr. Battles asked if the Board planned on retaining hybrid hearings? **Ms. Kessler indicated** that this would be the case until it was no longer feasible or massively unpopular.

Program Spotlight – SHARP Overview: Dr. Dave Bonauto

Mr. Ratko introduced Dr. Dave Bonauto, Research Director for SHARP Program, who shared information about the Safety and Health Assessment and Research for Prevention (SHARP) program came about due to related to the chemically-related illness, and specifically multiple chemical sensitivity that workers in an industrial setting are exposed to.

Dr. Bonauto talked through slides 30-43.

Mr. DeVaney asked whether SHARP will be addressing specific types of injuries with industry partners. **Dr. Bonauto responded** with yes, SHARP continues to research and identify emerging hazards and bring awareness to workers.

Program Spotlight – Work-related Musculoskeletal Disorder (WMSD) claims: Dr. Jennifer Marcum

Dr. Bonauto introduced Dr. Jennifer Marcum, WMSD Epidemiologist for SHARP.

Dr. Marcum talked through slides 45-58

Dr. Marcum gave an in-depth view of work WMSD claims in the Workers' Comp System, specifically relating to the new ergonomics bill. **Dr. Marcum explained** that WMSDs account for about a third of all the compensable claims in Washington and they account for 45 percent of the compensable claim costs to the state fund.

Dr. Marcum will be publishing an annual report to indicate which risk classes, which industries, are affected by WMSDs. She showed examples of what the reports might look like and what data will be pulled. **Ms. Wiest asked if** Dr. Marcum is able to identify an employer who has more injuries than another. Or is it just looking at the risk class as a whole? **Ms. Marcum indicated** that the department has the capability to take a much more detailed look into an industry, including at the individual firm level. There was much discussion about what criteria would be used to determine the industry to focus on, and the department indicated that it was still working out the details regarding the list and that the committee members would be kept informed as things developed.

Industrial Insurance State Fund Financial Overview: Rob Cotton

Mr. Ratko introduced Rob Cotton, Chief Accounting Officer for Financials, who talked through slides 60-72.

There was discussion about the appropriate level of the contingency reserve, which is currently around 30%. Mr. Sacks indicated that his ideal reserve level is around 25% to enable him the ability to ensure predictable and stable rates.

Spanish Language Web Access Project: Tim Church

Mr. Ratko introduced Tim Church, Assistant Director for Web and Communications.

Mr. Church went over slides 74-78.

Mr. Church explained that people who speak Spanish in Washington are the largest non-English-speaking community in our state. About 15 percent of Washington workers identify themselves as Hispanic. **Mr. Church added** that Spanish speaking customers were struggling to navigate LNI's website, which is why his team launched the new Spanish-Language website.

Mr. Church introduced Lizzy Drown, Enterprise Project Manager, who gave a brief demonstration of the Spanish website.

Closing Comments & Adjourn: Mike Ratko and Joel Sacks

Mr. Ratko and Mr. Sacks thanked Ms. Sundstrom for her commitment and passion for Workers Comp and good policy. They presented her with a gift

Mr. Sacks thanked the presenters for their time and effort putting together their presentations and asked the committee to send any topic ideas their way so they can be incorporated into future agendas.

Mr. Ratko thanked the attendees and presenters.