

Meeting minutes: Workers' Compensation Advisory Council

Date: Jan. 24, 2018
Minutes prepared by: Executive secretary of the Workers' Compensation Advisory Council
Location: Department of Labor and Industry, 443 Lafayette Road N., St. Paul, MN 55155

Attendance

Members attended

Sandra Bodensteiner
Walter Frederickson
Russell Hess
Jeff Horner
Douglas Loon
Bill McCarthy
Edward Reynoso
Robert Ryan
Gary Thaden
Kevin Yakes

Legislative liaisons attended

Senator Paul Utke

Visitors attended

Deb Anger – LMCIT
Medaria Arradondo – Minneapolis chief of police
Joe Austin – St. Louis County
Rob Boe – LMCIT
Wanda Cannon – Hennepin County
Keith Carlson – MICA
Karen Ebert – MCIT
Jeremy Estensen – SFS
Carla Ferrucci – MNAJ
Dan Greensweig - LMCIT
Bob Johnson – Insurance Federation of Minnesota
Natalie Hafner – WCRA
Shepard Harris – MSIG/MAT
James Herr – WCRA
Liz Houlding – Department of Administration
Bill Keller – Anoka County
Brad Lehto – MN AFLCIO
Ann Lindstrom – LMC
Cody Marks – Corvel
Dave Meusalem

DLI staff members attended

Commissioner Ken Peterson
Assistant Commissioner Chris Leifeld
Alexis Russell
Sandy Barnes
Kate Berger
David Berry
Karen Kask-Meinke
Ethan Landy
Mark McCrea
David Musielewicz
Donna Olson
Lisa Wichterman
Brian Zaidman
Laura Zajac

Patty Milun – WCCA
Laura Mundt – Mayo Clinic
Phil Moosbrugger – Department of Commerce
Kim Olson – Corvel
Chris Parsons – Minnesota Professional Fire Fighters
Kirk Pederson – MPFF, Hennepin County
Patty Prentice – LMCIT
Darin Richardson – LMCIT
Dean Salita – MNAJ
Joe Schindler – MHA
Rachel Stuckey – Messerli
Sophie Thaden – MMCA/NECA
Joe Twomey – MDLA
Gary Westman – Department of Administration
Cam Winton – Minnesota Chamber of Commerce
Adam Wolhoff – Office of Administrative Hearings
Destiny Xiong – Minneapolis Police Department
Bette Zerwas – North Memorial
Rep. Nick Zerwas – House of Representatives

Call to order and roll call

- Commissioner Ken Peterson called the meeting to order at 9:45 a.m.
- Roll call was taken and a quorum was present

Announcements

Commissioner Peterson introduced two new alternates attending the meeting. Sandra Bodensteiner is the alternate for Bobbi Pearson, a business representative, and Jeff Horner is the alternate for Jason Bartlett, another business representative. The commissioner thanked them for their service and attendance today.

Approval of the agenda

Commissioner Peterson asked for approval of today's agenda. Gary Thaden made a motion to approve the agenda and it was seconded by Russell Hess. All voted in favor and the agenda was approved.

Approval of the minutes

Bill McCarthy moved to approve the minutes from Dec. 13, 2017, Douglas Loon seconded the motion and all voted in favor.

Legislative items

Commissioner Peterson explained that for today's agenda there will be a broad discussion about some legislative items and then an overview of the Minnesota Workers' Compensation DRG Evaluation Report. He indicated that while there is no bill from the department on the Workers' Compensation Modernization Program, there are still issues to be negotiated with some other state agencies. If the bill is prepared by the next WCAC meeting it will be presented to the council. He added that the department may or may not need the bill.

Loon addressed the group and said he and other business leaders have convened some initial meetings around a fee schedule for the hospital outpatient payment system. He wanted to share that there is nothing in detail yet, but talks are progressing. He indicated the commissioner will be asked for his advice, as well as the hospitals and insurance industry going forward. WCAC will be briefed and asked for input when there is something more firm between the parties. The commissioner added the department will provide any data necessary during the negotiations between labor and business.

Commissioner Peterson brought up the topic of post-traumatic stress disorder (PTSD) as a workplace injury and noted this group has had several discussions about the issue. In 2013, the Legislature approved a WCAC agreement to include PTSD as a workplace injury and, since then, the topic of presumption language has been

discussed as an addition to the law. He introduced Minneapolis Police Chief Medaria Arradondo to the group and asked the chief to come forward with his remarks.

Chief Arradondo thanked WCAC for taking up the conversation about PTSD and said the issue is a very important topic to his department and other law enforcement agencies in the state. He explained the PTSD issue has finally been given a name and is no longer kept hidden, as in the past. Historically, the advice to the officer has been to just try to forget about the trauma and move forward. This is no longer the case, because many cannot move forward and this trauma can be detrimental if not dealt with in a proper manner. He emphasized that instead of hiding this type of workplace disorder, it has been proven it does far more good to acknowledge it, repair the person, rebuild them, support them and continue to support them and their families throughout the injury. This type of support creates trust between the department and officers and is critical to the well-being of the officers and the community.

Commissioner Peterson introduced Dan Greensweig from the League of Minnesota Cities Insurance Trust (LMCIT). Greensweig has spoken to WCAC in the past, but wanted to update the group about a couple of issues.

Greensweig explained his organization is a self-insurance pool made up of cities around the state to provide workers' compensation coverage. He addressed a couple of questions that came up at the most recent meeting, one being the financial impact of a PTSD claim on a city's insurance premium. Although it is difficult to be accurate in these hypothetical scenarios, one of the actuaries did come up with a sample to share with the group.

For example, if a city of 15,000 people with a current workers' compensation premium of \$180,000 a year experienced a claim for \$250,000, the premium increase would be roughly \$45,000 a year for three years. He wanted to emphasize that for self-insurance pools, such as LMCIT or the counties, all of those funds are public tax dollars. A claim of \$250,000 for one city gets paid with local government property tax dollars regardless of where those tax dollars are coming from. The actuary is attempting to get some information from Veterans Affairs about the frequency and severity of PTSD claims among veterans, in hopes they can use that to supplement the information they have about PTSD in the public safety realm. The problem is there is limited experience, because PTSD has only been in the workers' compensation area since 2013. Other colleagues across the country are having the same experience. There is simply not enough experience for them or the actuaries to really draw conclusions about what the dollar amounts may be going forward. He expressed his goals are that both the mental and emotional well-being of police officers and first responders are public health issues that go beyond PTSD and workers' compensation and are dealt with on a broader level.

Rep. Nick Zerwas wanted to make a few comments about the issue of PTSD presumption and the lack of progress between both sides of this issue. He believes making a public safety professional prove the exact event that caused the trauma leading to PTSD is wrong and unfair. He emphasized the current recruitment problems in law enforcement, fire departments and emergency medical services (EMS) organizations. There are also retention problems in all three of those professions. He said he continues to be an advocate for this issue and encouraged WCAC to find middle ground for an agreement.

Loon thanked Zerwas for his devotion to the subject. He indicated this is something the council has discussed for several months and did not feel it was a failed attempt. There is a path forward because there is interest in this

treatment approach that creates awareness and understanding between employees and employers that will help victims of PTSD. He felt there could be agreement on something meaningful if there was more of an emphasis on treatment options.

Ed Reynoso said the labor representatives are 100 percent behind this PTSD presumption language. He indicated his organization is supportive and most of his colleagues are supporting Zerwas' proposal. He doesn't feel the cost should override the concern for the life of a police officer or first responder.

Overview of the Minnesota Workers' Compensation DRG Evaluation Report

David Berry, Department of Labor and Industry (DLI) Research and Statistics, gave a slide presentation overview of the study done by the department. This study covers the reimbursement of hospitals for inpatient services in the workers' compensation system for the state of Minnesota. (The report is attached to these minutes of the meeting.) Some takeaways from the report include the following.

- This report was mandated by the Minnesota Legislature to study the results of the DRG system and whether the objectives have been met.
- Both insurers and hospitals were responsive to the survey.
- The survey results concluded the DRG system has increased administrative efficiency overall.
- Payments are largely accurate under the DRG system.
- DLI identified three areas for further review: electronic transactions; prompt action; and statutory basis of payment.
- DLI does not recommend legislative changes at this time.

Other business

Thaden asked about discussion of the misuse of opioids and whether the Medical Services Review Board (MSRB) has updated treatment parameters about this issue. He would like to know they are using the most current science and best information available.

Deputy Commissioner Chris Leifeld said MSRB did have this on its agenda and will be taking this up at its April meeting. The members will be watching what happens at the Legislature. Leifeld said there are a number of proposals currently at the Legislature for review.

Commissioner Peterson announced the next WCAC meeting is scheduled for Feb. 14, 2018.

Adjournment

McCarthy made a motion to adjourn the meeting, Loon seconded the motion, all voted in favor and the motion carried. The meeting was adjourned.