

Minutes: Workers' Compensation Insurers' Task Force

Date: Nov. 21, 2018

Minutes prepared by: Carrie Rohling

Location: Minnesota Department of Labor and Industry

Attendance

Members present

Natalie Haefner
Lee Ingrassia (via telephone)
Michael Johns
Meg Kasting
Stacy Kohlhofer (Amanda Cox via telephone)
Rob Rangel
Michael Schneider (via telephone)
Cheryl Tabbert
Gary Westman
John Wiatros

Members absent

Mary Abraham
Sean Curran
Robert Johnson
Steve Patton
Bobbi Pearson
Cindy Van Eyll

Visitors and staff members present

Valerie Brophy – CapTech
Pam Carlson
Aaron Frederickson
Ralph Hapness
Ethan Landy
Chris Leifeld
Donna Olson
Julie Sutherland
Lisa Wichterman
Laura Zajac

Call to order

The meeting was called to order at 9:02 a.m. by co-chairman Gary Westman. Announcements and introductions were made.

Approval of the agenda

The agenda was approved by all.

Approval of the minutes

John Wiatros moved to accept the Sept. 19, 2018, meeting minutes. Meg Kasting seconded, all approved and the motion passed.

Department and legislative update

Deputy Commissioner Chris Leifeld indicated the first topic of the meeting will address safety announcements. He informed the group of where all building exits were located, to use caution during inclement weather to avoid slips, trips and falls, and to be aware of the ongoing construction project in the building.

A department transition will be coming soon. Commissioner Ken Peterson will be retiring at the end of his term, Jan. 7, 2019. He has enjoyed his time with the department. Until then, staff members will remain in their roles. Alexis Russell, government affairs, is working at the governor-elect's office, to include coordinating policies. The Workers' Compensation Advisory Council (WCAC) will not be meeting in December. Some changes will be forthcoming surrounding the Workers' Compensation Modernization Program (WCMP).

There will be training next Tuesday about the new ambulatory surgery center and hospital outpatient payment systems that will include review of the inpatient hospital DRG payment system and a presentation about how we resolve disputes in the Department of Labor and Industry's (DLI's) Alternative Dispute Resolution unit. There are eight spots left; the training is free.

Post-traumatic stress disorder (PTSD) rulemaking started last July; Laura Zajac is the main author, although drafting the rulemaking is a team effort. The Medical Services Review Board (MSRB) has met a few times about this, with the board's workgroup meeting on Dec. 19. DLI is currently reaching out to stakeholders for input, hoping to get draft language out by the end of the year. We still have more input to get. DLI shared this information with MSRB and will continue to meet with the police, firefighters and other experts. The next MSRB meeting is Jan. 17.

Peterson offered comments about PTSD rulemaking and encouraged the efforts to reaching some sort of consensus. Mike Johns, asked about having different language for first responders. Peterson said he's not sure if it's for them or just different language. Leifeld said we're still early in the game and will continue to work with these groups. Peterson thanked the group for all their hard work and said their time and work is important. Kasting thanked the commissioner for the fantastic job he did.

Workers' Compensation Modernization Program update

Julie Soderlund, the information technology coordinator for WCMP, addressed the task force. Soderlund provided a presentation about the benefits of modernizing workers' compensation. Better access to status, time to complete transactions, will be secure, people will have access to this system based on their role. Will be doing their best to provide a seamless service. Lots of background research has been conducted about how we currently process workers' compensation cases. Inviting in stakeholders for testing. Developing portion consists of actual testing with actual injured workers' files. Change management strategies are being developed. Implementation has begun, two weeks ago they started developing the system.

Valerie Brophy, Captech, discussed stakeholder opportunities. The first advisory board meeting is Nov. 28 and they will be scheduled every two months. Questions or input should be directed to Brophy at valerie.brophy@state.mn.us. Events will be happening during the next two years, to include training, webinars, and board and committee meeting attendance to provide updates. Opportunities will be posted on our website. Wiatros asked about what services there will be for injured workers. Brophy said other states have offered user interfaces for larger audiences. The apps are user-friendly. Soderlund indicated the state accessibility coordinator has built accessibility into their plan, and risk – especially when disabilities are involved. Wiatros expressed a concern about multilingual individuals and litigation attorney involvement initiated by a lack of understanding. He's concerned some of these changes may bring on more litigation. Leifeld indicated there will still be people to answer questions to help injured workers get through the system. Brophy stated electronic files will be better than paper files, with quicker accessibility. Soderlund encouraged going to the CapTech Ventures website. Westman questioned the reliability of data and historical data, and asked what are you doing to ensure accuracy. Soderlund indicated the migration team looked into what is in the current system, including checking data and determining what is considered useful data. Leifeld stated the retention schedule determines what to keep and not to keep. CapTech has done a really good job building a system around the patterns and will be providing updates at future meetings and via GovDelivery.

Penalties overview

Ralph Hapness provided a handout and overview of penalties. Five years worth of penalties were provided. Common LFROIs – reviewing fewer with a drop in 2014 and 2015 (that is when we mandated EDI filing). Plateaued for the past few years. Twenty percent of the files we looked at involved a penalty assessed against the employer. Wiatros asked if this number includes warning letters. Hapness said it does. Late first-payments are getting better. Westman asked what kind of numbers we are talking about. Penalties assessed in fiscal-year 2018: 82 practice penalties. Wiatros asked how many requests are being sent out? Hapness said 850 to 1,000 requests a month. Response on the first request is pretty high; second request response is pretty good. Sometimes it's a system problem. Wiatros said 9,000 requests in a year, with 82 practice penalties, seems the ratio is pretty good. Late first payments or late denials are at 20 percent. F penalties – failure to file a form – are trending down; failure to file medical reports – trying to be more proactive with health care providers. Failure to file required forms for qualified rehabilitation consultants is trending slightly up. Improper discontinuances looks to be trending down. Late payment of order, the most expensive penalty, is trending down. Kasting asked about late first reports of injury. Hapness said DLI gets a list and one out of five looks late. Cheri Tabbert asked about not responding to prohibited practice. Hapness said two requests go out; there are five prohibitive practices warnings. Johns indicated the potential problem would be if you use a carrier. Hapness stated we try to maintain uniqueness with everybody.

ADR overview

Aaron Frederickson, Alternative Dispute Resolution (ADR) mediator, introduced himself and told the group a little about the ADR unit. He reviewed the workers' compensation hotline and walk-in services DLI has. A very small percent of inquiries are from claim handlers. Natalie Haefner asked what the difference is between the hotline and the ombudsman. Frederickson explained the hotline is like a triage nurse and the ombudsman deals with specialist services and more critical cases. Leifeld added the hotline consists of 17 to 18 mediators

answering the phone and there is only one ombudsman. Kasting wondered if we should call in to give ADR staff members a heads-up prior to the injured worker. Frederickson said the injured worker can just call in; DLI will sometimes follow up with claims handlers. He gave some examples of experiences. Administrative conferences – 30 days to issue decision. ADR offers free mediation services, including traveling to greater Minnesota. Mediations allow for all parties to have a say in the settlement. The ADR mediator at the Duluth office is Ken Kimber. Frederickson's contact information is aaron.Frederickson@state.mn.us and 651-478-8202.

Website overview

James Honerman, Communications director, tabled the overview until the next meeting.

Other business

None

Adjournment

The meeting was adjourned 10:29 a.m.