



**Rehabilitation Review Panel  
April 3, 2014  
Meeting Minutes**

**RRP Members Present**

Duane Butorac  
Carl Crimmins  
Dr. Russell Gelfman  
Laura Jerde  
Meg Kasting (telephone)  
Carol Norris  
Alissa O'Hara  
Bobbi Pearson  
Dr. Joseph Sweere  
Mary Wells  
May Vang

**Non-Voting Members Excused**

William Martin

**Visitors/DLI Staff**

Kris Eiden, Deputy Commissioner  
Sonya Herr, Executive Secretary  
Mike Hill, Business Liaison  
Sandy Barnes  
Brian Zaidman  
Chris Leifeld  
Charles Mckinstry-Luepke

**Voting Members Excused**

Michael Hawthorne  
Steve Hollander  
Calandra Theisen  
Lisa Weed

**Call to Order**

Chairperson Dr. Joseph Sweere called the meeting to order at 1:03 p.m. Introductions were made. A quorum was met.

**Approval of Minutes**

Alissa O'Hara moved to approve the January 23, 2014 meeting minutes as presented, and May Vang seconded. All voted in favor. Motion carried.

**Approval of Agenda**

A unanimous decision was made by the Panel to approve the agenda as presented.

**Deputy Commissioner's Update**

- The Department has a Workers' Compensation bill that is making its way through the legislature. The bill covers primarily housekeeping matters with the exception of three provisions. One provision, requested by the insurance industry, affects how the Special Compensation Fund's assessments are accounted for on annual statements filed with the Department of Commerce. The second item deals with how claims for PTSD as an occupational disease are handled for reinsurance. This change was requested by the cities and counties. It treats the claims on an aggregate basis for purposes of reinsurance, thereby allowing insurance to be applied at an earlier date.



And the third substantive provision gives the Department rulemaking authority to make its rules consistent with ICD-10 when it becomes effective.

- David Musielewicz is the new Workers' Compensation Ombudsman and will be starting next week. David can be reached at [dli.ombudsman@state.mn.us](mailto:dli.ombudsman@state.mn.us).

## **Rehabilitation Related**

### **2012 Workers' Compensation System Report data**

Brian Zaidman stated that the 2012 MN Workers' Compensation System Report is expected to be published at the end of April. He then reviewed a PowerPoint handout discussing statistical highlights related to vocational rehabilitation. A copy of the handout is attached to these minutes.

### **Summary of Retraining Plan Outcomes**

In response to Panel inquiry, Mike Hill presented the Panel with an in-depth summary of retraining plan outcomes from 2010 through 2013. The materials distributed to the Panel included data from 2010 to 2012 and are attached to these minutes.

Carl Crimmins asked for clarification on why the Department is denying and/or disputing so many retraining plans. Mr. Hill stated that the department doesn't dispute retraining plans, but that this is primarily done by insurers who are not in agreement with the plan that was submitted. Mike went on to state that when retraining plans are disputed, they go to the Department's Alternative Dispute Resolution unit or OAH where the plan is reviewed using the Poole factors, which include reasonableness of retraining, likelihood of employee success, likelihood of obtaining employment, and the likelihood of returning the employee to a suitable wage. Retraining plans are then approved or denied on this basis. For retraining plans agreed upon by all parties, Mike indicated that he reviews them. If there is a question about the plan's viability, the QRC is contacted with a request for more information. If the QRC does not provide information or it is insufficient, the plan will be denied. Mr. Crimmins questioned if ADR/OAH denials could be identified with respect to particular QRCs or attorneys. Ms. Norris suggested that rather than a particular QRC, who might not have control over the denial, it would be more helpful that the reasons the plans were denied be provided.

### **July Meeting Date Changed to July 24, 2014**

The Panel voted to change the July 3rd meeting to July 24, 2014.

## **Other Business**

### **Agenda Items for Next Meeting**

Carl Crimmins and other Panel members asked Mr. Hill for more information regarding retraining plan denials.



## **Adjournment**

Carl Crimmins moved to adjourn, which was seconded by Duane Butorac and approved by all members.

**Next Tentative Meeting Dates:**      **July 24, 2014 from 1:00 – 3:00 PM,**  
October 2, 2104, January 1, 2015



### Summary of Retraining Plan Outcomes

56 Retraining Plans were submitted to DLI in 2010 and the following is a breakdown of what happened with those plans:

- 37 of the submitted Retraining Plans were disputed by the parties
  - 28 of the disputed plans were subsequently settled without pursuing retraining
  - 3 plans were withdrawn by the employees
  - 5 of the disputed plans were approved/ordered
    - 3 employees settled their claims before completing the Retraining Plan
    - 1 employee completed training but is earning less than DOI wages - \$840 versus \$1,424 and is looking into additional schooling
    - 1 deceased employee's spouse is in school but the claim is in litigation and no information was available on the completion date for the Retraining Plan
- 19 of the submitted Retraining Plans were agreed to by the parties
  - 2 employees settled their claims before pursuing Retraining Plan
  - 3 of the agreed to plans were denied by DLI
  - 14 of the agreed to plans were approved and the outcomes are as follows:
    - 3 employees settled their claim before beginning the Retraining Plan
    - 1 employee completed retraining/earning \$960 versus DOI wages \$1,250
    - 1 employee completed retraining/earning \$910 versus DOI wages \$697
    - 1 employee completed retraining/earning \$330 versus DOI wages \$320
    - 1 employee completed retraining/earning \$576 versus DOI wages of \$600
    - 1 employee completed retraining/earning \$648 versus DOI wages of \$967
    - 2 employees did not finish school/complete the plan
    - 4 employees completed their Retraining Plans but no information was available in the file regarding employment or wages

### 2011 Retraining Plans

63 Retraining Plans were submitted to DLI and the following is a breakdown of what happened with those plans:

- 45 of the submitted Retraining Plans were disputed by the parties
  - 30 of the disputed plans were subsequently settled without pursuing retraining
  - 2 of the disputed plans were withdrawn by the employees
  - 4 disputed plans were subsequently denied by DLI or OAH
  - 9 of the disputed Retraining Plans were approved/ordered and the following is a breakdown of those Plans:
    - 2 employees will finish their schooling in 2014
    - 4 employees settled their claims and did not pursue retraining
    - 1 employee finished school in 2013 but no information was available in the file on current work status
    - 1 employee settled their claim but is going to school
    - 1 employee died before he could pursue the Retraining Plan



18 of the submitted Retraining Plans were agreed to by the parties and the following is a breakdown of what happened with those Plans:

3 of the agreed to plans were denied by DLI

15 of the agreed to plans were approved by DLI and the outcomes are as follows:

7 employees settled their claims prior to implementing the Plan

Outcomes of the 8 remaining Plans:

1 employee got a job with similar wages

1 employee completed retraining and is searching for a job but the matter is still in litigation

1 employee died from non-WC related issues before Plan implemented

1 employee completed retraining/earning less than AWW but potential for growth/self-employment to increase earnings

1 employee completed retraining/ earning more than AWW

1 employee will finish school in May 2014

1 employee quit school due to personal problems/depression/pain

1 employee completed retraining but no information on current work status in file

### **2012 Retraining Plans**

47 Retraining Plans submitted to DLI and the following is a breakdown of what happened with those plans:

18 agreed to Retraining Plans were approved by DLI

6 employees settled their claims prior to approval/denial of plan

10 employees currently in school

2 employees completed Retraining Plan

1 employee is working earning \$680 versus DOI wages of \$840

1 employee completed retraining but no information as to current work status in file

29 of the Retraining Plans submitted to DLI were disputed

22 employees settled their claims before implementing Retraining Plan

1 plan dismissed/withdrawn due to primary liability denial

1 claim still in litigation

1 plan withdrawn by employee

4 plans were approved/ordered by DLI/OAH and the following is a breakdown of those Plans:

1 employee in school; completion date 12/2016

1 employee in school; completion date 12/2014

1 employee in school; completion date 7/2014

1 plan on appeal to OAH and employee may need surgery



# Vocational Rehabilitation Statistics

as seen in the Minnesota Workers' Compensation System Report, 2012

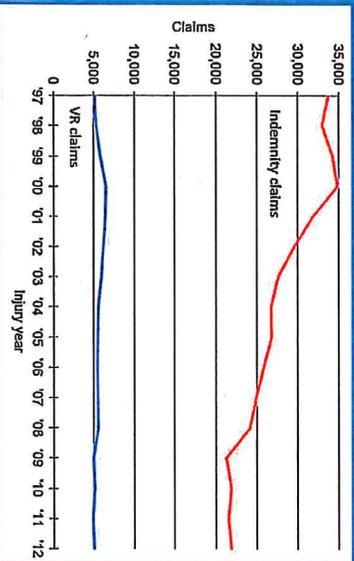
Brian Zaidman  
Research & Statistics

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## Number of indemnity claims and VR claims

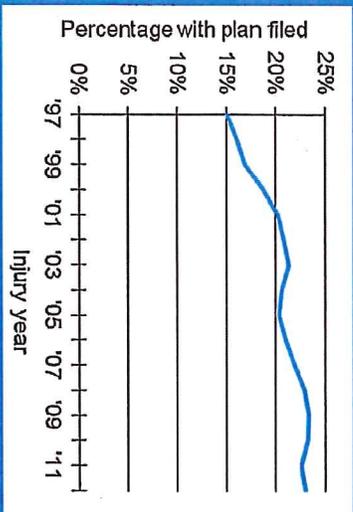


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## VR utilization rate among indemnity claims

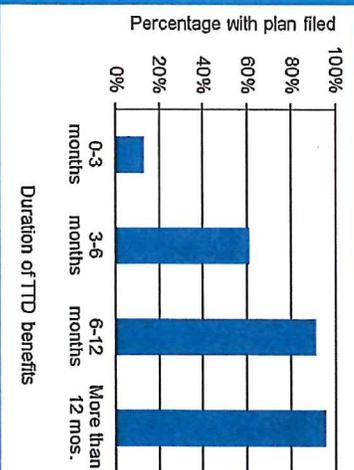


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## Percentage of claims with VR plans by TTD duration, 2009-2011 claims



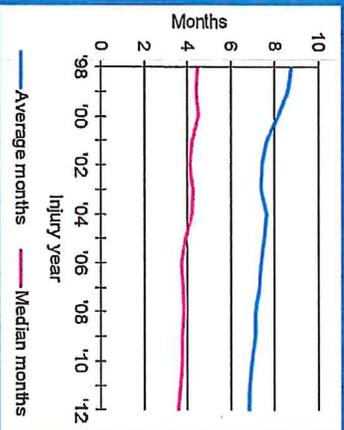
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## Months from injury to start of VR services

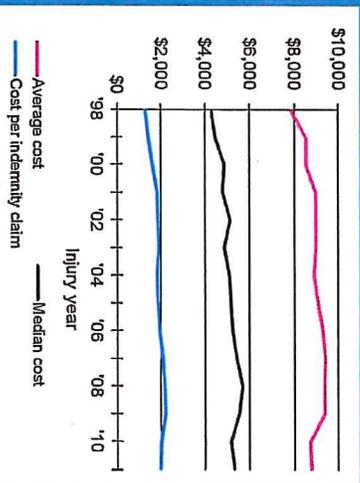


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## Plan costs, adjusted for wage growth

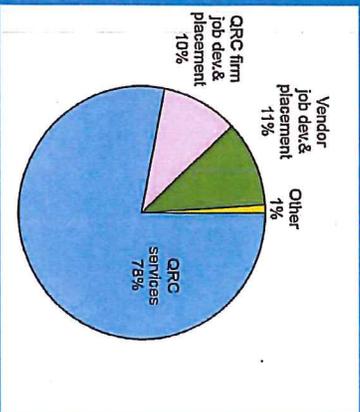


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## Cost breakdown of VR services, 2012 plan closures

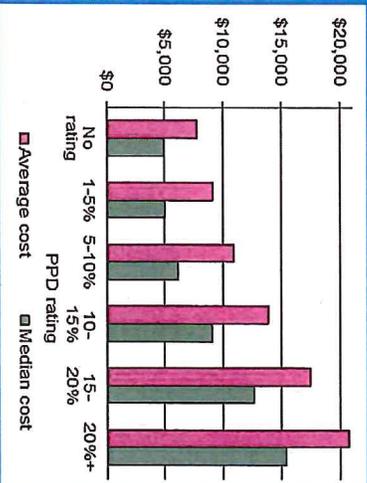


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## VR plan costs by PPD rating, plans closed 2009-2011



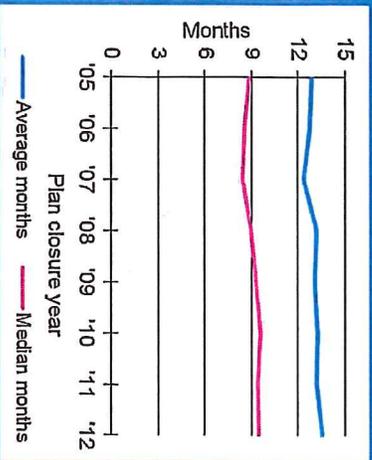
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## Months of VR service duration

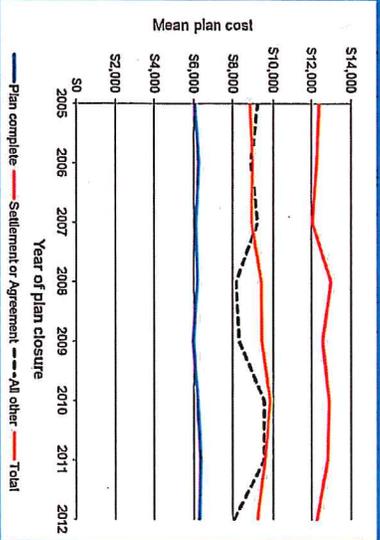


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## Mean cost by reason for plan closure

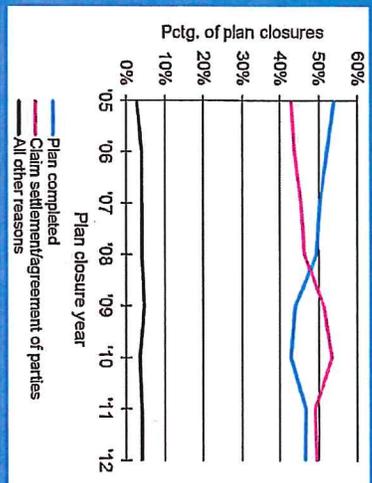


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## Reason for plan closure

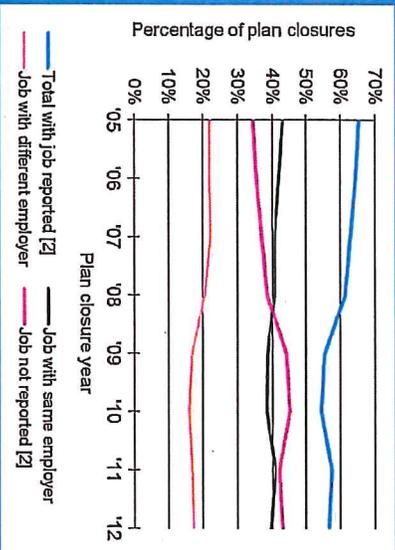


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## Return-to-work outcomes



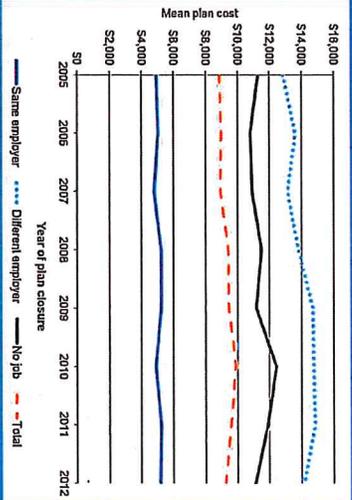
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## Mean cost by return-to-work status

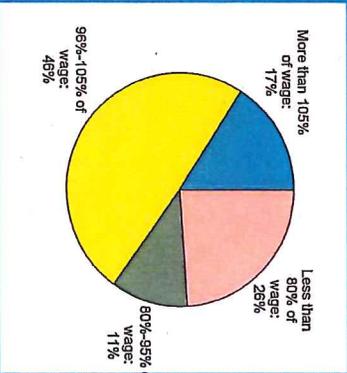


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## RTW wage as percentage of pre-injury wage, closures 2010-2012

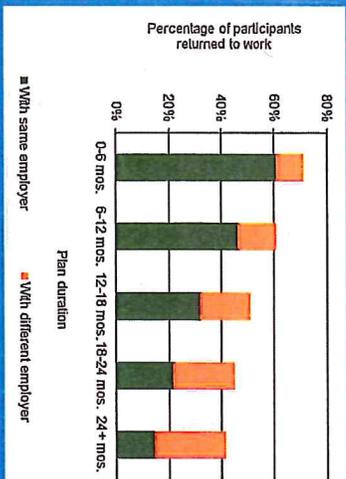


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## Return-to-work status by plan duration, 2010-2012 closures

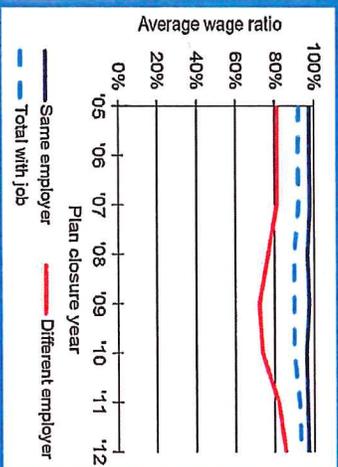


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## Trends in mean return-to-work wage percentage



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