

Workers' Compensation Advisory Council
June 19, 2013
Minutes

Members present

Teresa Whitcome for Elaine Garry
Russell Hess
Jason George for Glen Johnson
Rep. Andrea Kieffer
Shar Knutson
Robert Lux
Rep. Tim Mahoney
David Olson
Susan Olson
Ed Reynoso
Robert Ryan
Dawn Soleta
Gary Thaden

Members excused

Walter Frederickson
Sen. John Pederson

Members absent

Senator Dan Sparks

DLI staff members present

Kate Berger
Debbie Caswell
Deputy Commissioner Kris Eiden
Kathy Hanson
Mike Hill
Karen Kask-Meinke
Charles McKinstry-Luepke
Phil Moosbrugger
Donna Olson
Commissioner Ken Peterson
John Rajkowski
Karen Ryba
Jessica Stimac
Lisa Wichterman

Visitors present

K. M. Adam, MCIT
Charles Burhan, Liberty Mutual
Dawn Carlson, Almeida PA
Eric Dick, MN Medical Association
Susan Giguere, MAPS
Natalie Haefner, WCRA
James Heer, WCRA
Erin Huppert, Allina Health
Meg Kasting, SFM
Suzanna Kennedy, MSIA
Brett Krumhardt, Coventry
Gail Kulick, Winthrop & Weinstine
Brad Lehto, MN AFL-CIO
Kristin Loncorich, MN Hospital Association
Brian Martinson, MN Senate
Micki Mathiesen, SFM
Tom Mottaz, MNAJ
Tara Mulloy, PNHP
Trevor Oliver, MN House
Tim O'Malley, OAH
Tom Saby, QRC
Joe Schindler, MHA
Jennifer Shabel, Office of Governor
Sarah Stroms, Cook Firard
Deb Sundquist, Aafedt, Forde, MDLA WC
Anna Thompson, Medtronic
Elizabeth Wefel, MARP/Flaherty, Hood
Christine Zimmer, Winthrop & Weinstine

The meeting of the Workers' Compensation Advisory Council (WCAC) was called to order by Commissioner Ken Peterson at 9:17 a.m. Roll was called and a quorum was present.

Dawn Soleta moved to approve the agenda as presented. Shar Knutson seconded the motion. All voted in favor and the motion carried.

Ed Reynoso moved to approve the minutes for the Feb. 13, 2013, and April 10, 2013 meetings. Robert Ryan seconded the motion. All voted in favor and the motion carried.

V. Agenda items

a. Overview of workers' compensation amendments

John Rajkowski, legislative director, Department of Labor and Industry (DLI), presented an overview of the workers' compensation bill. The WCAC met April 10, 2013, and discussed the department's recommendations regarding minor policy and technical changes to the workers' compensation law that were approved. Major policy negotiations occurred between labor and management for the next several weeks and were agreed to in late April. The final bill made some of the most major policy changes in the past 18 years.

Rajkowski summarized the sections of the bill. He reported the most controversial part of the bill was the issue of how hospitals are reimbursed. The bill that passed requires DLI to conduct a study regarding the reimbursement of medical costs. DLI is meeting with the hospital representatives next week to look at potential reforms and barriers regarding how reimbursement costs affect the hospitals. DLI will have a report to the Legislature in time for the 2014 session.

Rajkowski noted the post-traumatic stress disorder (PTSD) and qualified rehabilitation consultant (QRC) provisions were also controversial. The house passed the bill unanimously. The Senate had several "no" votes but it did pass and was signed into law by the governor about a month ago.

Commissioner Peterson thanked Reps. Tim Mahoney and Andrea Kieffer for the great job in the House getting the bill passed.

b. Reimbursement cost study

Peterson agreed that one of the major bill proposals originally called for the repeal of the Spaeth decision, affecting medical reimbursement. A compromise was made to do a study rather than repeal the decision. DLI Deputy Commissioner Kris Eiden said the focus of the study is the reimbursement of medical costs and how those costs impact medical providers as well as insurers. DLI set up three internal teams to focus on three major topics within the umbrella of the reimbursement cost study.

- Actual reimbursement methodology: Hospitals are currently generally reimbursed 100 percent of their charges or 85 percent of their charges. This team will look at other options of reimbursement, particularly DRGs, cost-to-charge ratios and a number of other methods that were contained in a study by CGI Federal, conducted at the department's behest about six months ago. That study is available on the department's website at www.dli.mn.gov/WC/Pdf/cgi_federal_report2012.pdf.
- Payment mechanics: There were comments made during the session that hospitals and/or payers were not using and honoring e-billing, and the whole idea of e-billing is that it cuts costs and speeds up the process. DLI has a team looking at that on both ends to find out whether the providers are sending the bills and the payers are able to receive them electronically.
- Friction costs: The final team is looking at what costs are occurring in the system because of the friction between payers and health care providers, such as bill reviewers. DLI will try to determine the costs that are attributed to those functions that exist because of the way it currently reimburses a number of medical providers.

Eiden noted this study is on the fast track for DLI to provide its findings and recommendations to the WCAC before the end of the year. DLI will be tapping into publicly available data from the Workers' Compensation Research Institute, the CGI study, the Minnesota Department of Health and anywhere it can get publicly available information. DLI is also setting up meetings with various stakeholders, including insurers, hospitals and a number of trade associations. She invited anybody with information that would be helpful to DLI or who would like to share their view of this project to contact her or the commissioner so they can sit down and get more information. DLI will also send written requests for information. Peterson noted DLI's goal is to present the study to the WCAC at its December meeting and determine whether the WCAC would like to take any parts of the study to the Legislature in January for the session that starts in February.

Reynoso commented that Keiffer and Mahoney did a phenomenal job and acknowledged the leadership of David Olson and Knutson in coming to an agreement as a full committee to bring forward legislation that is going to help injured workers in the state. Commissioner Peterson agreed they did a great job and said this legislation will help the injured workers and the employers, and will make the system as efficient as possible, but still give people fair compensation for their injuries.

c. Patient advocate pilot project

Commissioner Peterson introduced Phil Moosbrugger to give a presentation regarding how the department will proceed with the patient advocate project in the bill. The Legislature directed the commissioner to establish the two-year patient advocate pilot program, effective Oct. 1, 2013.

Moosbrugger noted the legislative language states the mission of the patient advocate is to ensure injured workers will understand their treatment options so they can receive appropriate and effective treatment when faced with low back treatment decisions.

The department's vision for the patient advocate is to develop educational resources for injured workers, rather than to advocate for specific treatment, and it will not overstep that boundary and give medical advice. It can develop education materials about what the treatment options are and what the consequences of a certain treatment might be, and will refer injured workers to outside resources.

Moosbrugger noted the other vision for this program is to help patients return to work sooner by empowering them to make better treatment decisions and advocate for themselves by educating them about the options. DLI will work to provide information and education early enough so it can be affective. A project plan will be developed by Oct. 1, 2013, for the two-year patient advocate pilot project.

The department is consulting with stakeholders and Moosbrugger extended an invitation to call him with any thoughts or recommendations.

Gary Thaden asked what the trigger point is for how people will hear about the information and how they will access the information. Moosbrugger responded DLI will try to be proactive by contacting folks who are facing these serious situations; he had some ideas, but no final decision has been made.

Kieffrer noted certain jobs are more prone to these kinds of back problems and asked if anything can be done ahead of time, before an injury occurs, such as warning signs and teaching people how to prevent injuries with certain back strengthening exercises or a training process before doing a certain job. Moosbrugger noted there are programs in place to encourage employers to have ergonomically sound workplaces and many processes and steps are already in place to try to prevent these injuries. That is the main concern of the department's Minnesota OSHA (MNOSHA) unit. The idea of proactively reaching out before an injury occurs probably exceeds the scope of what the Legislature had in mind for this project. Commissioner Peterson clarified that MNOSHA identifies those industries that have the highest rates of back injuries and provides them with information. Insurers make every effort to do this too.

Jason George stated they are excited about this program. It is something they have been doing at their union for the past seven years. Because of this program and one other program they have, their health care costs have not gone up at all for the past five years. That is why they brought this forward and are interested to see how this works in workers' compensation, because the idea here is to save money but also to get better outcomes for the workers and get them back to work faster. Commissioner Peterson asked what their union is doing and George responded they have a large-scale patient advocacy program for everything. He has a number to call if he has any type of an injury and the advocates research the doctors and hospitals he is looking at going to in his area to make sure they are qualified to do that job. They do not make recommendations; they provide him with information about any questions he has that he could not find answers for on his own. Armed with this information, he can make a decision about where he is going to go. Usually, when people have the information, they make the right decisions. The other part of their program is a comprehensive physical available to their members; the union's health fund pays for it. They are catching things early and are getting the people to the right treatment early. This is the model that has allowed them not to have to put any money from their paychecks into their health fund in five years.

Mahoney noted that is an extensive and comprehensive program and is not a one-man show. He was not sure how many people would be available for this program at DLI. He understands what their union is doing and prevention is always the better way to do it, so it is something to think about in the future.

d. 2013 Workers' Compensation Summit

1. Overview

Karen Kask-Meinke presented information about the department's 2013 Workers' Compensation Summit, "Looking Back, Moving Ahead – 100 years of Workers' Compensation in Minnesota." A handout available at the meeting outlined a tentative agenda for the summit.

She thanked the WCAC for sponsoring this event and noted the department has the speakers and most of the topics identified. They hope to get 300 people with the summit being here in the metro area. She noted Governor Mark Dayton has been invited to attend the dinner.

Kaske-Meinke noted she and DLI staff members have contacted the Minnesota Historical Society to see if some sort of display can be developed to commemorate 100 years of workers' compensation in Minnesota.

More event information will be provided as it is available. The cost is \$125.

2. Resolution regarding payment of registration fees for council members

Commissioner Peterson asked for a resolution to allow DLI to pay for WCAC members' attendance. *Susan Olson moved to have the department pay the registration fees for WCAC members. Ryan seconded the motion. All voted in favor and the motion carried.*

Commissioner Peterson suggested the August WCAC meeting be canceled. Discussion occurred and the members agreed to cancel the August meeting. Knutson noted it was important to see the study information at the December meeting before session comes up. Commissioner Peterson offered to plan for the regular meeting in December and add a meeting in January. He noted it is a short session that starts in February and will be done by mid-April. It was agreed to meet on Oct. 9, 2013, and Dec. 11, 2013, and add a meeting Jan. 8, 2014. The dates will be posted.

Adjournment

Knutson moved to adjourn at 9:55 a.m. D. Olson seconded the motion. All voted in favor and the motion carried

Respectfully submitted,



Debbie Caswell
Executive Secretary