

A3 Lean Improvement Status | ERMO Claims Using Working Solutions

Lean!

Kathy Marshall, Assistant Secretary/Chief Financial Officer
FSA/July 10, 2014

Background Plan

- FSA 2013 -2015 Strategic Plan
- Strategic Objective 5.2 – ERMO Claims
- Increase the number of programs that implemented the Labor and Industries Working Solution Program
- Use Labor and Industries Working Solutions return to work employer incentive program
- Reduce work loss days and thereby reduce claim costs

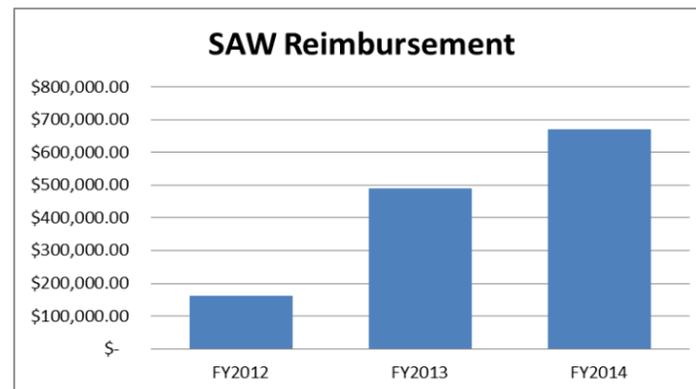
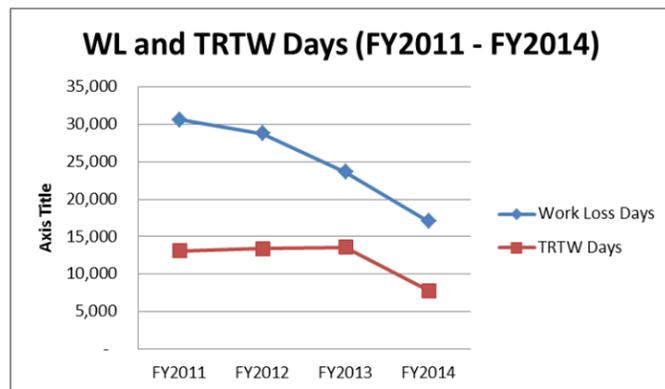
Conditions in 2012 Plan

- DSHS was assessed approximately \$38 million in Worker Compensation premiums and paid \$2 million more in assault benefits.
- No standard process to manage claims was implemented.
- There was a lack of communications with facility Superintendents, CEOs, Administrators and Managers.
- Working Solutions and Stay at Work reimbursement incentive benefit was not maximized.
- The approval and denial of assault benefits was not consistent.

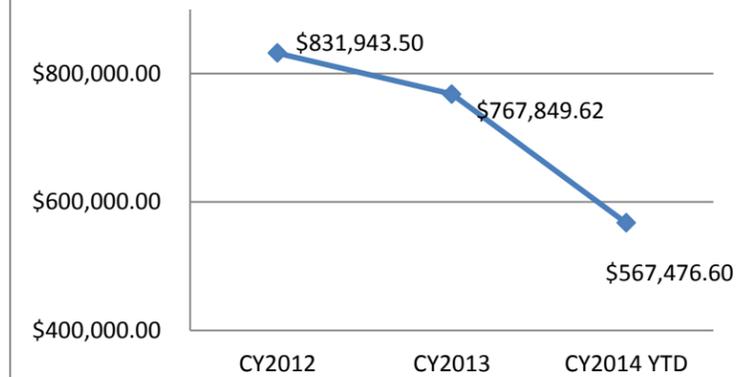
Target Conditions Plan

- Cultivate new opportunities for TRTW to maximize Labor and Industries SAW refunds.
- Continue to work with facility and office managers to provide opportunities for workers to return to the workforce while recovering from an occupational injury or disease.
- Actively manage complex claims including frequent reviews, coordination, and communication.
- Develop priorities for the program to manage and close claims quickly and safely.
- Develop customer focused, timely and quality service standards.
- Reduce number of claims.
- Increase Transitional Return to Work (TRTW) days.
- Decrease Work Loss (WL) days.
- Improve communications with facility and regional Superintendents, CEOs, Administrators and Managers.
- Develop performance standards and display in Visual Management.
- Reduce assault benefits and develop consistency in approval/denial.

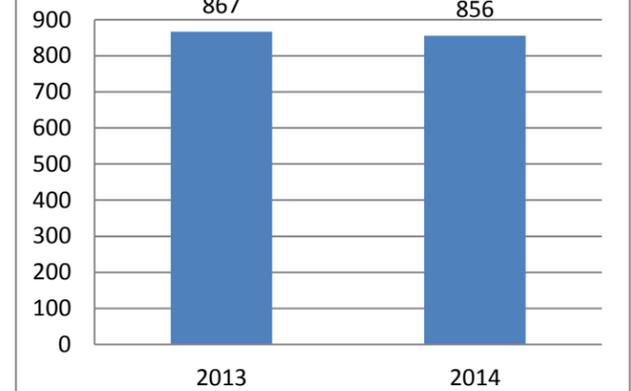
Improvements Do



Assault Benefits Paid



Open Claims



Results Check

- Performance standards were measured and displayed via Visual Management on a weekly basis.
- Audit checklists for new and existing claims were developed and random claim audits performed monthly.
- Assault Benefit Workgroup was initiated to discuss consistency in approving/denying assault benefits. This group also worked with Safety and revised incident report forms to better trend incident and assault data.
- Partnered with Payroll and HR to identify deficiencies and make improvements to agency-wide Industrial Insurance Program.
- Thoughtful and strategic hiring which expanded skill base and included credentialed staff.
- Job Analysis Bank was developed to maintain frequently used documents and reduce duplication of effort by consultants. Claim costs have been reduced by in-house Certified Rehabilitation Counselor/Certified Disability Management Specialist staff performing Vocational Rehabilitation Counselor work.
- CSI Team (Claim Specialist Investigators) was developed to resolve and close complex claims prior to impact on experience rating (June 1 each year). Team was implemented in January 2014. To date, 21 claims have closed at a Cost Avoidance of \$597,846.
- Protest and Appeals focus group will be added 9/1/15, to respond to claims at the Board of Industrial Insurances Appeals.

Follow-up Act

- Continue partnering/relationship building with Superintendents, CEOs, Payroll and HR to improve claim management, increase TRTW days and decrease WL days.
- Build claim management expertise within the program.
- Continue Lean principles and improve processes.
- June 1 is the L&I evaluation date of all open claims to project future costs for purposes of rate setting and premiums. The CSI Team will continue to work complex claims and attempt to close an increased percentage of claims that will affect 2016 rates.
- Action Plan for Protested and Appealed claims needs to be development and outcomes measured.

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