

IDAHO Industrial *Commission*



STRATEGIC PLAN

Fiscal Years Ending
June, 30 2017 - June 30, 2021

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INTRODUCTION & OUR MISSION

INTRODUCTION

The Idaho Industrial Commission's strategic plan identifies the priorities and goals necessary to fulfill the agency's mission. A collaborative planning process incorporates input from Commission employees, managers and the three Commissioners that lead the agency. We recognize that circumstances change during the term of this plan, which may create a need for revised objectives, strategies, and measures. Therefore, the strategic plan is regularly reviewed and updated annually.

A strategic plan for the workers' compensation system, unemployment appeals, and crime victims compensation program is essential to ensure that the agency meets the specific needs of its various constituencies. In addition to the overall agency strategic plan, many departments develop targeted strategic plans to set annual performance goals. The results of these plans are documented in a performance measurement report that is submitted to the Governor's office each September.

The Industrial Commission will continue its dedicated effort to communicate regularly with the Governor's office, constituents, industry representatives, members of the legislature, and the Advisory Committee on Workers' Compensation as a means of ensuring the agency's goals and objectives are executed equitably, efficiently, and promptly.

OUR MISSION

- To administer the Idaho Workers' Compensation Law in a manner that ensures compliance with insurance requirements, timely dispute resolution, prompt and accurate benefit payments, and quality vocational rehabilitation services for injured workers.
- To provide timely judicial review of appeals from the Department of Labor under the Employment Security Act.
- To assist innocent victims of crime recover from the devastating effects of crime by providing financial assistance in accordance with state and federal law.

VALUES & GUIDING PRINCIPLES

Ethical Practices & Behavior

- We conduct our daily business in accordance with local, state and federal laws and judicial canons.
- We encourage our employees to take pride in their work and promote professional, respectful behavior.

Quality Customer Service

- Customers are a compelling priority, and we strive to provide prompt service and accurate information in a professional manner.

Impartiality

- We are committed to maintaining neutrality in all interactions with our constituents and reviewing each situation objectively.

Challenging & Positive Work Environment

- Our employees are our most valuable resource. We encourage mutual respect, teamwork, innovation, and progressive leadership.

Effective & Efficient Operations

- We use our resources responsibly, keeping in mind the “big picture” of the agency’s goals.
- We strive to streamline our processes to save time and money, and to serve Idahoans most efficiently.

Accessible Services

- In addition to our main administrative office in Boise, we maintain 11 field offices throughout the state so our customers have convenient access to timely and professional services and information.
- We constantly review our website to ensure that information is current and accessible.

KEY EXTERNAL FACTORS & CHALLENGES

- With restricted resources to reward and retain employees, the Commission anticipates that it will continue to lose skilled employees to higher-paying positions in other state agencies and to the private sector.

In addition to the employee turnover and retention challenges the agency is experiencing, we are losing several long term managers and professional staff to retirement in the next two years. The loss of institutional knowledge will have a significant impact on the agency.

The recovering private sector employment and wages, coupled with a lack of agency-level discretion in compensation for key personnel, has made personnel management and management succession planning increasingly difficult.

- Uncertainty in capital markets has created several challenges for regulators and carriers alike. The low interest rate environment has forced carriers to seek greater profitability by developing more complex business models to include:

The use of captive insurance companies in the U.S. and abroad, which fundamentally function as group self-insurance.

The issuance of deductible policies which can encourage employers to act as if they were self-insured.

The growth of the Professional Employer Organization (PEO) business model, which provides risk management services for employers, can bundle several employers into one deductible policy while additionally making it difficult to verify coverage for a specific employer.

Future interest rate hikes will negatively impact the market value on a number of securities which are held as collateral for claims in the case of carrier or employer insolvency.

Inaccurate data reporting has been an issue for both regulators and the regulated. The reporting standards and verbiage which are used in statute, rule, and policy vary from state to state and the majority of

KEY EXTERNAL FACTORS & CHALLENGES

carriers and employers submit reports in multiple states. Additionally, a significant portion of the data received by the Commission is self-reported. Coincidentally, the only way in which Commission data can be verified as accurate is by the reconciliation of self-reported data received by other regulators and insurance rating and data collection bureaus.

- Technology is depersonalizing services, causing business relationships to suffer.
- Unanticipated legislative changes which have required reactionary planning to address unforeseen challenges.
- There is growing uncertainty as to how national health care reform, Medicaid expansion, and Medicare as a secondary payor will impact both the Idaho's workers' compensation system and the Crime Victims Compensation Program.
- Federal VOCA Grant funding for victim assistance services in Idaho reached an all time high for the second consecutive year, increasing from \$2.5 million in 2015 to \$10.2 million in 2016 and \$11.8 million in 2017. This funding will go to support local grassroots community victim advocacy agencies in Idaho. Although victim compensation programs will not receive any additional funding, it is anticipated that there will be significant increases in applications for assistance, as more advocates are helping victims apply for victims compensation benefits. Lesser funding increase in previous years resulted in a 30% increase in applications for victim compensation assistance.
- The transition to a paperless environment is imminent, which will pose many challenges to the document driven workers' compensation and victim compensation environments.

AGENCY GOALS

GOAL 1: Expand the exchange of information with agency stakeholders/customers.

Objectives:

- Monitor and improve mechanisms to gauge the usefulness of website content.
- Develop a social media presence.
- Reinforce our mission and services to stakeholders and clients through education.
- Develop an agency wide style guide for web activity.
- Implement Electronic Data Interchange (EDI) Claims Release 3 with a target goal of July 2017.
- Publish an agency newsletter two times a year to inform stakeholders/customers of Commission activities and processes.
- Establish goal specific subcommittees to review progress of Strategic Plan objectives throughout the year.

Measurements:

- Feedback from external website users indicates information is thorough and easily accessible.
- Establish links from NCCI's coverage verification system to the Industrial Commission Information System (ICIS) in order to display correct claims administrator information on website.
- Ensure attendance at IAIABC meetings to obtain critical industry information.
- Enhance data systems for the exchange of information.

AGENCY GOALS

GOAL 2: Retain highly qualified employees to carry out Industrial Commission responsibilities.

Objectives:

- Reward high performances with merit based bonuses and provide short-term merit increases during periods of increased responsibility.
- Provide developmental opportunities for employees to enhance their skills related to Commission positions.
- Facilitate noneconomic incentives tailored to individual employees needs.
- Target salary savings and CEC disbursement on classifications where the agency is experiencing the highest turnover, on those employees with low compa-ratios, and employees with exemplary performance.
- Monitor turnover rates on a monthly basis to identify trends and develop solutions which can include internal strategies or budgetary requests.
- Encourage the completion of exit interviews to obtain critical information on employee separations from the agency.
- Communicate staff turnover and salary issues to key decision makers.

Measurements:

- Turnover rates are reduced with a benchmark turnover rate of 20% or less.
- Exit interview results reveal separation primarily for personal reasons or retirement.
- Employee developmental plans are included in each department's annual training budget.

AGENCY GOALS

GOAL 3: Enhance our business continuity and cybersecurity capabilities to ensure the delivery of citizen services and the safekeeping of customer information.

Objectives:

- Establish a committee of key personnel to develop the agency business continuity plan.
- Adopt the NIST Cybersecurity Framework to assess current cybersecurity practices.
- Enhance employee cybersecurity awareness.
- Coordinate with the Idaho Office of Emergency Management to obtain their guidance in ensuring our COOP meets their guidelines.
- Research resources for record storage that meet our agency records retention requirements.

Measurements:

- Continuity of operations plan is updated and filed by the end of FY17.
- Contracts for record storage are completed.
- Develop and implement a cybersecurity awareness training program for employees by the end of 15 months.

AGENCY GOALS

Goal 4: *Prepare for the transition to a paperless work environment.*

Objectives:

- Establish a technology project team to develop an action plan to modernize our business practices, including a judicial case management system.
- Identify existing business processes that could reduce or eliminate paper usage.
- Implement Claims EDI 3.0 to reduce or eliminate the ingestion of hardcopy FROI and SROI (change of status).
- Review all statutes, administrative rules, or judicial rules of practice and procedure applicable to the Industrial Commission that would prevent us from accepting documents in electronic format and signatures in lieu of paper.
- Collaborate with the Idaho Courts who have begun the transition to electronic filing of court records.
- Research and identify a vendor that can assist us in updating our systems.

Measurements:

- Action plan is completed by July 2017.
- Business processes are implemented that reduce or eliminate paper.

ADJUDICATION DIVISION

FUNCTION: Promotes the timely processing and resolution of disputed workers' compensation claims and medical fee disputes; provides an alternative method of resolving disputes through mediation; provides judicial review of unemployment insurance appeals from the Idaho Department of Labor; hears appeals from determinations made by the Crime Victims Compensation Program.

GOAL 1: *Decide disputes arising out of workers' compensation, unemployment appeals, and crime victims' compensation cases in timely fashion and pursuant to applicable law and judicial canons.*

Objectives:

- Issue workers' compensation decisions within an average of sixty (60) days following the date a case is fully submitted.
- Successfully resolve ninety percent (90%) of mediated claims.
- Maintain an average age of pending unemployment insurance appeals of less than 40 days.
- Resolve medical fee disputes within 60 days of filing.
- Continually seek processes to improve system efficiency and accountability.

Measurements:

- Review case management reports monthly to ensure the Adjudication Division's performance is meeting the benchmark targets.

COMPENSATION DIVISION

FUNCTION: Evaluates insurance carriers requesting approval to write workers' compensation insurance and employers requesting approval to become self-insured; endeavors to ensure that adequate securities are on deposit with the State Treasurer's Office to cover claims liabilities; enforces the insurance requirements of the Idaho Workers' Compensation Law; ensures that workers' compensation benefits are paid properly and promptly; provides educational opportunities to constituent groups; audits sureties and self-insureds; and resolves emergent issues between claimants and sureties on non-litigated claims. The Compensation Division includes Employer Compliance, Benefits Administration, Fiscal, IT, and Human Resources departments.

GOAL 1: *Ensure all workers in the state are afforded the coverage required by law.*

Objectives:

- Update reciprocity agreements with surrounding states.
- Update information sharing agreements with state and federal agencies.
- Develop and share reports across agency departments to identify compliance with mandated EDI Professional Employer Organizations (PEO) reporting requirements.
- Continue efforts to educate the public on the insurance requirements of the Idaho Workers' Compensation Law, including the use of public service announcements.
- Develop and implement strategies for addressing problems with captive insurers and high deductible policies.

Measurements:

- Agreements are drafted and submitted to Commissioners for approval by the beginning of each calendar year.
- Establish focus group to evaluate workers' compensation reporting requirements for PEO's and make recommendations for possible statutory and/or rule changes.
- Public service announcements are well received and result in an increase of traffic to the agency website.

COMPENSATION DIVISION

GOAL 2: *Ensure that all insurance carriers and self-insured employers authorized in Idaho maintain adequate security deposits to protect injured workers.*

Objectives:

- Ensure the adequacy of surety deposits through regular analysis of required reports, review of financial statements to assess financial condition, and evaluation of claims history and risk retention levels.
- Conduct thorough review of applications for workers' compensation insurance authority in Idaho.
- Perform ongoing review of surety and self-insured employer requirements and obtain input from the Industrial Commission's Advisory Committee for any proposed statute or rule modifications.

Measurements:

- Security deposits are adequate to cover potential liability.
- Requests for additional securities are complied with.
- Proposed legislative and administration rule changes are approved.

COMPENSATION DIVISION

GOAL 3: Enhance informational and educational opportunities for stakeholders regarding Idaho's Workers' Compensation Laws.

Objectives:

- Provide training and outreach programs on the insurance requirements of Idaho's Workers' Compensation Law in all areas of the state.
- Educate medical providers and their personnel on the impact and importance of their role in the workers' compensation system.
- Conduct an annual workers' compensation seminar for workers' compensation professionals.
- Enhance relationships with sureties and claims administrators through regular meetings and education.
- Constituencies will be provided an effective, cohesive outreach plan, to include the CIWCS, Surety Claims Audits, Employer Education and Evaluation.
- CIWCS Certification, or another Commission alternative, will be either required or allowed as an alternative to DOI testing for licensure for domestic adjusters/examiners.

Measurements:

- Meetings with Surety/Claims Administrators are held annually or more often if requested.
- Conduct at least four Certified Idaho Workers' Compensation Specialist (CIWCS) programs annually.
- Conduct at least four site audits at Idaho Claims Administrator offices annually.
- Provide transparency with audit expectations and results on the Commission website.
- Evaluate the effectiveness of new public service announcements by tracking incoming calls and visits to the Commission website.
- Commission website publishes outreach program schedules and outcomes.

COMPENSATION DIVISION

GOAL 4: *Establish statutes and rules that set reasonable fees for quality, timely and accessible medical services provided to Idaho's injured workers.*

Objectives:

- Evaluate the effects of the Affordable Care Act on reimbursement models and access to care for injured workers.
- Determine non-industrial reimbursement rates to apply market-based adjustments to medical fees.
- Participate with the Healthcare Subcommittee of the Industrial Commission's Advisory Committee to develop recommendations for annual adjustments to the medical fee schedule and reduce disparity in service categories.
- Provide outreach and education to payers and providers to ensure proper billing and payment practices.

Measurements:

- Average indemnity and medical costs for injured workers are maintained at the current level or are reduced.
- Workers' Compensation premiums remain stable.

REHABILITATION DIVISION

FUNCTION: Assists injured workers by supporting their medical recovery while facilitating a timely return to employment that is as close as possible to the worker's pre-injury status and wage.

GOAL 1: *Lessen the impact injured workers and employers face during an industrial injury by providing no cost, quality vocational services that minimize loss and restore the injured worker to gainful employment.*

Objectives:

- Begin early in the medical process to provide vocational services with the time-of-injury employer and utilize transitional return to work planning when appropriate.
- Provide timely case management documentation to keep parties informed of rehabilitation progress.
- Coordinate community resources to assist in return to work efforts.
- Identify and share sources of employment opportunities for injured workers.
- When an injured worker is required to seek new employment, train the injured worker in using up to date tools and resources to conduct a thorough occupational exploration.
- Utilize social media tools to assist injured workers in seeking new employment.

Measurements:

- Ninety percent of injured workers rehabilitated through our services maintain 90% or more of their pre-injury wage as verified by the Goal-Oriented Performance Review.
- Time loss rates remain stable or are reduced.

REHABILITATION DIVISION

GOAL 2: Promote early utilization of the Rehabilitation Division's services to all referral sources.

Objectives:

- Provide educational outreach to employers, attorneys, and medical providers to expand their knowledge and understanding on the benefits associated with early return to work.
- Set marketing objectives for each Rehabilitation Office.
- Participate in business/community fairs to promote services.
- Utilize social media to market services.

Measurements:

- Review the Annual Report Breakdown by Referral Source report to ensure over 25% of our referrals comes from employers, attorneys, self-referrals, and medical providers.
- The referrals directly from the Marketing Report indicate yearly employer referrals are above 10% of overall referrals.
- Training surveys reflect positive feedback on the usefulness of outreach efforts.

CRIME VICTIMS COMPENSATION PROGRAM

FUNCTION: Provides financial assistance to victims of crime for health care and related expenses incurred as a result of criminally injurious conduct. The program also pays for sexual assault forensic examinations.

GOAL 1: *Increase funding sources to meet increased demand for services, and provide long term financial stability.*

Objectives:

- Develop strategies to build the Crime Victim Fund balance to ensure sufficient funding to meet the needs of the program and victims.
- Manage federal grants to ensure continued funding levels and provide input to the Office for Victims of Crime to enhance federal funding and benefits to victims.
- Coordinate with the Department of Probation and Parole to increase restitution collections to ensure satisfaction of court orders.
- Review budget expenditures biannually to ensure the medical fee schedule is sufficiently controlling medical and forensic exam expenditures.
- Enhance recovery efforts by taking advantage of recent statutory changes to facilitate garnishment of inmate accounts.

Measurements:

- Provide training and education to individual parole/probation officers, Idaho Department of Corrections, and court personnel regarding program services.
- Manage federal grant funding to maximize state dollars deposited in the Fund, increase recovery collections, and contain costs for medical services through the medical fee schedule.
- Continue a monthly collections system for outstanding restitution debts.
- Enhance the data exchange process with Idaho Department of Corrections to ensure efficient and accurate exchange of offender information and Probation and Parole Officer assignments for the monthly restitution collection project.

CRIME VICTIMS COMPENSATION PROGRAM

GOAL 2: Pro-actively administer benefits in an efficient, timely and customer friendly manner.

Objectives:

- Provide proactive services to recipients to ensure utilization of services.
- Enhance communication with customers and victims through utilization of social media.
- Utilize technology to streamline internal processes and increase productivity.
- Collect supporting documentation within forty five (45) days from receipt of application.
- Determine eligibility for benefits within thirty (30) days from receipt of supporting documentation.
- Contact and assess needs of each eligible victim within 35 days of eligibility.
- Conduct quality assurance review of cases.
- Distribute customer satisfaction surveys.

Measurements:

- Review results of quality assurance reviews, take corrective action where needed and evaluate policies/procedures relating to areas of concern.
- Review of monthly statistical management reports reflects hitting benchmark targets.
- Review feedback provided by customer satisfaction survey data, take appropriate action.
- Benefit utilization is achieved at the benchmark of 70%.

CRIME VICTIMS COMPENSATION PROGRAM

GOAL 3: Respond effectively to increases in demand for victims' services and community education programs.

Objectives:

- Enhance outreach activities and community presence. Identify alternative media to promote community/public education opportunities.
- Utilize contract services to help manage increases in case load.
- Distribute marketing products in public venues and locations serving victims of crime.
- Participate in statewide/local task forces, committees and projects to better understand individual community needs.
- Utilize contract services to help manage increases in case load.

Measurements:

- Review of reports to evaluate timeliness of responding to requests for services.
- Evaluate feedback of victim satisfaction surveys on a monthly basis.
- Outreach is completed in all areas of the state annually.