

Idaho Industrial Commission

# Strategic Plan

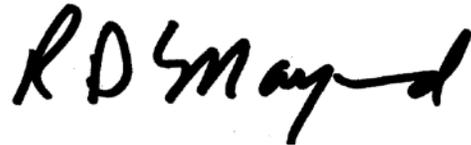
Fiscal Years Ending June 30, 2012-June 30, 2016



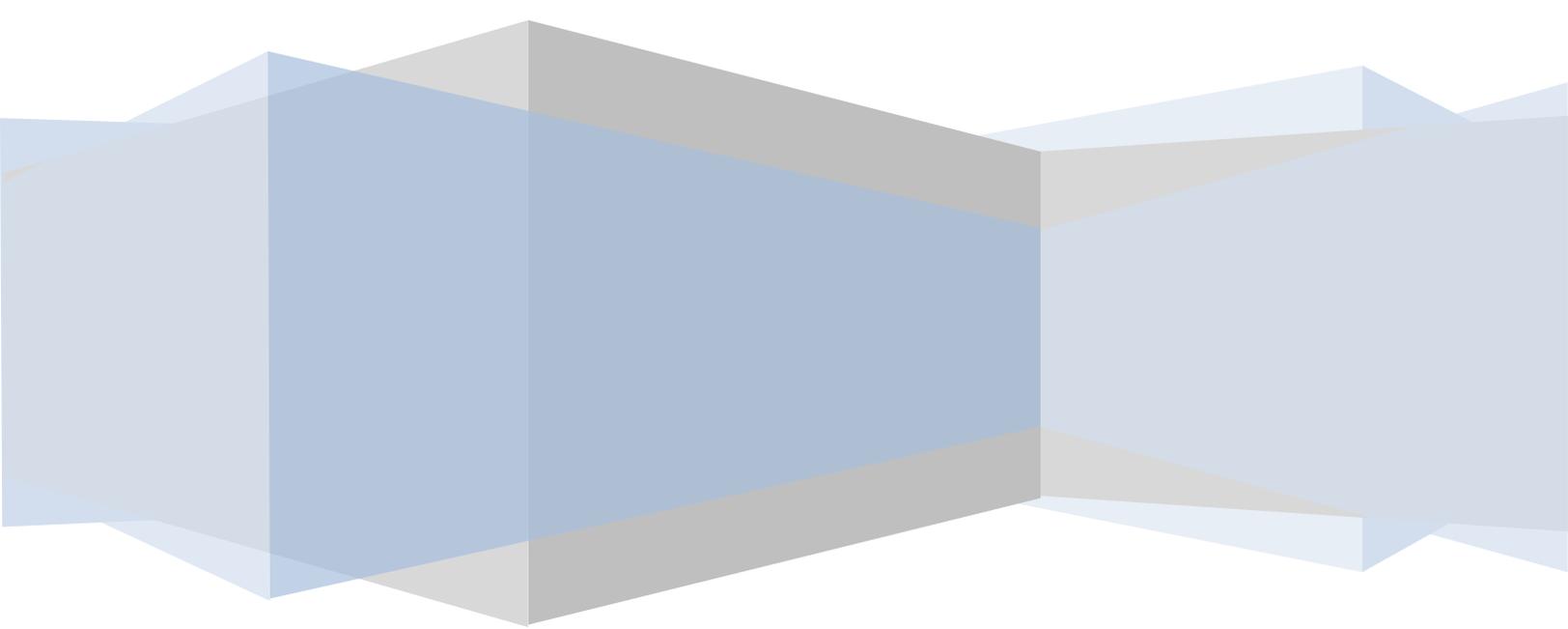
Thomas E. Limbaugh, Chairman



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## Introduction

The Idaho Industrial Commission's strategic plan is a dynamic document that outlines the agency's top priorities and goals to effectively carry out the agency's mission. The planning process is collaborative, seeking 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 all are meeting the specific needs of the people they serve. The Industrial Commission will continue its dedicated effort to communicate regularly with constituents, industry representatives, members of the legislature, and other interested parties as a means of ensuring the agency's goals and objectives are executed equitably, efficiently, and promptly.

This past year, the Industrial Commission worked closely with the Workers' Compensation Advisory Committee, the Governor's office, and other key constituents to develop strategies to address the pressing economic concerns of the Idahoans we serve. As a result, the Commission has improved its day to day operations and proposed successful legislation that will allow us to fulfill our mission even more effectively.

## Our Mission

- To impartially and efficiently 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 and Guiding Principles

Quality Customer Service	<ul style="list-style-type: none"><li>•Customers are our top priority, and we provide accurate information in a timely and professional manner.</li></ul>
Ethical Practices and Behavior	<ul style="list-style-type: none"><li>•We strive to conduct our daily business in accordance with local, state and federal laws and judicial canons.</li><li>•We encourage our employees to take pride in their work and promote professional, respectful behavior.</li></ul>
Impartiality	<ul style="list-style-type: none"><li>•We are committed to maintaining neutrality in all interactions with our constituents and reviewing each situation objectively.</li></ul>
Challenging and Positive Work Environment	<ul style="list-style-type: none"><li>•Our employees are our most valuable resource. We encourage teamwork, innovation, and progressive leadership.</li></ul>
Effective and Efficient Operations	<ul style="list-style-type: none"><li>•We use our resources responsibly, keeping in mind the "big picture" of the agency's goals.</li><li>•We strive to streamline our processes to save time and money, and to serve Idahoans most efficiently.</li></ul>
Accessible Services	<ul style="list-style-type: none"><li>•We maintain 11 offices throughout the state so our customers have convenient access to timely and professional services and information.</li><li>•We constantly review our web site to ensure that information is accessible and current.</li></ul>

## Key External Factors and Challenges

- **Slow economic recovery:**
  - High unemployment across the state has negatively impacted all agency departments. Unprecedented unemployment insurance appeals have strained resources.
  - Businesses are electing to drop workers' compensation insurance or improperly classify employees as independent contractors as a means of cutting costs.
  - Continued cost-cutting by insurance companies has led to more specialized and centralized claims adjusting operations, resulting in a loss of in-state authority and accountability.
  - Returning injured workers to work has become increasingly difficult due to decreased employment opportunities.
- Three consecutive years without a funded change in employee compensation has severely limited our ability to provide competitive compensation, negatively affecting morale and our ability to maintain a skilled workforce.
- **Changes in workforce:**
  - We are losing skilled employees to higher-paying positions in other agencies and the private sector. We anticipate an increase in turnover as segments of the economy improve and work opportunities become more available.
  - Much of the fourteen percent (14%) turnover we experienced in FY11 was due to the retirement of long-term employees resulting in an unbudgeted liability.
- Budgetary cutbacks have resulted in eliminating positions or leaving them unfilled for long periods of time, straining workloads and service delivery.
- An increasing number of public entities are opting for self-insurance, increasing the risk of future unfunded liabilities and straining regulatory resources.
- An increase in threatening behaviors has made it challenging to provide a safe and secure work environment for our employees.
- There is growing uncertainty as to how national health care reform and Medicare as a secondary payor will impact both the Idaho's workers' compensation system and the Crime Victims Compensation Program.
- Reduced public and group health benefit plans have shifted more financial responsibility to the Crime Victims Compensation Fund.

## 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.*

### Strategies:

- 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.
- Issue consistent and predictable decisions.
- Reduce the time between the request and the actual hearing.
- Improve system efficiency and accountability.

### Measurements:

- Monthly review of case management reports reflecting the department's performance.
- Customer feedback.
- Input from the Industrial Commission's Advisory Committee.
- Disposition of cases appealed to Idaho Supreme Court.

**GOAL 2:** *Establish statutes and rules that set reasonable fees for quality, timely and accessible medical services provided to Idaho's injured workers.*

### Strategies:

- Research studies by industry and other states to establish appropriate method for pharmacy reimbursement.
- Analyze market conditions to apply appropriate adjustments to medical fees.
- Provide outreach and education to payors 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.
- Resolve medical fee disputes within 60 days of filing.

## 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 timely; provides educational opportunities to constituent groups; audits sureties; and resolves emergent issues between claimants and sureties on non-litigated claims.

**GOAL 1:** *Improve the exchange of information between internal and external customers.*

### **Strategies:**

- Implement mechanisms to gauge the usefulness of web site content.
- Update reciprocity agreements with surrounding states.
- Develop an electronic document management system for Commission records.
- Develop information sharing agreements with Department of Transportation, Alcohol and Beverage Control and Department of Insurance.
- Implement EDI Proof of Coverage Release 3 by July 1, 2012.
- Enhance coverage verification system to provide accurate claims administrator information
- Implement a mandatory electronic record reporting requirement.

### **Measurements:**

- Statistical and research information available on the Commission's web site by end of calendar year 2011.
- Submit draft of proposed agreements to Washington, Oregon, Nevada, Utah, Wyoming and North Dakota by March 31, 2012.
- Contact representatives of Department of Transportation, Alcohol Beverage Control and Department of Insurance to gauge interest in information sharing agreement and formalize agreements by January 1, 2012.
- 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. Reduce number of incoming phones calls requesting claims administrator information.
- Implementation of EDI Proof of Coverage Release 3 results in more timely, complete claims information.

**GOAL 2:**        *Ensure all workers in the state are afforded the coverage required by law.*

**Strategies:**

- Evaluate proof of coverage requirements for Professional Employer Organizations (PEO) to ensure better tracking of coverage for client companies.
- Recommend legislation to revise the definition of independent contractor and address misclassification of employees as independent contractors.
- Develop procedures for verifying coverage for self insured employers and their subsidiaries.

**Measurements:**

- Complete survey of PEO reporting requirements in other states and submit recommendations to Commissioners by December 31, 2011.
- Obtain letters of support from industry, survey other states, and prepare cost comparisons before meeting with Governor's office by August 1, 2012.
- Meet with Fiscal staff to gain a better understanding of their process for approving self insured employers and their subsidiaries and strategize on ways to improve the process of communication between the Fiscal and Employer Compliance departments.

**GOAL 3:**        *Protect injured workers by assuring the level of securities on deposit for insurance carriers and self insured employers is adequate to cover their outstanding liability for workers' compensation claims.*

**Strategies:**

- Comprehensive revision of IDAPA rules.
- Monitor periodic premium tax reporting.
- Follow up for timely compliance when additional securities are required.

**Measurements:**

- Security deposits exceed outstanding claims.
- Financial condition assessment of self-insured employers through an annual review of financial statements.
- Compliance with requests for additional securities.

**GOAL 4:        *Enhance informational and educational opportunities for stakeholders regarding Idaho's Workers' Compensation Laws.***

**Strategies:**

- 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.
- Continue offering the Certified Idaho Workers' Compensation Specialist (CIWCS) Program statewide.
- Conduct an annual workers' compensation seminar for workers' compensation professionals.
- Conduct training for accountants and insurance agents throughout Idaho.

**Measurements:**

- Reduction in the number of employer compliance cases referred for investigation.
- Review of training program evaluations, problem solving of issues, and implementation of solutions.
- Maintain the wait list for the CIWCS course to less than four months.
- CIWCS Program certifies eighty-five percent (85%) of participants.
- Hold training in Northern Idaho, Boise, Magic Valley and Southeastern Idaho by July 1, 2012.
- Develop a public service announcement covering the workers' compensation insurance requirements and disseminate to all newspapers in the state by July 1, 2012.

## 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:** *Provide proactive return to work through early transitional planning and vocational exploration for injured workers during this time of high unemployment.*

### Strategies:

- Lessen the impact and challenges injured workers face by early employment planning in the medical recovery stages.
- Educate both injured workers and employers on rehabilitation services available at no cost to their claim.
- Ensure community and other agency resources are fully utilized by providing combined services, resulting in gainful employment for injured workers.

### Measurements:

- Goal-Oriented Performance Indicator Report shows a ten percent (10%) decrease in the number of days from injury to referral to the Rehabilitation Division.
- Closures by Status Report shows an increase in workers rehabilitated to gainful employment.
- Goal-Oriented Performance Indicator Report shows workers are maintaining ninety percent (90%) of their pre-injury status and wage upon return to work.

**GOAL 2:** *Assist employers in developing proactive disability management programs that provide early return to work for injured workers.*

### Strategies:

- Increase the use of Transitional Work Plans that result in earlier return to work appropriate for injured workers.
- Contact and educate employers currently experiencing a time-loss claim to assist in proactive rehabilitation.
- Provide an avenue to develop and communicate work options to medical providers for early consideration of return to work.

### Measurements:

- Performance Indicators Report shows a decrease of 14 days from referral of a case to return to work.
- Requests for services from employers increase by ten percent (10%) over the previous year.
- The Rehabilitation Monthly Performance Indicators show increased referrals and successful rehabilitations.

## 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:** *Enhance and diversify funding sources to meet increased demand for services, and provide long term financial stability.*

### Strategies:

- 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 the CVCP Fund balance to ensure funding for future victims.
- Enhance recovery efforts by taking aggressive collection action against debtors.

### Measurements:

- Actively participate in the Quarterly VOCA Administrators Meetings to provide feedback that will affect future funding levels and benefit development.
- Increase communication to individual parole/probation officers regarding outstanding offender debts.
- Review benefit payments to treatment providers to ensure a twenty percent (20%) savings over billed amounts for 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.
- Implement monthly collections system for outstanding restitution debts.

**GOAL 2:** *Respond effectively to increases in demand for victims' services and community education programs.*

### Strategies:

- Enhance outreach activities and community presence. Identify alternative media to promote community/public education opportunities.

### Measurements:

- Review of reports to evaluate timeliness of responding to requests for services.
- 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.

**GOAL 3:**        *Pro-actively administer benefits available in an efficient, timely and customer friendly manner.*

**Strategies:**

- Quarterly quality assurance review of cases and implementation of customer satisfaction survey.
- Provide proactive services to recipients to ensure utilization of services.
- Utilize technology to streamline internal processes and increase productivity.

**Measurements:**

- Review results of quality assurance reviews, take corrective action where needed and evaluate policies/procedures relating to areas of concern.
- 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.
- Review of monthly statistical management reports.
- Review feedback provided by customer satisfaction survey data, take appropriate action.
- Benefit utilization is maintained at seventy percent (70%).