

Vocational Improvement Project - Updates

October 15th, 2011

Washington Chapter IARP Conference

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What we'll cover today

- Updates on the results of the Vocational Improvement Project (VIP)
- New legislation that changes some aspects of VIP
- Our challenge to reduce AWA referral duration

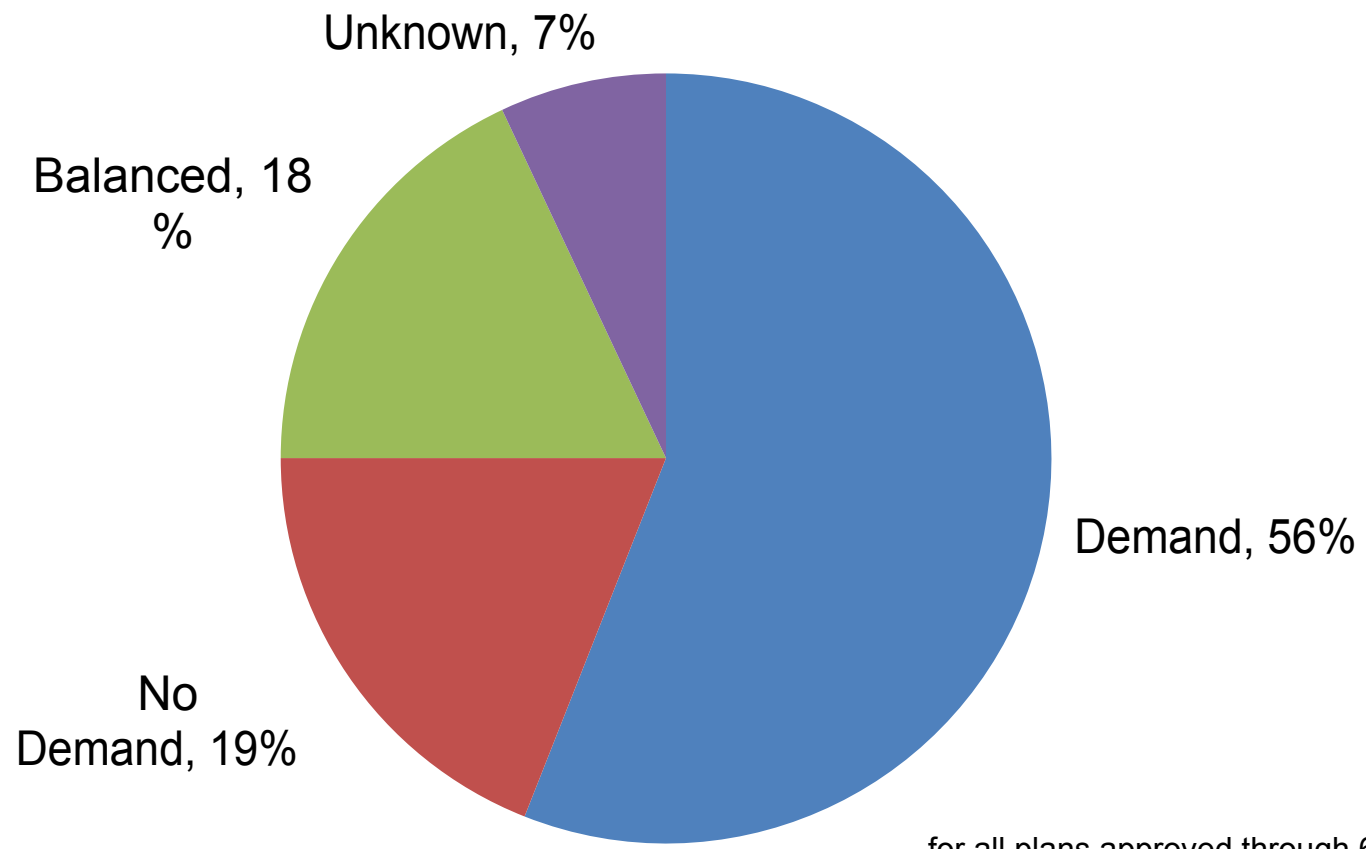
Retraining benefits under VIP have increased annually

- July 1, 2008 \$12,240.00
- July 1, 2009 \$13,096.80
- July 1, 2010 \$14,029.29
- July 1, 2011 \$15,713.49

OJT

- On-the-Job training (OJT) plans represent a relatively small proportion of all approved plans
 - Pilot: 2% for both state fund and self-insured
 - Baseline: 5%
- Why isn't OJT used more often?

“Demand” goals



for all plans approved through 6/30/11

Choosing Option 2

- 25% (1,466) workers with approved plans
 - State fund: 1,276 (24%)
 - Self-insured: 190 (28%)
- 15% have begun utilizing training funds.

Option 2 – claim reopening/new claims filed

- State Fund:
 - Reopening: 89 (7%) Baseline: 7%
 - New claims: 96 (8%) Baseline: 21%
- Self-insured:
 - Reopening: 7 (4%)
 - New claims: 16 (8%)

Employer Job Offers

- 68 job offers have been made by employers during the 15-day period after plan development eligibility.
- This is slightly more than 1% of all workers found eligible during the period.

Vocational Plans – “Deemed Approved”

- 10 of 5,983 plans submitted (including both state fund and self-insured employers) have been deemed approved.
- Department vocational staff takes action on a plan in less than five days of receipt, on average.

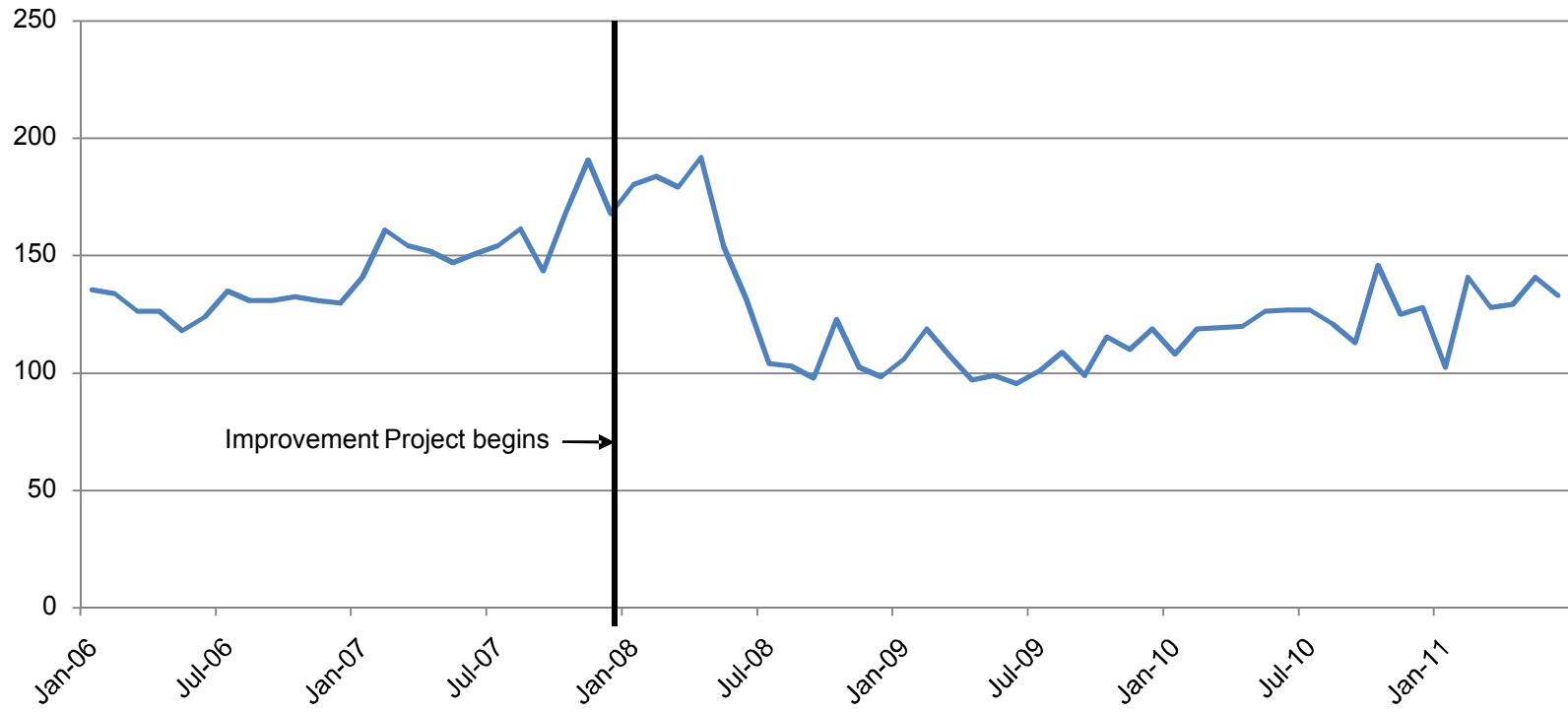
Additional Vocational Assistance

- VIP law allows for additional time and/or retraining benefits beyond the statutory limit where it is necessary to support the successful completion of a plan and avoid the worker being found to be unemployable. The decision is at the Director's discretion.
- 14 approved requests (13 SF, 1 SI)
 - Average additional cost: \$1,353
 - Average additional time: 1 month

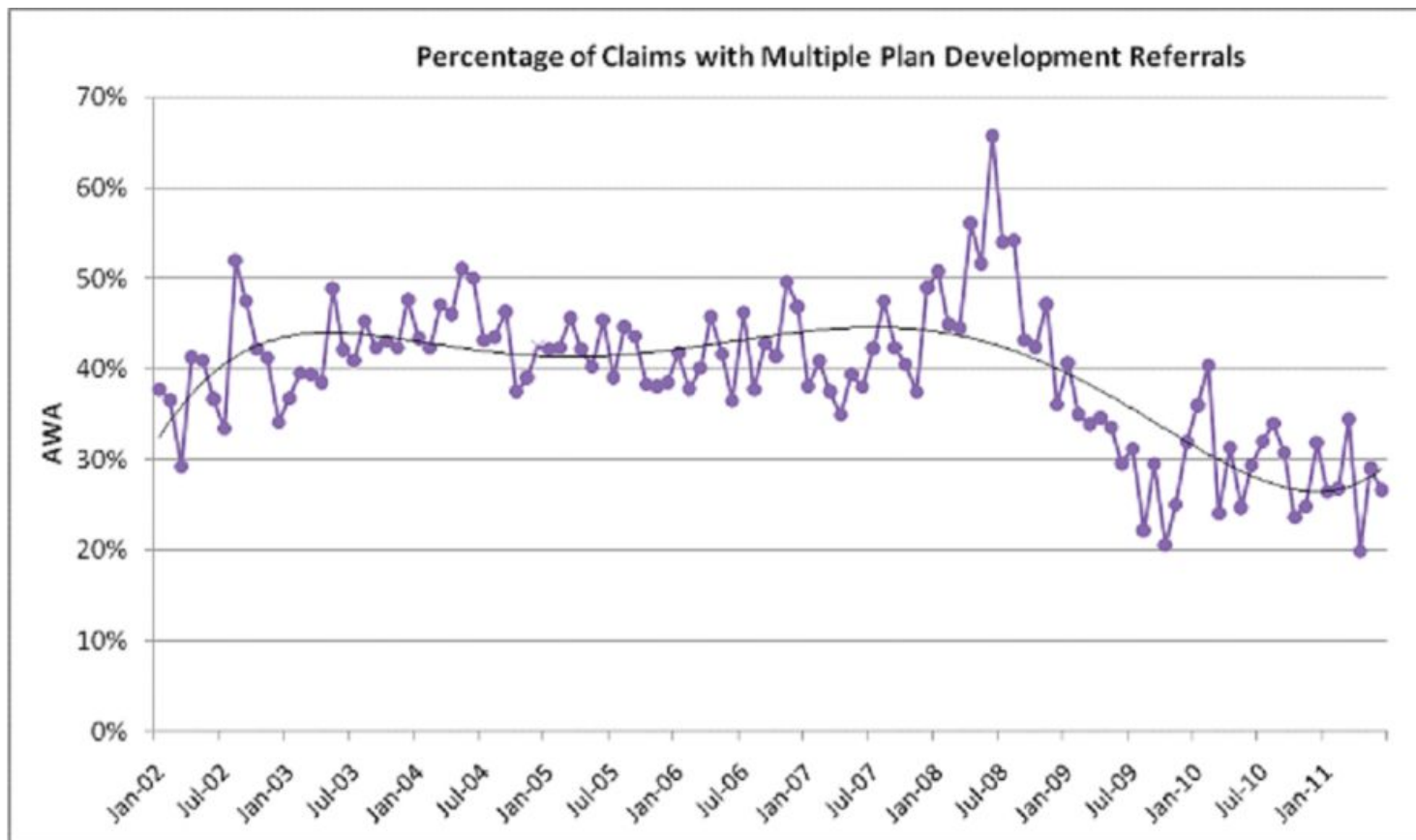
Plan Development – improved by 61 days

State Fund Plan Development Duration

Data Through 6/30/11



Reduced repeat plan development referrals



Retraining Plan Completion

- The completion rate for retraining plans that began after the 1/1/08 VIP changes is at about 54%.
- A study was undertaken in May 2011 to address the following questions:
 - What are the common reasons for plan non-completion?
 - What worker characteristics are associated with plan non-completion?
 - Did the department take appropriate action in cases of worker non-cooperation?
 - Could the plan have been salvaged?

Reasons associated with plan non-completion

- 69% of plans that are not completed have medical as a contributing factor. Of those, about half were for medical issues that were not accepted as part of the claim
- 63% of non-completed plans have grade and/or attendance issues
- Ongoing opioid use is more prevalent in non-completed plans (59% vs. 29%)
- Psychological issues are more prevalent in non-completed plans (34% vs. 21%)
- Other factors included access to courses (about 4%), and death of the worker or family member (about 3%)
- We found that 76% of non-completed plans had at least two factors that contributed to non-completion.

Acceptable reasons for plan failure

- “...A vocational plan interruption is considered out of the control of the worker when it is due to the closure of the accredited institution, when it is due to a death in the worker’s immediate family, or when documented changes to the worker’s accepted medical conditions prevent further participation in the vocational plan”

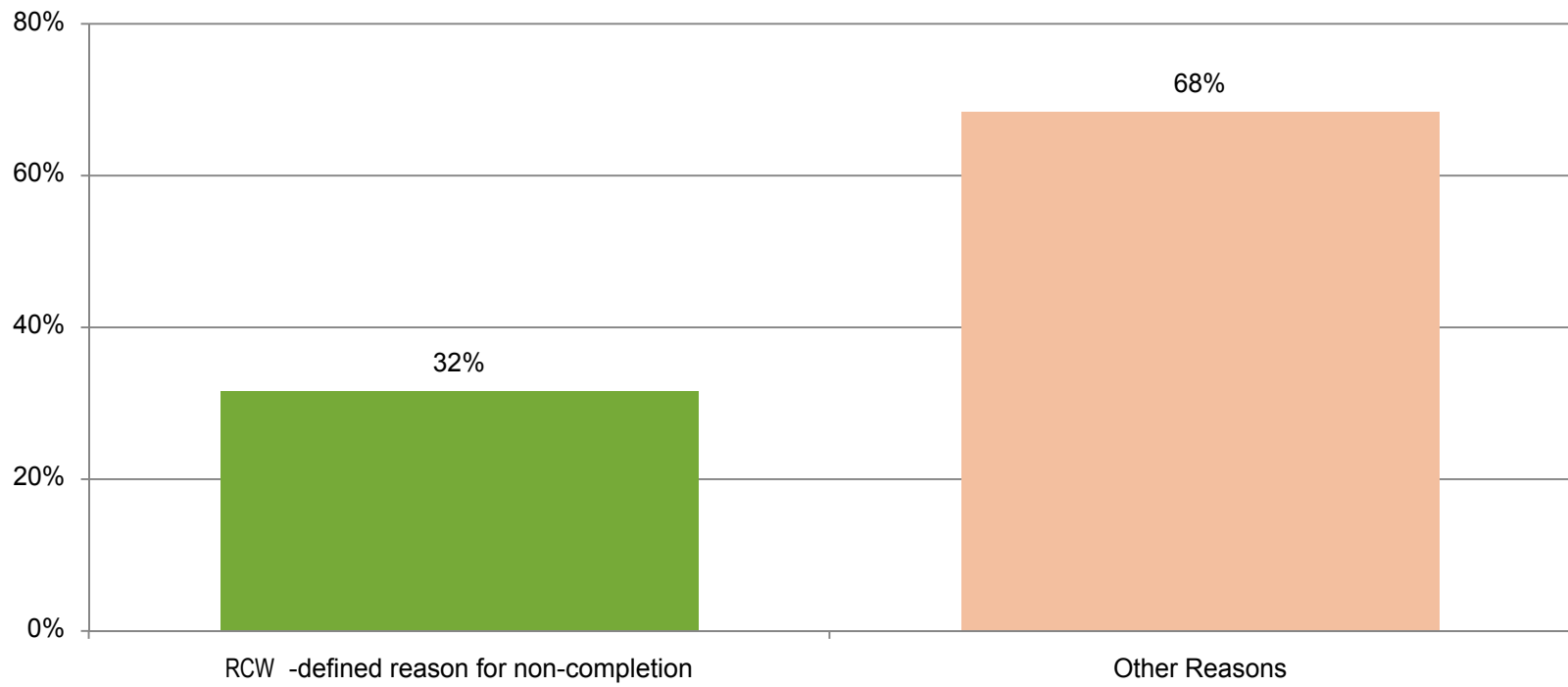
RCW 51.32.099(5)(b)

Acceptable reasons for plan interruption

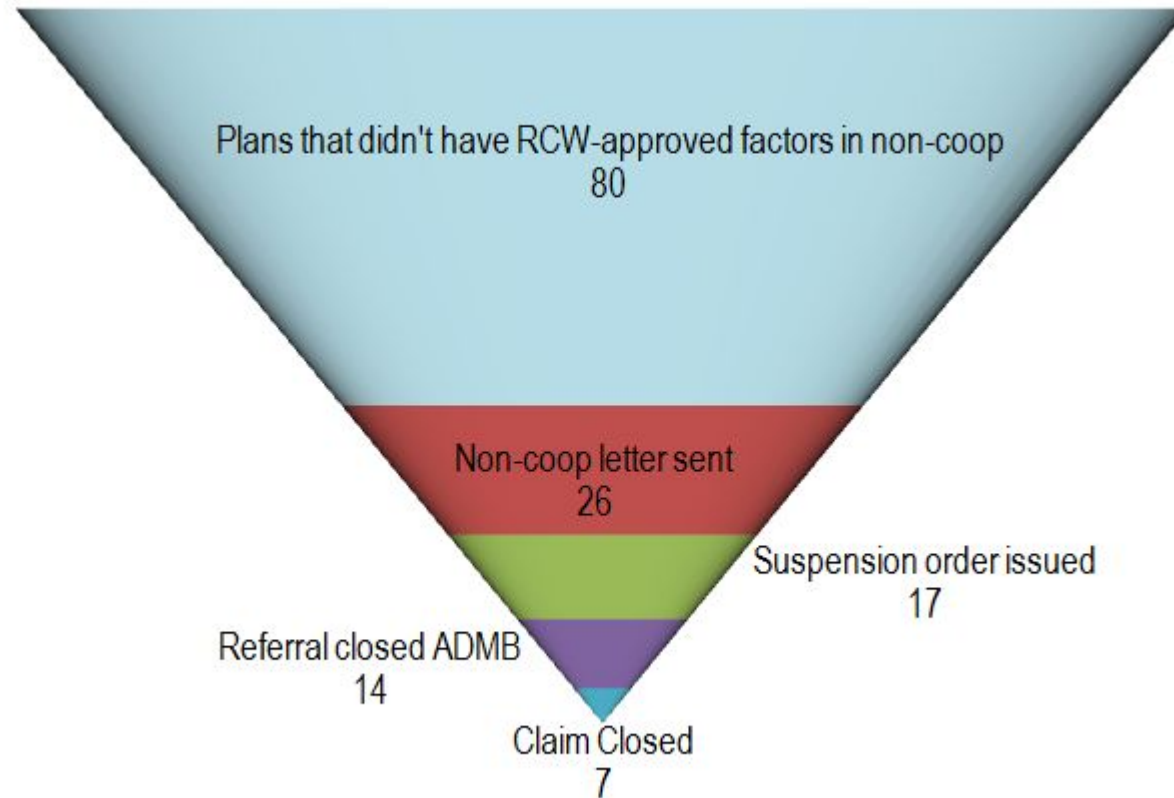
Reasons for Non-completion

As defined in RCW compared to other reasons

Only 32% of plans surveyed would have qualified for a plan interrupt.



Non-coop in plan (CY2010)

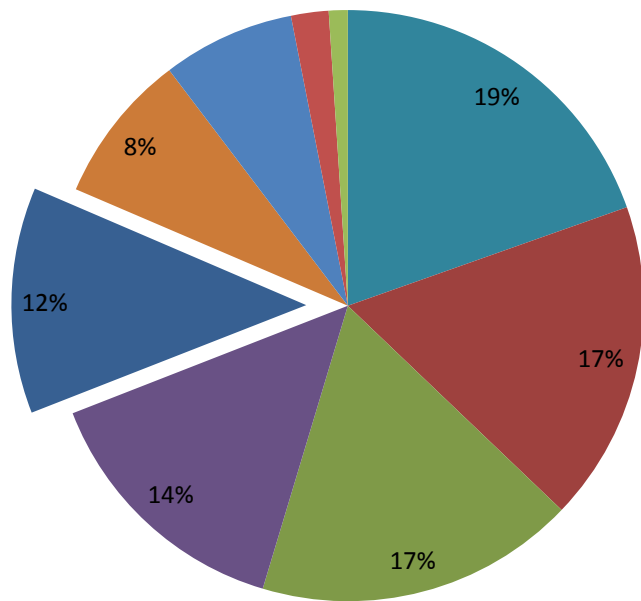


Plan failure due to worker's actions

- The VIP statute requires that a worker be held accountable for plan failure when the failure is a result of the worker's actions. L&I claim staff use the outcome code "ADMB" to close a plan when the worker has been found to be non-cooperative. This outcome can lead to claim closure.
- All staff received refresher training in this process in April 2011. Since that time, we have been holding a higher proportion of workers accountable when their plan fails.

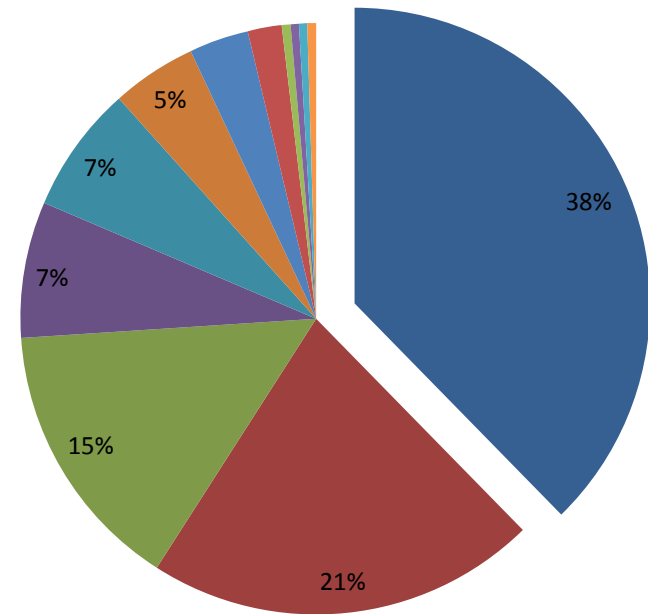
Plan failure due to worker's actions

Not-Complete Plans 2010



ADM2 ATW9 PLN8 ADM1 **ADMB**

Not Complete Plans 04/11-07/11



ADMB PLN8 ATW9 ADM2 ADM1

Avoiding plan failure

- Stay in close touch with worker. Watch for “red flag” issues
- Line up resources and supports for workers who need them
- Report non-coop as soon as you see it – A “good cause” letter from L&I might be the impetus for saving the plan

New legislation

- House Bill 1726
 - Addressing the Recommendations of the Vocational Rehabilitation Subcommittee for Workers' Compensation

HB 1726 – Option 2

- Clarifies that “statutory pensioners” can receive vocational services to improve quality of life, but they cannot select option 2 benefits.
- Clarifies that a worker who elects option 2 benefits is not entitled to further time-loss or pension benefits unless their condition becomes worse, making closure of their claim inappropriate. In these cases, the option 2 election is rescinded and the option 2 benefits paid are recovered from time-loss or pension benefits.

HB 1726 – Additional time

- Provides an additional 10 days, at the department's discretion, for an employer to amend a job offer to a worker who is eligible for vocational services.
- Provides a worker an additional 10 days, at the department's discretion, to choose option 2 when they provide a written explanation of why the selection was not completed within the currently allowed 15 days.

HB 1726 - Disputes

- Clarifies that vocational plan development starts the date the worker is notified of eligibility or the date of the decision following a vocational dispute.

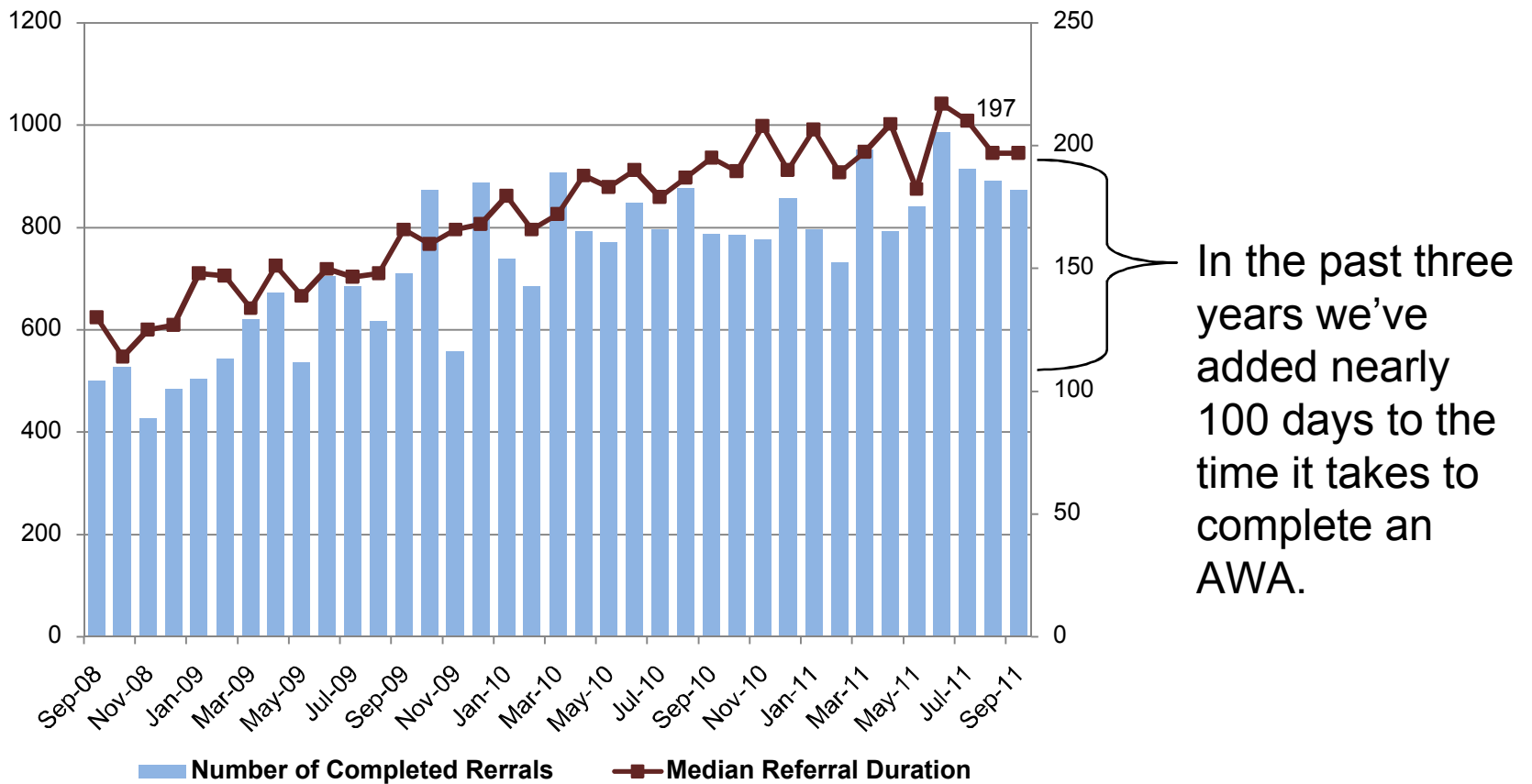
Most voc referrals are for AWA

Open Vocational Referrals

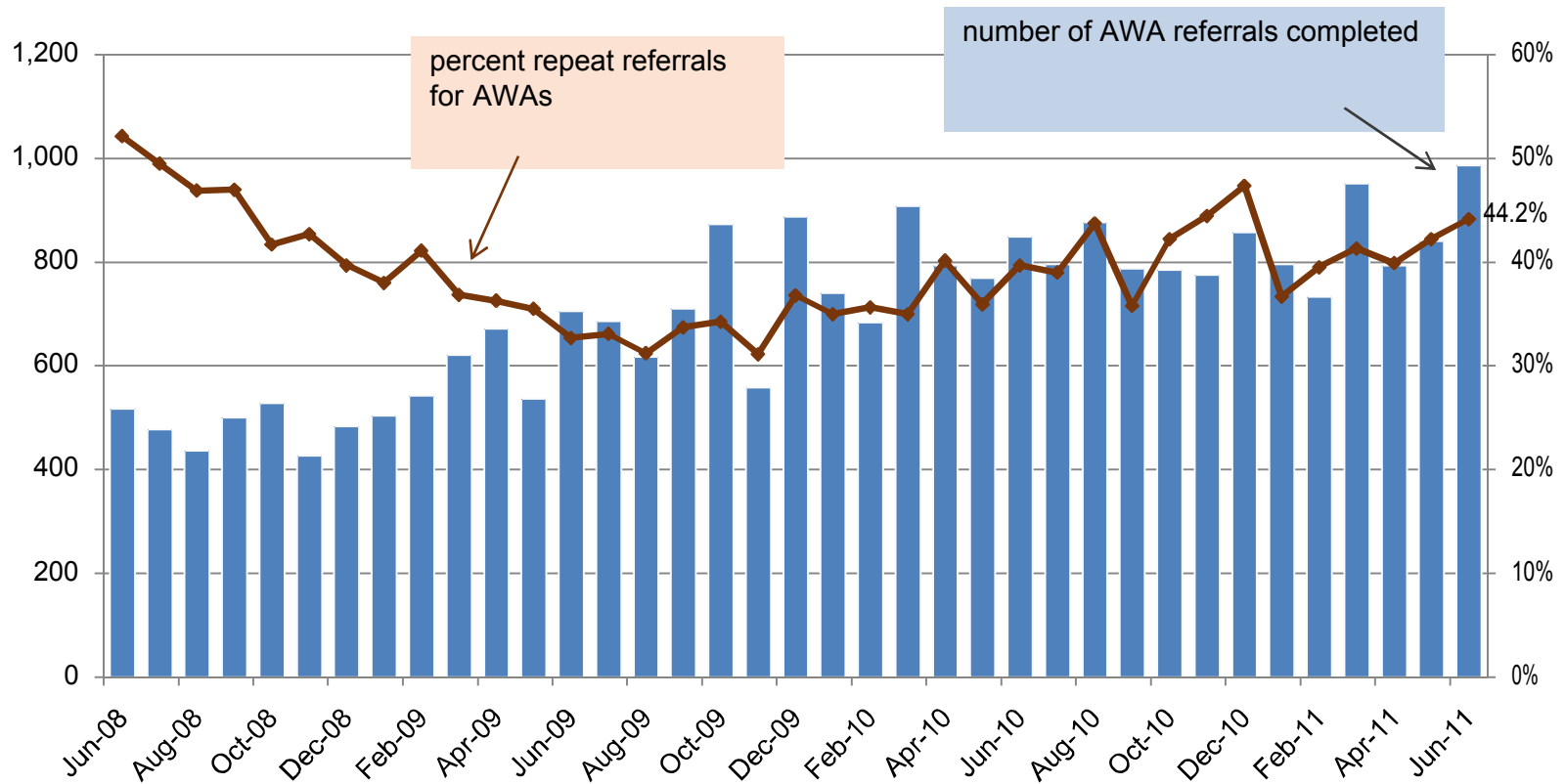
as of 7/30/11



Big increase in AWA duration since 2008



Repeat assessment referrals are back near historical highs



Human Costs of Delays

It's not just about system costs...

- The longer a worker remains disabled, the less likely he or she will ever return to work
- The average time loss rate is only about \$2,000 per month
- Chronic disability can have a devastating impact on the worker, their family and our society

Improvement target:

Reduce the median duration of AWAs to 90 days or less

Lean Definition

Lean is a set of concepts, principle and tools used to create and deliver the most value from the customer's perspective while consuming the fewest resources

LEAN Efforts to reduce delays

We're asking our claim staff and our vocational partners to adopt new standards and practices that will reduce delays in AWA

- Launched: August 2011 –units Y,O,E,H,M,L,8,X1 and X2
- Will go floor wide by early 2012

Using Lean to reduce AWA duration

VRC and CM engage in *standard practices*:

- Timely actions
- Effective communication and info. sharing
- Focused problem solving
- Prompt removal of barriers

Result:

Reduced AWA duration

More information on Lean practices

- Many Lean resources are available in print and on the web (e.g., “The Toyota Way”)
- See the L&I web site for more information about Lean efforts and the standards we are asking CMs and VRCs to adopt

Thank you for your efforts to make our system the best it can be!

- Richard Wilson, CRC
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