NYS Workers’ Compensation System

Business Process Re-engineering

September 2013
NYS Workers’ Compensation Board

- Workers’ compensation is a century-old social insurance system. The employer or insurer provides:
  - Indemnity (cash) benefits if employees lose time from work
  - Necessary medical care

- The Board’s mission statement reflects the covenant in the law

The New York State Workers' Compensation Board protects the rights of employees and employers by ensuring the proper delivery of benefits to those who are injured or ill, and by promoting compliance with the law.
NYS Workers’ Compensation Board

- The Board is an independent state agency
  - 1,200 employees
  - $200 million budget
  - 30 locations across New York

- There are 140,000 new claims per year

- Over 34 million documents are scanned each year

- The Board generates 560,000 decisions per year, from judges, examiners, conciliators, and Board members
NYS Workers’ Compensation System

- 8 million workers covered
- 1,200 employees

- 2,500+ active attorneys and licensed representatives
- 600,000 employers
- Self-insured employers

- 200+ companies write insurance
- 60 third-party administrators
- 31,975 authorized medical providers
- 8,131 doctors are authorized IMEs

Estimated annual system costs: $6.4 Billion
*Diagram is intended to demonstrate the complexity of the current WC system.*
Why We Need to Examine the System?

System to Resolve Workplace Injury Leaves Ill Will on All Sides

By STEVEN GREENHOUSE
TONAWANDA, N.Y. — The sprawling DuPont plant along the Niagara River here can be a grim place, but less so on the days when the company hands out coupons to reward workers for a few weeks without injury. Called “safety bucks,” the coupons look like real money and can be redeemed at Red Lobster, Home Depot and several other businesses in the area.

For some workers who risk their fingers and bones to make Corian, the stoneike countertop material that is the plant’s major product, the coupons have become a modest blessing and benefit. But other workers regard them as a curse, as a way to mobilize peer pressure against workers who might consider reporting an injury.

“You know that if you report an injury, everybody says, ‘You see a b**ch,’” said Dan Austin, who worked at the plant for 26 years. “I’ve heard people say, ‘So-and-so reported an injury and it’s going to cost us our safety bucks this month.’”

Companies across the state have recently introduced reward programs to curtail injuries, in part to keep their workers safe, in part to cut down on workers’ compensation claims, which managers cite as a huge factor in the high cost of doing business in New York.

“Fred Willette, a former metal grinder with lung disease, says he was fired for talk of filing a claim.

“People are not being treated right and they are losing all their insurance,” said Willette, who has been out of work for two years. “There are an awful lot of situations where people aren’t truly injured on the job,” said Gregory Harden, the president of Hardeen Furniture, a 300-employee company based in McConnellsville. “I tend to be a little cynical. No one is always the day with the highest injury rate for us. Someone comes in on Monday, and their back is really sore for whatever reason, and they end up missing a few weeks of work.”

The state’s multibillion-dollar workers’ compensation system is plagued by many shortcomings: endless delays, suspect doctors, and a rudimentary form of justice.

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Why We Need to Examine the System?

- Ranked last in a study of 14 states on timeliness of first indemnity payments. *2008 Workers’ Compensation Research Institute (WCRI) Flash Report

- Ranked an “F” for ten consecutive years regarding poor injury outcomes. *2012 Work Loss Data Institute (WCLDI)

- New York is one of two worst states for long-term narcotic use in workers' compensation claims
  *2012 WCRI study
Why We Need to Examine the System?

- Aging Technology

- Cumbersome C-4 medical reporting and billing process

- Over 34 million documents scanned each year

- The 5th most expensive workers’ compensation premium in the U.S.  
  *A 2012 study released by the Oregon Department of Consumer and Business Services
Business Process Re-engineering

Innovating Together!

Today

Tomorrow
Business Process Re-engineering

- Considers the **entire** WC system from the ground up—people, process & technology

- Asking the right questions:
  - Start with “How should the WC system look?”
  - “What role should the Board play?”
  - “What does the Board do well?”
  - “What can the Board do to improve the WC system?”
How would you create a workers’ compensation system to get benefits to injured workers?
What is the WC System BPR project?

- Work with Deloitte and our stakeholders to:
  - Build on our best resource – our employees.
  - Work with stakeholders to envision the future.
  - Recognize the system’s shortcomings
  - Build on the processes that work well.
  - Create processes to serve injured workers faster.
  - Define the direction of the WC system and the role of each participant – including the Board.
Some Key WC System BPR Goals

- Improve timely first payment of indemnity benefits
- Faster delivery of appropriate medical care
- Improve the process for reporting medical treatment
- Reduce the administrative burden on medical providers and other stakeholders
- Reduce reliance on paper forms
What Will We Get from this Project?

- **Clear view** of present (as-is) environment & process bottlenecks.
- **Clear vision** of target state
  - Our role in the future
  - Recommendations required to support that role - people, process & technology
  - Future interactions with other participants
- **Detailed roadmap** to implement transition **aligned with** the Board’s mission.
- **Opportunity** to improve the workers’ compensation experience for all participants.
BPR Stages

Planning | As-Is Assessment | To-Be Assessment | Gap Analysis | BPR Implementation

4 weeks | 4 weeks | 12 weeks | 8 weeks

Communication, Change Management and Information

28 weeks (7 months)

*Start Date: August 26, 2013*
What are the Project Stages?

- **Planning** with executive management
- **As-is Assessment**: input from stakeholders, including employees
- **To-be Assessment**: input from stakeholders, including employees
- **Gap-analysis**: “as-is” vs. “to-be”
- **Build Roadmap** to transition “as-is” to “to-be”
WC System BPR Project Structure

Executive Director
BPR Project Sponsor
Executive Steering Committee
Oversight Committee
Project Managers

Communications/Change Management Team

Compliance & Monitoring Track
Medical Track
Issue Resolution Track
Claims Management Working Team
Adjudication/Appeals Working Team

SME Support:
Communications

- Webinars/Briefings
  - Project information sharing
- Focus Groups/Surveys
  - Solicit input into BPR recommendations
- Working Team meetings
- Email: BPR@wcb.ny.gov
- Dedicated web page
Share your thoughts, questions and feedback with:

Email: BPR@wcb.ny.gov