



Oregon

Theodore R. Kulongoski, Governor

Department of Consumer and Business Services

Workers' Compensation Division

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To: Workers' compensation community

Subject: The Workers' Compensation Division creates new Medical Section and Benefit Services Section

The Workers' Compensation Division has created a new section, the Medical Section, placing all functions that administer, regulate, and enforce the medical-delivery component of the division into one operational section. The Medical Section provides a focused and collaborative approach to address rising medical costs. Why is this important?

The cost and availability of health care continues to be a significant issue for all Oregonians. Not surprisingly, the importance of health care in the workers' compensation system has increased dramatically. For example, in the early 1980s, workers' compensation medical costs made up only about 35 percent of the total claims cost. Today, those same medical costs make up more than 60 percent of total claims cost. The challenge facing the Workers' Compensation Division is to preserve the exceptional outcomes from the Mahonia-Hall reforms produced in the 1990s — that is, to provide workers the right treatment, at the right time, at the lowest possible cost.

The division is currently evaluating, planning, and implementing actions to better understand medical issues and to achieve better outcomes for workers and employers.

The division is committed to the following goals:

- Developing valid data about the cost of medical care in Oregon's workers' compensation system.
- Decreasing overall claims costs through the provision of early, high-quality medical care at an appropriate cost.
- Ensuring consistent, high-quality health care throughout the life of a claim.
- Determining ways to better provide workers access to timely, quality treatment.
- Controlling the increasing cost of drugs used to treat injured workers.
- Improving return-to-work outcomes through system design and medical intervention.
- Improving partnerships with and among system stakeholders.
- Providing resources and outreach to medical providers, while reducing administrative hurdles.
- Preventing medical disputes.
- Resolving medical disputes (that do occur) appropriately and timely.

To achieve these goals, the Workers' Compensation Division is concentrating its resources and energy on the medical components of its programs through the Medical Section. Kevin Willingham is the new section's manager, and Holly Mercer is the assistant manager. The section includes the following teams:

- **Resolution Team** — addresses medical disputes and is made up of the prior Medical Review Unit.



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- **Medical Certification Team:** — addresses issues involving certification/authorization of independent medical examinations, authorized nurse practitioners, and managed care organizations.

Please note: Vocational assistance professional certification is now in the Rehabilitation Review Unit. For more information, contact Rand Schledorn at (541) 776-6032, ext. 242.

- **Outreach Services Team** — researches and develops medical policies, with the participation of external advisory committees, to develop training and communication tools and to oversee the development of Division 009, 010, and 015 administrative rules.

Barbara Smith is currently the acting section manager of the Benefit Services Section; Rae Howe is acting assistant manager. The units in this section — the Appellate Review Unit, the Rehabilitation Review Unit, and the Reemployment Assistance Unit — were formerly part of what was known as the Reemployment and Dispute Resolution Services Section. The Benefit Services Section handles end-of-claim benefits and services; stay-at-work/return-to-work incentives and services; permanent disability benefits; and resolution of vocational assistance benefits and claim closure disputes. The Benefit Services Section will continue to work with division staff and stakeholders to produce positive outcomes for employers and workers.

The Workers' Compensation Division believes this reorganization is critical to its mission and looks forward to partnering with its customers and stakeholders to intelligently and effectively meet the significant challenges facing the workers' compensation system.

John Shilts, Administrator
Workers' Compensation Division

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