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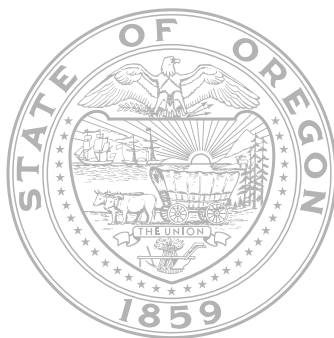
A photograph of the Oregon State Capitol building, featuring a large dome topped with a golden statue. The building is constructed of light-colored stone and has a large relief sculpture on the right side. The sky is overcast.

WCD**Today**

VALIANT MEN HAVE TRUSTED OUR FRONTIERS TO THE SETTING SUN

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WCDToday

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community
Workers' Compensation





Administrator's notebook: Welcome back to *WCD Today*

By WCD Administrator Lou Savage

This is the second edition of *WCD Today*. We received positive feedback about our inaugural edition, as well as some valuable input. Please continue to suggest topics and areas of interest to help us provide the workers' compensation community the information that will be most helpful in its work.

The past few months have been a busy time for the Workers' Compensation Division (WCD).

The Oregon Legislature convened in January. WCD staff members played an important supporting role to the Management-Labor Advisory Committee (MLAC), which provides recommendations to the Legislature and the governor on workers' compensation legislation. In this edition, Cara Filsinger, the division's senior policy analyst, provides a summary of significant workers' compensation legislation.

As many of you know, WCD has claim data that is central to the department's regulatory functions. Claim information is used to track system performance and trends; monitor employer

and insurer compliance; determine eligibility for department programs (Employer-at-Injury Program and Preferred Worker Program); and schedule Oregon OSHA inspections. To support these purposes, it is essential that the data is accurate and received in a timely manner. In this edition, Kara Null, the division's change management leader, gives you an introduction to the division's Modernization Program.

Before the 2008 economic downturn, WCD provided formal training for external partners, in addition to our annual Educational Conference. While individual division units have continued to conduct training, either as requested or as part of daily work, WCD regularly receives additional training requests. These ongoing requests indicate that our partners are interested in more education and opportunities to earn required continuing education credits.

In order to provide better overall service to our partners, WCD is engaged in an effort to create a year-round coordinated program for stakeholder training and outreach. By creating a sustainable

framework for training opportunities, we hope that we can leverage our subject matter experts while providing both predictability for our partners and efficiencies for us. Within the next few months, you will be hearing more about these plans.

We want to continue our efforts to engage our stakeholders on issues that affect Oregon's workers' compensation system. We take pride that our rulemaking process is open and inclusive. But, rulemaking is only one way that we can maintain a dialogue with you. Whether it is an invitation from you to speak to a group or meeting for coffee, communication is the key to maintaining a healthy system. I look forward to hearing from you. ■

Meet the Workers' Compensation Division managers



Daneka Karma

Daneka Karma is the Policy manager in the Operations Section of the Workers' Compensation Division. Before joining the division in January 2015, she was a policy analyst with the state Medicaid agency under the Oregon Health Authority for 10 years. Karma has been with the State of Oregon for more than 27 years, working primarily in policy development for various state agencies.



Edie Roster

Edie Roster is the Claims Record manager in the Operations Section of the Workers' Compensation Division. Before joining WCD, Roster worked as a pharmacy technician at the Fairview Training Center before it closed. Roster has been a WCD claims assistant, claims coder, and claims trainer before becoming the claims manager.



Cory Van Houten

Cory Van Houten is the Resource and Technology manager in the Operations Section of the Workers' Compensation Division. Before joining WCD in 2003, he worked in the silicon wafer manufacturing industry for 13 years.



Barbra Hall

Barbra Hall is the Self-insurance, Registration, and Reimbursements (SIRR) manager in the Performance Section of the Workers' Compensation Division. She has been with the division for 20 years. Hall started as an office specialist in the Investigations and Managed Care Organization Program in 1999. Then, she was promoted to a reimbursement specialist in SIRR. After several years, she transitioned into the lead specialist and ultimately landed in the manager role. Hall is currently on rotation as the Audit manager in the Performance Section. Hall spends most of her free time hanging out with her three dogs and trying to ignore the fact that her son is old enough to drink and that her tween daughter is a master at eye rolling and slamming doors. She is asking for tips for surviving middle school and teen girls.



Barbara Belcher

Barbara Belcher is the Audit manager in the Performance Section of the Workers' Compensation Division. Before joining WCD in 2010, she worked for Oregon OSHA for seven years. Belcher also spent eight years in the finance industry before joining state government in 2003. Belcher is currently on rotation as the Employer Compliance manager of the Performance Section. Outside of work, Belcher enjoys spending time with her granddaughter, loves snowmobiling, and is an active hiker and backpacker.



Matt West

Matt West is the Employment Services manager in the Resolution Section of the Workers' Compensation Division. In 2003, West joined the division as a bilingual benefit consultant. Later, he briefly worked as a coverage investigator and sanctions representative before joining the Employment Services Team (EST) in 2006. Before becoming the manager of EST, West worked as a re-employment specialist for the Preferred Worker Program, vocational reviewer, and a worksite modification consultant. West spent five years in Mexico teaching English. He has a degree in social science from Portland State University.



Steve Passantino

Steve Passantino has been the Appellate Review Unit manager of the Workers' Compensation Division since May 2018. Before this, he spent several years working as a medical reviewer, lead medical reviewer, and Sanctions and Medical Resolution Team manager with the division. Passantino got his bachelor's degree from the University of Portland and his doctoral degree from Western States Chiropractic College. He was in practice for 15 years before joining the division. In his personal time, Passantino enjoys spending time halibut and salmon fishing off of the central Oregon coast.



Robert Andersen

Robert Andersen is the Sanctions and Medical Resolution manager in the Resolution Section of the Workers' Compensation Division. He joined the division in January 2013 as a medical reviewer. Before that, Andersen worked for Disability Determination Services as a disability determination analyst for three years. Andersen also worked in the private sector in a circuit board manufacturing plant for 23 years in management positions before ending up in a production engineering position. Andersen is a certified emergency medical technician (EMT) and continues to work on the ambulance for Dallas Fire & EMS every Tuesday night. ■

2019 Legislative Session: New laws coming soon



Cara Filsinger

*By Senior Policy Analyst
Cara Filsinger*

The Oregon Legislature completed work in its regular session on June 30 and enacted a number of new laws affecting workers' compensation. This article highlights some of the major policy changes enacted this session.

House Bill 2087 affects the division's civil penalty law primarily used to address claims processing and benefit payment performance. This law has a statutory cap that was set in the 1970s. The bill changes the penalty cap to a calendar year basis, instead of a three-month rolling period. It also separates the civil penalties into three distinct categories, each with separate caps. Finally, it increases the maximum penalty amounts for insurers, self-insured employers, and service companies that fail to pay assessments or comply with the law from \$2,000 to \$4,000 per violation

and up to \$180,000 per year. The changes take effect Jan. 1, 2020.

Senate Bill 507 creates a presumption for certain public safety workers that post-traumatic stress disorder (PTSD) and acute stress disorder are compensable occupational disease claims. For the presumption to apply, the worker must establish, through a preponderance of persuasive medical evidence from a psychiatrist or psychologist, that the worker more likely than not satisfies the diagnostic criteria for the condition. To use the presumption, the worker must have been employed at least five years or experience a single traumatic event for PTSD. The presumption is no longer available seven years after a worker ceases employment. Employers can rebut the presumption with clear and convincing medical evidence that duties as a covered employee were not of real importance or great consequence in causing the diagnosed condition. Employers can later deny compensability of the claim in specified circumstances. The changes apply to claims filed on or after Sept. 29, 2019.

House Bill 3003 modifies the security deposit requirement for employers who self-insure for



workers' compensation purposes. Under the current law, when an employer ceases to be self-insured, its security remains on deposit for at least 62 months to secure any remaining liability from the period of self-insurance. At the end of this period, the director may accept a paid-up insurance policy covering the employer's self-insurance liability in lieu of any remaining security. House Bill 3003 allows the director to accept a paid-up policy in lieu of a former self-insured employer's security before the end of the 62-month period. The bill allows the director to adopt rules as necessary to implement the provisions of the bill. It takes effect Jan. 1, 2020.

House Bill 2788 increases the required balance for the Workers' Benefit Fund from six to 12 months of projected expenditures. The Workers' Compensation Management-Labor Advisory Committee (MLAC) recommended this change

after conducting a study of the fund balance requirement. If the fund is projected to fall below the 12-month balance, the department must prepare a plan to address the situation and present the plan to MLAC for discussion. The change takes effect Jan. 1, 2020.

A number of bills made small wording changes and modernized terms used in the law (see **House Bill 2406**, **Senate Bill 355**, and **House Bill 3146**). The division will update administrative rules to reflect these changes as needed.

In the budget process, the division also received authority to hire a program manager and to hire contractors to start the process of modernizing our information systems. For more information, see Conference and Training Coordinator Kara Null's article "Modernization is coming to WCD" on **Page 14**. ■



Alvarez Construction and Restoration

By Worksite Modification Consultant Brian Nease



Claudio and Tim Alvarez of Alvarez Construction and Restoration.



Brian Nease

Since its founding in 1986, Claudio Alvarez's business has grown along with his reputation of integrity and quality. His model for success is built around his philosophy for business: "We never forget it's your home."

"This has been a foundational statement to our business and continues to be today, as we are often first responders to incidents such as water damage, fire damage, smoke damage, or wind damage," said Alvarez.

In 2005, Alvarez's son, Tim, joined the company after a career with the San Francisco Giants' minor league baseball teams. Building on the foundation of principles set by Alvarez, Tim and his father redirected the company's focus to encompass business and restoration, insurance claims, and mitigation services.

Tim became an integral part of the business and looked for ways to grow the business, but was aware of the costs associated with such growth.

When seeking to add a new employee, Tim looked to the Preferred Worker Program.

By hiring a preferred worker, the business was able to grow, while keeping employment costs low. Through a six-month wage subsidy and funding to create the position, the company was able to afford to expand.

"Hiring a preferred worker allowed me to grow at a time when costs were the biggest thing on my mind," said Tim.

Since hiring its first preferred worker, Alvarez Construction and Restoration has always valued preferred workers, not simply for the cost savings, but for the exceptional skills and experience they bring to their work.



This new forklift helps the company's preferred worker move flooring material, so that the worker is able to stay within his lift restrictions.

Alvarez Construction and Restoration Company.



This is evident by the fact that 10 percent of its workforce are preferred workers. Some were hired in the past year or two, while others have been on the job for more than five years. From administrative positions to hands-on construction, preferred workers are proving their value daily for the business. Two preferred workers have even moved on to greater opportunities since their time at Alvarez Construction and Restoration.

When asked about their departure, Tim said, "We would have loved to keep them, but they received dream jobs that we couldn't compete with."

In addition to wage subsidies and job creation funding, the Preferred Worker Program provided worksite modifications for the company and its preferred workers. Some examples include task chairs and desks, material moving equipment, and air sleds. The program has also provided opportunities for preferred workers to use their skills and experience without risking re-injury.

Considering its employees to be part of the Alvarez extended family, Alvarez and son have enhanced the company's work talent and service by seeking out and employing skilled men and women. Preferred workers are among these talented employees and extended work family.

Thanks to Alvarez Construction and Restoration, the Preferred Worker Program looks forward to being part of the company's many future preferred worker success stories.

The Preferred Worker Program helps qualified Oregon preferred workers get back in the workforce. If you want to know more about the program and how employers can benefit by hiring preferred workers, contact the Workers' Compensation Employment Services Team at 503-947-7588 or 800-445-3948 (toll-free). You can also email pwp.oregon@oregon.gov or visit www.oregonpwp.org. ■



Save the date!

Join us in October!

By Conference and Training Coordinator Kara Null



Kara Null

The Workers' Compensation Division is excited to bring you our 17th annual Workers' Compensation

Educational Conference this fall. The conference is Oct. 17 and 18 at the Red Lion on the River-Jantzen Beach in Portland.

Conference schedule at-a-glance

Thursday, Oct. 17

7:30 – 8:30 a.m.	Registration
8 – 9 a.m.	Opening address
9:15 – 11:30 a.m.	Breakout sessions
11:45 a.m. – 12:45 p.m.	Networking lunch
1 – 4:30 p.m.	Breakout sessions
4:45 – 6 p.m.	Exhibitor reception

Friday, Oct. 18

7:30 – 8:30 a.m.	Breakfast with exhibitors
8:30 – 9:30 a.m.	Keynote session
9:45 a.m. – noon	Breakout sessions

Our program planning committee has been researching topic ideas from past evaluations, other state programs, hot topics from the Legislature, and suggestions from our attendees.

While we don't have a complete list of topics finalized, you can expect to see sessions on the basics of workers' compensation for those new to the system or who need a refresher; return-to-work issues; pain management; safety; total worker health; recent case law; independent contractors; diversity; and more.

In addition to workers' compensation education, conference attendees will have the opportunity to network with others in the industry and division staff members, as well as see the latest in services, equipment, and materials from exhibitors. The conference also offers continuing education from a variety of professional organizations and associations.

We anticipate registration packets will be mailed and emailed in the next few weeks. If you haven't already added your name to our mailing list or if you have questions about the conference, please contact Addy Null at 503-947-7601 or adeline.r.null@oregon.gov. ■

WORKERS' COMPENSATION

Senate Bill 485 update

By Audit Manager Barbra Hall and Senior Auditor Troy Painter



Barbra Hall



Troy Painter

Senate Bill 485, which passed in 2001 and became effective Jan. 1, 2002, provides additional wage loss replacement for workers with multiple jobs.

The Oregon Workers' Compensation Division (WCD) has been providing additional time-loss benefits to injured

workers who have more than one job with an **Oregon subject employer** at the time of injury. If an injury causes a worker to lose wages from jobs

other than the job at injury, the worker may be eligible for supplemental disability benefits (SDB), in addition to the job-at-injury based benefit. The combined benefit is subject to the maximum temporary total disability (TTD) rate.

Since the start of the program, WCD has reimbursed \$13,797,229 in SDB from the Workers' Benefit Fund (WBF). In 2018, the Supplemental Disability Program paid out approximately \$809,816. Of that, approximately \$645,018 was for supplemental wages and \$164,798 (or 20.35 percent) went to insurers as a claims processing administrative cost, per Bulletin 316. This is a factor intended to cover insurers' additional administrative costs for processing these claims.

Like other programs available through WCD, SDB is paid out of the Workers' Benefit Fund, which is funded through a payroll assessment and paid equally by employers and workers. The current

assessment is 2.4 cents per hour worked, effective Jan. 1, 2019.

SDB example

A worker is injured while working as a skiing instructor on her weekends. She also works full-time as a paralegal for another Oregon subject employer. Her weekly wage as a skiing instructor is \$300 per week, while her weekly wage as a paralegal is \$1,050 per week. Unable to work either job, her temporary disability benefit would be \$200.01 per week without supplemental disability benefits (SDB), only about 20 percent of her total net pay before being injured. Under the SDB Program, her combined weekly wage is \$1,350, making her temporary disability benefit \$900.05 per week, much closer to what she made pre-injury. The additional \$700.04 per week is the supplemental benefit and is reimbursed by the Workers' Benefit Fund (WBF).

What is the process?

- The worker must notify the insurer or self-insured employer of a secondary job within 30 days of the insurer or self-insured employer's receipt of the initial claim. Form 801, "Report of Job Injury or Illness," and Form 827, "Worker's and Physician's Report for Workers' Compensation Claims," include boxes for workers to indicate that they had more than one job at the time of injury.
- The insurer must send the worker a request for verifiable documentation [see OAR 436-060-0035(3)(c)] within five days of receipt of the notice from the worker of secondary employment.
- The worker must provide verifiable documentation of wages from the secondary job to the insurer within 60 days of the mailing date of the request.
- The insurer must determine the worker's eligibility for SDB within 14 days of the receipt of the verifiable documentation or by the end of the 60-day period on the insurer's request if the worker does not provide verifiable documentation.



How is SDB calculated?

After the weekly wages for each employer have been determined according to ORS 656.210 and OAR 436-060-0025, Bulletin 325 provides instruction on how to calculate supplemental disability benefits.

How is SDB paid?

ORS 656.210(5) allows an insurer the option to process SDB in-house (default) or to opt out of processing SDB, which provides WCD's assigned processing agent the authority to process SDB. For the insurer to opt out, the insurer must submit Form 3530, "Supplemental Disability Election Notification," to the Audit and Reimbursements Team of the Performance Section in WCD. This opt out applies to all service companies that the insurer is using for processing claims. See OAR 436-060-0035(2)(a).

Will SDB affect the secondary employer?

SDB will not affect the secondary employer's workers' compensation premiums. The additional wage replacement is reimbursed from the WBF, thereby not affecting any employer's premium. The secondary employer may need to provide wage records on behalf of the worker. ■





Modernization is coming to WCD

By Conference and Training Coordinator Kara Null



Kara Null

If you have been following the 2019 legislative session, you may have heard that the Workers' Compensation

Division is working on an effort to modernize our business processes and technology systems. What does that mean to you, our customer?

To answer that question, we need to begin with a bit of history. The idea of modernization began in 2017 with the intent to update our claims information system and implement electronic claims reporting through Electronic Data Interchange (EDI). At that time, the division researched and gathered information that uncovered the interconnection and complexity of many of our business processes and data systems. We quickly realized we needed a more complete approach, rather than modernizing only a single data system. So, the concept of a Modernization Program was developed.

The Modernization Program will be a permanent section within WCD that will oversee and coordinate all aspects of modernization for the division, including identifying, prioritizing, planning, and implementing projects to update the way we do business and the technology to support new business processes. The program will also continue to monitor and plan occasional system upgrades after implementation, so that we stay in touch with up-to-date technology.

This program is a widespread initiative with a long-range vision that will involve many people. You may not see an immediate change in the way the division operates, but we do expect changes during the next few years that will improve our services, responses, and accessibility to customers. We want to ensure any changes that come from this effort are successful, so we will be reaching out to you for feedback and input along the way.

If you have questions about the division's modernization effort, please email WCD.Modernization@oregon.gov. ■