

**2023 Engrossed Senate Bill No. 2021
Testimony before the House Appropriations Committee
Education & Environment Division**

**Presented by:
Art Thompson, WSI Director
Workforce Safety & Insurance
March 3, 2023**

Mr. Chairman and Members of the Committee:

Good morning. My name is Art Thompson, Director of Workforce Safety & Insurance (WSI). I am here today to provide testimony on Engrossed Senate Bill 2021, WSI's Appropriation bill. On behalf of WSI, I would like to thank the Chairman and the Committee for providing the agency the opportunity to testify today.

My testimony today will be brief. We have provided you with PowerPoint slides. I will reference various slides that will assist in providing you an overall picture of WSI.

Background

WSI is a special fund agency funded solely by employer premiums, which provide for the payment of medical and wage loss benefits as well as administrative expenses. WSI receives no General Fund dollars **(slide 2)**.

WSI provides coverage to over 25,000 North Dakota businesses with an estimated covered workforce of 391,000. WSI receives approximately 18,000 claims per year **(slide 3)**.

WSI's Core Purpose is "To care for injured workers". That is why WSI exists **(slide 4)**.

To accomplish this, WSI has a well-established strategic plan. The strategic plan has guided our focus and has resulted in a high performing organization that is valued by our stakeholders and recognized by industry leaders **(slide 5 – 6)**.

Throughout history, the North Dakota Legislature has also worked closely with WSI to develop policy to help ensure this purpose is fulfilled.

Collectively, this has resulted in a high performing workers compensation system. Success measures include a variety of performance indicators that we track on a routine basis (**slides 7 - 8**):

- Safety Focus
 - WSI has 13 Loss Control Specialists located regionally in ND to assist employers with safety assessment and safety program and grant implementation.
 - We have seen a 30% injury rate reduction in the last decade.
 - In fiscal year 2022, WSI issued \$22 million in safety premium discounts to employers for successful participation in Safety Programs.
 - WSI has issued \$64.7M in safety grants since 2005.

- Strong Statutory Benefits
 - North Dakota provides a favorable benefit package for injured workers as compared to other jurisdictions.
 - WSI administers a constitutionally created fund for the benefit of injured workers. Funds are not available for any other purpose.
 - North Dakota's maximum weekly benefit rate is the 3rd highest when compared to the 15 Midwest states (see **slides A8 – A11** for additional benefit information).

- Few Disputes & Low Litigation
 - North Dakota is known to be one of the least litigious workers' compensation systems in the country.
 - Only 0.6% of decisions issued proceed to an administrative court hearing.
 - Utilize Decision Review Office to provide initial analysis and review of disputed claims.

- Financially Strong
 - State law outlines WSI's required surplus levels which are 20% to 40% of reserve liabilities.
 - If WSI's surplus exceeds statutory surplus requirements; the statute requires dividends to be issued to policyholders.
 - The WSI fund exceeds statutory surplus requirements. WSI issued \$1.7 billion in employer dividends in the past 18 years.

- For the current year, a 50% dividend credit was declared, which equates to an estimated \$80 million dividend.
- Historically, favorable returns from WSI's investment portfolio have resulted in additional surplus growth.
- WSI fund investment returns for the last five years (FYs 2018-2022) have averaged 4.2%, ranging between -9.04% and 11.57% per year.
- Low Premiums
 - Premiums were reduced for the 7th consecutive year with an average 4.2% reduction for the current policy year.
 - North Dakota continuously ranks as the lowest premium state in the nation (2022 Oregon Premium Study) this is approximately 54% lower than the median rate.
- Good Payor to Medical Providers
 - Fair payment for medical and hospital services ensures injured workers access to quality healthcare.
 - WSI fee schedules range from 158% to 217% of what Medicare would pay.
- High Customer Satisfaction
 - WSI's customer satisfaction consistently ranks high on 1 to 5-point scale: Employer – 4.39; Injured Worker – 4.12; Medical Provider – 3.94
- Enhanced Technology
 - The goal of CAPS and myWSI is to improve customer service, enhance system maintainability and create a self-service portal for our external customers and stakeholders.
 - We are committed to improving our technology and response to customer needs through two long-term system upgrades that will be discussed in more detail in our budget recommendation discussion.

- This compensation package is necessary to maintain pace with the private sector as well as the continued support of state-funded benefits for employees.
- \$4.95 million in one-time funding for the continuation of the development of the claims and policy system (CAPS); and
- \$1.83 million in one-time funding for the continuation of the myWSI extranet enhancement project.
- No change in FTE authority. WSI is funded solely by employer premiums and receives no general fund dollars. Unused funds associated with WSI vacant FTEs stay with the WSI fund.
- WSI received \$291,000 ARPA funds for deferred maintenance during the November 2021 special legislative session specifically to update and expand our existing DDC system. Although it is fully anticipated this project should be completed by the end of this biennium, Section 3 of Engrossed SB2021 allows for an exemption to carry these funds over to the 23-25 biennium in the event the project is not completed by June 30, 2023.

Overall, Engrossed SB 2021 is only a 2.3% increase from the current biennium.

Additionally, and for your benefit, included within the appendix of the PowerPoint is the following:

A1 – WSI Organization Chart

A2 – Financial Audit

A3 – A7 Historical Trends

A8 – A11 State by State Average Weekly Wage & Benefit Comparisons

A12 – A13 State by State Premium Comparisons

A14 – A18 Historical Workers Compensation Benefit & Service Enhancement Legislation

WSI is financially stable, provides excellent service, and is overall functioning very well. In closing, thank you for your time today and your consideration of WSI's biennial appropriation. At this time, I would be glad to answer any questions that you may have.

Great State of
North Dakota

House
Appropriations
Education &
Environment Division

WSI

North Dakota Workforce
Safety & Insurance

Art Thompson | Director
March 3, 2023

WSI

North Dakota Workforce
Safety & Insurance

NORTH
Dakota Be Legendary.™

Who We Are

About Us

WSI is an exclusive, employer-financed, no-fault insurance state fund covering workplace injuries and deaths (NDCC Title 65).

WSI is a special fund agency and receives no general fund dollars.

Our Vision

As the sole provider and administrator of workers' compensation in North Dakota, WSI's vision is a safe, secure, and healthy North Dakota workforce.

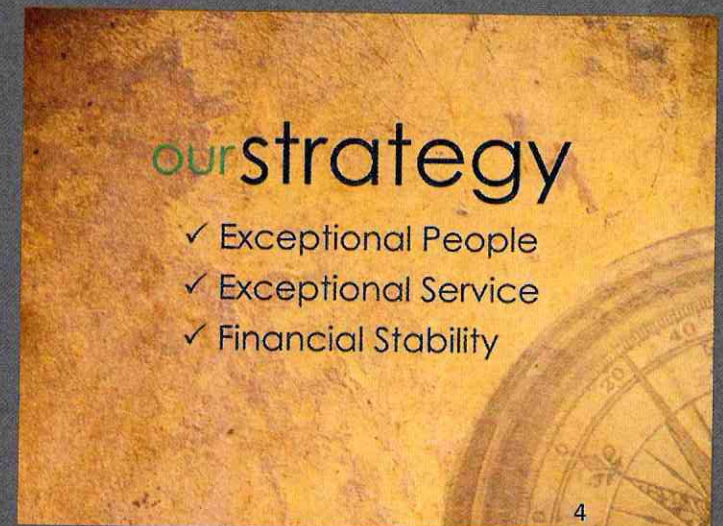
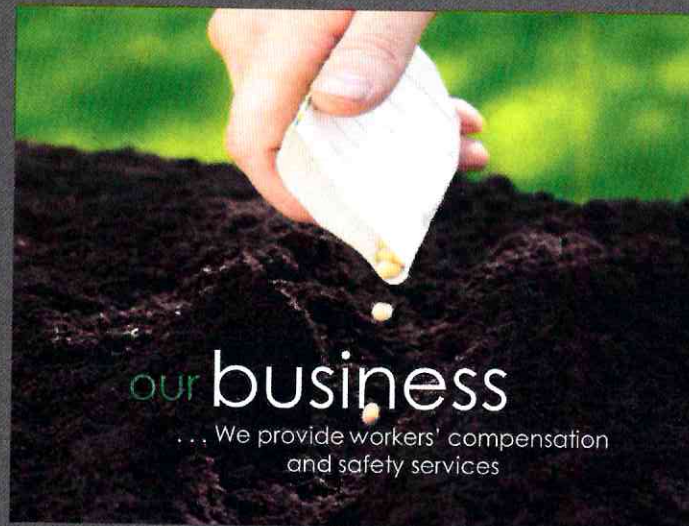
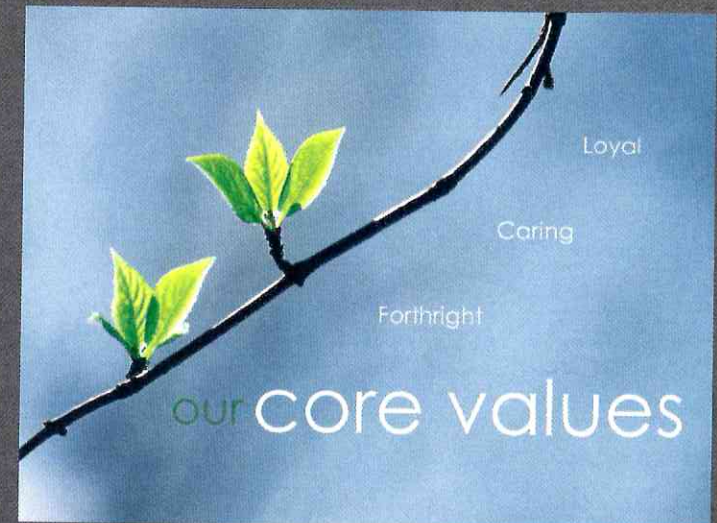
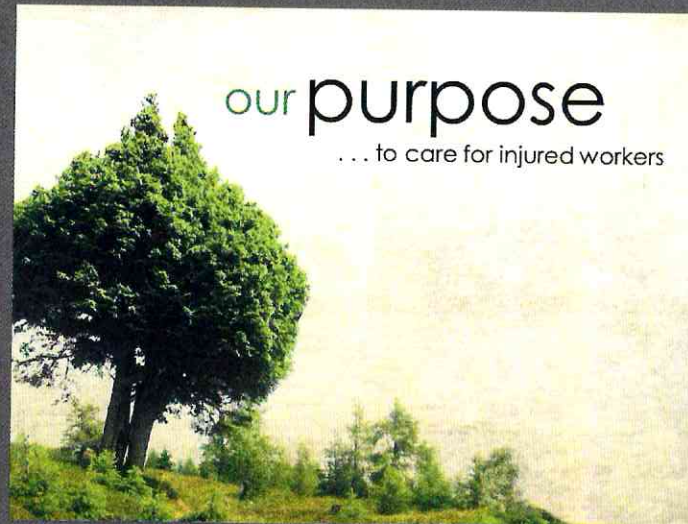
Who We Serve

State Population:	779,000
Covered Workforce	391,512
Employer Accounts	25,452
Number of Claims Filed Per Fiscal Year	17,483
WSI Staff	260 FTE
Net Earned Premiums	\$163M
WSI Assets	\$2.1B

WSI's Business

WSI's strategic plan has guided our focus and has resulted in a high performing organization that is valued by our stakeholders and recognized by industry leaders. **Our business is about relationships and partnerships.**

WSI's Strategic Direction



WSI's Strategic Direction

2022 N.D. Workforce Safety & Insurance – Strategic Management System



Core Purpose:
To care for injured workers

Business Definition:
We provide workers' compensation and safety services

Vision:
A safe, secure, and healthy North Dakota Workforce.

Core Values

Loyal

Caring

Forthright

Core Values



Revised: November 2, 2022

Strategic Anchors:

■ Initiative Completed
 ■ Initiative in Progress
 ■ Initiative not Started

Exceptional People

Exceptional Service

Financial Stability

Organizational Strategy Map:

Performance Measures:

Strategic Initiatives:

Thematic Goal Initiatives:

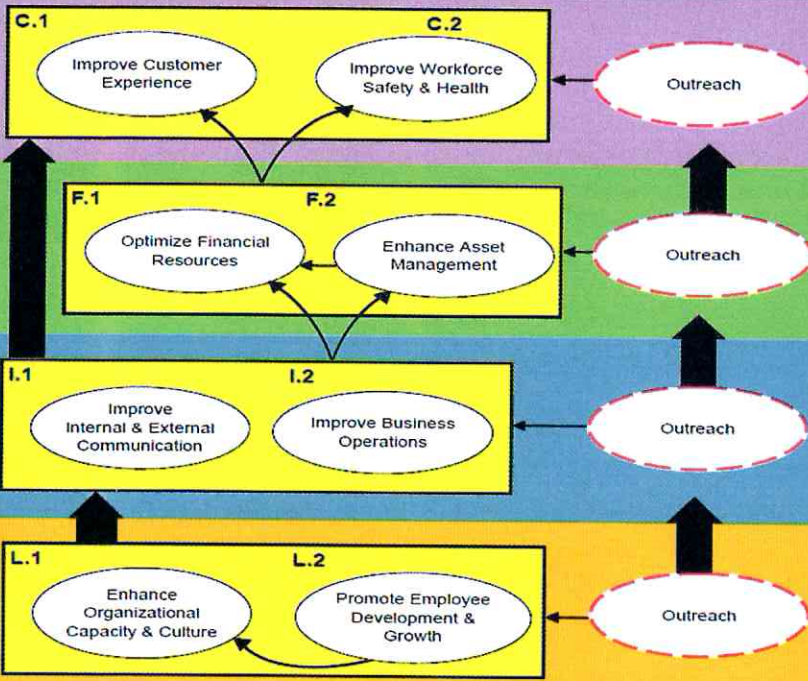
Strategic Perspectives

Customer

Finance

Internal Process

Learning & Growth



- C.1 Improve Customer Experience**
PM.1 Injured Worker Satisfaction Rate
PM.2 Employer Satisfaction Rate
PM.3 Provider Satisfaction Rate
- C.2 Improve Workforce Safety & Health**
PM.1 Indemnity Claims per 100 Covered Workers
PM.2 Total Claims per 100 Covered Workers
- F.1 Optimize Financial Resources**
PM.1 Fiscal Year Combined Ratio
PM.2 Investment Returns
PM.3 Available Surplus Ratio
PM.4 Annual Rate Change
- F.2 Enhance Asset Management**
PM.1 Periodic Investment Study
- I.1 Improve Internal/External Communication**
PM.1 Injured Worker Satisfaction Rate
PM.2 Employer Satisfaction Rate
PM.3 Provider Satisfaction Rate
PM.4 Employee Engagement Overall Satisfaction
- I.2 Improve Business Operations**
PM.1 Operational Measures
- L.1 Enhance Organizational Capacity**
PM.1 Operational Measures
- L.2 Promote Employee Development & Growth**
PM.1 Employee Engagement Overall Satisfaction
PM.2 - Employee Participation

- myWSI Training (Injury Prevention, Safety System, Business, Claims)
 - Alternative Dispute Resolution Process (Arbitration, Mediation, Negotiation, Customer Service)
 - Universal Onboarding Process myWSI Transactional Customer Experience Surveys
 - WSI University—Injury Services
 - WSI University—Employers
1. Investment Allocation Study
- System Replacement Program (SRP) Claims
 - System Replacement Program (SRP) Policy
 - System Replacement Program (SRP) Claims
 - Multi-agency Coordination of Independent Contractor Assessment
- Change Management
 - Employee Engagement
 - Leadership Development (L2 Support)
 - Cascade Strategic Plan Map at the Division Level

- (A) Employers**
- Injured Worker Council
 - Target Other Industries—STEP Grant Opportunities
 - Discussion with Employer Groups
- (B) Injured Worker/Labor**
- ND AFL-CIO
 - Injured Worker Counsel
- (C) Business Partners**
- Outside Counsel
 - Office of Administrative Hearings (OAH)
 - Contracted SIU Investigators
 - Contracted Nurse Case Management
 - On-site Case Managers
 - Livestock Euthanasia
 - Accident Fund/Guy Carpenter
 - Reinsurance (Guy Carpenter)
- (D) Medical Providers**
- NDMA
 - ND Hospital Association
 - ND Pharmacy Association
 - ND Chiropractic Association
- (E) Legislative**
- 2023 Overview & Legislative Preview

How WSI Measures Success

Safety Focus

Injury rates have been reduced by over 30% over the last decade. In fiscal year 2022, WSI issued \$22 million in safety premium discounts to employers for successful participation in Safety Programs.

Strong Statutory Benefits

North Dakota provides a favorable benefit package for injured workers as compared to other jurisdictions.

Few Disputes & Low Litigation

North Dakota is known to be one of the least litigious workers' compensation systems in the country. Only 0.6% of decisions issued proceed to an administrative court hearing.

Low Premiums

Premiums were reduced for the 7th consecutive year with an average 4.2% reduction for the current policy year. North Dakota continuously ranks as the lowest premium state in the nation (2022 Oregon Premium Study).

How WSI Measures Success

Financially Strong

The WSI fund exceeds statutory surplus requirements. WSI issued \$1.7 billion in employer dividends in the past 17 out of 18 years. Average 5-year WSI fund investment returns was 4.2%.

Good Payor

Fair payment for medical and hospital services ensures injured workers access to quality healthcare. WSI fee schedules range from 158% to 217% of what Medicare would pay.

Enhance Technology

The goal of CAPS and myWSI is to improve customer service, enhance system maintainability and create a self-service portal for our external customers and stakeholders.

Customer Satisfaction

WSI's customer satisfaction consistently ranks high on 1 to 5-point scale: Employer – 4.39; Injured Worker – 4.12; Medical Provider – 3.94



WSI 2023-2025 Biennial Appropriation Request

		2021-2023 WSI Appropriation	2023-2025 Senate Version
1	WSI Base Level Appropriation	\$62,122,928	\$68,106,832
	<u>One-Time Funding Description</u>		
	Claims and Policy System (CAPS)	\$7,500,000	\$4,950,000
	myWSI	\$3,050,000	\$1,830,000
	Building Updates	\$514,000	-
2	Total One-Time Funding	\$11,064,000	\$6,780,000
	WSI Biennial Appropriation (1 + 2)	\$73,186,928	\$74,886,832
	FTE Authority	260	260

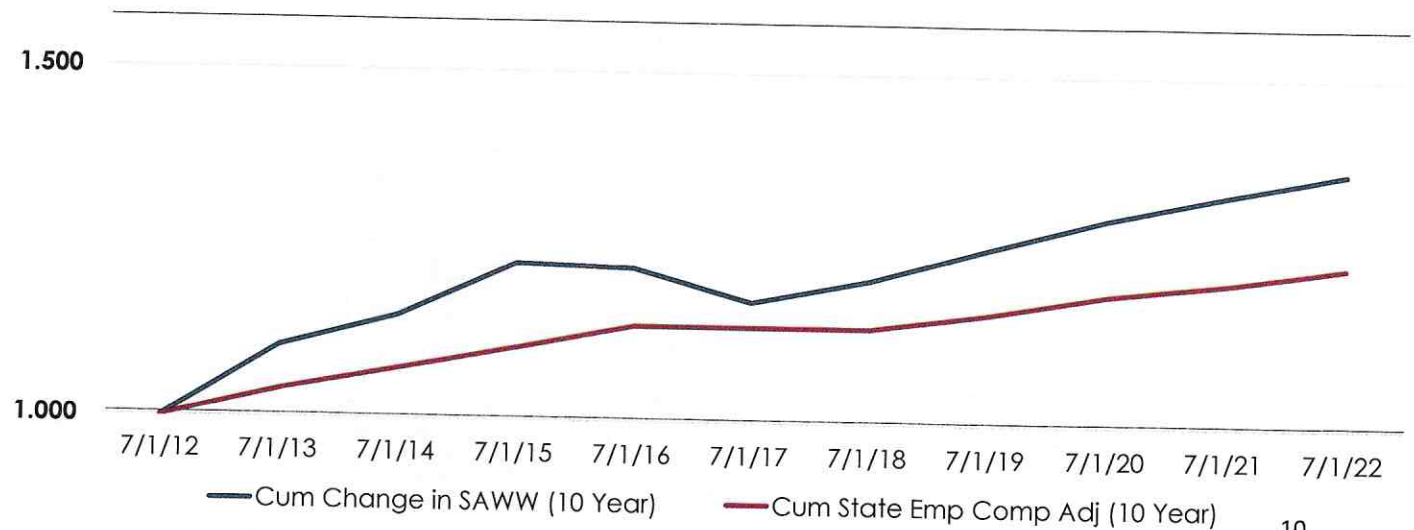
- Many of WSI's key initiatives are heavily dependent on the continued development CAPS and myWSI
- The ongoing technology initiatives, primarily the two major projects, will be the key budget priorities
- Unspent funds are returned to the WSI fund



Governor's Recommended Compensation Package (6 + 4)

- Over the last decade, State's Average Weekly Wage growth rate has outpaced state employee authorized compensation adjustments by about 2:1
- The continued trend will impact state employee retention

Cumulative SAWW Change vs. State Employee Comp Adjustments



One-Time Funding

Continued Development of Claims and Policy System (CAPS)

The goal of CAPS is to replace WSI's core business system software with web-based technology in order to improve customer service, enhance system maintainability and provide enhanced reporting and accessibility to information.

Current Biennium - \$7,500,000 Next Biennium - \$4,950,000

Continued Development of myWSI

The goal of myWSI is to create a secure, self-service portal for external customers and stakeholders to view, update, submit and retrieve information relating to interactions with WSI.

Current Biennium - \$3,050,000 Next Biennium - \$1,830,000

ARPA Funding

During the November 2021 special legislative session, WSI received \$291,000 from the American Resource Plan Act (ARPA) for a deferred maintenance project. This project will update and expand the existing DDC system and EMS to utilize the latest sequences and strategies.

WSI Summary

- ✓ WSI is financially stable, with proven programs to reduce workplace injuries and to treat and return Injured Workers to the job.
- ✓ WSI is a good steward of premium dollars.
- ✓ WSI is a strong partner with the medical community.
- ✓ WSI is recognized for strong employee engagement and morale; Support of proposed total rewards package will help maintain and grow team.
- ✓ The Senate Version would result in a total biennial increase, including one-time funding, of 2.3% from the prior biennium.
- ✓ With the Governor's recommended 6+4 proposal, the total biennial increase, including one-time funding, is 3.5% from the prior biennium.

Questions

WSI

North Dakota Workforce
Safety & Insurance

NORTH
Dakota Be Legendary.

Appendix

A1 – WSI Organization Chart

A2 – 2022 Financial Audit

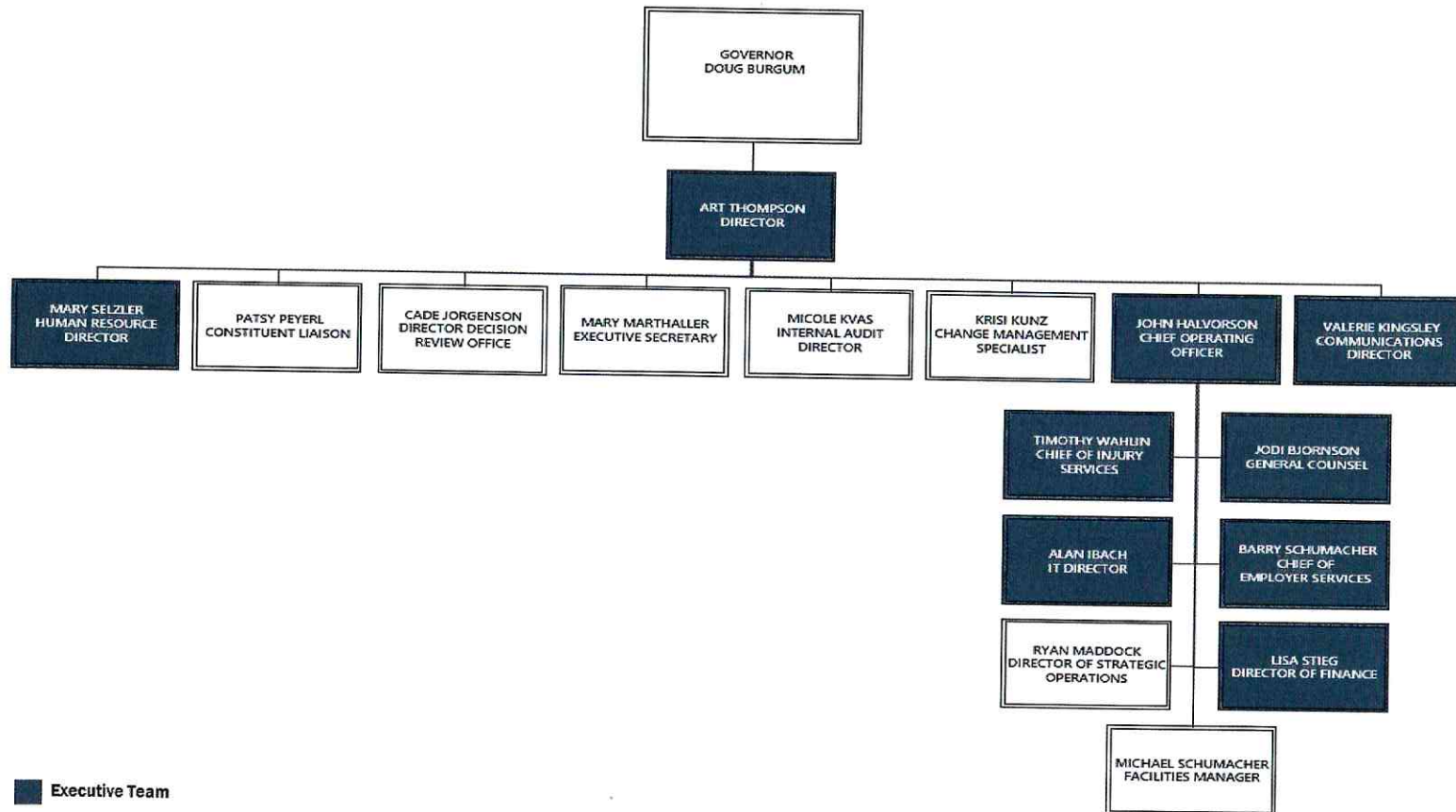
A3 – A7 Historical Trends

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A14 – A18 Historical Workers' Compensation Benefit & Service Enhancement Legislation

WSI Organizational Chart



Financial Audit

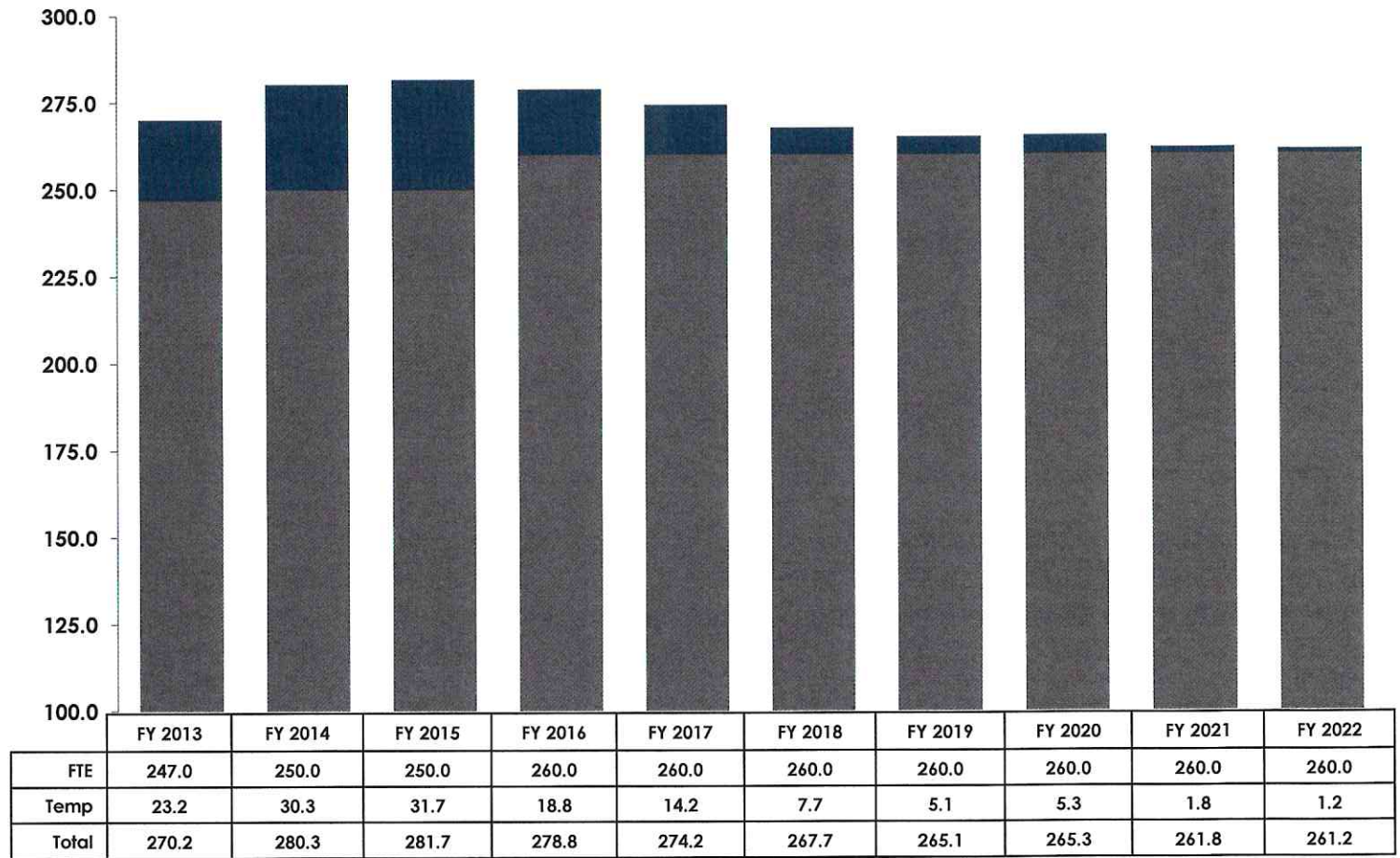
The FY2022 Financial Audit conducted by Eide Bailly noted no material weaknesses, no significant compliance findings, and no prior year findings to update.

WSI

North Dakota Workforce
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Employee Count

Employee Count by Fiscal Year

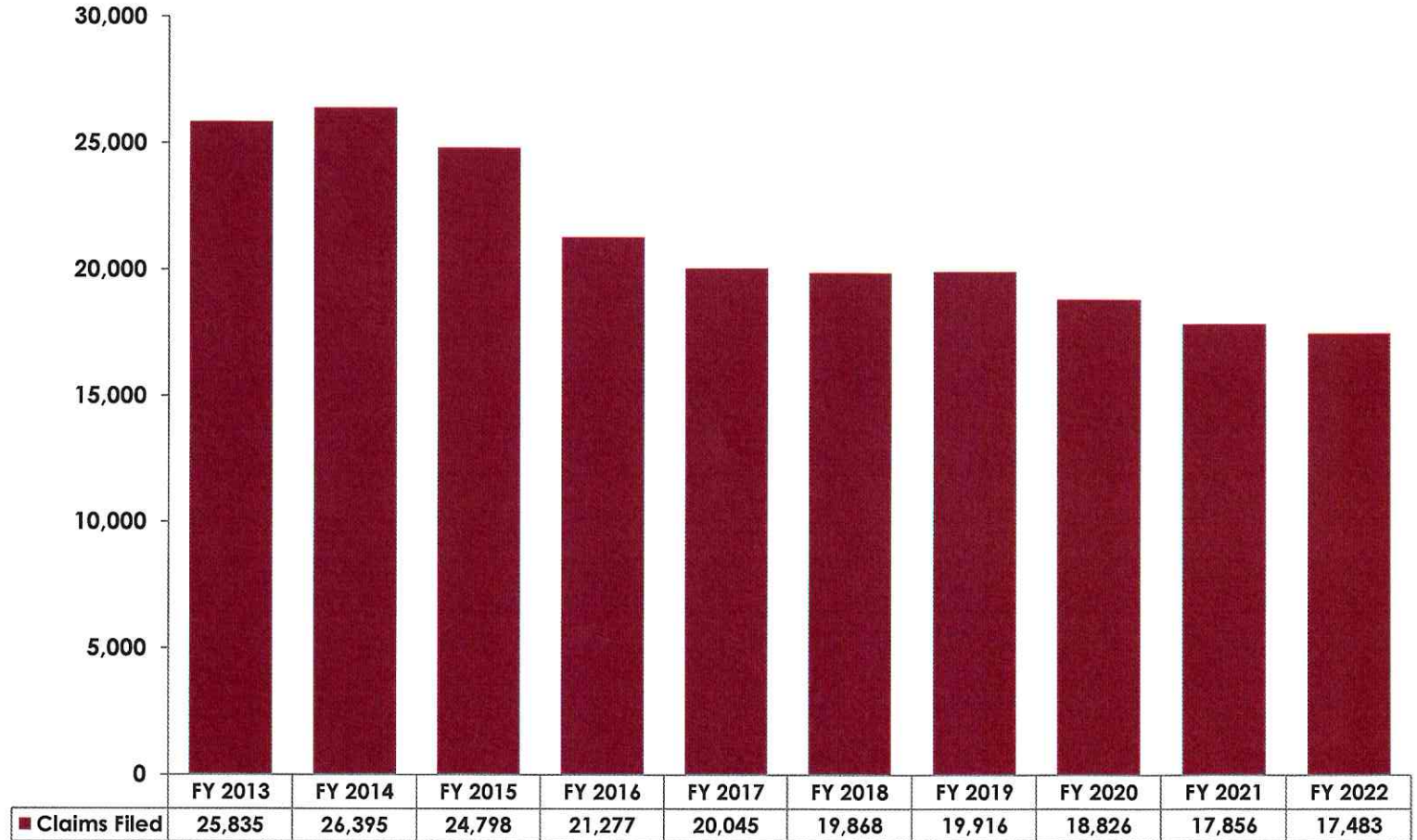


WSI

North Dakota Workforce
Safety & Insurance

Claims Filed

Claims Filed by Fiscal Year

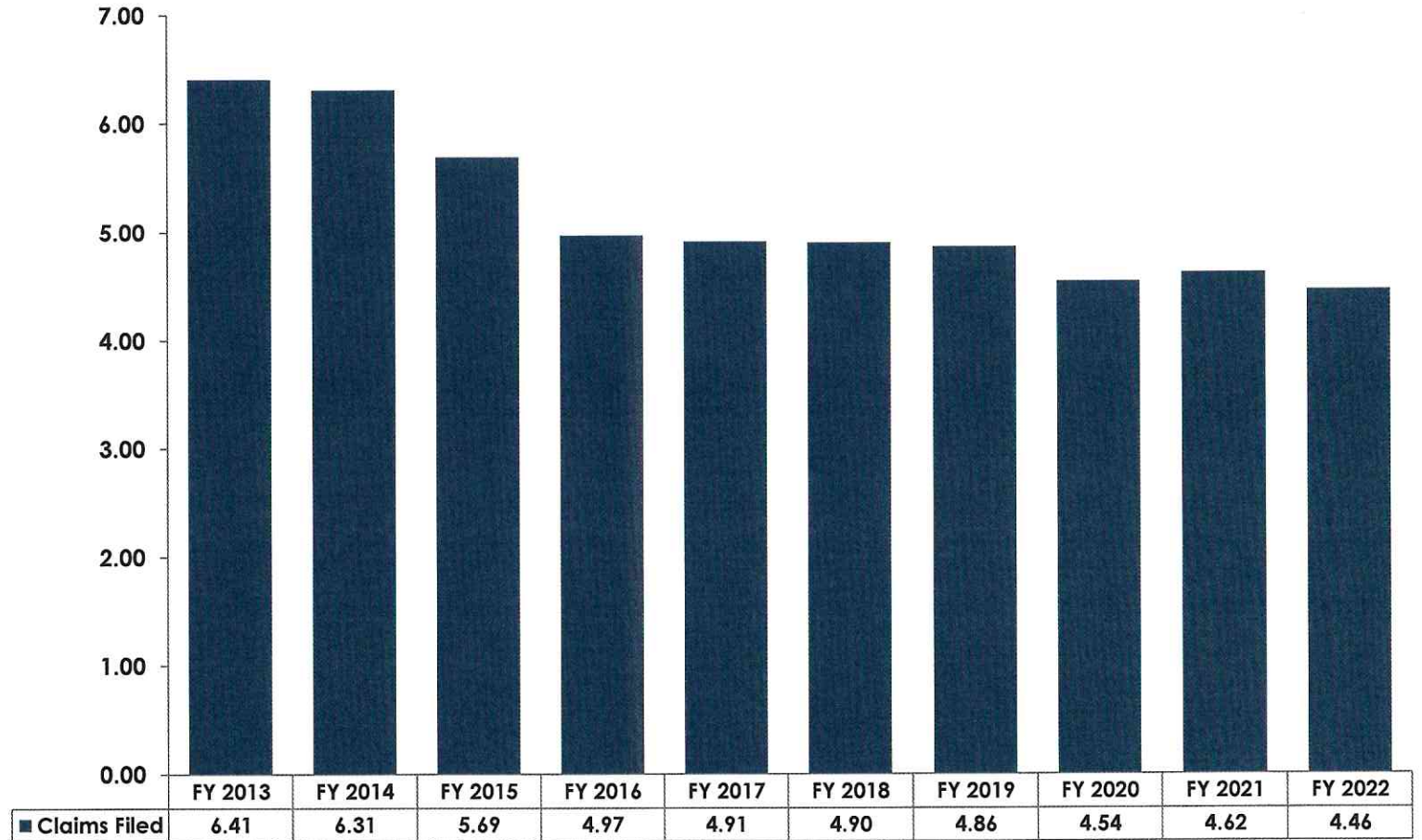


WSI

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Injury Rates

Claims Filed Per 100 Covered Workers

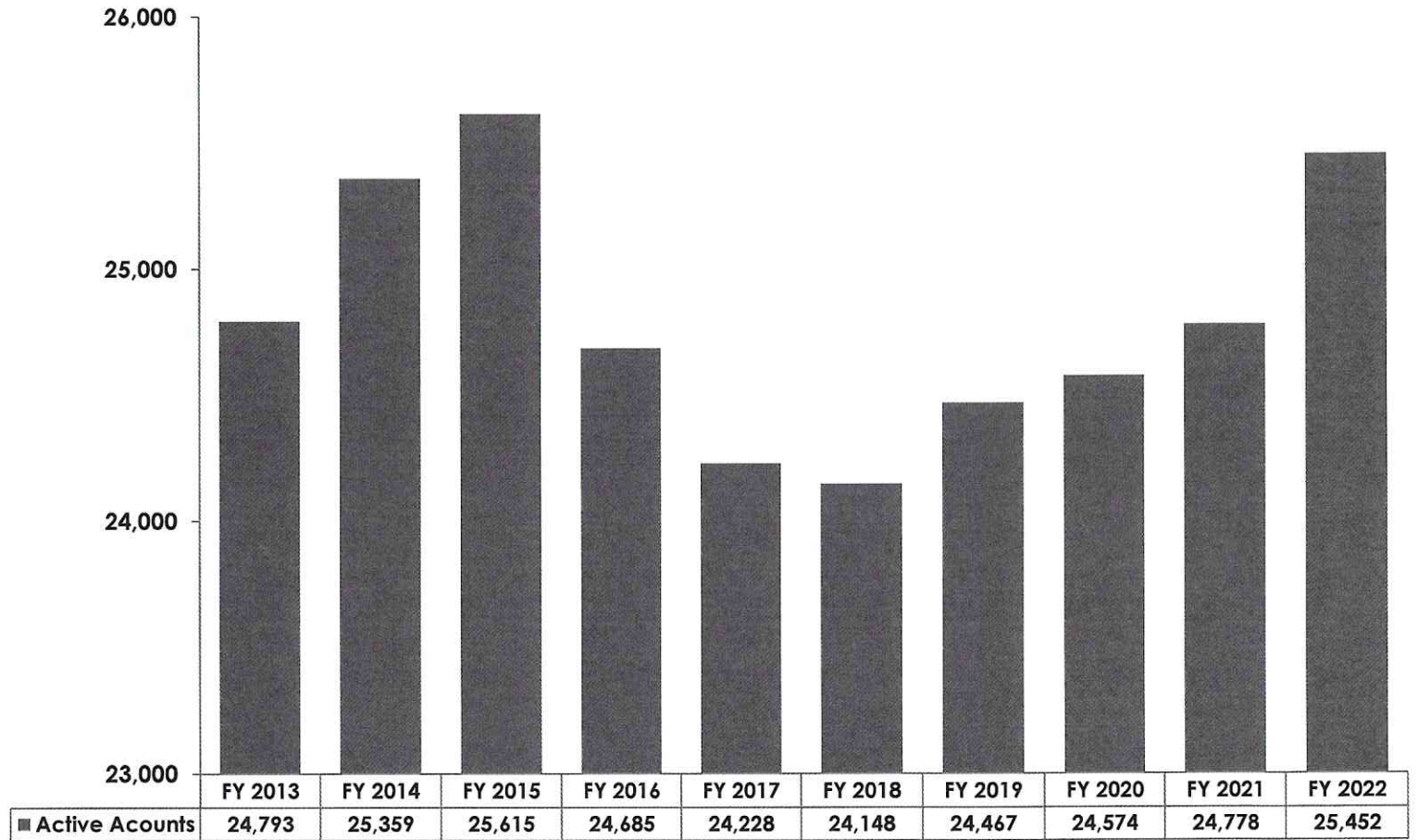


WSI

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Safety & Insurance

Active Accounts

Active Employer Accounts

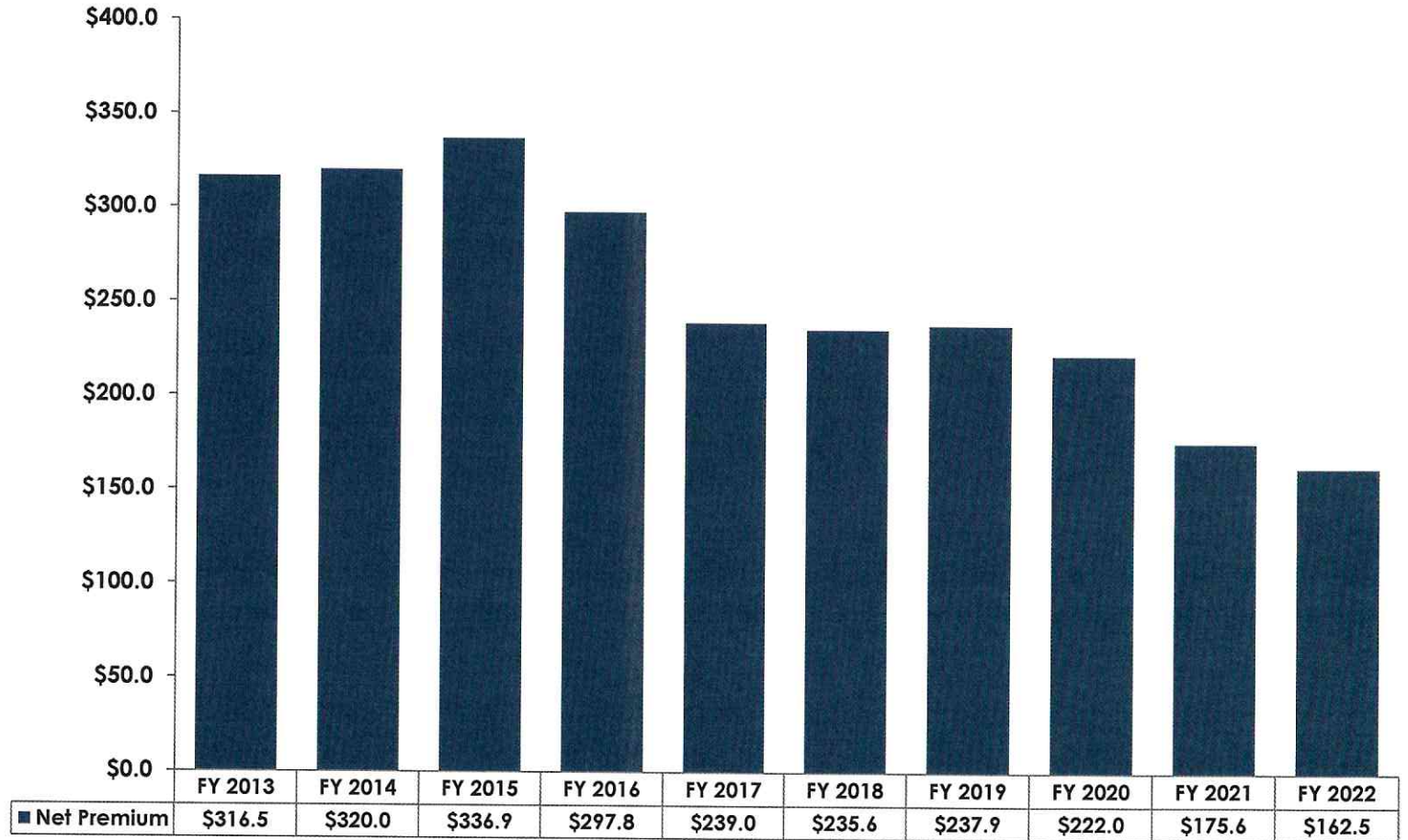


WSI

North Dakota Workforce
Safety & Insurance

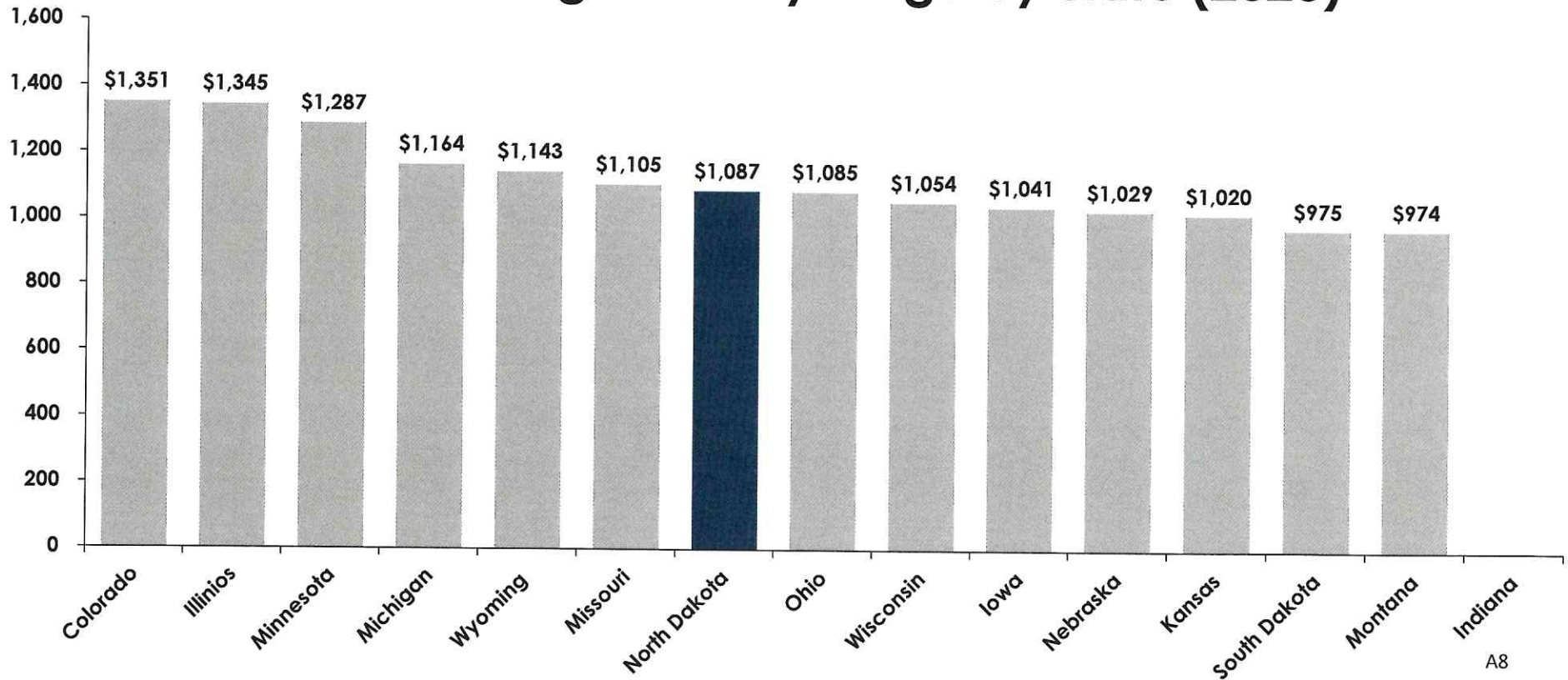
Net Earned Premiums

Net Earned Premiums (\$ Millions)



Benefit Comparison

State's Average Weekly Wage by State (2023)



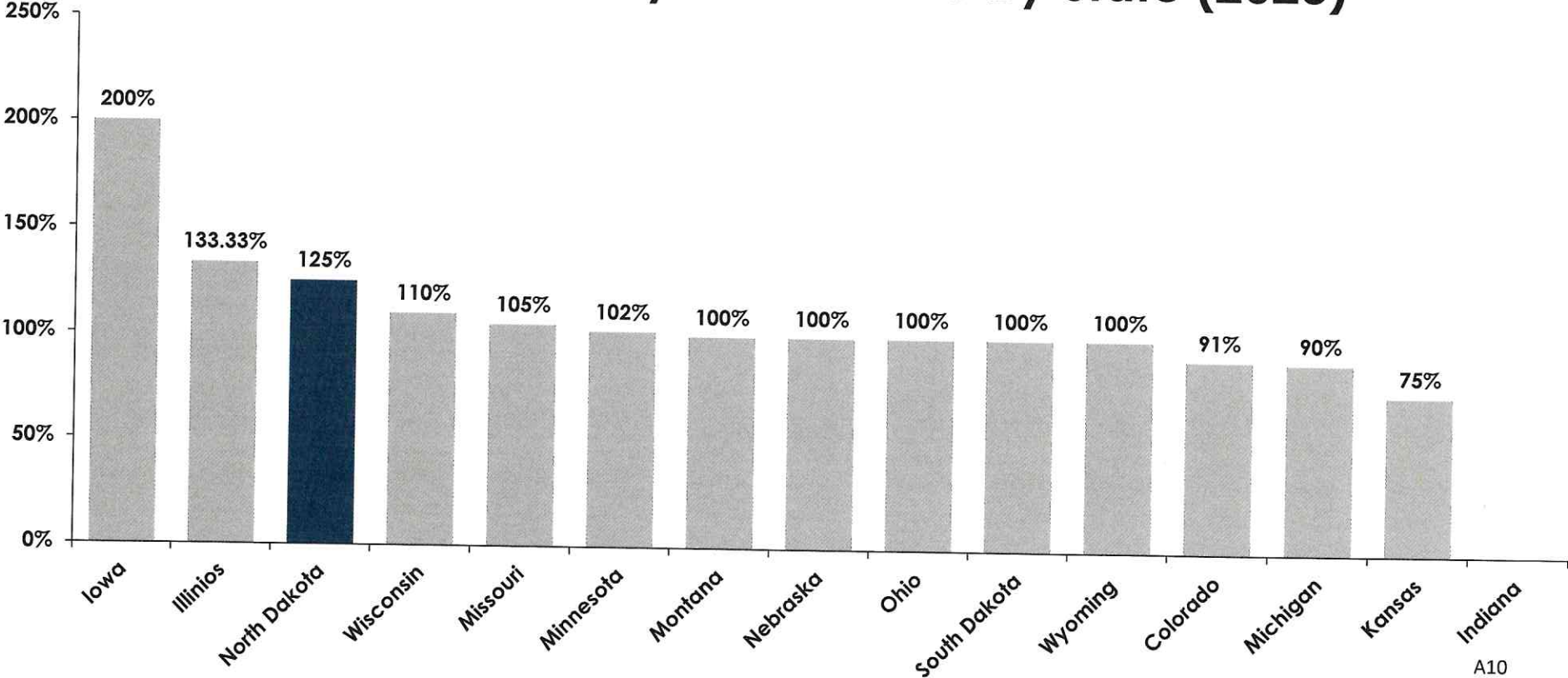
Benefit Comparison

Maximum Weekly Benefit Amount by State (2023)



Benefit Comparison

Maximum Weekly Benefit Rate by State (2023)

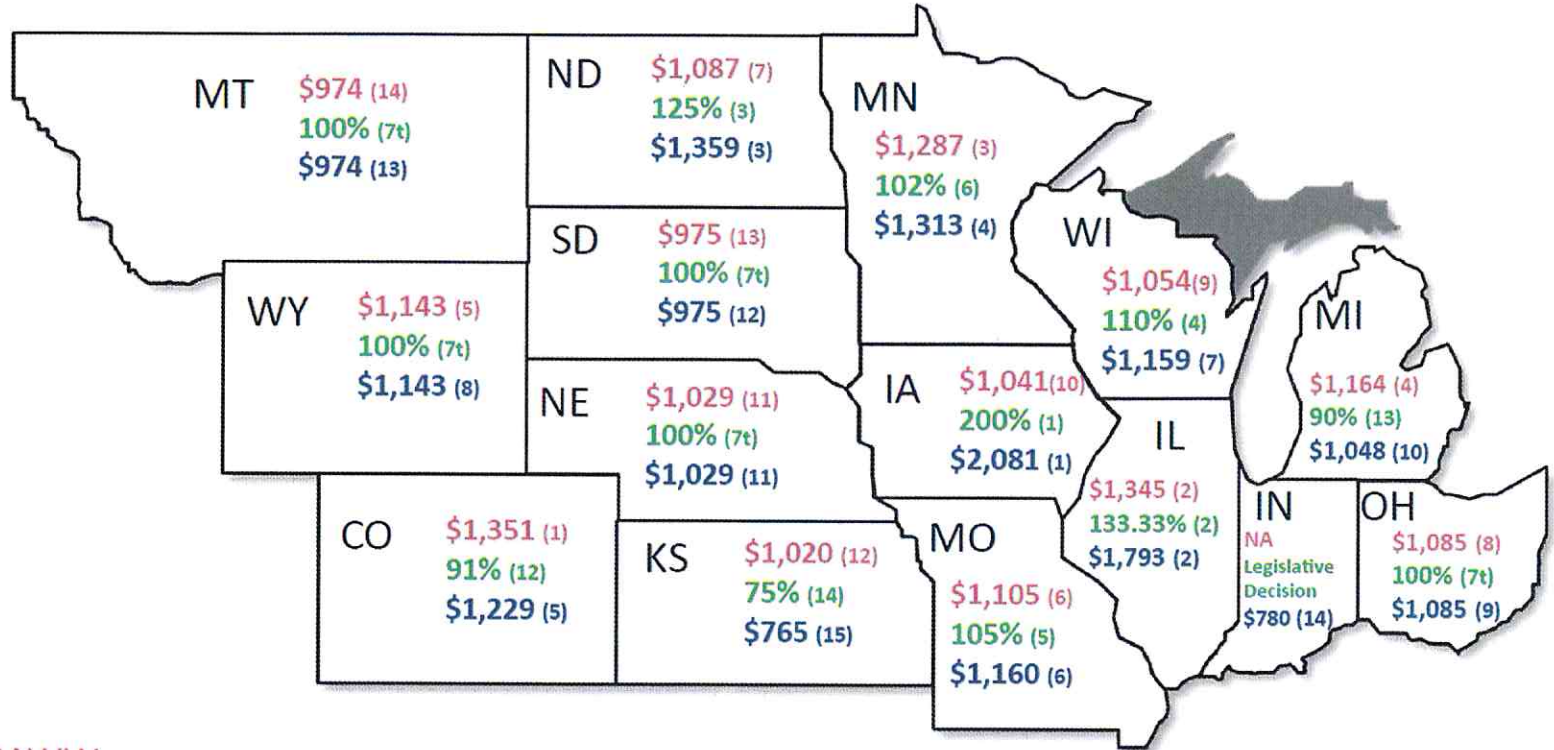


WSI

North Dakota Workforce
Safety & Insurance

Benefit Comparison

Midwest States: State's Average Weekly Wage, Maximum Benefit Rates and Maximum Weekly Benefit Amounts—2023



SAWW (WY uses State's Avg Monthly Wage—calculated quarterly—4th Qtr 2022 shown)

Max. Weekly Benefit Rate

Max. Weekly Benefit Amount (IN—FY2023 shown)

~ Information in Parenthesis = State Rank (#1 – highest to #15 – lowest)

~ Information Source: State Workers' Compensation Websites

WSI

North Dakota Workforce
Safety & Insurance

Premium
Index
Comparison

Per 2022 Oregon Study: Neighbor state's rates compared to North Dakota (before any dividends)



2.7X
Higher



2.2X
Higher



2.5X
Higher

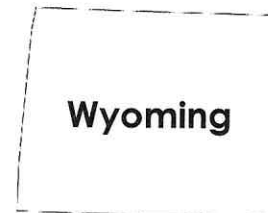
Monopolistic States: State's rates compared to North Dakota (before any dividends)



1.4X
Higher

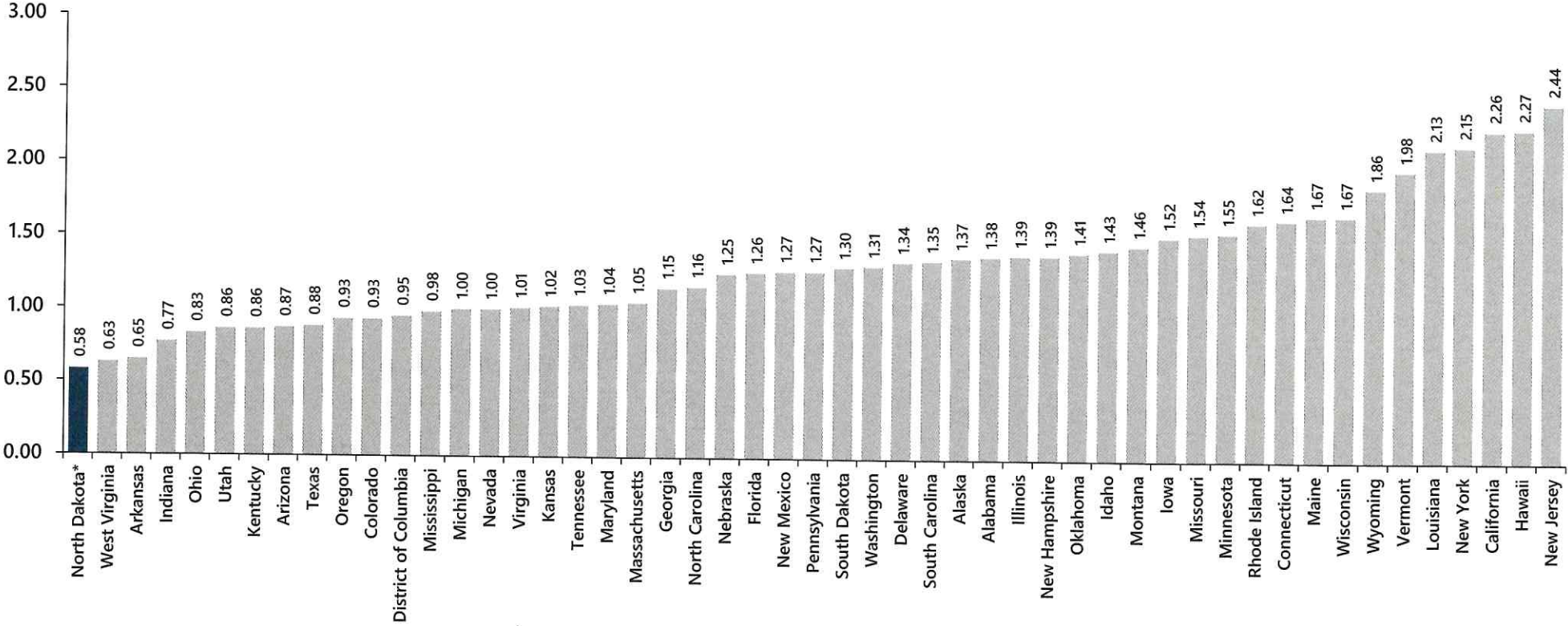


2.3X
Higher



3.2X
Higher

Premium Index Rate by State



~ Source - 2022 Oregon Premium Ranking Study

Lowest Highest

Historical Workers' Compensation Benefit & Service Enhancement Legislation

2021 Legislation

Extends injured worker appeal timeframes from 30 to 45 days after a notice of decision or administrative order has been issued (HB 1040)
Provides WSI a communication mode with relevant parties in the event of a deceased or incapacitated injured worker absent a signed release (HB 1084)

2019 Legislation

Required employer payroll reporting to be done electronically (HB 1072)
Requires healthcare providers to submit medical bills and documentation electronically no later than July 1, 2021 (HB 1073)

2017 Legislation

Provides for payments of an injured worker's attorney fees and costs at the level in which they prevailed regardless of whether the organization ultimately prevails (SB 2048)
Establishes a civil penalty in the amount of \$5,000 for an employer who willfully makes a false statement attempting to preclude an injured worker from securing benefits (SB 2094)

2015 Legislation

Expanded eligibility for the scholarship fund to include children up through age twenty-six (HB 1102)
Expanded the eligibility of children that can utilize the educational revolving loan fund (HB 1102)

2013 Legislation

Provided for a study of the preferred provider program (HB 1051)
Strengthened notification requirements for employers participating in the preferred provider program (HB 1052)
Increased benefits for National Guard members who are injured while serving on state active duty (HB 1080)
Expanded definition of law enforcement officer to include peace officers with the North Dakota Parks Department (SB 2134)
Increased vehicle and vehicle adaptation allowance from \$100,000 to \$150,000 (SB 2178)

Historical Workers' Compensation Benefit & Service Enhancement Legislation (cont.)

2011 Legislation

Established a vocational rehabilitation grant program (HB 1050)

Provided up to two years of benefits for workers injured within two years of their presumed retirement date (HB 1051)

Reduced the threshold for percentage of whole-body impairment to qualify for a PPI award (HB 1055)

Increased permanent partial impairment awards (multipliers) for the lower impairment levels (HB 1055)

Expanded eligibility for the scholarship program (SB 2114)

Increased the annual cap that the organization can award in scholarships from \$300,000 to \$500,000 (SB 2114)

Increased the maximum scholarship amount payable per applicant from \$4,000 per year to \$10,000 per year (SB 2114)

Streamlined the personal reimbursement process for injured workers (SB 2114)

Expanded eligibility for the educational revolving loan fund (SB 2114)

2009 Legislation

Provided for payment of eyeglasses and other devices if an injury occurs and damages those prescriptive devices (HB 1061)

Provided for an extension of an additional 20 weeks to the current 104-week limit for retraining programs (HB 1062)

Increased the eligibility pool for job search benefits (HB 1062)

Established pilot program to assess new methods of providing rehabilitation services (HB 1062)

Established parameters of liability for medical expenses paid for treatment of unknown pre-existing conditions (HB 1063)

Shortened eligibility period for cost of living adjustments (COLAs) for pre-1/1/06 total disability claims from 7 to 3 years (HB 1064)

Expanded COLA eligibility for pre-1/1/06 claims to include temporary total benefit recipients (HB 1064)

Outlined coverage parameters for emergency volunteer healthcare practitioners (HB 1073)

Increased the maximum disability benefit from 110% to 125% of the state's average weekly wage (SAWW) (HB 1101)

Historical Workers' Compensation Benefit & Service Enhancement Legislation (cont.)

2009 Legislation – Continued

- Increased lifetime cap on death benefits from \$250,000 to \$300,000 (HB 1101)
- Increased burial expense from \$6,500 to \$10,000 and one-time payments for spouses and dependent children (HB 1101)
- Increased the dependency allowance from \$10 to \$15 per week per child (HB 1101)
- Increased pre-acceptance disability benefits from the minimum benefit rate to the standard rate (HB 1101)
- Increased travel and other personal reimbursements on aggravation claims to 100% (HB 1101)
- Provided up to six months benefits for the surviving spouse of a PTD that provided home health care during disability (HB 1455)
- Provided that OAH conduct WSI hearings and that OAH's decisions are final (HB 1464)
- Provided for a study of the post-retirement benefit structure to be conducted during the interim (HB 1525)
- Provided that WSI outline reasons for disregarding a treating doctor's opinion (HB 1561)
- Resolution to study workers' compensation laws regarding pre-existing injuries (HCR 3008)
- Resolution to study injured worker access to legal representation (HCR 3013)
- Established a clear and convincing evidence standard to rebut the presumption clause (SB 2055)
- Provided door to door reimbursement of mileage to attend medical appointments (SB 2056)
- Established a PPI schedule award for the partial loss of eye sight (SB 2057)
- Distinguished an independent medical exam (IME) from an independent medical record review (IMR) (SB 2058)
- Provided for attorney fees and costs for review of a claim after OIR completion (SB 2059)
- Provided for a rehab training expense for maintaining a second household or traveling more than 25 miles to school (SB 2419)
- Provided WSI make a reasonable effort to designate an IME doctor within a certain radius of worker's residence (SB 2431)
- Shortened the time period in which an injured worker can request a change of doctor (SB 2432)
- Provided that WSI notify injured workers of work search obligations (SB 2433)

Historical Workers' Compensation Benefit & Service Enhancement Legislation (cont.)

2007 Legislation

- Provided funds for purchase or adaptation of motor vehicles for catastrophically injured (HB 1038)
- Provided increased post-retirement additional benefits for certain injured workers (HB 1038)
- Expanded the population that is eligible for death benefits (HB 1038)
- Shortened eligibility period for cost of living adjustments (COLAs) from seven years to three years (HB 1038)
- Expanded the eligibility pool for WSI's revolving loan fund (HB 1038)
- Provided inflation adjustment for long-term Temporary Partial Disability benefit recipients (HB 1140)
- Provided funds for the purchase or adaptation of motor vehicles for catastrophic and exceptional circumstance claims (HB 1411)
- Provided benefits for firefighters and law enforcement officers in the event of a false positive test (SB 2042)

2005 Legislation

- Established additional safety incentives (HB 1125)
- Established ongoing funding for safety education, grant, and incentive programs (HB 1125)
- Created retraining options for injured workers (HB 1171)
- Established an injured worker educational revolving loan fund (HB 1491)
- Increased the non-dependency death award (HB 1506)
- Increased post-retirement additional benefit payments (SB 2351)

2003 Legislation

- Increased lifetime cap on death benefits from \$197,000 to \$250,000 (HB 1060)
- Established a \$50,000 home remodeling and vehicle adaptation allowance for catastrophic injured workers (HB 1060)
- Increased the maximum amounts for scholarship awards (HB 1120)

Historical Workers' Compensation Benefit & Service Enhancement Legislation (cont.)

2001 Legislation

Increased certain permanent partial impairment awards (HB 1161)

1999 Legislation

Increased permanent partial impairment awards for the severely impaired (HB 1422)

Increased the maximum disability benefit from 100% to 110% of the State's Average Weekly Wage (SB 2214)

Shortened the waiting period for eligibility for cost of living adjustments from 10 years to 7 years (SB 2214)

1997 Legislation

Increased weekly death benefits for surviving spouses (SB 2116)

Created the Guardian Scholarship program (SB 2116)

Established a post-retirement additional benefit (SB 2125)

For over 100 years, we've cared for injured employees and promoted safe workplaces.

Contact: Valerie Kingsley
vkingsley@nd.gov
701-328-3885



NORTH DAKOTA WORKFORCE SAFETY & INSURANCE

WHO WE ARE

260

Full-Time Team Member Authority

.72

Temporary Team Members

15

Average years of service

49.5

Average age

9%

Retirement-eligible

3.75%

Turnover rate

WHAT WE'RE ABOUT

Who We Are: WSI is an exclusive, employer-financed, no-fault insurance state fund covering workplace injuries and deaths. **WSI is a special fund agency and receives no general fund dollars.**

Core Purpose: To care for injured workers

Business Definition: We provide workers' compensation and safety services

Vision: A safe, secure, and healthy North Dakota Workforce

Core Values: Loyal, Caring, and Fortright

Strategic Anchors: Exceptional People, Exceptional Service, and Financial Stability

WHO WE SERVE

Employees



WSI's highest priority is the health and safety of our North Dakota workforce. In the event of an injury, our goal is to help an injured worker regain their health and return to work.

Employers



WSI provides workers' compensation coverage in North Dakota and administers safety programs and services to provide a safe and healthy workforce.

Medical Providers



WSI partners with medical providers to help reduce and prevent long-term disability by getting an injured worker back to work quickly and safely.

Covered Workforce: 391,512

Employer Accounts: 25,452

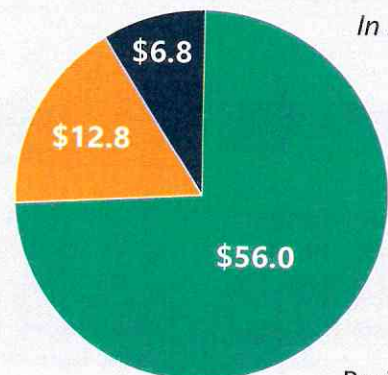
Claims Filed: 17,483

2023-2025 BIENNIAL BUDGET APPROPRIATION

Budget Appropriation:

- Base Level: \$67,307,383
- Optional Budget Changes: \$8,417,572

- Salary
- Operating
- One-time Funding



In Millions

Revised 1/9/2023

NORTH DAKOTA WORKFORCE SAFETY & INSURANCE

WHAT WE'RE PROUD OF AND HOW WE MEASURE SUCCESS

Safety Focus – Injury rates have been reduced by over 30% over the last decade. In fiscal year 2022, WSI issued \$22 million in safety premium discounts to employers for successful participation in Safety Programs.

Few Disputes & Low Litigation – North Dakota is known to be one of the least litigious workers' compensation systems in the country. Only 0.6% of decisions issued proceed to an administrative court hearing.

Financially Strong – The WSI fund exceeds statutory surplus requirements. WSI issued \$1.7 billion in employer dividends in the past 17 out of 18 years. Average 5-year WSI fund investment returns was 4.2%.

Enhance Technology – The goal of CAPS and myWSI is to improve customer service, enhance system maintainability and create a self-service portal for our external customers and stakeholders.

Strong Statutory Benefits – North Dakota provides a favorable benefit package for injured workers as compared to other jurisdictions.

Low Premiums – Premiums were reduced for the 7th consecutive year with an average 4.2% reduction for the current policy year. North Dakota continuously ranks as the lowest premium state in the nation (2022 Oregon Premium Study).

Good Payor – Fair payment for medical and hospital services ensures injured workers access to quality healthcare. WSI fee schedules range from 158% to 217% of what Medicare would pay.

Customer Satisfaction – WSI's customer satisfaction consistently ranks high on 1 to 5-point scale: Employer – 4.39; Injured Worker – 4.12; Medical Provider – 3.94

WHAT WE DO

Claims Management

Assists injured workers on their journey to recovery by adjudicating and managing claims. This includes managing benefits such as medical, wage-loss, and rehabilitation.

Policyholder Services

Guides employers through the process of securing North Dakota workers' compensation insurance. Also provides premium billing, auditing, and collection services to North Dakota policyholders.

Customer Service

Supports WSI's internal operations by receiving and answering customer calls and inquiries.

Safety Services

Offers employers loss control consultations, education and training, safety incentive programs, and safety grants to ensure workers have a safe and healthy workplace.

Return to Work Services

Assists injured workers in the management of medical recovery and return to work through nurse case management, vocational case management, and retraining programs.

Medical Services

Delivers medical providers educational and administrative services to assist in the treatment of injured workers. Services include prior authorization, billing and payment, and pharmacy services.

Employee Engagement & Development

Employee Engagement – The results of the October 2022 Team ND Engagement Survey for WSI's overall employee engagement level was 4.18 (on a 5-point scale), remaining steady with the 2021 results. WSI had a response rate of 91%, compared to 80% in 2021.

Employee Development – WSI developed and launched a new leadership program, **bildU**, in the fall of 2022 with the goal of educating and providing our emerging leaders with the necessary tools to be successful.

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NORTH DAKOTA WORKFORCE SAFETY & INSURANCE CLAIMS AND POLICY SYSTEM (CAPS) PROJECT

BUSINESS NEEDS

- Replace internal core legacy client-server systems with current web-based technology
- Provide easier access to information and reportability of data
- Improve system navigation and ease of use for WSI team members
- Enhance system maintainability
- Enable WSI to stay current with technology and take advantage of future enhancements

IMPLEMENTATION APPROACH

- Large, multi-year initiative with multiple releases
- Each release, 're-faces' portions of core legacy systems into a new user interface, retaining data and programming logic
- This approach minimizes risk and costs by replacing WSI's core systems *incrementally*, into production
- Each release is managed as a major IT project per state requirements
- The consecutive rollouts require intense collaboration and dedication by many team members across WSI, ServiceLogix (vendor partner) and NDIT
- Benefits of the incremental approach:
 - Includes continuous technology and business improvements as part of the process
 - More adaptive to business needs
 - Minimizes risk and costs

PROJECT STATUS

Completed

Releases 1-9

- **Scope:** Work Management, Forms, and All Policy Functionality – Registration, Adjustments, Accounting, Payroll Reporting, Loss Control
- **Timeframe:** July 2015-Aug 2022
- **Actual Cost:** \$15,852,030 (12% under budget)

In Progress

Release 10

- **Scope:** Claim Registration, Coverage, Status
- **Timeframe:** May 2022-Aug 2023
- **Budget:** \$2,449,647

Remaining

Releases 11-17

- **Scope:** Claim Maintenance, Wages, Reserves, Payments, Medical, Legal, Field, Fraud
- **Expected Timeframe:** 2023-2030
- **Expected Budget:** \$18.5M

MEASURING SUCCESS

"I really enjoy the functionality of CAPS. Each time a new release is deployed the functionality is great and easy to move around, work, and learn the new system with ease."

"The adjustment process is so much easier than it had been, and it is really nice to have verifications and employer applications behave so similarly."

"Automating the optional coverage contracts eliminates a manual process for the underwriters"

"Gathering payroll detail using the same application in a revised payroll report is a major accomplishment."

"For our employers – the combined statements; for our employees – easy to navigate system."

"Love the statement preview functionality, the fact that you can make an adjustment and see the results real time."

"The adjustments alone are wonderful. To be able to do them in less than half the time is a dream. Those letters in the forms tool as well are GREAT!"



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NORTH DAKOTA WORKFORCE SAFETY & INSURANCE myWSI PROJECT

BUSINESS NEEDS

- Establish a secure portal for employers, medical providers, and injured employees to access, submit, and view WSI specific information
- Support WSI's strategic objective to improve communication
- Streamline processes related to information from/to external stakeholders
- Increase availability and usage of information for WSI's stakeholders and partners

IMPLEMENTATION APPROACH

- Large, multi-year initiative with multiple releases
- Each release delivers new external-facing functionality into production, ready to be used
- Each release is managed as a major IT project per state requirements
- Each release schedule is tightly integrated with CAPS project releases, using a shared vendor (ServiceLogix), ensuring efficient project processes
- The consecutive rollouts require intense collaboration and dedication by many team members across WSI, ServiceLogix (vendor partner), and NDIIT

PROJECT STATUS

Completed

Releases 1-5

- **Scope:** Provider Bill Status, Utilization Review, Safety and Ergonomics, Payroll Reporting, Employer Dashboard, DMP
- **Timeframe:** Aug 2015-Aug 2022
- **Actual Cost:** \$3,327,751 (3% under budget)

In Progress

Release 6

- **Scope:** Employer Online Application for Insurance, Chatbot
- **Timeframe:** June 2022-Aug 2023
- **Budget:** \$1,524,361

Remaining

Releases 7-9

- **Scope:** Provider and Injured Employee Dashboards
- **Expected Timeframe:** 2023-2026
- **Expected Budget:** \$1.8M

MEASURING SUCCESS

"The new dashboard in myWSI is awesome and easier to maneuver through. Sending an invite is so much quicker, simpler, as is adding roles to an existing user."

"The new online payroll reporting is a great upgrade. For our employers to not have an access code to start the payroll report is a really good thing. Most of the accountants are pleased that the access code went away."

"I really like the new functionality in myWSI!"

"One of the success stories is expanding our client base utilizing myWSI."

"I can see the URC UR Chiro applications that were deployed as very valuable to the UR Department. They will help provide better/faster service to the injured workers!"