



## WISCONSIN COMPENSATION RATING BUREAU

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March 10, 2025

John Dipko  
Workers Compensation Administrator  
Wisconsin Department of Workforce Development

Dear Mr. Dipko,

Please review and forward this letter and the accompanied attachment from Milliman to the Workers Compensation Advisory Council this week.

In September of 2024, the DWD asked the WCRB to calculate the potential impact on WC premiums if the 2023 proposed changes to Wis., Admin Code DWD80.32 were adopted. At the time of the request, the WCRB was specifically advised that the changes would include new "minimums for permanent partial disability" under DWD80.32. The proposed changes contain the following sentence: "The disabilities set forth in this section are the minimums for the described conditions." DWD80.32 (1)(a). In preparing for their report, our actuaries at Milliman report assumed that the proposed changes would be minimums that are required to be paid by this section of the Administrative Code.

At the WCAC meeting on February 11, 2025, an employee of the DWD stated that the proposed minimums would not be mandatory and that they would only be applied if there is an element of disability. This does not comply with what the Rule currently states and what the proposed change requires. It was not information that that the DWD included with their request for our evaluation. The analysis was provided over three months prior to the WCAC meeting on February 11<sup>th</sup>, yet the DWD never communicated with us to clarify the request. If the DWD saw this as an issue with the Milliman report, the DWD had the responsibility to raise it with the WCRB before the meeting. By failing to do so, the DWD created a perception that the WCRB provided inaccurate information to the WCAC. In addition, it caused us and our membership to fund an analysis based on a request with incomplete or inaccurate details. In a public forum DWD said twice that our analysis was inaccurate. It was not.

Neither the current Rule nor the proposed change contains a provision stating that the minimum PPD ratings only apply if there is an element of disability. My review of the comments made by DWD at the February 11<sup>th</sup> meeting left me confused, especially when compared to your request of us in September. Specifically, the statement made by DWD's Mr. Salvi that 'It (the change) is not replacing a 0% rating with a new number' (2%). However, comments and scenarios made moments later during the meeting contradicted that.

Given the new information, I have asked Milliman to perform another analysis making assumptions about the intent and methodology behind the application of the new rule even though they continue to lack complete clarity. The analysis is attached.

Finally, WCRB respectfully requests that when an analysis is requested, it be made with details that are complete. To provide WCAC with maximum benefit on a timely basis, when an analysis is provided, we ask that it be reviewed and responded to within a reasonable timeframe before any scheduled meeting. I am sure you will agree that superior communication has been, and always will be, a strong component of Wisconsin's status as a 'model state' for workers compensation. We look forward to continuing to work with you and other stakeholders to make sure that will never change.

Regards,

A handwritten signature in black ink, appearing to read "Bernard Rosauer", is written in a cursive style.

Bernard Rosauer  
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March 6, 2025

Mr. Bernard Rosauer  
Wisconsin Compensation Rating Bureau  
20700 Swenson Drive - Suite 100  
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**Re: Analysis of Impact of Proposed Amendments**

Dear Bernie:

The Wisconsin Compensation Rating Bureau (WCRB) requested that Milliman quantify the impact of the proposed amendments to the minimum permanent partial disability (PPD) ratings in s. DWD 80.32 of the Wisconsin Administrative Code. The Worker's Compensation Division (WCD) worked with a medical advisory committee comprised of the physicians on the Health Care Provider Advisory Committee (HCPAC) to review and revise the minimum PPD ratings as provided for by s. 102.44 (4m), Wis. Stats.

On November 12, 2024, Milliman sent a letter quantifying the estimated impact of the proposed language based on information available at that time.

The letter contained Milliman's assumptions in estimating the potential impact:

*Excerpt from p. 1 – The impact on Wisconsin worker's compensation costs will primarily depend on:*

- *Number of claims impacted by the change in the minimum PPD rating;*
- *PPD rating change (i.e., number of weeks impacted) which varies by body part and severity of injury;*
- *Weekly indemnity benefits received by the injured worker, which is the lower of the injured worker's temporary total disability rate (TTD) and maximum weekly PPD rate in effect at the time of the injury;*
- *Increases to indemnity benefits driven by injured workers deciding to pursue loss of earnings capacity benefits; and*
- *Other potential costs to the system (e.g., increases in medical expenses, medical record reviews, litigation / dispute resolution costs).*

Additionally, Milliman noted limitations of the report leading to uncertainty in the estimates (excerpt below), and due to the uncertainty in legislation changes, Milliman derived a range around the estimates.

*Excerpt from p. 6 – There are considerable uncertainties involved in quantifying the impact of changes to PPD ratings:*

- *The number of claims impacted is uncertain;*
- *Summarized data is available by body part; however, additional detailed injury classifications by body part and loss of use is not readily available;*