

STATE OF WISCONSIN



Department of Workforce Development

Worker's Compensation Division Overview

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Worker's Compensation Advisory Council

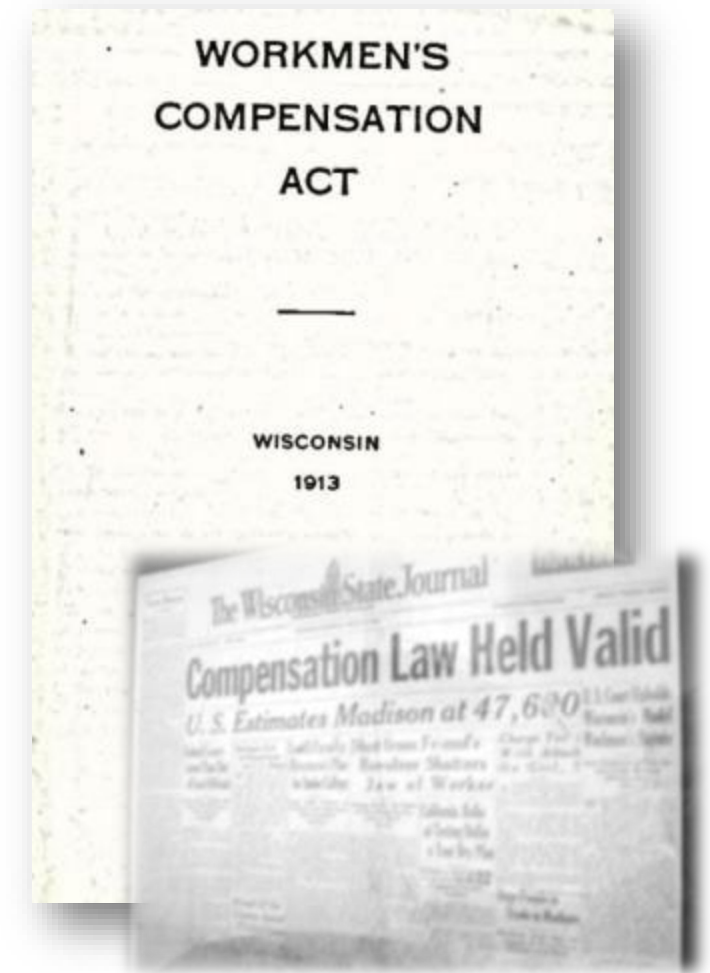
Agenda

- Grand Bargain
- History and guiding principle
- Division overview, partnerships and advisory entities:
 - Bureau of Claims Management
 - Bureau of Insurance Programs
 - Bureau of Legal Services
- Key Statistics



Grand Bargain

- WI passed nation's first constitutionally valid WC Act in 1911.
- The Bargain: Workers gave up right to sue for negligence & employers agreed to pay for economic costs of injuries regardless of fault.
- WC Division administers “bargain,” which is modified through labor/management negotiations & approved by Legislature.



About the WC Division

- Guiding principle: *We make Wisconsin a better and safer place to live and work by ensuring that workers get the benefits for which they are eligible while protecting the rights of injured workers, employers, and insurers.*
- 70 FTE staff, \$16 million annual budget.
- 3 bureaus, 1 admin. unit, 3 advisory bodies.
- Partnering entities: Wisconsin Compensation Rating Bureau, Office of the Commissioner of Insurance, Department of Administration.



WI Worker's Compensation Administration

The Division of Worker's Compensation administers the worker's compensation law for the state of Wisconsin:

- Monitors payments made to injured workers.
- Enforces employer insurance requirements.
- Supports safety in the workplace.
- Regulates self-insurance for those employers that are self-insured for purposes of worker's compensation coverage.



What WC Division Does Not Do

- Sell insurance
 - Private companies & risk pool
- Set premium rates for classification codes
 - Wisconsin Compensation Rating Bureau
- License and regulate insurance sales
 - Office of the Commissioner of Insurance
- Resolve litigated disputes that go to hearing
 - DOA/DHA Office of Worker's Compensation Hearings
- Track data on medical-only claims
 - Primarily claims with > 3 days of lost time, permanent disability and fatalities



WC Division Duties: Statutes & Codes

- Chapter 102 and DWD 80
 - Rules of procedure for WC cases, including:
 - Claims monitoring and the administration of claims.
 - Granting of self-insurance status.
 - Allowing “wrap-up” insurance policies for large construction projects.
 - Adjudicating necessity of medical treatment and reasonableness of fees.
 - Administering the Uninsured Employers Fund, and the Work Injury Supplemental Benefit Fund.
- DWD 81
 - Medical treatment guidelines for WC cases.
 - These guidelines are utilized by medical experts in rendering opinions on necessity of treatment disputes.



WC Bureau: Claims Management

- Ensures prompt and accurate payment of benefits due.
- Resolves claim-related disputes and problems, attempts to resolve pro se claims to avert need for hearing.
- Ensures compliance with department reporting requirements.
- Manages claim records.
- Manages activity with Work Injury Supplemental Benefits Fund and its programs: Childrens Fund, Second Injury, Barred Claims.



WC Claims Management (cont'd.)

Dispute Resolution Section

- Alternative dispute resolution (ADR)
- Identify pro se claims where an application for hearing has been filed and attempt to mediate disputes.
- Provide information, direction and assistance to workers, employers, carriers, attorneys, physicians, elected officials, and others concerning WC policies and provisions.
- Ensure required medical reports are obtained and final.



WC Claims Management (cont'd.)

Dispute Resolution Section (cont'd.)

- Determine extent of permanent disability through medical report and x-ray reviews.
- Investigate/enforce payment delays, handle advance lump sum requests.
- Manage death and supplemental benefits, handle WC vocational rehabilitation, handle permanent total disability cases.
- Investigate disputes to determine if cases meet guidelines for tiebreaker medical exams, make referrals to medical providers.



WC Claims Management (cont'd.)

Claims Services Section

- Computations: Benefits for ALJ orders, awards, stipulations & compromises; Labor & Industry Review Commission and court interest computations; benefit payment adjustments for Social Security offset and advancements, hearing loss and vision claims.
- Ensure benefit rates/wage information is accurate.
- Manage/record claim information that must be submitted by paper.
- Handle inquiries from adjusters re: information submission to Electronic Data Interchange and Pending Reports applications.



WC Claims Management (cont'd.)



Records Management Section

- Perform incoming/outgoing hard copy mail operations.
- Route, track and store hard copy files.
- Provide certified copies of records for customers.
- Official records custodian.



WC Division Bureau: Insurance Programs

- Ensure through monitoring, education and enforcement that WI employers have appropriate WC coverage.
- Assess penalties to illegally uninsured employers for Uninsured Employers Fund, which WC administers.
 - Funds from the penalties pay valid WC claims for workers injured while working for illegally uninsured employers.
- Approve, monitor self-insurance.
- Approve, monitor wrap-up insurance projects.



WC Insurance Programs (cont'd.)

Uninsured Employers Section

- Educates employers on WC coverage requirements.
- Investigates employers who might be illegally uninsured, assisting them to come into compliance and assessing penalties for no coverage or lapses in coverage.
- Uses administrative tools to collect penalties, e.g., notices, payment plans, warrants, levies, garnishments.



WC Insurance Programs (cont'd.)

Self-Insurance Unit

- Works with employers that can demonstrate adequate financial resources to cover injured workers, i.e., be self-insured, rather than a separate WC policy.
- 200+ Self-Insurers: includes private self-insured employers and self-insured political subdivisions.
- Manages application process, supports Self-Insurers Council, which approves new and monitors existing self-insured employers.



WC Insurance Programs (cont'd.)

Wrap-Up Insurance

- Allows owner of large construction project to combine and insure all project interests under one WC policy from a single insurer.
- Goal: Strengthen safety on large construction projects (\$25M or more with \$250,000 or more in WC premiums).
- Ensure minimum confusion about insurance coverage and maximum safety on the project site.



Bureau of Legal Services

- Issues written orders to resolve non-litigated cases & health cost services disputes.
- Responds to legal correspondence for non-litigated cases.
- Assists with dispute resolution.
- Provides information to staff, partners and public on WC law.
- Assists with amendments to law, promulgation of administrative rules.



WC Legal Services (cont'd.)

Health Cost Disputes Unit

- Reasonableness of fees: Review/analyze justifications for medical charges, denials of payment, utilize health cost fee database system.
- Necessity of treatment: Review documentation, consult private experts for review/opinion.
- Pharmacy fee schedule: Utilize the Red Book to determine average wholesale price.



WC Administrative Law Hearings

- Effective Jan. 1, 2016, the adjudicative functions of the Worker's Compensation Division were transferred to the Division of Hearings and Appeals.
- As a result, hearings in litigated worker's compensation cases are now conducted by Administrative Law Judges from the Division of Hearings and Appeals.



Select Division Statistics

- 2021-23 DWD Biennial Report:
 - Processed 9,467 judicial orders.
 - Calculated 14,721 PPD estimates for more than 13,200 litigated and non-litigated WC claims.
 - Received 260,496 electronic transmissions by users of WC's Pending Reports internet application.
- 2023 DWD Annual Report:
 - UEF investigators completed 50,305 employer investigations, assessed 5,167 penalties.



Thank you!

