

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

HOUSE COMMITTEE ON LABOR

February 20, 1991Hearing Room D 8:30 a.m.Tapes 36 - 37

MEMBERS PRESENT:Rep. Gene Derfler, Chair Rep. Kevin Mannix, Vice-Chair Rep. Sam Dominy Rep. Jim Edmunson Rep. Rod Johnson Rep. Bob Repine Rep. John Watt

MEMBERS EXCUSED:Rep. Mannix

STAFF PRESENT: Victoria Dozler, Committee Administrator Johanna Klarin, Committee Assistant

MEASURES CONSIDERED: None

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TAPE 36, SIDE A

INFORMATIONAL MEETING

002 CHAIR DERFLER: Calls the meeting to order at 8:30 a.m.

WORKERS' COMPENSATION - VOCATIONAL REHABILITATION OVERVIEW (EXHIBIT A)

008 JEANNE WILLIS, Manager, Rehabilitation Review Section of the Workers' Compensation Division: Presents an overview of the Division's functions (Exhibit A).

051 REP. WATT: Poses a question concerning eligibility. Would you give me an example of this in numbers? Lets say a worker was making a \$1000 a week.

WILLIS: If he can make up to \$800 then he would not be eligible.

-Ms. Willis continues her presentation with regard to the changes which occurred in 1987 concerning eligibility criteria for vocational assistance.

-She describes the types of services the Division offers.

087 CHAIR DERFLER: Poses a question with regard to optional services. Please describe how those work?

WILLIS: If it is found by an insurer that it would be more cost effective to provide services above and beyond what is required in the rules, they may do that.

CHAIR DERFLER: Are these optional services used a lot?

WILLIS: They are used a fair amount by insurers. I don't have figures relating to this issue.

CHAIR DERFLER: Does your Department approve this process?

WILLIS: If the services are outside the rule and statute, we do not get involved in that process. It is part of the claims management process.

106 -Ms. Willis discusses private rehabilitation organizations that the Division contracts with.

129 CHAIR DERFLER: What is the time frame to determine eligibility?

WILLIS: The latest that an insurer can determine eligibility is at the time a worker becomes medically stationary. If there is an indication from a physician earlier than that, or if the worker asks for the eligibility to be determined earlier, eligibility can be determined at an earlier time by the insurer.

143 REP. DOMINY: Are you going to have any recommendations for this session?

WILLIS: No. Certainly there are areas that could be changed and improved.

REP. DOMINY: Is the 80% going to remain the same? Should we look at that at some point in the future?

WILLIS: What we have now was the intent of the 1987 legislative session. It is working well in terms of the people who are now eligible for the services.

REP. DOMINY: Are you having administrative problems?

WILLIS: No.

171 REP. WATT: What are the areas that could be changed?

WILLIS: I am not prepared to share my personal opinions of the system as whole. We are investigating some areas of concern to us.

193 CHAIR DERFLER: How many FTE's do you have?

WILLIS: In the rehabilitation review section there are 59.

CHAIR DERFLER: How many clients do you handle?

WILLIS: In terms of dispute resolutions we see about 200 cases a month.

CHAIR DERFLER: What do these 59 people do?

WILLIS: About 15-18 work on the dispute resolution cases.

CHAIR DERFLER: Please give me an example of a typical dispute.

215 WILLIS: Provides an example.

-We also have the responsibility of administering the re-employment assistance reserve.

245 REP. DOMINY: Is it true that last year there were only three people who completed that part of the program?

WILLIS: Describes the preferred worker program. We issue about 500 preferred worker cards a month. We have placed 20% of those in the last six weeks. The three persons you are referring to have been re-injured when they went back to work.

REP. DOMINY: What is the total success of the rehabilitation program, or are we wasting a lot of money?

WILLIS: We heard more complaints prior to the 1987 change in the eligibility criteria. Vocational rehabilitation and vocational assistance help people now who are in need of training, not those who receive direct employment services. We do not have specific statistics on where these people have gone. My overall impression is that the program is working quite well and that most of these people do get back into a job that relates to the field in which they have training.

REP. DOMINY: I would like to receive some figures concerning the outcome.

WILLIS: I see what we can do statistically.

322 REP WATT: Are the private rehabilitation organizations regulated?

WILLIS: Yes, we do regulate them. We certify individuals and authorize organizations to provide services. We investigate problems that come up.

REP. WATT: How would you find out problems with mismanagement or fraud?

WILLIS: We receive complaints from different areas--employers, insurers, etc.

REP. WATT: How often are these organizations re-certified?

WILLIS: Every two years.

386 CHAIR DERFLER: Do you follow up on results in regard to the private rehabilitation organizations?

WILLIS: The insurance companies do that. The insurer does follow-up usually for sixty days.

CHAIR DERFLER: I need to know that we are spending money to get results.

TAPE 37, SIDE A

002 REP. REPINE: How do we track the repetitive users of the system?

011 WILLIS: It is rare to see users who go through more than one program. This is not a problem.

REP. REPINE: How much do vocational rehabilitation programs overlap with other state agencies' programs, how much is repetitive work?

WILLIS: I don't know. I imagine there is some overlap.

REP. REPINE: Some of the problems you outlined concerning your clients are the same we face with the Employment Division--resume writing, literacy problems, etc. How much of the operations that you are offering under those parameters are also being offered by the Employment Division?

WILLIS: The nature of our functions has changed since 1987. Now we do much less direct employment assistance, we concentrate mostly on training. I believe the overlap is now much less.

078 REP. DOMINY: Did the workers' compensation bill passed during last session increase or reduce your work load? What is happening with your case load?

WILLIS: We anticipated that our conflict resolution work would go down, but we actually see more activity in resolving disputes at an early stage. The case list has not dropped.

REP. DOMINY: That was not our intent.

WILLIS: She describes the Division's dispute resolution process.

133 REP. WATT: Please explain the "sheltered workshop training" further.

WILLIS: These workshops are especially designed for people who are mentally or physically unable to participate in other kinds of programs.

REP. WATT: What kind of a computer system do you use to track your clients?

157 WILLIS: She describes the vocational tracking system.

LIBERTY NORTHWEST - VOCATIONAL REHABILITATION OVERVIEW (EXHIBIT B)

188 PHIL WENTZ, Rehabilitation Manager, Liberty Northwest Insurance Corporation: He presents an overview of the Liberty Northwest Vocational Rehabilitation Program (Exhibit B).

-Provides statistical information with regard to the number of claimants before and after HB 2900 (1987 Legislative Session) and the costs involved.

203 CHAIR DERFLER: We just heard testimony that there were a 75% reduction, but you are referring only to a one third?

WENTZ: According to my figures it is about 50% in terms of the cost.

-Mr. Wentz continues his presentation regarding the current status of the claimants.

235 CHAIR DERFLER: Please explain what kind of a process a person goes through to become eligible.

WENTZ: He describes the eligibility determination process.

-He continues his presentation providing statistical information concerning cases reviewed recently (Exhibit B pages 1-2).

287 CHAIR DERFLER: You follow up the client only for 60 days, that is a rather short time.

WENTZ: Typically, training programs are twelve months, sixty days is when the client is on their own and a counselor might make a couple of phone calls to determine how well the client is doing.

-He discusses temporary total disability costs.

318 REP. JOHNSON: You do have an average for the temporary total disability costs?

WENTZ: No, we don't track that currently.

333 -He continues his presentation and discusses professional fees and other costs involved (Exhibit B, page 2). -We are seeing more extended training plans, 14-16 months. -He discusses the changes to the Re-employment Assistance Reserve. -He acknowledges the positive work of the Rehabilitation Review Section. -He discusses the Early Return to Work program. -He discusses the vocational rehabilitation organizations. -The impact of HB 2900 (1987 Legislative Session) has been that appropriate controls have been applied to vocational rehabilitation.

TAPE 36, SIDE B

010 REP. DOMINY: Is there anything you would like to see changed in the process?

WENTZ: Nothing that would need to be changed legislatively.

-He discusses the problems of tracking.

034 CHAIR DERFLER: Could some of the services of the various agencies be combined?

WENTZ: We are utilizing more and more of those other services. We are seeing a better interface between workers' compensation vocational rehabilitation and other employment service programs available in the state. There is probably some overlap though I don't know to what extent. Our communications are becoming better which will reduce the overlap.

CHAIR DERFLER: Could you respond to the concern of an increase in the amount of disputes that Rep. Dominy required about?

WENTZ: We need to determine what constitutes a dispute. I don't see that big of an increase.

081 REP. DOMINY: Could Ms. Willis explain again why there is an increase in the disputes?

085 JEANNE WILLIS, Manager, Rehabilitation Review Section of the

Workers' Compensation Division: The number of disputes have not gone up as a result of the compromise and release statute. We have seen a trend, over the last couple of years, of disputes going up. We anticipated the trend would level off, it has not.

REP. DOMINY: Is a simply inquiry a dispute? What constitutes a dispute?

WILLIS: Simple inquires are not considered disputes. Formal petitions where we need to open a case and start working on it are considered disputes. Some are resolved easily and some take months to resolve.

OREGON ASSOCIATION OF REHABILITATION PROFESSIONALS IN THE PRIVATE SECTOR (OARPPS) - OVERVIEW

145 MARK NELSON, Public Affairs Council, Representing OARPPS: Presents an overview of OARPPS.

-He outlines the constitution of the organization.

-He discusses the following topics: Reduction in cases since HB 2900 was enacted; Overlap in services; Importance of early intervention; Promotion of employer understanding to hire individuals with disabilities; Certification of vocational rehabilitation counselors--stronger requirements and continued education programs are needed; Optional vocational rehabilitation services; Eligibility criteria; Discriminatory nature to low-paying jobs; Eligibility determination; Fee schedules; Changes in vocational rehabilitation since 1979.

-We do not recommend any statutory changes.

299 CHAIR DERFLER: Adjourns the meeting at 9:50 a.m.

Submitted by:      Reviewed by:

Johanna Klarin    Victoria Dozler Assistant                      Administrator

EXHIBIT LOG:

A            -            Workers' Compensation Division Rehabilitation Review Section  
Overview - Jeanne Willis - 2 pages. B            -            Liberty Northwest  
Insurance Corporation Overview - Philip A. Wentz - 3 pages