



The Chairman's Corner

By Mark Liotta, Chairman

The hybrid nature of the WCC as an executive branch administrative agency which also exercises the state's judicial authority compelled the Oklahoma Supreme Court to adjudge us as "quasi-judicial". In this position, the Commission has responsibilities, abilities and authorities which must be tempered with a careful consideration of the appearance of inappropriate interest in the benefit or detriment of legislated policy toward claimants or respondents.

That mouthful of words means, as an agency, WE DON'T TAKE A POSITION, one way or the other, how workers' comp policy or reforms affect either side, we administer them in an unbiased manner. However, we have a unique ability and responsibility to report on the results, positive or negative. It's a fine line we carefully walk in our communications.

Oklahoma Number One Again

According to a biannual national study of 46 states' workers' compensation premiums, Oklahoma's premiums have once again dropped faster than any other state in the study.

For context, in 2012 Oklahoma's employer's premiums were increasing an average of 19.8% per year. Oregon Workers' Compensation Premium Rate Ranking (the Oregon Study), ranked Oklahoma worst in the nation in "net five-year voluntary premium level change".

The WCC went live in February of 2014. Since that date, the number of work injury cases annually filed in Oklahoma immediately dropped by over half, mediations have increased from 43 in 2014 to 1736 in 2018, appeals have dropped over 90%, and fraud was reduced dramatically, as evidenced by the reduction in fraud cases filed with the Attorney General's office, and the commensurate reduction in funding needs for their workers' comp fraud investigative unit.

Consequently, in 2016, Oklahoma's ranking in premium change went from worst, to first in the nation, with premiums decreasing 34.3% per year.

Now, the 2018 Oregon Study has been released, and Oklahoma is once again leading every state in the study in the rate of premium reduction, at 47.8% per year. This premium reduction results in over \$300M annually left in the operations of businesses, cities, counties, state government, and our school systems.

We recognize this study as an unbiased, objective report card, because it is produced by another state from aggregate data. We did not expect to retain the number one spot, but were anticipating a high ranking. The Commission's staff deserve a significant portion of this recognition for their efforts to efficiently administer our new system.

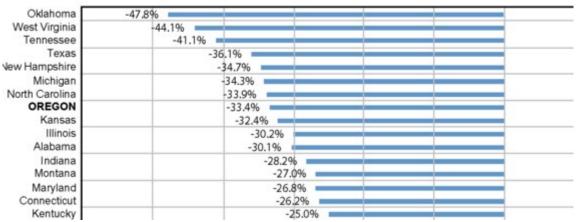
This particular measure is the rate of change in premium, positive or negative. In the same study, Oklahoma's overall rank in total premium cost dropped from 4th highest in the nation to 24th over the period of 2010 to 2018. In that time frame, at least 37 insurance companies have added Oklahoma to their book of workers' compensation coverage, as reported by the Oklahoma Insurance Department.

The Oregon Study compares data from the National Council on Compensation Insurance (NCCI) and other independent reporting entities, adjusting for the varied differences in worker' compensation systems in each state. The Oregon Department of Consumer and Business Services has examined workers' compensation rates by state biennially since 1986. The study data includes 46 states and the District of Columbia.

Data are not available for North Dakota, Ohio, Washington, or Wyoming.

Figure 7. Net five-year voluntary premium level change, 1/2014-12/2018

Based on NCCI data



The 2018 Oregon Study can be found Here



Legislative update

By Commissioner Jordan Russell

The 2019 Legislative session resulted in several new laws being enacted that impact the Oklahoma workers' compensation system:

| Bill No.: | Description: | Effective Date: |
|-----------|---|-----------------|
| HB 2367 | Omnibus bill including adjustments to | |
| | benefit rates and duration, MITF, Court of | 05/28/19 |
| | Existing Claims, medical fee schedule study | |
| | and other amendments to Title 85A. | |
| HB 2612 | Medical Marijuana Unity Bill – prohibits | |
| | required reimbursement by workers' | 08/28/2019 |
| | compensation insurance providers and self- | |
| | insureds for medical marijuana. | |
| SB 274 | Self Insurance Guaranty Fund – changes | 11/01/19 |
| | threshold for required assessment. | |

The full text of each measure can be found by accessing the links above.

CaseOK Update

by Eric Russell, Director of Legal Operations

The Commission's case system project continues to progress at a steady pace. The revised contract with the Commission's vendor, Objectstream, has divided the project into milestones corresponding to each module of the system that will be developed. CaseOK is fully operational to facilitate the Commission's application process for Self-Insured Employers, Group Self-Insurance Associations, and Third-Party Administrators, as well as the filling process for the Affidavit of Exempt Status. The Case Commencement module has been developed and essentially completed, but will be implemented as integration of operations allow at a later date. Currently, the Commission is working with Objectstream to develop the docketing module. The project is currently planned for two phases, with the first phase set to complete by the end of 2019.

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Employee Spotlight

By Collin Fowler, Director of Communication and Administration

This segment is devoted to highlighting some of the wonderful people that work for the WCC. It is important to note that the Commission is more than the dour grey walls of the Denver Davison Building or even the statutes that created us. In a very real way the employees of the WCC are at the heart of what defines us. Their hard work and commitment is what turns the lofty ideas of policy into the reality of administration. Here we examine the parts to appreciate the whole.

The WCC's Director of Permitting Services, James Lawson, defies all conventions about the stereotypical "numbers guy." He is funny, vibrant, and just plain cool. Three word's that you don't often associate with someone who teaches finance, accounting, and economics in his spare time. If you can't take my word for it, just ask his students. James was voted 2019 Adjunct Professor of the Year by students and faculty at Rose State College. When I spoke with James about teaching he had this to say, "I do it because I love giving back. When I was taking these classes there was not a lot of engagement or interaction in the classroom. I wanted to change that, and bring in a more visual style of teaching to these subjects. It is just so powerful, when you run into one of your students, and hear them say that they are actually using the things that you have taught them." James has been moonlighting as an adjunct professor for the past 12 years teaching economics, accounting, and finance. He says he will continue to do it for as long as he can.

James started with the Commission in 2018. He was the Director of Credit for LSB Industries before he took over the WCC's Permitting Services Division. His mission since joining the commission has been to get the division's backlog of self-insured permits sorted out and back on target. At the last meeting of the Self Insured Guaranty Trust Fund Board, James Lawson was recognized by Chairman of the Board Barney Welch for the significant reduction in wait times for processing permits by his Division. This was accomplished by the diligent efforts of Lawson and his team in getting ahead of the backlog of permits. We are very fortunate to have such a dynamic and able Division Director here at the Commission. Thank you for all of your hard work on behalf of the WCC!



James Lawson holds his Adjunct Professor of the Year Award next to Rose State College President Dr. Jeanni Webb.



Notes From The Doctor:

Good News! Fee Schedule Update

By. Dr. Jay Canon, Medical Director

The Legislature has given the green light for the Commission to move ahead with a complete review and update of the Medical Fee Schedule . The 2019 law updating HB 85A (HB 2367) directs the Commission to conduct an independent evaluation of the Fee Schedule , which shall include an update of the list of Current Procedural Terminology (CPT) codes. This will include a line item adjustment or renewal of all rates and amendment as needed to the rules applicable to the Fee Schedule. This work will include adding CPT codes not currently included in the Fee Schedule and possibly removing some which are no longer in use. Benchmarks for this review will include the fee schedule published by the Centers for Medicare and Medicaid Services (CMS), fee schedules employed by neighboring states, the latest edition of "Relative Values for Physicians" (RVP), and usual and customary medical payments to health care providers for comparable treatment of a person with similar injuries. All other specific requirements of the law regarding Evaluation and Management and Radiology services will be observed.

The Commission is directed to contract with an external consulting firm to perform the review and make recommendations. The Commission will require that the firm selected have documented experience in having satisfactorily performed such work for other states. The consultant will seek input from all of the stakeholders in Oklahoma affected by their recommendations.

The Commission has developed an RFP (purchase order) which has been submitted to OMES. The time frame is to have the proposed RFP finalized and released by July 15th and to have the bid awarded by September first. The chosen consultant will submit a report of its findings and a proposed amended Fee Schedule to the Commission. The expectation is to have that proposed Fee Schedule to the Commission for consideration and approval by the end of this year.

The Commission shall adopt the proposed Fee Schedule then submit that Fee Schedule to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Governor. The Commission intends to have this accomplished so it can be

considered and hopefully approved early in the 2020 Session. The new Fee Schedule, if approved by Joint Resolution of the Legislature, will become effective July 1 following the legislative session.

This is GOOD NEWS!

Meet our New Administrative Law Judge, John Blodgett.

By Collin Fowler Director of Communication and Administration

John Blodgett is a native of Lawton, Oklahoma where his father taught at Cameron University and his mother was a principal in Lawton Public Schools. He grew up thinking that he would follow mom and dad into the teaching profession. He went to Cameron



University in Lawton and got a degree in elementary education, and soon started teaching in his home town. However, a fateful visit to his uncle, a judge in Colorado, planted a seed that would inspire John on to a new career in the law. In 1997 John matriculated to the University of Oklahoma School of school of Law and left behind his career in education. For the last twenty years John has practiced law in Oklahoma, the past 10 years of which have been focused on workers' compensation.

When the WCC opened up a new Administrative Law position this summer, John's boss, Ted Leslie, encouraged him to apply for it. In a very competitive field of candidates the Commission agreed with Mr. Leslie's assessment that John would make a fine Administrative Law Judge, and selected him to fill the new position.

Chairman Mark Liotta said, "We look forward to having John join our team here in our Oklahoma City offices. After reviewing the data we knew we could improve our service to the people of Oklahoma by adding another ALJ position. He has the right experience and the right temperament to fill that position."

John will start in his position with the WCC after Labor Day on September 3rd in Oklahoma City. He will also join in the rotation schedule and preside over hearings in Tulsa. He related to me that he and his wife Holly are excited for the new opportunity. He is also excited for a slightly shorter commute from his home in Norman.



Oklahoma Workers' Compensation Commission

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