



Statistics

Analytics

2017

ANNUAL REPORT

Virginia Workers'
Compensation Commission

CHAIRMAN'S Statement

On behalf of the Virginia Workers' Compensation Commission, I am pleased to present our 2017 Annual Report. Since our inception in 1918, VWC has served as an independent judicial and administrative state agency which oversees the workers' compensation system for Virginia. One hundred years later, our primary goal remains the same: to serve injured workers, victims of crimes, and employers by providing exceptional service across the Commonwealth. We are committed to innovation and strive to identify new ways to enhance our relationships with those in the workers' compensation field.

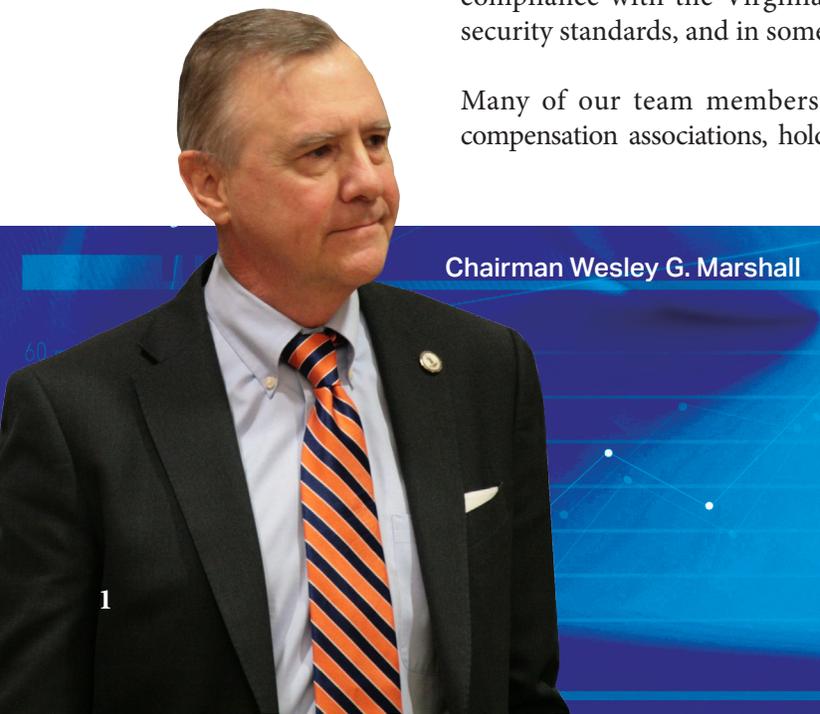
In 2017 we achieved defining milestones for our agency and the system. We upgraded and relocated operations to streamline work processes. We collaborated with stakeholders to identify needs and offer new services. We achieved significant technological advances and strategies to be well positioned for the coming years. None of these achievements would be possible without the enthusiasm, creativity, and commitment of our 295 dedicated employees at our Richmond, Virginia Headquarters and six regional offices.

VWC processed more than 58,000 electronic claims during 2017. The Judicial Division issued over 4,100 hearing-level opinions and 1,600 appellate decisions. Our Alternative Dispute Resolution program successfully prototyped a global mediation service which allowed litigants to settle hundreds of disputed medical fee claims in a single process. We created a Medical Fee Services Department and Virginia's first Medical Fee Schedule was finalized ahead of its January 1, 2018 implementation.

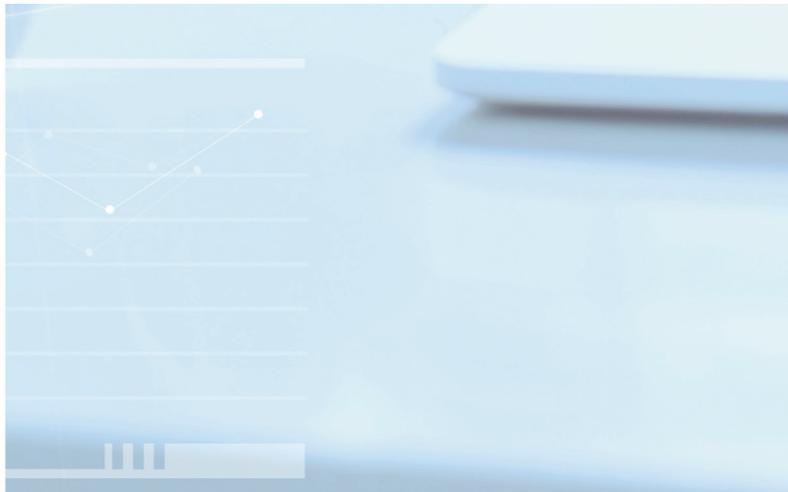
Office space and operations were evaluated, resulting in the relocation of our Richmond Headquarters and our Manassas and Virginia Beach regional offices. We obtained 100% compliance with the Virginia Information Technologies Agency's (VITA) information security standards, and in some categories, exceeded VITA requirements.

Many of our team members remained active in national and international workers' compensation associations, holding leadership positions in these organizations. This ensured

(cont.)



Chairman Wesley G. Marshall





that VWC was informed about developing issues and trends in the workers' compensation arena. We continued to provide transparent communication through outreach and education for our partners. VWC staff hosted webinars and training throughout the state and provided guidance on topics including Electronic Data Interchange (EDI), insurance compliance, and claims services.

The Criminal Injuries Compensation Fund, informally branded as the Virginia Victims Fund (VVF), reviewed and awarded compensation to innocent victims of crime. VVF staff also provided training across the Commonwealth and participated in victim public awareness events.

Moving forward, VWC will continue to evaluate and respond to the needs of Virginia's citizens. Relationships in the workplace, and how we work, are changing. Technology continues to affect production, communication, and even the process of resolving disputes. At VWC, we look forward to meeting these challenges as we faithfully perform the duties entrusted by the Commonwealth of Virginia.

#WEWORKASONE

Commissioners and Executive Leaders

(left to right)

HON. ROBERT A. RAPAPORT, *Commissioner*

HON. WESLEY G. MARSHALL, *Chairman*

HON. R. FERRELL NEWMAN, *Commissioner*

HON. JAMES J. SZABLEWICZ, *Chief Deputy Commissioner*

EVELYN V. MCGILL, *Executive Director*

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OUR MISSION

To serve injured workers, victims of crimes, employers, and related industries by providing exceptional services, resolving disputes, and faithfully executing the duties entrusted to us by the Commonwealth of Virginia.

ABOUT the Commission

Some form of workers' compensation has been in existence for thousands of years: from 2050 B.C. ancient Sumeria; to the 1600's of English privateer Captain Henry Morgan; to 1900 Prussia and to the present day. Workers' compensation statutes are designed to protect injured workers by providing financial compensation and medical benefits while protecting the employers from civil litigation. Virginia adopted its Workmen's Compensation Act in 1918.

Formerly named the Industrial Commission, the Virginia Workers' Compensation Commission name changed as part of the recodification of Title 65.1 of the Code of Virginia in 1991. The Commission is an independent state agency operating under the authority of the General Assembly of Virginia. Its primary role is to oversee the resolution of claims through mediation, hearings, and appeals. The policies and procedures of the Commission are largely determined by the provisions of the Act, which defines the composition of the Commission and specifies the judicial powers and responsibilities of the Commissioners. The Commission provides services to injured workers, employers, attorneys, medical providers, insurers, claim administrators, Group Self-Insured Associations (GSIA's) and Professional Employer Organizations (PEO's).

The Commission is also entrusted with the administration of the Criminal Injuries Compensation Fund, the Uninsured Employer's Fund, the Second Injury Fund, and the Virginia Birth-Related Neurological Injury Compensation Program. The Commission headquarters is in Richmond with six regional offices in Bristol, Fairfax, Harrisonburg, Manassas, Roanoke, and Virginia Beach.

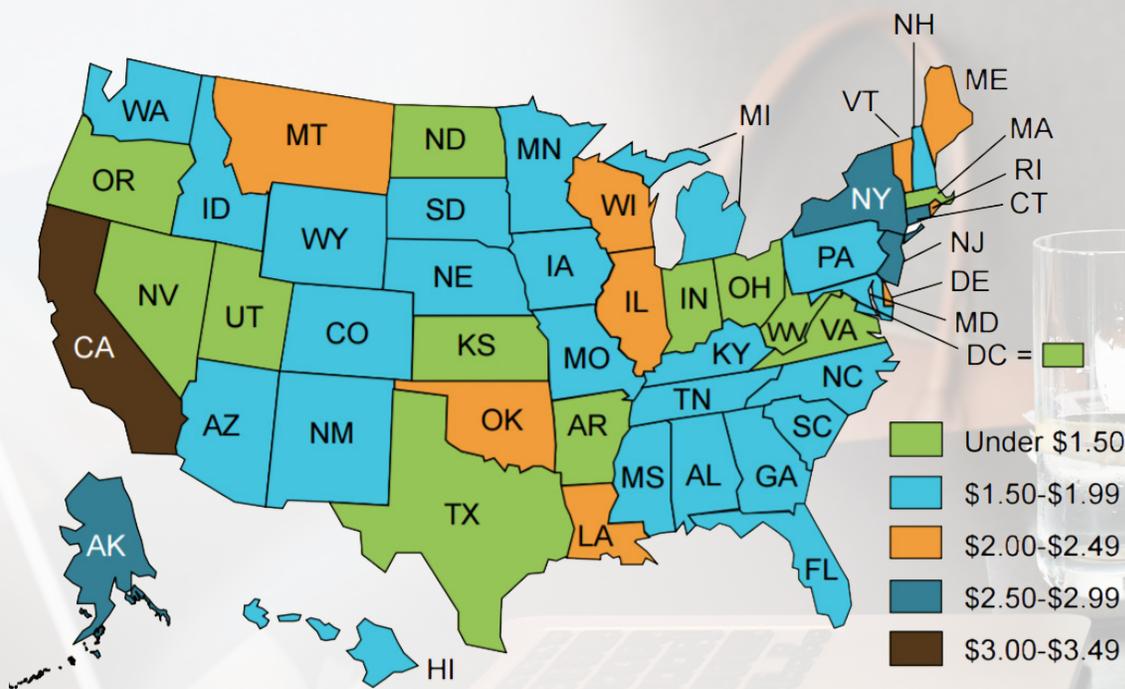
VWC Headquarters



INDUSTRY Update

Virginia's low-cost workers' compensation system is known to create economic advantages in promoting business and job growth. An important long-standing characteristic of Virginia's workers' compensation system is its leadership in low cost.

A leading national comparison of workers' compensation systems is the Oregon Workers' Compensation Premium Rate Ranking Study. This study has been completed in even-numbered years since 1986. In 2016, Virginia was ranked 47 out of 51 jurisdictions in terms of premium rate ranking. Virginia employers in the voluntary market pay, on average, \$1.24 per \$100 of employee payroll, or 67% below the median state rate.



**Figures based on Workers' Compensation Premium Per \$100 Payroll Indexed*



VIRGINIA

Year	2012	2014	2016
Indexed Ranking	48	48	47
Workers' Compensation Premium Per \$100 Payroll Indexed	\$1.20	\$1.17	\$1.24
% Below Median State	64%	68%	67%
Effective Date	4/1/2011	4/1/2013	4/1/2015

Source: Research and Analysis Section, Oregon Department of Consumer and Business Services (Rev. 10/16)

VIRGINIA WORKERS' COMPENSATION COMMISSION

(VWC) VWC collects a 2.7% tax assessment from all workers' compensation insurers and self-insurers for the operating budget of the Commission as well as the Uninsured Employer's Fund. VWC operates on a fiscal year. Data shown here is for July 1, 2016 through June 30, 2017.

VWC TAX COLLECTION TOTALLED
\$41,578,202 WITH **\$38.5**
 MILLION FOR THE ADMINISTRATIVE
 FUND



- **73%** Salaries/Benefits
- **20%** Contractual Services
computer maintenance, postage, travel, and communications
- **4%** Fixed Costs
insurance, utilities, and lease agreements
- **3%** Supplies/Equipment

UNINSURED EMPLOYER'S FUND

(UEF) The UEF is funded by a .2% tax on workers' compensation premiums and 50% of the fines assessed by the Commission and claim payment recoveries from uninsured employers. The UEF provides compensation and medical payments to injured employees or dependents whose employer was not properly insured at the time of a work-related accident.

UEF TAXES, FINES AND RECOVERIES

\$4.6 million

UEF OPERATING EXPENSES

\$5.1 million

CRIMINAL INJURIES COMPENSATION FUND

2,879 CLAIMS AWARDED
 50% SAFE claims, 50% CICF claims

(CICF) Administered by the Virginia Workers' Compensation Commission, CICF is funded by court fees, assessments on offenders, restitution, and federal grant funds.

CICF's Sexual Assault Forensic Exam Payment Program (SAFE) receives General Fund money via sums designated to the Virginia Supreme Court for reimbursement of sexual assault evidence collection expenses. CICF operates on a fiscal year. Data shown here is for July 1, 2016 through June 30, 2017.

CICF REVENUES
\$7.5 million

REVENUE SOURCE

- \$2.8M** COURT COSTS
- \$1.9M** JUDICIAL BRANCH TRANSFERS
- \$1.2M** RESTITUTION
- \$1.6M** FEDERAL GRANT

CICF EXPENSES
\$7.8 million

Awarded claims: **\$5.2 million**
 Administrative costs: **\$2.6 million**
 (23 full-time employees, two part-time employees, office lease agreement, information systems, supplies, and equipment)



VWC is responsible for carrying out the requirements of the Virginia Workers' Compensation Act, while administering Virginia's workers' compensation program, meeting legal requirements and providing various protections. Most employers doing business in Virginia and most employees working in Virginia are covered under the requirements of the Act. VWC ensures compliance with the Act and all workers' compensation requirements through its mission and agency operations.

2017 ACTS OF THE GENERAL ASSEMBLY

Chapter 478 (HB 1571) was signed by Governor Terry R. McAuliffe on March 13, 2017 (effective January 1, 2018). Provides that the pecuniary liability of an employer for a medical service provided for the treatment of a traumatic injury or serious burn includes liability for any professional service rendered during the dates of service of the admission or transfer to a Level I or Level II trauma center or to a burn center, as applicable. The measure increases the initial charge outlier threshold, which under the stop-loss feature allows hospitals to receive payments or reimbursements that exceed the fee schedule amount for certain claims, from 150 percent of the maximum fee for the service set forth in the applicable fee schedule to 300 percent of such amount. The measure allows the Workers' Compensation Commission to adjust the charge outlier threshold percentage; under existing law, it is allowed only to decrease the percentage. The measure also (i) expands the definition of codes, as used in the provision directing the Commission to establish fee schedules for scheduled medical services, to include revenue codes, which are defined in the bill; (ii) clarifies the definition of "HCPCS codes"; (iii) directs the Commission to use the regulatory advisory panel on all matters involving or related to the fee schedule as deemed necessary by the Commission; (iv) adds a definition of "new type of technology"; and (v) extends the deadline by which the regulatory advisory panel is required to meet, review, and make recommendations to the Commission from July 1, 2017, to July 1, 2018. The bill contains an emergency clause.

Chapter 288 (HB 1659) was signed by Governor Terry R. McAuliffe on March 3, 2017 (effective July 1, 2017). Requires that the Workers' Compensation Commission and the injured employee approve of any arbitration, including any associated with the employer's lien. The measure also prohibits an employer from initiating a proceeding to recover its lien against any party other than an employee without prior notice to the Commission and the injured employee. In any such proceeding, the injured employee or the personal representative or dependents of the deceased employee shall be permitted to intervene as a matter of right.

OUR CORE VALUES

The Commission's **management philosophy** is the set of shared beliefs and attitudes used in daily operations, strategic planning, and all activities at the Commission. Our management's philosophy is reflected in our core values, policies, oral and written communications, and decision making. Management strives to lead by example with their everyday actions. Often these actions are taken to heart more so than words. The Commission's talented and dedicated employees play a key role in achieving our mission and embodying our core values, which have become an integral component to our daily functions and overall culture at the Commission.

Additionally, the Commission's Leadership and Career Development Council continued to expand employee enrichment activities in 2017, including external trainings and employee engagement activities. The newly developed Community Service Volunteer initiative, **#vwcgives**, provides employees the opportunity to work together to provide services for various volunteer organizations.

While impossible to list all of the Commission's **295 employees**, some of their exemplary work is featured here. These employees obtained a 2017 Citizenship Award. This VWC recognition program allows employees to recognize a co-worker who consistently implements our core values in every day tasks.

WE ARE Living Our Core Values



BRANDI TAYLOR
Correspondence Management

ACCOUNTABLE

“Brandi used the mantra ‘If you see something, say something.’ She showed astute attention to detail and prompt response.”

EFFECTIVE

“Chad is one of the most persistent employees I’ve ever worked with. He is professional and beams with pride when discussing our office relocations.”



CHAD BURNS
Project Management



BRIAN KELLY
Information Services

RESPECTFUL

“Brian went an “extra mile” during our HQ move to find a spare computer for me. He worked beyond the end of the day to transfer data for me while serving other requests in parallel.”

IMPARTIAL

“Teresa shares her knowledge and experience with others to create a sense of team spirit in contributing to the overall goals of the Commission.”



TERESA ELLIS-CHAMBERS
Judicial



BRIAN TODD
Information Services

RELIABLE

“Brian is the consummate professional in skill and manner; seeing his name on a project sets my mind at ease.”

INTEGRITY

“David is extremely considerate and altruistic. As soon as he was on board, he started taking the onus of the most complex parts of project requirements.”



DAVID JONES
Information Services



MECHELLE ESPARZA-HARRIS
Finance

INNOVATIVE

“Mechelle has made a profound impact. She is a very strong, knowledgeable leader who shares her expertise and is always willing to assist in improving VWC’s programs and services.”

OUR 2017 KEY Accomplishments

APPROVED AND FINALIZED PLANS TO IMPLEMENT THE MEDICAL FEE SCHEDULE

The Medical Fee Schedule was developed and approved by the Commission, and the Medical Fee Services Department was fully developed during 2017. The schedules and department were fully functional and ready for the January 1, 2018 implementation date.

EFFECTIVELY EVALUATED VWC OFFICE LOCATIONS

All VWC offices were assessed and various operational needs were addressed throughout 2017. This resulted in the relocation of the Bristol (late 2016), Manassas (January 2017), and Virginia Beach (June 2017) regional offices, as well as the Richmond Headquarters office (December 2017). These new office areas offer necessary expanded meeting and mediation space, as well as enhanced security measures.

ENHANCED TECHNOLOGY

Technology advancements at the Commission in 2017 now give Commission employees the ability to provide video conference enabled meetings, automated trainings, videos, and webinars; saving valuable time and resources.



SUCCEEDED IN OUTREACH INITIATIVES

VWC had record attendance at its 2017 Educational Conference and also sold out exhibitor space. The ADR, Claims Services, Criminal Injuries Compensation Fund, EDI Quality Assurance, and Insurance teams provided numerous training sessions and presentations including online tutorials, webinars, and other various targeted outreach projects.

NATIONAL RECOGNITION OF EMPLOYEES

VWC employees held several positions in Southern Association of Workers' Compensation Administrators (SAWCA), International Association of Industrial Accident Boards and Commissions (IAIABC), National Association of Workers' Compensation Judiciary (NAWCJ), and various other organizations. This allowed the Commission to stay current and involved in significant workers' compensation issues and developing trends.

SUCCESSFUL COMPLIANCE

The Commission successfully obtained 100% compliance with the Virginia Information Technologies Agency's (VITA) information security standards during a 2017 audit. VWC met, and in some cases exceeded, VITA requirements. VWC also signed a Type 1 ARMICS Certification Statement with no significant weaknesses in internal control (including third-party assurance) and hired a Policy Analyst to ensure timely and accurate policy updates. An APA payroll audit was also successfully conducted with no findings.

TRAINING & OUTREACH Conference Highlights

The Virginia Workers' Compensation Educational Conference is sponsored by the International Workers' Compensation Foundation and is hosted by the Commission. The conference, held annually, enjoyed continued growth in 2017 with a record number of attendees and sold-out exhibitor space. Continuing education credit topics also increased in 2017 and workshops were added for more hands-on training.

550
Attendees

50
Speakers

40
Exhibitors

23
Topics

2018 VWC Educational Conference & Exhibition

Save the Date! October 17-18, 2018, Greater Richmond Convention Center

More details at www.vwconference.workcomp.virginia.gov

VWC TRAINING AND OUTREACH INITIATIVES

- The Criminal Injuries Compensation Fund (CICF) presented to more than 3,000 victim advocates and partners.
- The Insurance Department presented to the Commissioners of Revenue on the newly automated 61A process and the advantages of electronic filing.
- The EDI Department provided training opportunities reaching more than 30 companies.
- The Claims Services Department delivered a successful awards training curriculum reaching 15 businesses.

CUSTOMER CALLS

11,567

CICF
Calls

14,853

Insurance
Calls

88,034

VWC Contact
Center Calls

MAIL CORRESPONDENCE

135,795

Pieces of
Incoming
Mail

2,080,935

Pieces of
Outgoing
Mail

63,109

E-Faxes
Received

ONLINE ENGAGEMENT

673,878

VWC
Website
Visitors

6,455

VWC Conference
Website
Visitors

74

External
Communications
Sent

SOCIAL PLATFORMS

 www.tinyurl.com/vwcyoutube

5 external videos added in 2017

2,475 total video views during 2017

Published first tutorial video, *Filing Form 61A Online*

 www.tinyurl.com/vwclinkedin

Established VWC on LinkedIn in July 2017

7,890 impressions in six months

 **EMAIL SUBSCRIPTION SERVICE** www.tinyurl.com/vwcupdates

Established in January 2017

Allows users to sign up to receive Commission news and updates

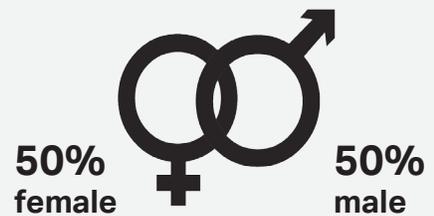
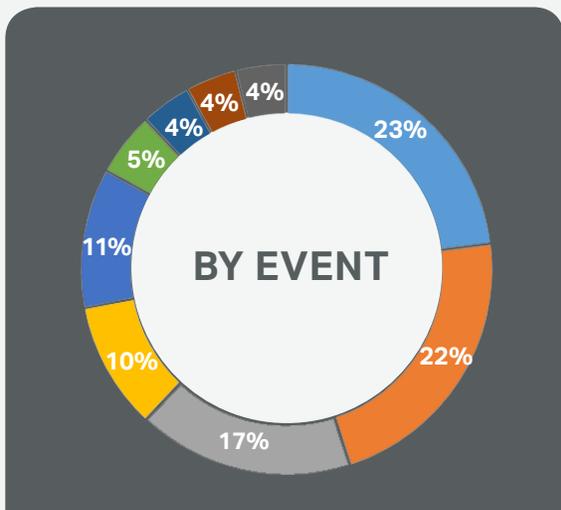
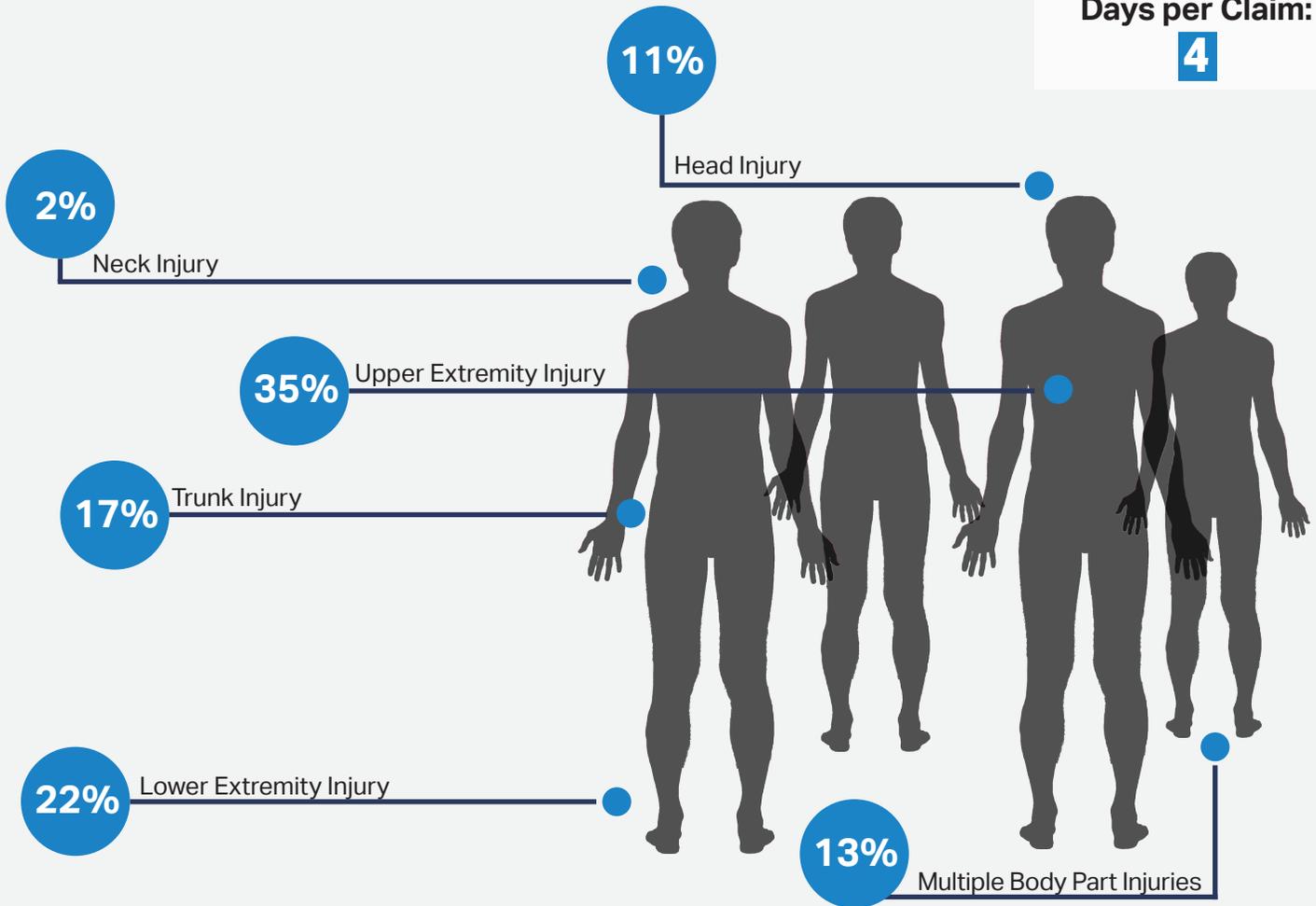
2,436 subscribers

14,170 total emails read or shared by VWC subscribers during 2017

DISTRIBUTION BY INJURY AND EVENT

Average Disability Days per Claim:

4



- Strain
- Miscellaneous
- Motor vehicle
- Fall, slip, or trip
- Cut, puncture, or scrape
- Caught in, under, or between
- Struck by object
- Striking against or stepping on
- Burn or scald

ADJUDICATION

The Commission works as a court system where contested workers' compensation claims are referred to the Judicial Division for adjudication. Each contested claim is docketed for hearing, either for an evidentiary hearing or for a decision on the record. Appeals of judicial decisions are docketed for review and heard by the Virginia Workers' Compensation Commission's three Commissioners. Decisions of the full Commission can be appealed to the Virginia Court of Appeals.

The Commission adjudicates claims made under the Virginia Birth-Related Neurological Injuries Compensation Act (Va. Code §§ 38.2-5000 et seq.). The Commission does not pay or administer benefits or manage assets on behalf of the Fund established by this Act. In addition, the Commission adjudicates CICF appeals (Va. Code §§ 19.2-38 et seq.).



As part of the Judicial Division, the **Alternative Dispute Resolution (ADR)** program provides voluntary, confidential, informal dispute resolution processes. Facilitations are conducted by ADR staff members who assist in reaching an agreeable solution. With ADR cases growing, the Commission added five certified mediators in 2017, for a total of 26 certified mediators on staff. These include both retired and current Commissioners and Deputy Commissioners, as well as staff attorneys who regularly mediate in nine locations across the Commonwealth.

To better accommodate the growing requests for mediation services, mediation conference rooms were installed with video-conferencing capability at the Commission's new Richmond Headquarters building, as well as the Bristol, Manassas, and Virginia Beach regional offices.

11,972

DOCKET REFERRALS

4,186

OPINIONS ISSUED

880

REFERRALS TO REVIEW DOCKET

790

APPELLATE DECISIONS ISSUED

93

APPEALS TO COURT OF APPEALS

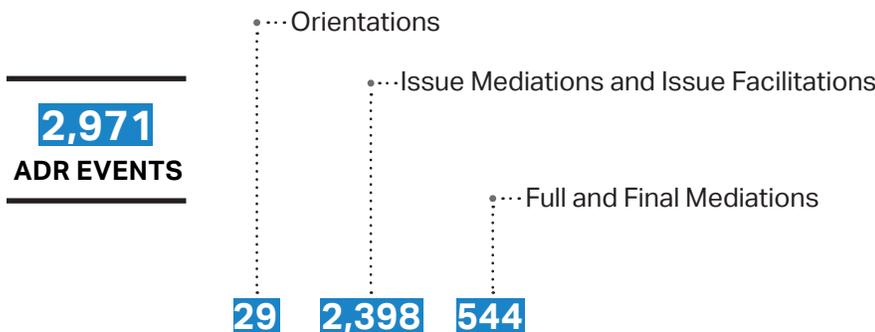
\$297,153,851

TOTAL AGGREGATE VALUE OF SETTLEMENTS

5,699

APPROVED SETTLEMENTS

ADR EVENTS



ADR RESOLUTION RATES

75% for Full and Final Mediations

65% for Issue Mediations

45% for Issue Facilitations

When faced with **700+** medical provider claims involving the same employer and medical provider, the ADR team launched an innovative global mediation service to meet the demand. It is now used as a prototype for future use.

VWC REGIONAL OFFICES

The Commission employs 23 Deputy Commissioners who serve as administrative law judges. They preside over evidentiary hearings throughout the state to determine rights and liabilities of parties under the Act.

Deputy Commissioners by Location

BRISTOL

Hon. Christen W. Burkholder*
 Hon. D. Edward Wise, Jr.

FAIRFAX

Hon. Susan E. Cummins
 Hon. John S. Nevin*

HARRISONBURG

Hon. Jason P. Cording*
 Hon. William R. Culbreth

MANASSAS

Hon. W. Geovanni Munoz
 Hon. Dana L. Plunkett
 Hon. Jimese Pendergraft Sherrill*
 Hon. William T. Kennard

RICHMOND

Hon. Fredrick M. Bruner
 Hon. Angela F. Gibbs
 Hon. Linda M. Gillen
 Hon. Brooke Anne Hunter
 Hon. Andrea W. Lee
 Hon. R. Temple Mayo
 Hon. P. Randolph Roach, Jr.

ROANOKE

Hon. Deborah Wood Blevins
 Hon. Robert M. Himmel*
 Hon. Linda D. Slough

VIRGINIA BEACH

Hon. Lynne M. Ferris*
 Hon. Terry L. Jenkins
 Hon. Lee E. Wilder

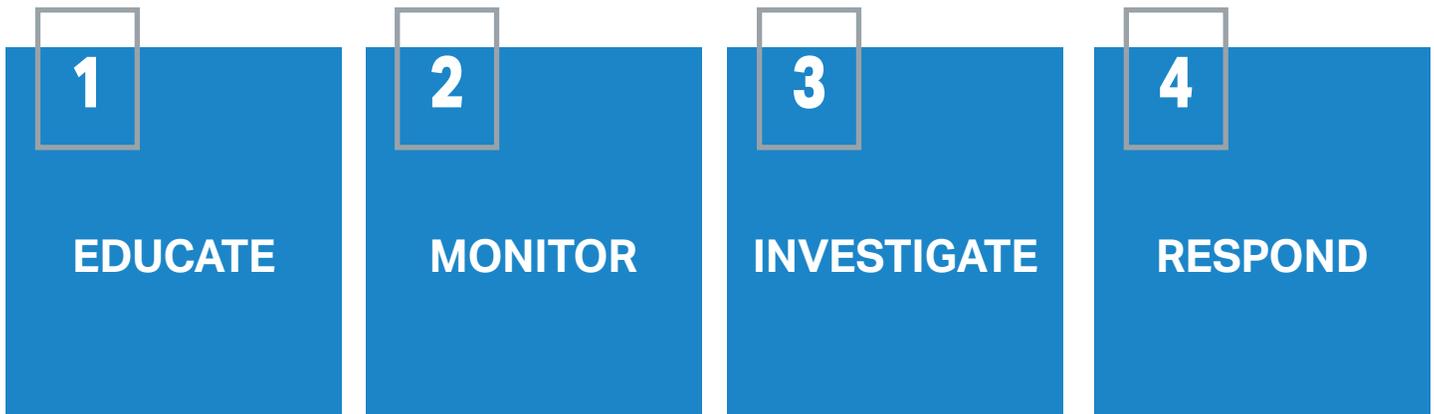
**Managing Deputy Commissioner*

Regional Office & Hearing Locations

- Regional Office
- Hearing Location
- ★ VWC Headquarters



VWC'S COMPLIANCE Process



=

VWC provides guidance on electronic claims submissions and coverage requirements, and monitors compliance on a regular basis. Compliance is enforced through various processes including report cards for EDI submissions and a team of investigators who regularly monitor insurance compliance. VWC strives to maintain open communication and provide support through direct contact, outreach, and training opportunities.

ELECTRONIC DATA INTERCHANGE (EDI)

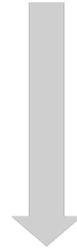
EDI REPORT CARDS

The compliance team within the EDI Department continued issuing report cards to trading partners during 2017. The report card was updated to reflect an overall grade for the business. The EDI team continued offering training throughout the year and report card notifications continue to be a useful guide for trading partners, resulting in fewer Penalty Orders issued in 2017.

EDI COMPLIANCE

Claim Administrators must submit various EDI transactions on claims depending on what actions are taken throughout the claim's lifespan.

The EDI compliance initiative reached phase two of its compliance initiative in 2017. This phase includes requests for subsequent SROI (Second Report of Injury) transactions and modifications to the Notification of Claimant Address Change Form.

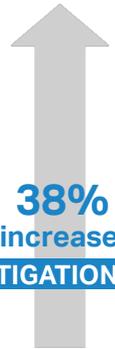


REPORT CARD COMPLIANCE EFFORTS RESULTED IN A **16%** DECREASE IN FINES ISSUED TO EDI TRADING PARTNERS NOT IN COMPLIANCE

EMPLOYER COMPLIANCE

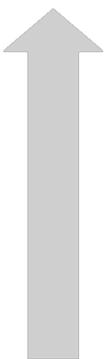
The Insurance Department continued increasing compliance efforts in 2017. The Investigations Unit increased investigations, conducted employer insurance verification sweeps, and continued advances in Carrier and Professional Employer Organizations (PEO) compliance efforts.

NUMBER OF INVESTIGATIONS COMPLETED IN 2017 vs. 2016



38% increase

1,414 INVESTIGATIONS



240 ADDITIONAL EMPLOYERS BROUGHT INTO COMPLIANCE



COMPLIANCE EFFORTS RESULTED IN AN **18%** DECREASE IN THE NUMBER OF EMPLOYER NOTICES ISSUED



POLICY LAPSES BY EMPLOYERS DECREASED **55%** DUE TO INCREASED COMPLIANCE EFFORTS IN 2017

CARRIER COMPLIANCE

2017 showed a positive increase in compliance by carriers.

NUMBER OF NOTICES ISSUED DECREASED BY

20%

ORDERS ISSUED TO CARRIERS DECREASED BY

11%

AGENCY Projects

MEDICAL FEE SCHEDULE (MFS)

The Commission finalized Virginia's first Medical Fee Schedule in 2017, in preparation for a January 1, 2018 implementation. Work included establishing ground rules, FAQs, an MFS dispute resolution process, evaluation strategy and reporting, communications plan, and a Medical Fee Services Department with employees trained and certified in medical coding.

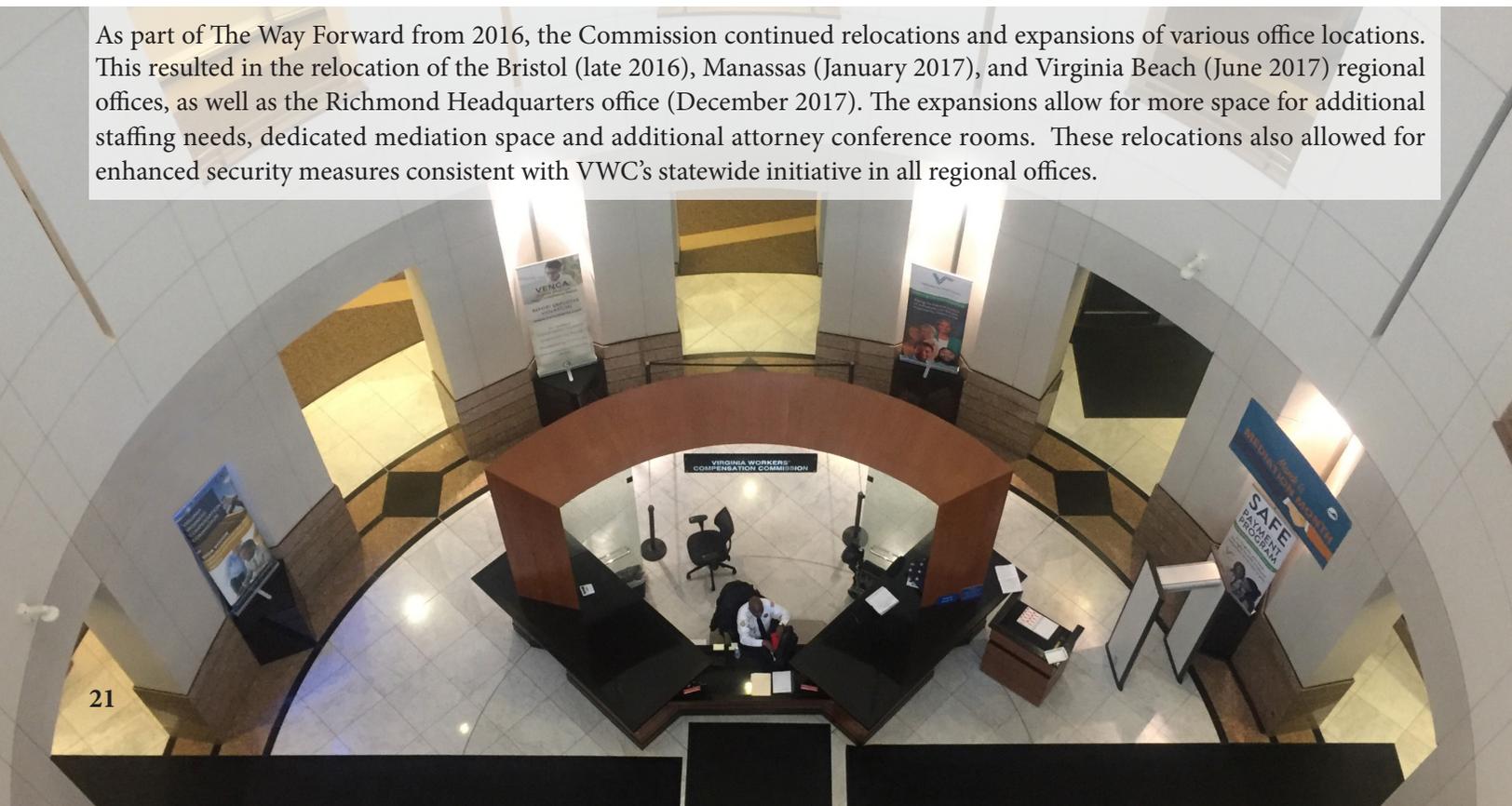
Once implemented, the MFS will be reviewed in 2018 and again every two years.

RECORD RETENTION UPDATE

The Record Retention Policy was implemented in 2016 as a forward-thinking way to reduce file storage costs. In 2017, the Correspondence Management team successfully eliminated 30% of the 10,000 files reviewed. A document interception plan was implemented in 2017, halting more than 5,400 pieces of undeliverable mail, saving the Commission both time and money.

OFFICE RELOCATIONS

As part of The Way Forward from 2016, the Commission continued relocations and expansions of various office locations. This resulted in the relocation of the Bristol (late 2016), Manassas (January 2017), and Virginia Beach (June 2017) regional offices, as well as the Richmond Headquarters office (December 2017). The expansions allow for more space for additional staffing needs, dedicated mediation space and additional attorney conference rooms. These relocations also allowed for enhanced security measures consistent with VWC's statewide initiative in all regional offices.



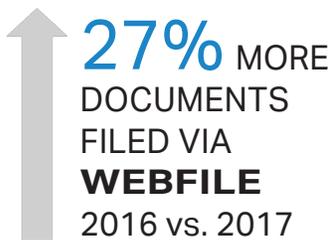


WebFile



Significant Usage in 2017

WebFile is the Commission’s online portal to electronic records. This paperless option is available to attorneys, claimants, and claim administrators. Using WebFile eliminates the need to send hard copies and gives users secure access to documents 24 hours per day.



Go Green! Learn more about using WebFile at www.workcomp.virginia.gov/webfile



Technology

in an innovative state agency

Enhanced use of technology in 2017 included a newly enabled video conference system, enhanced mobile friendly conference website, automated trainings, videos, and webinars.

Optical Character Recognition (OCR)

With the addition of an OCR program, all incoming documents are now enabled for text recognition. This allows all internal and external users in WebFile to search for specific text within the system. This feature is also available for outgoing documents.

System Enhancements

The Information Systems team implemented more than 500 system enhancements and software fixes during 2017. Commission system analysts wrote requirements and supported the implementation of 334 system changes and the team closed more than 800 tickets.

Variance Process Redesign

A new Variance Evaluation and Notification Process was designed in 2017. Considerable benefits include more accurate and accessible payments data, a simplified and ultimately less risky process and access to transaction details; making it easier for customers to evaluate information.

PROGRAM Administration

Three programs are administered by VWC

Second Injury Fund

The Second Injury Fund is maintained and administered in accordance with Va. Code §§ 65.2-1100 et seq. Initially enacted in 1975, the Second Injury Fund is used to alleviate some of the expenses employers who hire partially disabled workers will face if an accident occurs that causes one of these individuals to suffer a second and permanent disabling injury. This fund also pays compensation and medical benefits, but on a pro-rated basis, and with a \$7,500 limit on medical benefits.

Uninsured Employer's Fund (UEF)

The Uninsured Employer's Fund is maintained and administered in accordance with Va. Code §§ 65.2-1200 et seq. The fund was created by state legislation in order to provide payment of medical bills and compensation to injured workers in the event their employer failed to carry an active workers' compensation insurance policy. The UEF typically places liens on assets of the uninsured employers until the debt is repaid.

These claims are processed by a third-party administrator who collects all evidence, prepares the claims for hearings, and administers the payments of all compensation and medical benefits.

Criminal Injuries Compensation Fund

The Criminal Injuries Compensation Fund (CICF) is maintained and administered in accordance with Va. Code §§ 19.2-368.1 et seq. Established by the Virginia General Assembly in 1977, this fund pays unreimbursed expenses of innocent victims of crime who suffered physical or emotional injury or death. In 2008, the Fund also established the Sexual Assault Forensic Exam Payment Program (SAFE). This fund is authorized to pay expenses associated with forensic evidence collection for victims of sexual assault in the Commonwealth. CICF continued rebranding efforts to transition to a working program name of the Virginia Victims Fund (VVF) during 2017.

The mission of CICF is to administer the Compensating Victims of Crime Act in a compassionate, fair and efficient manner. In so doing, the Fund strives to treat every victim and survivor with dignity and respect, recognizing the tremendous impact that violent crime has on our society.

In 2017, CICF processed 2,879 new claims for crime victim compensation and forensic evidence collection, awarding \$5.2 million dollars.



- 36% Assault (Non-Domestic)
- 19% Assault (Domestic)
- 18% Other
- 16% Homicide
- 7% Child Sexual Assault
- 4% Robbery

59% OF SAFE CLAIMS ARE ADULT SEXUAL ASSAULT CLAIMS **41%** ARE CHILD SEXUAL ASSAULT CLAIMS

THE WAY Forward

#weworkasone

Serving injured workers, victims of crime, employers, and related industries is the heart of our mission. We will remain committed to continuously listening to stakeholders, adjusting business practices and communicating progress. We will work to maintain a culture where employees feel connected to our core values and have opportunities to grow their skills. Looking ahead to the coming year, we have set clear goals, as noted below.



VWC Headquarters Staff

RECOGNITION OF 100 YEARS OF SERVICE TO INJURED WORKERS

In 2018, the Commission will kick-off the centennial celebration of the 1918 Workers Compensation Act which led to the establishment of the Industrial Commission of Virginia, subsequently renamed The Virginia Workers' Compensation Commission (VWC). The centennial will be honored with special events throughout the year.

INCREASE STAKEHOLDER ENGAGEMENT

The Commission will engage injured workers, victims of crime, and allied professionals on various topics such as claims and victims' services, Electronic Data Interchange (EDI), insurance compliance, and Virginia's new medical fee schedule.

PERFORM FACILITY ASSESSMENTS AND UPGRADES

The Commission is committed to the safety of our employees and visitors along with the growing needs of our adjudication functions. Facility assessments and necessary upgrades will continue to be reviewed to stay compliant with state requirements for office and courthouse construction.

IMPLEMENT VIRGINIA'S MEDICAL FEE SCHEDULE

With a fully functioning Medical Fee Services Department in place, the Commission will launch Virginia's first workers' compensation medical fee schedule on January 1, 2018.

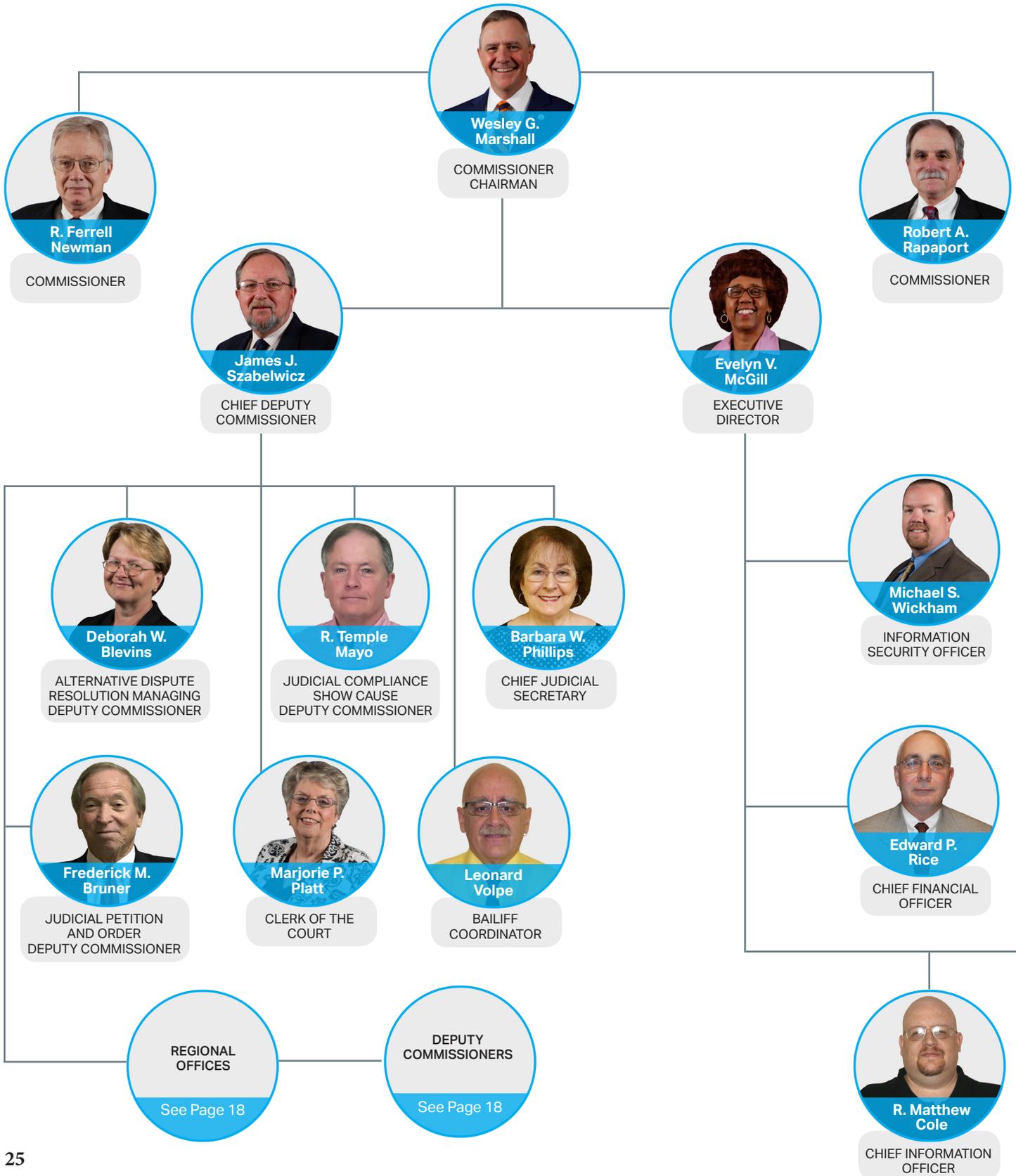
CONTINUE REVIEW OF COMPLIANCE ACTIVITIES

The Commission will continue its review of compliance status and modify safety related policies to ensure they are timely and accurate. Compliance with policies will be achieved via training offerings to employees.

BUSINESS PROCESS EFFICIENCY STUDIES

The Commission will continue to review agency-wide business processes for increased efficiencies to reduce costs when possible. Internal resources will be assigned to business units to study processes and offer recommendations for improvement.

ORGANIZATIONAL Chart



VWC CONTACT INFORMATION

VWC Headquarters

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- COMMISSIONER** Hon. R. Ferrell Newman | 804.205.3128
- COMMISSIONER** Hon. Robert A. Rapaport | 804.205.3134

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- CHIEF DEPUTY COMMISSIONER** Hon. James J. Szablewicz | 804.205.3097

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