



Virginia Workers' Compensation Commission

2018 Annual Report





Hon. R. Ferrell Newman
Commission Chairman

Greetings from the Workers' Compensation Commission. It is my privilege to present the 2018 Annual Report, marking the Workers' Compensation Act's centennial year. This Report is dedicated to the Commission's Team of employees working across the Commonwealth in faithful service to the workers' compensation community.

The Act's passage one hundred years ago stands as a testament to our legal system's ability to recognize injustice and to fashion a remedy predicated on fairness. Though frequently characterized as a "compromise" between competing interest groups, it should better be viewed as a victory, helping to preserve the delicate, indispensable symbiosis between labor and industry.

Workers' compensation law is dynamic and has continued to evolve over its century of existence. Perhaps there is no better example of this evolution than the year 2018. January 1 marked the inauguration of the Commonwealth's first fee schedule for medical services. Virginia's fee schedule is unique, the product of the combined wisdom of a panel of stakeholders representing the relevant interest groups including the medical, insurance and self-insured employer communities. The fee schedule is providing much needed certainty and will stem the tide of escalating medical costs and associated litigation.

This year marks the Commission's first full year in its new Richmond Headquarters where, for the first time in many years, all departments are united in a single building in a central location. Through the use of technological advancements, the courtrooms have been updated to afford parties greater ease and flexibility in litigating claims. VWC's computer systems stand as a monument to our vision to be a national workers' compensation leader as evidenced by the frequent requests to demonstrate our CASPER system to other jurisdictions and discuss lessons learned during the development and maintenance processes. Our systems security remains among the strongest in the state of Virginia, as confirmed by last year's audit report.

During 2018, the Commission's EDI Quality Assurance Department received over 430,000 transactions, processed over 95,000 tasks and successfully implemented two initiatives to assist Commission customers by accurately tracking and maintaining claim information. The Virginia Victims Fund assumed responsibility for seeking crime victims to ensure they received restitution awarded by the courts.

The Virginia Commission has continued its role on the national workers' compensation stage with membership in such organizations as the Southern Association of Workers' Compensation Administrators, the International Association of Industrial Accident Boards and Commissions and the National Association of Workers' Compensation Judiciary. Several members of our Team presented at meetings, held positions on various boards and committees and received national awards from these organizations. In 2018, the Regulators College, held annually in Orlando, was renamed the Roger L. Williams National Regulators College, after our beloved former Commissioner who tragically passed away in 2016.

Virginia continued to lead the nation in Alternative Dispute Resolution, helping disputing parties amicably resolve their differences. The ADR Department saw a 90.4% growth in mediations in 2018 over 2017.

Our MISSION

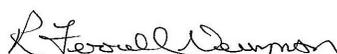
To serve injured workers, victims of crimes, employers, and related industries by providing exceptional services, resolving disputes, and faithfully executing the duties entrusted to us by the Commonwealth of Virginia.

The Commission's program was highlighted as a model of voluntary workers' compensation mediation in Resolving Insurance Claim Disputes Before Trial, published by the American Bar Association Tort, Trial, and Insurance Practice Section. In addition, Commission resources were utilized by the Supreme Court and Court of Appeals of Virginia in creating mediation pilot projects and training appellate mediators.

The Commission's 2018 Educational Conference was the largest in history, with some 600 attendees. Our Insurance Department expanded investigations throughout the Commonwealth to provide education and improve compliance with the Act's dictates. The Claims Department released a revised and updated Claim Form and other forms to assist parties in recording marketing and mileage information. Strong and streamlined operations facilitated in enhanced financial controls, leading to a tax rate reduction for 2019. The list of accomplishments goes on and on. Not the least of these accomplishments is the work of the Commission's Judicial Division, adjudicating cases in twenty seven locations across the Commonwealth and rendering decisions in a complex world where much of the law is unique to workers' compensation.

Workers' compensation is one of the most important branches of law. Those are not my words but the words of the Virginia Supreme Court writing during the Act's relative infancy.¹ The Court characterized the Act as having "passed the experimental stage" and being "as essential to industry as it is to labor." What was true in 1946 remains true today. The Commission takes seriously its role as steward to the workers' compensation system, a system that exists because people injured at work were failed by our common law tort system. We will continue to strive to serve the workers' compensation community while advancing the humanitarian ideals upon which the Act is founded.

R. Ferrell Newman



¹ Feitig v. Chalkley, 185 Va. 96, 98, 38 S.E.2d 73, 73 (1946)

1	CHAIRMAN'S STATEMENT
3	ABOUT THE COMMISSION
4	INDUSTRY
5	FINANCIALS
6	STATUTORY ACTION
7	KEY ACCOMPLISHMENTS
8	LIVING OUR CORE VALUES
9	OUTREACH
11	CLAIMS PROCESSING
13	ADJUDICATION
14	DEPUTY COMMISSIONERS
15	COMPLIANCE
17	AGENCY PROJECTS
19	PROGRAM ADMINISTRATION
20	THE WAY FORWARD
21	STAFF & CONTACT INFORMATION

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.

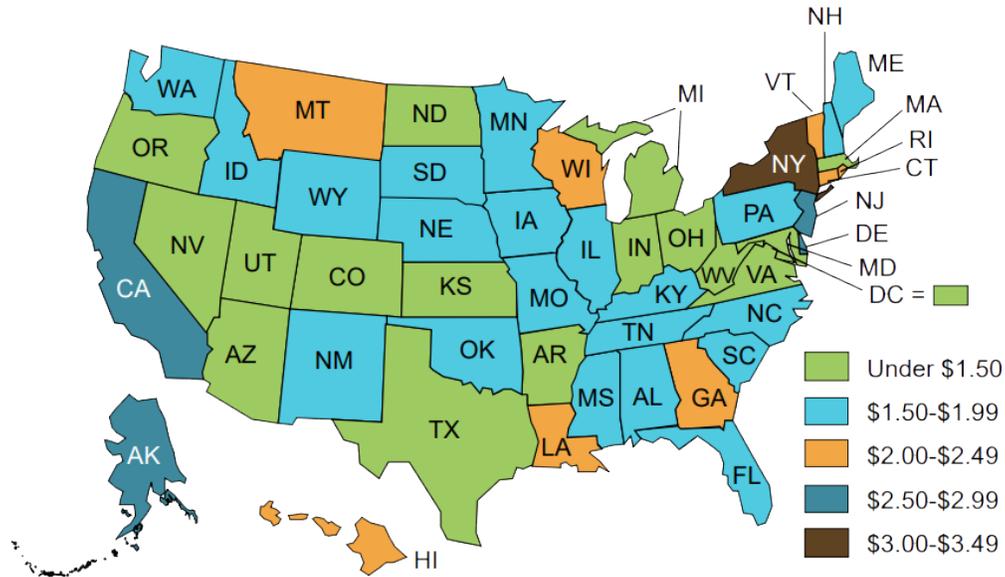


VWC Commissioners & Senior Leaders

Left to Right: Hon. R. Ferrell Newman, *Chairman Commissioner*; Hon. Wesley G. Marshall, *Commissioner*; Hon. Robert A. Rapaport, *Commissioner*; Evelyn V. McGill, *Executive Director*; Hon. James J. Szablewicz, *Chief Deputy Commissioner*

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 2018, Virginia was ranked 41 out of 51 jurisdictions in terms of premium rate ranking. Virginia employers in the voluntary market pay, on average, \$1.28 per \$100 of employee payroll, or 75% below the median state rate.

VIRGINIA			
<i>*Figures based on Workers' Compensation Premium Per \$100 Payroll Indexed</i>			
Year	2014	2016	2018
Indexed Ranking	48	47	41
Workers' Compensation Premium Per \$100 Payroll Indexed	\$1.17	\$1.24	\$1.28
% Below Median State	68%	67%	75%
Effective Date	4/1/2013	4/1/2015	4/1/2017

Source: Research and Analysis Section, Oregon Department of Consumer and Business Services (Rev. 10/18)

FINANCIALS

Agency and Funds

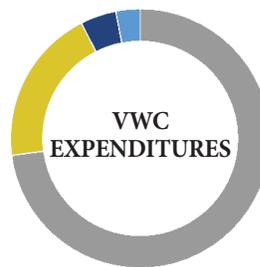
VIRGINIA WORKERS' COMPENSATION COMMISSION

(VWC) VWC collected 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, 2017 through June 30, 2018.

VWC TAX COLLECTION TOTALLED

\$44,260,061

WITH **\$41** MILLION FOR THE ADMINISTRATIVE FUND



- 73%** Salaries/Benefits
- 15%** Contractual Services
computer maintenance, travel, postage and communications
- 8%** Fixed Costs
insurance, utilities, and lease agreements
- 4%** Supplies/Equipment

UNINSURED EMPLOYER'S FUND

(UEF) The UEF was 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 & RECOVERIES

\$4.3 Million

UEF OPERATING EXPENSES

\$2.7 Million

CRIMINAL INJURIES COMPENSATION FUND

(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, 2017 through June 30, 2018.

CICF REVENUES

\$7.9 Million

- \$2.7M** Court Costs
- \$1.9M** Judicial Branch Transfers
- \$1.3M** Restitution
- \$2.0M** Federal Grant

2,934 CLAIMS AWARDED
54% SAFE claims, 46% CICF claims

\$7.1 Million CICF EXPENSES

Awarded Claims: **\$4.4 Million**, Administrative Costs: **\$2.7 Million**
(23 full-time employees, two part-time employees, office lease agreement, information systems, supplies and equipment)

2018 ACTS

of the General Assembly

Chapter 0249 (HB 82) was signed by Governor Ralph Northam on March 9, 2018 (effective July 1, 2018). The bill repeals an enactment clause that provides that the maximum tax rate that may be assessed on insurance carriers or self-insured employers for the purpose of funding workers' compensation benefits that are awarded against uninsured employers from the Uninsured Employer's Fund will revert from 0.5 percent to 0.25 percent on July 1, 2018. Repealing the enactment will maintain the maximum rate at its current level of 0.5 percent.

Chapter 0250 (HB 117) was signed by Governor Ralph Northam on March 9, 2018 (effective July 1, 2018). The bill provides that the Commissioners of the Workers' Compensation Commission, for purposes of constituting a quorum, shall include any Deputy Commissioner or retired Commissioner who is appointed or recalled, respectively, to fill a vacancy on the Commission.

Chapter 0724 (HB 483) was signed by Governor Ralph Northam on March 30, 2018 (effective July 1, 2018). The bill adds to the duties of the Workers' Compensation Commission (the Commission) in its role as administrator of the Criminal Injuries Compensation Fund (Fund) the obligation to (i) identify and locate victims for whom restitution owed to such victims has been deposited into the Fund and (ii) collect and disburse such unclaimed restitution to such victims. The bill directs the Commission to include in its annual report information on all unclaimed restitution that it disburses. The bill provides that clerks shall deposit into the Fund by November 1 of each year restitution collected for victims who can no longer be identified or located, or state that there is no such restitution to be deposited. The bill requires that clerks record the receipt of restitution payments in the automated information system operated by the Supreme Court of Virginia or a system established and maintained by a circuit court. The bill also provides that the restitution form used by the court shall include the victim's contact information, including address, telephone number, and email address.

Chapter 0260 (HB 531) was signed by Governor Ralph Northam on March 9, 2018 (effective July 1, 2018). The bill removes the provision that prevents the Workers' Compensation Commission from aggregating proof of coverage information filed with the Commission by an insurance carrier or rate service organization on behalf of an employer with the proof of coverage information filed by or on behalf of other employers.

Chapter 0261 (HB 558) was signed by Governor Ralph Northam on March 9, 2018 (effective July 1, 2018). The bill clarifies that the "medical community," when referring to providers of medical services rendered under the Virginia Workers' Compensation Act outside of the Commonwealth, shall be determined by the zip code of the principal place of business of the employer if located in the Commonwealth. If the employer's principal place of business is not in the Commonwealth, then it shall be determined by the zip code of the location where the Workers' Compensation Commission would conduct its hearing regarding a dispute concerning the medical services.

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.

2018

Key accomplishments

SUCCESSFUL COMPLIANCE

The Commission successfully achieved full compliance during a Virginia Information Technologies Agency's (VITA) audit for information security standards. VWC remains one of a small number of agencies in the Commonwealth of Virginia with these results. New and updated policy development, implementation and training processes were also put in place, resulting in several new administrative policy updates.

INVOKING CHANGE IN LOCAL AND NATIONAL PROGRAMS

VWC'S Alternative Dispute Resolution leadership was involved in studying Appellate Mediation in Virginia, leading to pilot programs on mediation in the Supreme Court of Virginia and the Court of Appeals of Virginia. VWC'S EDI Quality Assurance management was featured in the Southern Association of Workers' Compensation Administrators (SAWCA) Roger L. Williams National Regulators College as a result of the Commission's strong EDI program. Additionally, VWC's Chief Deputy Commissioner was named President of the National Association of Workers' Compensation Judiciary (NAWCJ) and the Commission's Executive Director served on the board of the International Association of Industrial Accident Boards and Commissions (IAIABC). Two Commission staff members were also recognized as IAIABC NextGen Award Recipients.

CONTINUED GROWTH

VWC's Judicial Division continues to expand its Alternative Dispute Resolution mediation program with continued success and growth in events during 2018, including global mediation. The Commission's Educational Conference and Exhibition also saw continued growth in 2018 and was recognized as one of the best in the United States.

ENHANCED TECHNOLOGY AND FACILITIES

The Commission's Project Management Office and Information Systems teams created new financial services applications, functionality for our Medical Fee Services department to track provider applications/disputes, unclaimed restitution automations for CICE, and various other system enhancements. Facility enhancements included a new Roanoke Regional Office in 2018.

EFFECTIVE MANAGEMENT LED TO POSITIVE FINANCIAL RESULTS

The Commission's Financial Services team was instrumental in managing VWC's fiscal resources, which led to a tax rate reduction in the 2019 approved budget.

IMPLEMENTATION OF ENHANCED CLAIM FORMS AND PROCESSES

VWC's Claims Services team led the research, development, review, approval and implementation of a new user-friendly Claim Form, Transportation/Travel Expense Form and Marketing/Job Search Form. The Medical Fee Services Department successfully implemented the medical fee schedule, administrative review process and the evaluation process. Additionally, the Insurance Department began handling appeals for Carrier and PEO Non-Compliance fines through a new Administrative Review Process, decreasing the number of appeals to the Judicial docket.

RECLASSIFICATION UPGRADES

Reclassification upgrades for all Grade 1 level positions as well as appropriate upgrades for several other support team positions Commission-wide were completed by the Human Resources team as a result of the enhanced classification and compensation process.

OUR TEAM

demonstrates our core values

Our core values are the cornerstone of how we operate daily business to serve the Commonwealth. They serve as part of our **management philosophy**; the set of shared beliefs and attitudes used in daily operations, strategic planning, and all activities at the Commission. The Commission's **297** 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.

The Commission's Human Resources Department proudly manages two recognition programs for employees. The Above and Beyond Recognition program is a way to acknowledge an employee who goes the extra mile, whether in a daily task, special project, or special circumstance. In 2018, there were **127** Above and Beyond recipients.

Additionally, the Commission offers a Citizenship Award Recognition program, which allows employees to recognize a co-worker who consistently implements VWC's core values in every day tasks. Below are some of the 2018 Citizenship Award recipients.



Top Left to Right: Reyna McArthur, Charles Steepleton, Diane Sharp, Joe Edwards

Middle Left to Right: Viral Sheth, Victoria Rothwell, Doug Singlemann, Erin Bishop

Bottom Left to Right: Jeffrey Row, Cindy James, Paul Baitinger

#WEWORKASONE



TRAINING and Outreach



The Virginia Workers' Compensation Educational Conference & Exhibition

Sponsored by the International Workers' Compensation Foundation and hosted by the Commission.

Attendees range from attorneys, claim adjusters, human resource professionals and many others in the workers' compensation industry.

The conference, held annually, continued to see year-over-year growth, with a record number of attendees and sold-out exhibitor space in 2018.

IN 2018:

The conference had a record-breaking **596** attendees, hosted **18** topics and had **45** speakers from various industries surrounding workers' compensation.

Vendor space sold-out with **48** exhibitors.

2019 TWO EVENTS, TWO DAYS Save the Dates!

VWC Educational Conference & Exhibition

October 28-29, 2019
Greater Richmond Convention Center

VWC Centennial Gala

October 28, 2019
Downtown Richmond Marriott

More Details:

www.vwconference.workcomp.virginia.gov

GET SOCIAL WITH US

 www.tinyurl.com/vwcyoutube

Offering tutorial videos, conference information and more. Subscribe for the latest updates.

 www.tinyurl.com/vwclinkedin

Follow us for VWC news and updates, job openings and more.



EMAIL SUBSCRIPTION SERVICE www.tinyurl.com/vwcupdates

Sign up to receive Commission news and updates.

Our stakeholders play a vital role in Virginia's workers' compensation system.



VWC TRAINING AND OUTREACH INITIATIVES

- The Criminal Injuries Compensation Fund (CICF) held **85** training events, reaching **7,500** allied professionals.
- The Insurance Department presented to Virginia Commissioners of Revenue on the automated 61A process and the advantages of electronic filing. The team also presented two training events to the Virginia Employment Commission Employer Conference, the Southern Association of Workers' Compensation Administrators Conference and internal trainings.
- The Claims Services Department delivered in-depth claims and awards process in-service training.
- The Medical Fee Services Department held educational events in Bristol, Fairfax and at the Virginia Ambulatory Surgery Association Conference in Virginia Beach.
- The Alternative Dispute Resolution Department (ADR) collaborated with other agencies expanding their use of ADR and participated as a trainer in the first-ever training for appellate mediators. The ADR program was also highlighted in various publications during 2018.
- Commissioners and Deputy Commissioners participated in numerous continuing legal education presentations to attorneys and workers compensation professionals throughout Virginia and the U.S.



CUSTOMER CALLS

13,082

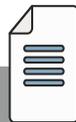
CICF Calls

14,937

Insurance Calls

87,117

VWC Contact Center Calls



MAIL CORRESPONDENCE

77,598

Pieces of Incoming Mail

2,099,721

Pieces of Outgoing Mail

56,517

E-Faxes Received



ONLINE ENGAGEMENT

694,817

VWC Website Visitors

9,866

VWC Conference Website Visitors

42

External Communications Sent

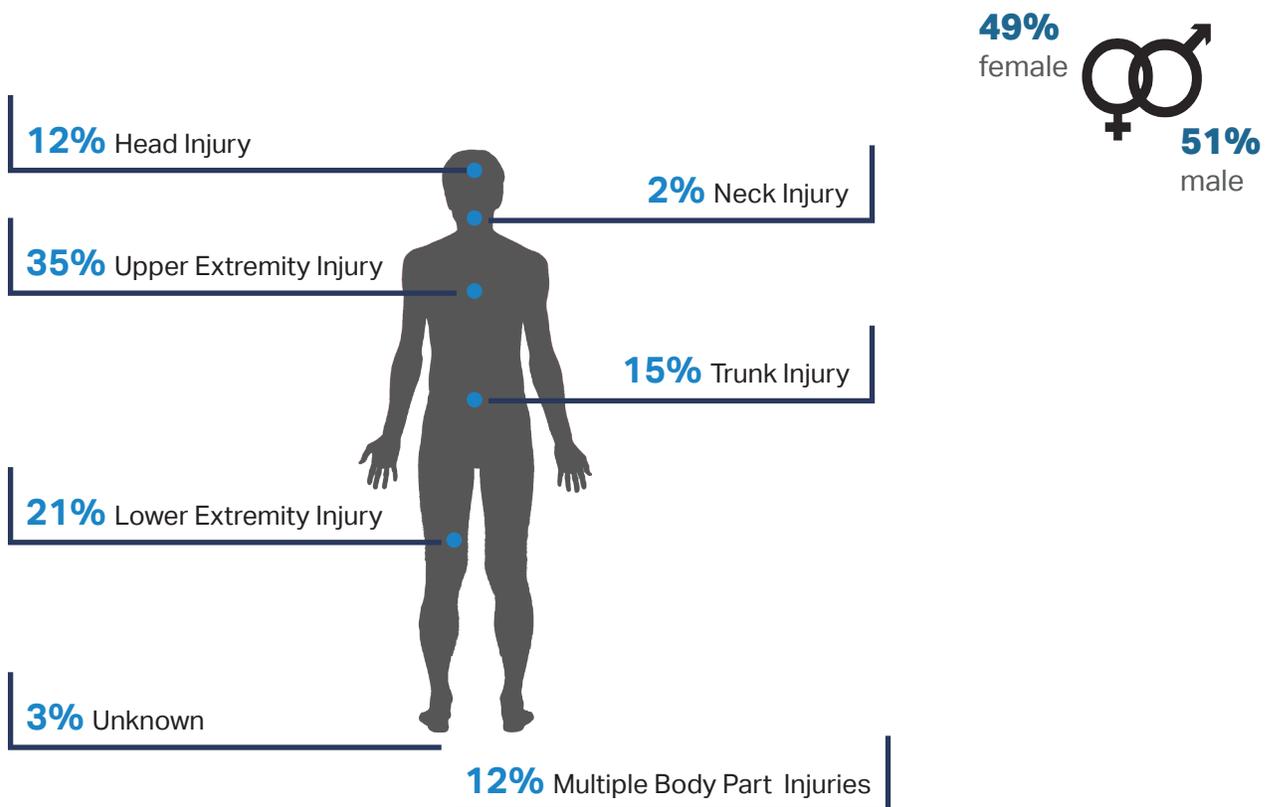
CLAIMS

Processing

44,561 Major Workplace Injuries Reported	295,310 First Report of Injury (FROIS filed)	FROI submissions increased 8%	184,733 Second Report of Injury (SROIS filed)	SROI submissions increased 3%
\$1,082 MAXIMUM Compensation Rates effective July 1, 2018	\$270.50 MINIMUM	2.15% Cost of Living Rate effective October 1, 2018	24,323 Awards Entered by Agreement	10,196 Award Terminations

Distribution by Injury

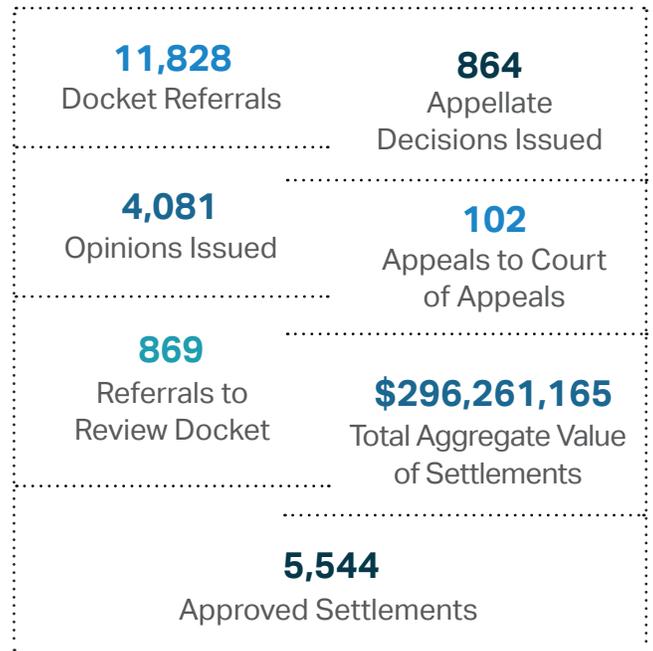
Includes 44,561 Major Workplace Injuries & 51,038 Minor Workplace Injuries Reported



ADJUDICATION

The Commission operates as a judicial system where contested workers' compensation claims are referred for adjudication. Contested claims are docketed before a Deputy Commissioner for evidentiary hearings or on-the-record decisions. Appeals of these decisions are docketed for review by the full Commission consisting of the three Commissioners. Decisions of the full Commission can be appealed to the Court of Appeals of Virginia.

The Commission also 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.).



ALTERNATIVE DISPUTE RESOLUTION (ADR)

As part of the Judicial Division, the **Alternative Dispute Resolution (ADR)** program provides a voluntary, confidential and informal dispute resolution processes. Facilitations are conducted by ADR staff members who assist in reaching an agreeable solution.

The Commission's **27** certified mediators include both retired and current Commissioners and Deputy Commissioners, as well as staff attorneys who regularly mediate in nine locations across the Commonwealth.

ADR RESOLUTION RATES

84% for Full & Final Mediations
67% for Issue Mediations
44% for Issue Facilitations

ADR continued to work on a global basis in 2018, mediating approximately **150** health care provider claims.

IN 2018

5,660

ADR EVENTS

Orientations

23

Issue Mediations &
Issue Facilitations

4,902

Full & Final
Mediations

735

90% GROWTH IN ADR EVENTS

VWC REGIONAL offices

The Commission employs 23 Deputy Commissioners who serve as administrative law judges. They preside over evidentiary and on-the-record hearings throughout the Commonwealth 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



COMPLIANCE PROCESS

EDI, Employer, and PEO

Compliance Process Flow



= 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) COMPLIANCE

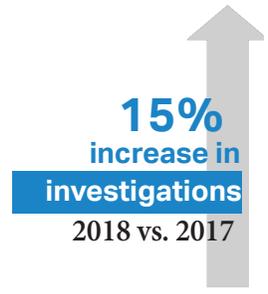
Claim Administrators must submit various EDI transactions on claims depending on what actions are taken throughout the claim's lifespan.

The compliance team within the EDI Department issues report cards to trading partners in an effort to decrease Penalty Orders issued and provide a useful guide to trading partners on their status. Fines issued in 2018 increased from 2017 as a result of various new request types and other implementations. EDI training increased drastically in 2018 in an effort to increase compliance with reporting requirements and reduce fines.

EMPLOYER COMPLIANCE

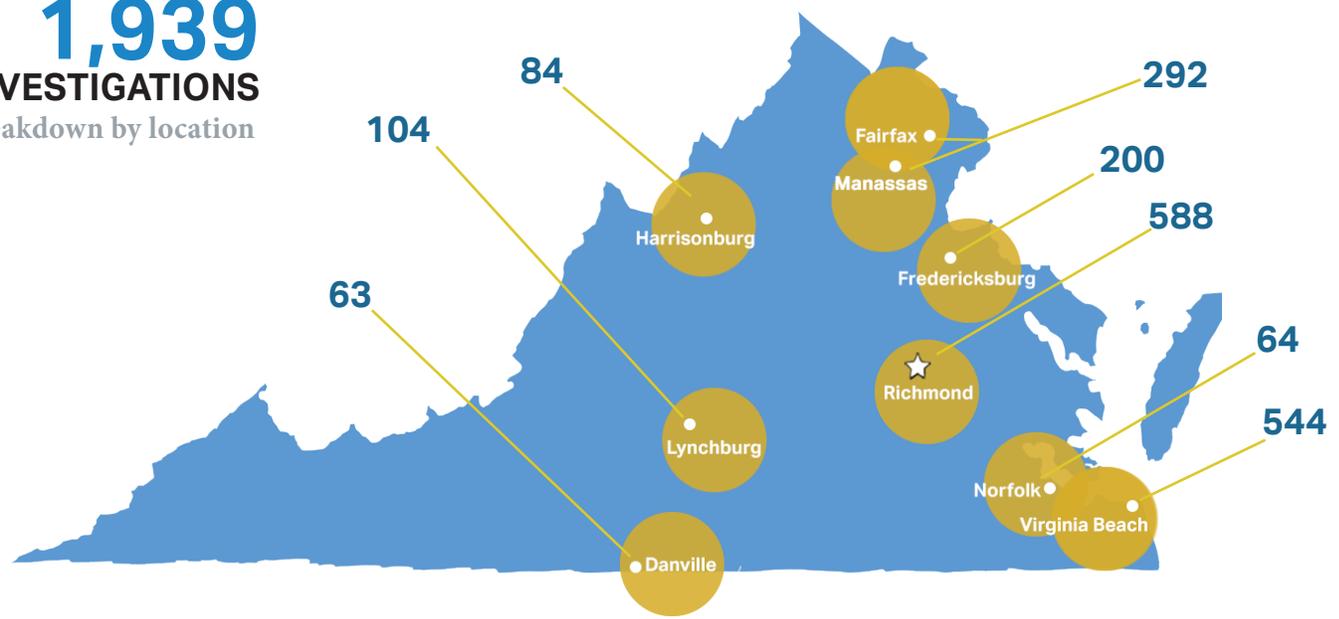
INVESTIGATIONS

VWC's Insurance Department's Investigations Unit increased investigations and conducted employer insurance verification sweeps during 2018.



121
ADDITIONAL
EMPLOYERS
BROUGHT
INTO
COMPLIANCE

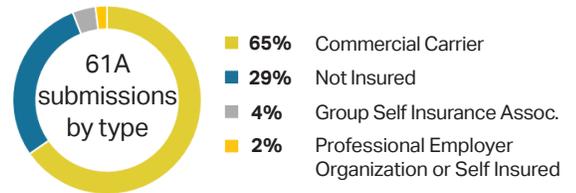
1,939
INVESTIGATIONS
breakdown by location



FORM 61A ONLINE FILINGS

A Certificate of Workers' Compensation Insurance (Form 61A) is required to receive a business license in Virginia. This process was streamlined by adding the option to file online. More information: www.workcomp.virginia.gov/content/employers

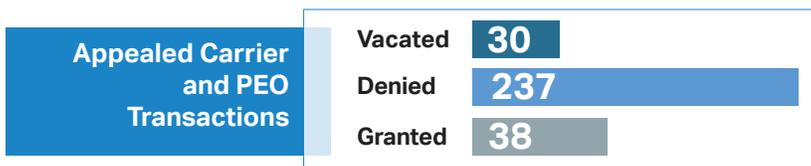
16,695
61A ONLINE
FILINGS
SUBMITTED
IN 2018



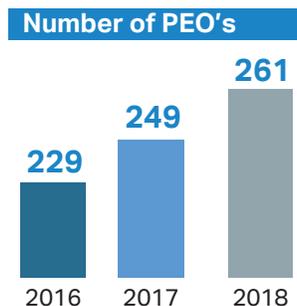
49% of filings from Corporations, 28% from LLC's, 20% from Sole Proprietor's, 3% from Others

APPEALS TRANSACTION PROCESS

In 2018, the Insurance Department began handling the appeals for Carrier and PEO Non-Compliance fines through a new Administrative Review Process. This resulted in a **decrease of appeals** on the Judicial docket and gave **key opportunities** for educating Carrier and PEO stakeholders directly, with detailed responses to their appeals and providing information on how to properly process various transactions.



PROFESSIONAL EMPLOYER ORGANIZATION (PEO) COMPLIANCE



31%
INCREASE
IN NEW PEO
CLIENTS
REGISTERED
2018 vs. 2017

AGENCY Projects

IMPLEMENTED THE MEDICAL FEE SCHEDULE

The Commission implemented Virginia's first Medical Fee Schedule on January 1, 2018. The Medical Fee Services team put into service an administrative review process and evaluation process. More than **1,600** inquiries were answered and **\$627,436** in medical service disputed charges were reviewed. This led to the resolution of **49%** of disputes without referral to the Judicial docket.

DEVELOPED CICF UNCLAIMED RESTITUTION PROCESS

New legislation effective July 1, 2018 requires the Criminal Injuries Compensation Fund (CICF) to identify, locate and disburse unclaimed restitution that has been deposited into the Fund to victims for whom restitution is owed. In 2018, CICF formed an Unclaimed Restitution work-group to develop policies and procedures to comply with the new legislation and hired two specialists to implement this new process. Internal technology was also enhanced for efficient managing, tracking and research for Unclaimed Restitution.

INVESTMENT IN TECHNOLOGY FOR CORE SERVICES

Among other various system enhancements, new technology was implemented for financial services, medical fee services and unclaimed restitution all which improve both automation and the process of tracking applications and disputes.

ESTABLISHED REVIEW PROCESS FOR INSURANCE APPEALS

An Administrative Review Process was implemented in 2018 to handle appeals of the Administrative fines issued by the Insurance Department. This process resulted in **30** appeals vacated, **237** denied and **38** granted during 2018.

CONTINUED OFFICE RELOCATIONS



The Commission continued its relocation and expansion project of office locations. This resulted in the relocation of the Roanoke Regional Office in September 2018.

The expansion allows for more space for additional staffing needs, dedicated mediation space and additional attorney conference rooms. The relocation also allows for enhanced security measures consistent with VWC's statewide initiative in all regional offices.



Coming in 2019



WebFile refreshed!

Streamlined navigation and design with our users in mind.

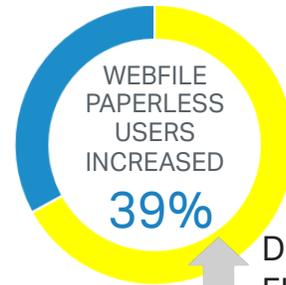
WebFile

Significant updates in progress

www.workcomp.virginia.gov/webfile

The Commission began plans to refresh WebFile, the Commission's online portal to electronic records, during 2018 with implementation slated for 2019. Enhancements will provide users with a more user-friendly look and feel.

This paperless option is available to attorneys, claimants, and claim administrators to receive electronic notifications from the Commission and gives users secure access to claims and documents 24 hours per day.



DOCUMENTS FILED VIA **WEBFILE** CONTINUE TO SEE AN INCREASE EACH YEAR



Roanoke Regional Office

Technology

in an innovative state agency

Various Forms Redesigned

Claims Services redesigned the Claim for Benefits Form and developed other new forms providing a clear and concise way to report details related to workers' compensation claims. As part of VWC's Go Green initiative, these forms are fillable, so it is not necessary to print for submission.

Additionally, a procedural change now allows acceptance of electronic signatures on agreement forms.

PROGRAM

Administration

CRIMINAL INJURIES COMPENSATION FUND

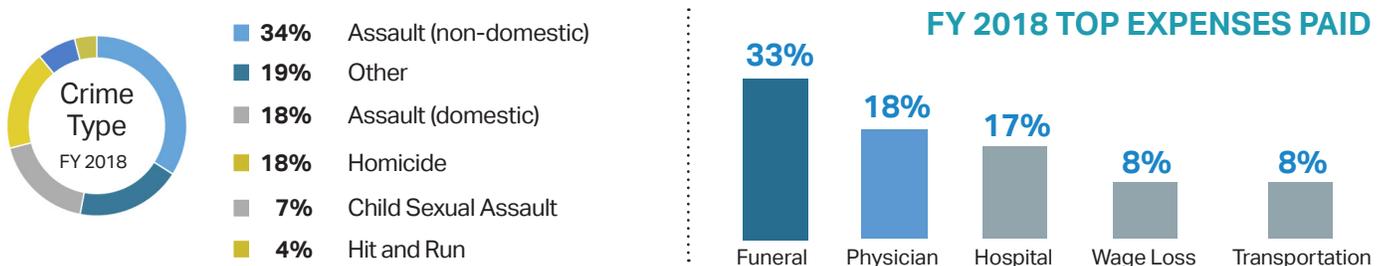
(CICF) The Criminal Injuries Compensation Fund is maintained and administered in accordance with Va. Code §§ 19.2-368.1 et seq. Established by the Virginia General Assembly in 1977, this fund pays unreimbursed expenses of innocent victims of crime who suffered physical or emotional injury or death. In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

55% OF SAFE CLAIMS ARE
ADULT SEXUAL ASSAULT CLAIMS.

45% ARE CHILD SEXUAL
ASSAULT CLAIMS.

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 FY 2018, CICF processed **2,934** new claims for crime victim compensation and forensic evidence collection, awarding **\$7.1 Million** dollars.



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.

THE WAY FORWARD

100 years of service



In 2019, the Commission will celebrate its centennial year of operations by honoring the great achievements its remarkable team members have made serving injured workers' and stakeholders in Virginia's workers' compensation system. The centennial will be honored with special events throughout the year, including a Centennial Gala held in conjunction with the VWC Educational Conference and Exhibition in October 2019. More details about the Centennial Gala can be found online at www.vwconference.workcomp.virginia.gov.

Looking ahead to the coming year, we have noted below a set of clear goals for the way forward.

BUILD ON STRONG COMPLIANCE PROGRAMS

The Commission will continue to monitor security controls to maintain favorable compliance with the Virginia Information Technologies Agency's (VITA) information security standards.

INCREASE TECHNOLOGY OFFERINGS TO STAKEHOLDERS

The Commission will expand its WebFile system to include access for Self-Insured employers. WebFile will also undergo a significant user-interface makeover to enhance end-user experience. Additionally, phone systems will be evaluated for speedier service delivery.

EXPAND OFFERINGS IN REGIONAL OFFICES

Protecting employees in the event they are injured on the job is important to the Commission. The Commission will continue to expand insurance investigations into VWC Regional Offices. Plans to move forward with implementing a subpoena process for employers not responding to Investigative efforts will continue.

INCREASE UNCLAIMED RESTITUTION EFFORTS

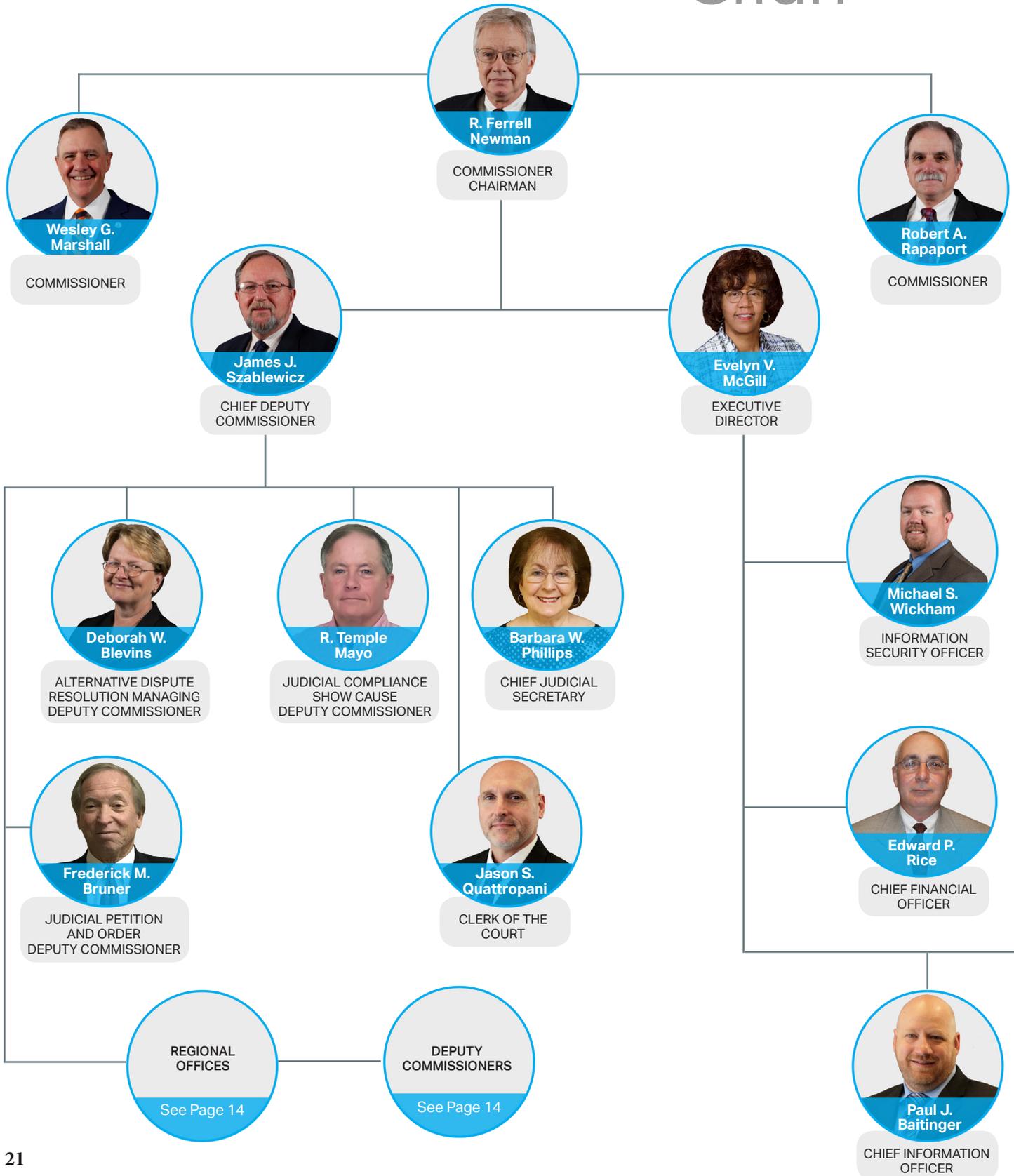
The Criminal Injuries Compensation Fund, operating under the direction of the Commission, will establish improved unclaimed restitution procedures to identify, locate and award restitution to crime victims.

REVIEW OF MEDICAL FEE SERVICES REQUIREMENT

The Commission will review the Virginia medical fee schedule to ensure completion of any necessary adjustments and updates. A new e-billing regulation will go into effect in 2019 requiring electronic submission of bills and payments.

VWC ORGANIZATIONAL

Chart



VWC CONTACT INFORMATION

VWC Headquarters

333 E. Franklin St, Richmond, VA 23219 | (877) 664.2566 | questions@workcomp.virginia.gov | www.workcomp.virginia.gov

COMMISSIONERS

CHAIRMAN Hon. R. Ferrell Newman | 804.205.3128
COMMISSIONER Hon. Wesley G. Marshall | 804.205.3126
COMMISSIONER Hon. Robert A. Rapaport | 804.205.3134

EXECUTIVE LEADERS

EXECUTIVE DIRECTOR Evelyn V. McGill | 804.205.3059
CHIEF DEPUTY COMMISSIONER Hon. James J. Szablewicz | 804.205.3097

LEADERSHIP TEAM

ALTERNATIVE DISPUTE RESOLUTION
Managing Deputy Commissioner Deborah W. Blevins | 804.205.3139

CLAIMS SERVICES
Manager Vivian R. Lane | 804.205.3603

CLERK'S OFFICE
Clerk of the Court Jason S. Quattropani | 804.205.3246

CORRESPONDENCE MANAGEMENT
Manager William S. Crawford | 804.205.3196

CRIMINAL INJURIES COMPENSATION FUND (CICF)
Director Kassandra D. Bullock | 804.205.3804

EDI QUALITY ASSURANCE
Manager Stephanie C. Sweeney | 804.205.3104

FINANCIAL SERVICES
Chief Financial Officer Edward P. Rice | 804.205.3186

HUMAN RESOURCES
Manager Crystal W. Stephenson | 804.205.3064

INFORMATION SECURITY
Information Security Officer Michael S. Wickham | 804.482.7055

INFORMATION SERVICES
Chief Information Officer Paul J. Baitinger | 804.205.3936

INSURANCE
Manager Aubrey K. Chigwada | 804.482.5304

JUDICIAL
Chief Judicial Secretary Barbara W. Phillips | 804.205.3620

MEDICAL FEE SERVICES
Manager Drema M. Thompson | 804.774.4169

OUTREACH SERVICES
Manager Charles W. Steepleton | 804.205.3578

PROJECT MANAGEMENT OFFICE
Manager Chadwick D. Burns | 804.205.3168



Kassandra D. Bullock

CICF DIRECTOR



Drema M. Thompson

MEDICAL FEE SERVICES MANAGER



Vivian R. Lane

CLAIMS SERVICES MANAGER



Chadwick D. Burns

PROJECT MANAGEMENT OFFICE MANAGER



Crystal W. Stephenson

HUMAN RESOURCE MANAGER



Charles W. Steepleton

OUTREACH SERVICES MANAGER



Aubrey K. Chigwada

INSURANCE COMPLIANCE MANAGER



Stephanie C. Sweeney

EDI QUALITY ASSURANCE MANAGER



William S. Crawford

CORRESPONDENCE MANAGEMENT OFFICE MANAGER

