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## CHAPTER 3

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### Several Staffing Issues Create Problems

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***Claims analysts first determine coverage, then process injured workers' payments.***

Claims analysts are responsible for determining coverage and compensability on an injury and, having made these determinations, for processing any medical and indemnity payments to which the injured worker is entitled. The complexity of claims processing requires analysts to have frequent interaction with injured workers, employers, health care providers, attorneys, and other state agencies, and to document the contacts. This documentation provides an audit trail for internal review and also supports the decisions made, should disputed cases go to hearing.

As of April 2003, the Division employed 31 permanent analyst positions, five supervisors and an assistant administrator, plus 17 AWEC (at-will employee contractor) analysts. The 48 analysts are organized into five districts, each with a supervisor. A district services the employers in one geographic region of the state (see Appendix D), allowing analysts to handle claims arising from specific employers within that district.

***Some staffing issues stand in the way of quick, efficient delivery of benefits.***

An organization's staffing practices are widely understood to have a profound impact on efficiency and productivity. We identified several staffing issues that create obstacles as the Division attempts to deliver medical and indemnity benefits quickly and efficiently. These include high turnover among contract analyst positions; allocation of staff in ways that do not make best use of experienced staff; and inconsistencies in analyst practices that stem from an absence of written policy.

## **Additional Contract Positions Have Decreased Analysts' Caseloads**

***With high caseloads, analysts did little investigating of claims.***

According to Division staff, as recently as 2001, each analyst carried a caseload averaging 600 to 700 cases.<sup>1</sup> With caseloads this high, analysts say they simply processed claims after minimal screening and had little time to investigate, return phone calls, or make follow-up contacts. They also struggled to get payments made within statutory deadlines.

***When contract staff were added, caseloads dropped 50%.***

The Legislature appropriated funding in 2001 to hire additional staff as at-will-employee-contractor (AWEC) analysts, and the Division began hiring AWEC analysts in May 2001. It took approximately a year to fill 17 positions and deliver initial training; once AWEC analysts began working, overall caseloads dropped. The agency's goal had been to reduce caseloads from the 600 – 700 range to an average of 350 per analyst. By March 2002 the average had dropped to 360 cases, and a year later, the average was even lower, 306. Thus, the hiring of AWECs contributed to a 50 percent reduction in average caseload.

***Timeliness of initial determinations has improved.***

Analysts and supervisors we interviewed generally agreed that current caseloads are “manageable.” With the present level of staffing, they say they are able to scrutinize cases and have more contact with and provide service to injured workers. While still considerably higher than the standard of 150 to 175 cited by one national expert, Wyoming's average caseload size is considerably improved. One effect of the lower staff-to-case ratio may be that timely initial determinations have improved. In FY '01, the Division made affirmative determinations of compensability within 14 days of receiving an employee's injury report for 43 percent of claims; in FY '02, this rose to 53 percent.

### **Turnover Among AWECs Is a Problem**

However, in the first 18 months of using AWEC analysts, 65 percent of the AWEC position incumbents left their jobs. Of the 17 AWEC positions filled, four persons took permanent analyst positions, and seven left the agency. The average tenure of

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<sup>1</sup> Because WSCD does not keep caseload data by analyst for longer than one year, we used their estimated numbers.

***High turnover has occurred among the contract analysts.***

AWECs who left their positions was less than seven months; by contrast, analysts who terminated permanent positions during this period had an average tenure of three years.

AWECs and analysts with permanent positions have identical job duties and exercise the same decision-making authority. The difference is that AWECs receive somewhat higher wages and no benefits; also, the agency can terminate their contracts at any time. Analysts in permanent positions receive paid benefits and cannot be terminated without cause.

***Turnover undermines the purposes for which contractors were hired.***

**Experience contributes to analyst proficiency**

The job of an analyst requires a breadth of knowledge that is not quickly acquired. Analysts must be familiar with the state's constitution and statutes, which at times can be both highly detailed and also unclear. To make decisions about compensability based on complex facts, analysts must also understand medical procedures and terminology, human relations and communication, and legal rights and procedures. Analysts and supervisors agree it takes at least a year to acquire the basic skills and attain a degree of proficiency in these positions.

In the short run, AWECs have reduced caseload sizes to manageable proportions and functioned as a "feeder system" for hiring permanent analysts. However, there have not been enough permanent position openings to accommodate the number of AWECs who seek to stay in the same line of work but who want benefited positions with more job security. AWEC analysts who left the agency were not in their positions long enough to master the job.

**Recommendation: WSCD should monitor and evaluate turnover among contract analysts and develop a plan to improve retention.**

High turnover in AWEC positions is undermining the long-term benefits that added staff were intended to deliver. Turnover requires other analysts to pick up extra cases, requires the

Division to concentrate on training and supervising new analysts, and means injured workers, employers, and health care providers do not have an opportunity to develop a steady working relationship with the same analyst. The Division needs to assess AWEC turnover regularly and, if it continues, bring forward a plan to turn the pattern around.

### **Enhanced Staffing Attention Should Be Given to Difficult, High-Value Claims**

***Analysts' cases range from straightforward to complex.***

At the request of employers, Workers' Compensation analysts are employer-based, meaning they are assigned to handle claims from specific employers. This is thought to provide consistency in decision-making for injured workers and employers, as well as better communications. After initial training, newly-hired analysts take on full caseloads with a mix of cases ranging from straightforward to complex.

Many cases are routine and therefore easily handled, but a certain number of cases are complicated or difficult from the very start while others become more so over time. Analysts say that when confronted with difficult cases, they consult with other workers and may turn hard-to-handle cases over to a supervisor, who generally has more experience. Essentially, this approach to staffing relegates senior experienced staff to involvement after claims become problematic.

***Another approach, triage, quickly assigns experienced workers to difficult cases.***

The Division's employer-based, generic caseload approach is not conducive to a triage model, which is considered an industry best practice. With triage, cases are immediately screened and differentiated at the time of intake. As soon as a difficult or potentially high-value case is identified, it is assigned to a seasoned worker who can exercise the level of judgment gained from training and long experience. This practice puts the most experienced managers up front in the process to assure better quality and faster response at the early stages. Less experienced analysts can concentrate on rapid processing of routine claims, since they constitute the bulk of claims submitted.

**Recommendation: WSCD should consider adapting the triage model to suit its organizational structure.**

According to one industry expert, triage “is an excellent way to utilize scarce experienced people for maximum benefit and impact for all parties in the system.” The goal of giving difficult cases a higher level of attention and expertise upfront is to prevent delays in issuing benefits and avoid costly litigation.

**Inconsistencies Call For Written Policy Plus Improvements to Procedures Manual**

***Analyst procedures vary in different districts.***

As we conducted interviews, observed procedures, and reviewed data associated with claims processing, we learned that to some extent, each of the five districts “has its own way of doing things.” For example, we saw variations in how analysts processed injury reports, when they contacted injured workers, how much assistance they gave workers in navigating the paperwork, and the points at which they obtained supervisory review.

In subsequent chapters, we provide examples of such inconsistencies and how they affect claims processing. Here, we highlight the importance of providing equal treatment to all, especially in a program designed to assist vulnerable persons.

**Equal treatment depends on consistent procedures**

***Analysts' decisions need to be guided by clear policies and procedures.***

To dispense equal treatment, government programs need the guidance and controls that come not just from statute and rules, but also from explicit policies and consistent operational procedures. The Division has an online procedures manual to which analysts can refer, although it is primarily transactional, describing in detail how to navigate the program's computer system.

As opposed to procedures, “policy” expresses how management proposes to attain its objectives. In other words, policy is a

statement of the principles of what is expected. Lacking in the manual and in other WSCD materials is written policy intended to guide analysts at major decision points, when they are called on to exercise particular latitude and discretion. For example, analysts can manually over-ride the automated case reserving system, and a recent WSCD internal audit suggests this occurs with some frequency. Although the procedures manual permits over-rides if the system “does not appear to be making an accurate prediction,” we did not find policy to guide the analysts in deciding when to take such action.

***Written policies can help prevent unequal treatment of claimants.***

Because so many variables are associated with each claim, a procedures manual cannot cover all possibilities. As a result analysts must have some latitude in decisionmaking, but this introduces the potential for analyst subjectivity. Subjectivity on the part of an analyst can be tempered by an understanding of the overall policies of the program. However, in the absence of written policy and if analysts’ procedures are inconsistent, the likelihood is greater that claimants may receive unequal treatment.

**Recommendation: WSCD should develop written policy statements and improve the procedures manual.**

Overall, we detected an organizational belief that districts are not consistent in how analysts perform their job duties, and that such inconsistency is acceptable. WSCD does not collect data in a way that would allow us to examine consequences in depth. Nevertheless, we believe when procedures are repeated often enough and passed on from one analyst to others, they have the potential of becoming the informal policy by which an organization is run. Under these circumstances, unequal treatment of workers can occur. Written policy, revisions to the manual, and analyst training can remove some of this risk.