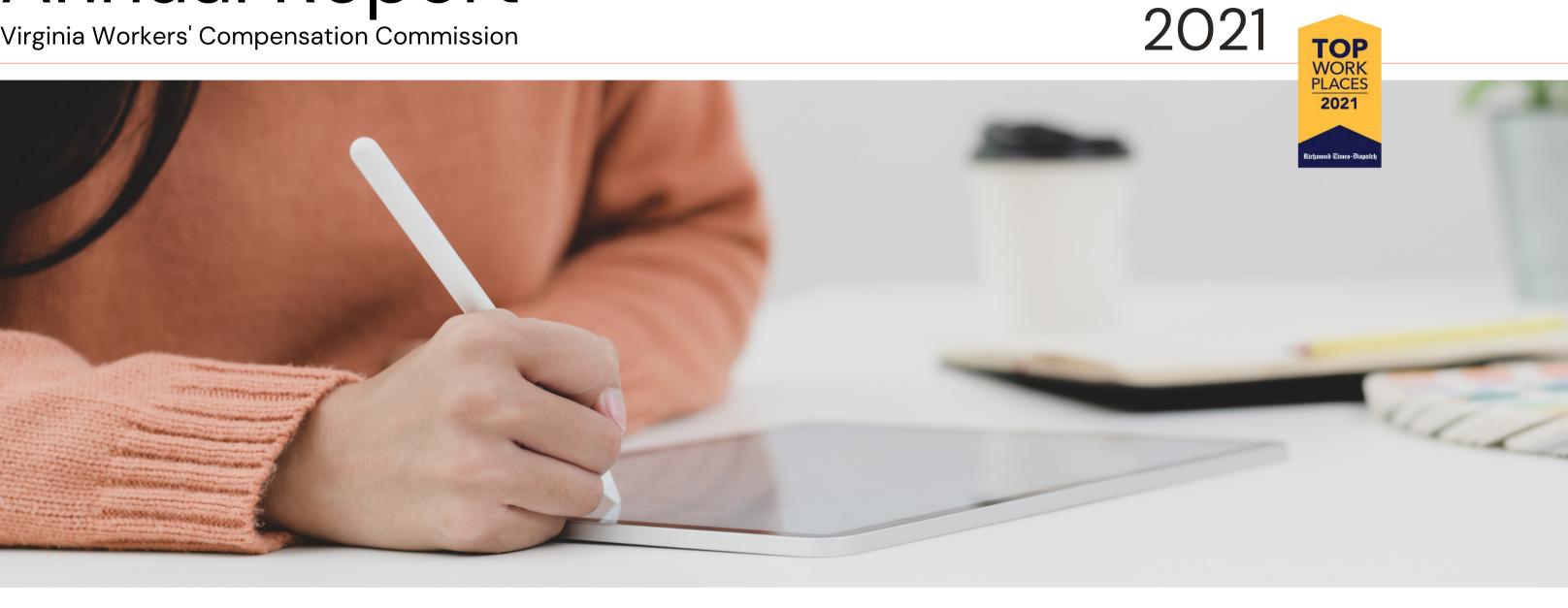


Annual Report Virginia Workers' Compensation Commission







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.



Commissioners and Senior Leaders

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













HELLO & WELCOME Hon. Robert A. Rapaport, Chairman

The way the world does business transformed abruptly two years ago when COVID-19 forced large numbers of offices to switch to remote work. The Commission was not immune to that transformation. Along with these changes came challenges and opportunities. The challenge was how to continue to deliver services to employees, employers, carriers and victims of crime in a prompt and efficient manner. I am proud to report that the Commission faced these challenges head-on and not only met them but exceeded all expectations for delivery of services.

By utilizing in-person, remote, on-the-record and hybrid hearings we were able to hold 3,679 hearings, issue 3,539 opinions and 722 appeals decisions. But these numbers don't tell the whole story.

On January 1, 2021 we implemented an Ombuds program to assist claimants, employers and carriers navigate the system. Over the past year the Ombuds' office under Lori D'Angelo handled 1,695 contacts.

Our Alternative Dispute Resolution office continues to be the envy of the workers' compensation world. Under the leadership of Deputy Commissioner Deborah Blevins, ADR has an 85% success rate in resolving case through full and final mediation. Additionally, the ADR office handled a high volume of issue mediations and educational programs, handling over 4,400 matters.

The Commission began development of a pilot program called the Petition for Medical Treatment (PMT), for expediting decisions on medical issues, which will be implemented in 2022.

Our Claims Department received and handled 48,201 major workplace injury reports and 69,080 minor workplace injury reports. They received 34,751 claims and 28,528 requests of hearing. Add to the mix 96,028 pieces of incoming mail and 1,822,911 pieces of outgoing mail.

The Virginia Victims Fund continued the important work of providing funds to cover medical expenses, lost wages, funeral expenses and other costs related to crime. They celebrate their 45th year of service this year.

In addition to the above, we also focused on personal and professional growth within our agency. In 2021, the Commission was designated as a Top Workplace in Virginia. An honor based on voting by our staff. Our Diversity, Equity, and Inclusion (DEI) program was implemented to help maintain our work culture and expand greater understanding and acceptance in and out of our office. Our DEI program consists of six subcommittees and has received national recognition.

I could not be prouder of everyone at the Commission whose efforts enable us to continue to serve the Commonwealth and its citizens.

Previous











2021 Top Workplace Recipient

VWC received this recognition through an anonymous employee survey conducted by the Richmond Times-Dispatch and the employee research firm, Energage. More details here.



Implemented VWC Ombuds Department

An Ombuds was appointed and the VWC Ombuds Department began offering services in March 2021. Educational material was developed and published to support Ombuds services.



Reinstated In-Person Services

VWC reopened offices to the public in July 2021. An innovative hybrid work structure of on-site and teleworking was developed for qualifying VWC employees.



Maintained Full Compliance in Various Security Areas

Maintained full compliance with the Commonwealth's Agency Risk Management and Internal Control Standards. A Commonwealth of Virginia Audit of Public Accounts Information Security was completed, verifying compliance with Virginia Information Security requirements.



Hosted a Virtual Educational **Conference & Exhibition**

Due to the challenges surrounding COVID-19, VWC pivoted to host a successful virtual conference in 2021, with nearly 400 attendees and 31 speakers.



Significant Internal System Upgrades

Significant upgrades were made to VWC's Human Resources timekeeping system, financial system, claims system and call center system.

These updates continue to ensure efficiency and provide enhanced features.



Continued Response to COVID-19

Throughout the year, VWC followed recommendations from the Governor of the Commonwealth of Virginia, as well as the Virginia Department of Health surrounding COVID-19. Virtual hearings and mediations remained available to stakeholders and telework options continued for VWC employees throughout 2021.



Initiative

VWC continued development of its Diversity, Equity and Inclusion Initiative (DEI). Information on this initiative was shared during various national presentations.

Six sub-committees developed content and events for VWC employees throughout 2021.







Diversity, Equity and Inclusion

VIRGINIA VICTIMS FUND

Helping Innocent Victims of Crime OFFICIALLY CRIMINAL INJURIES COMPENSATION FUND

Restructured the Virginia Victims Fund (VVF)

In 2021, VVF implemented a staffing restructure with a regional team approach in order to strengthen existing partnerships and foster development of new relationships to increase access and enhance services to victims of crime.

VVF applied for, and was one of seven states awarded, the Crime Victim **Compensation Program Assessment** Grant. In partnership with ICF Incorporated, LLC, the three-year project will focus on the following areas:

- Trauma appropriate service delivery;
- Procedural enhancements to the compensation process;
- Identification and addressing of gaps in service delivery, including underserved populations;
- Promotion of victims' rights

Read VVF's 2021 Annual Report here.



COVID-19

Commission's Response

The Commission continued to follow COVID-19 guidelines suggested by the Governor of Virginia and the Virginia Department of Health. Below are highlights of the effects of COVID-19 at the Commission during 2021.

- VWC continued its innovative hybrid work policy, with most employees participating in remote work location options either part or full-time.
- Enhanced cleaning and screening protocols were implemented to help slow the spread of COVID-19.
- Beginning September 1, 2021, employees were required to show proof of vaccination or receive weekly COVID-19 testing.
- 88% of employees reported being vaccinated.
- Continued virtual guarterly Town Hall employee meetings and the COVID-19 Task Force continued meeting regularly to assess needs and changes.

COVID-19 Claims Information



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Agency Culture



Office Locations 1 Headquarter Office 6 Regional Offices



Departments

Above & Beyond Awards

This program is peer nominated and recognizes employees whose actions demonstrate VWC's values in an exceptional way, by performing or undertaking more duties or helpful activities than merely those which are part of the employee's day-to-day job duties, activities or expected behaviors.





Previous

Commission outreach, education and communication occur through various methods and platforms.

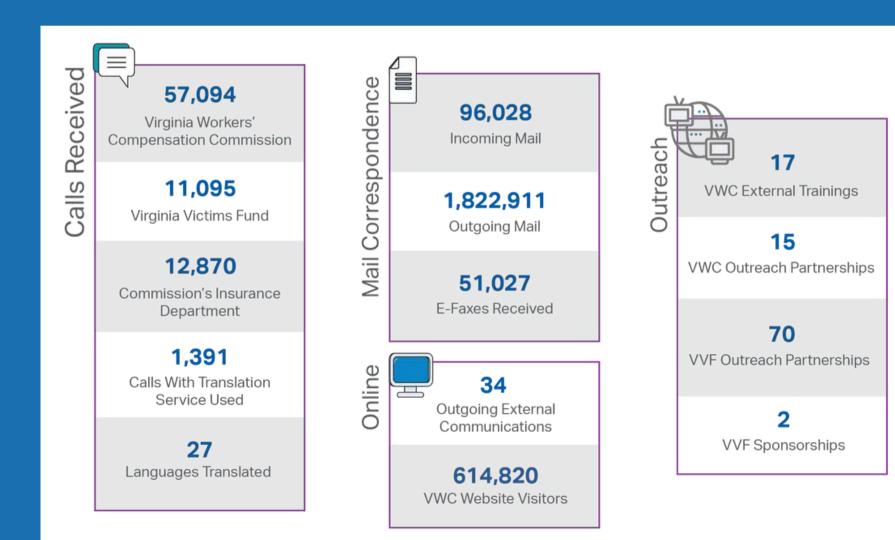
Ombuds Department

The Ombuds Department is a free, confidential resource providing information and assistance to workers, employers and other parties who are not represented by a lawyer and who need help understanding the workers' compensation system.

1,695 Contacts Assisted

Client Type Assisted 87% Claimant

- 6% Unofficial Representative
- **4%** Employer
- 2% Carrier
- **1%** Medical Provider









Top Five Topics Discussed

- 23% Obtaining an Attorney
- **20%** Non-Commission Questions
- **15%** Medical Treatment
- 8% Hearings
- 6% Filing a Claim

VWC's Educational Conference & Exhibition was held virtually in 2021. **Continuing Education Credits offered** included CRC, CDMS, CCM, MCLE, SHRM and insurance producer credits.

Save the Date!

VWC's 2022 Educational Conference & Exhibition will be held in-person at the Greater Richmond Convention Center, September 29-30, 2022.







<u>Agency</u> Projects



Implementation of Ombuds Department

seen here.

02

Virginia Victims Fund Project

The Virginia Victims Fund (VVF) is engaged in a three-year Compensation Program Enhancement Project in collaboration with ICF Incorporated, LLC. The project is funded through a federal grant totaling \$303,580 from the Office of Justice Programs' Office for Victims of Crime. ICF will assist VVF in various areas, including procedural enhancements to the compensation process and identification and addressing of gaps in service delivery, including underserved populations.

VVF seeks to better uphold statutory programmatic requirements, increase the agency's ability to serve crime victims in a way that is not retraumatizing and improve understanding and ability to meet the complex needs of those we seek to serve.

Continuation of System Upgrades

Enhancements to many internal systems occurred during 2021. Along with a complete refresh of the Commission's financial system, coding also began on enhancements to the internal claims processing system.

05

03

Enhancements to Business Processes

VWC's Medical Fee Services Reference Tool was updated to incorporate the new 2022 Medical Fee Schedule. Enhancements were also made to the VWC Call Center with a new call tree, allowing callers to self-direct their call and get quick answers to frequently requested information.





VWC's Ombuds was hired in January 2021. The Ombuds Department became fully operational by mid-year. Contact information can be

04

Continuation of Records Retention

VWC's Records Management Program is for the application of effective, efficient and economical methods in creating, maintaining, storing and servicing the Virginia Workers' Compensation Commission and related funds documents and files. In 2021, more than 1.1 million electronic documents were purged through newly developed code for automation and 4,300 paper files were manually purged.

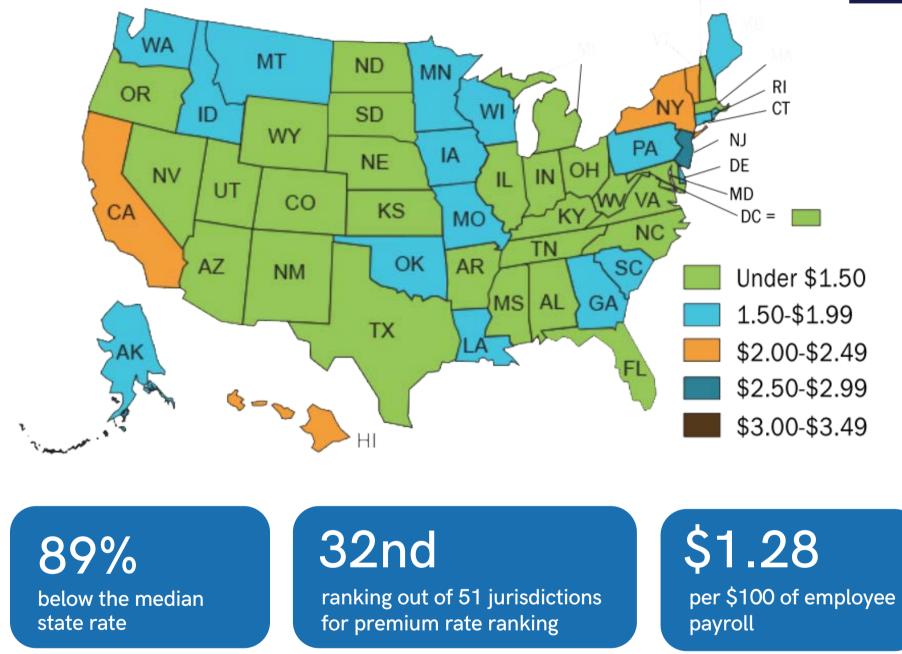




The Oregon Workers' Compensation Premium Rate Ranking Study is a leading national comparison of workers' compensation systems. This study has been completed in even-numbered years since 1986.

Virginia's low-cost workers' compensation system is known to create economic advantages in promoting business and job growth.

Туре	2016	2018	2020
Indexed Rating	47	41	32
% Below Median State	67%	75%	89%



Source: <u>Research and Analysis Section</u>, Oregon Department of Consumer and Business Services (Rev. 10/20)









Virginia Workers' Compensation Commission

The Commission collected a 2% tax assessment from all workers' compensation insurers and self-insurers for the operating budget of the Commission, which operates on a fiscal year. Data shown here is for July 1, 2020 through June 30, 2021.

Commission Tax Collection for the Administrative Fund:



Uninsured Employer's Fund

The Uninsured Employer's Fund (UEF) was funded with 50% of the revenue from fines assessed by the Commission, claim payment recoveries from uninsured employers and fund reserve. 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.





Officially the Criminal Injuries Compensation Fund, administered by the Commission, the Virginia Victims Fund (VVF) is funded by court fees, assessments on offenders, restitution and federal grant funds.

VVF'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. VVF operates on a fiscal year. The data shown below represents July 1, 2020 through June 30, 2021.



\$1.9 Million Court Costs **\$1.6 Million** Federal Grant **\$1.9 Million** Judicial Branch Transfers \$1.3 Million Restitution





8

Virginia Victims Fund

\$10 million



23 full-time employees, 1 part-time employee information systems, supplies and equipment







LEGISLATION AND ADMINISTRATIVE CHANGES PASSED IN 2021

Chapter 0436 (HB 1818) was signed by Governor Ralph Northam on March 30, 2021 (effective July 1, 2021). The bill provides that the occupational disease presumption for death caused by hyper-tension or heart disease will apply for salaried or volunteer emergency medical services personnel who have at least five years of service and are operating in a locality that has legally adopted a resolution declaring that it will provide one or more of such presumptions. The provisions of the bill do not apply to any individual who was diagnosed with hypertension or heart disease before July 1, 2021.

Click here for a copy of HB 1818. This bill incorporates HB 2080 and is identical to SB 1275 <u>here</u>.

Chapter 0507 (HB 1985) was signed by Governor Ralph Northam on March 31, 2021 (effective July 1, 2021). The bill establishes a presumption that COVID-19 causing the death or disability of health care providers is an occupational disease compensable under the Workers' Compensation Act.

Click here for a copy of HB 1985.

Chapter 0448 (HB 2134) was approved by Governor Ralph Northam on March 30, 2021 (effective July 1, 2021). The bill prohibits the consideration, in any determination regarding whether an individual is an employee or independent contractor, for the purposes of a civil action for employment misclassification, unemployment compensation, and workers' compensation, of the provision of personal protective equipment by a hiring party to the individual in response to a disaster caused by a communicable disease of public health threat for which a state of emergency has been declared.

Click here for a copy of HB 2134.

Previous





Chapter 0547 (HB 2207) was approved by Governor Ralph Northam on April 7, 2021 (effective July 1, 2021). Establishes a presumption that COVID-19 causing the death or disability of firefighters, emergency medical services personnel, law-enforcement officers, correctional officers, and regional jail officers is an occupational disease compensable under the Workers' Compensation Act.

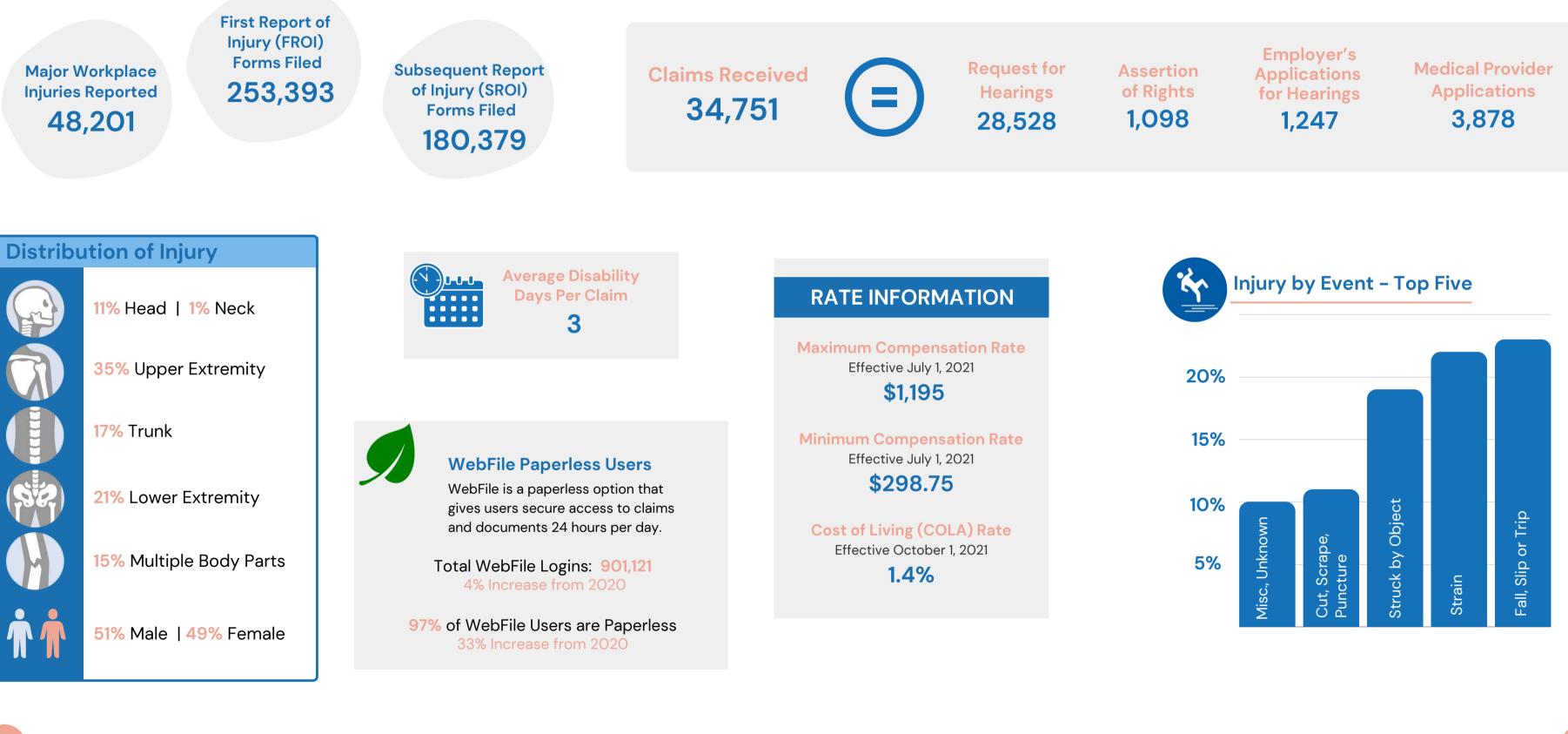
The bill provides that such presumption applies to any death or disability occurring on or after July 1, 2020, caused by infection from the COVID-19 virus, provided that for any such death or disability that occurred on or after July 1, 2020, and prior to December 31, 2021, the claimant received a diagnosis of COVID-19 from a licensed physician, after either a presumptive positive test or a laboratory confirmed test for COVID-19, and presented with signs and symptoms of COVID-19 that required medical treatment.

This bill is identical to SB 1375. Click here for a copy of HB 2207.



















MEDICAL FEE SERVICE DEPARTMENT

The Commission's Medical Fee Service Department monitors, maintains and provides various points of access to the schedules and ground rules. The department also responds to stakeholder fee schedule inquiries and performs administrative medical fee dispute determinations.

MFS Schedules/Web **Content Accessed** 11,317

Previous



Stakeholder Assistance 2,939

Maximum Fee Amounts Reviewed \$2,517,135

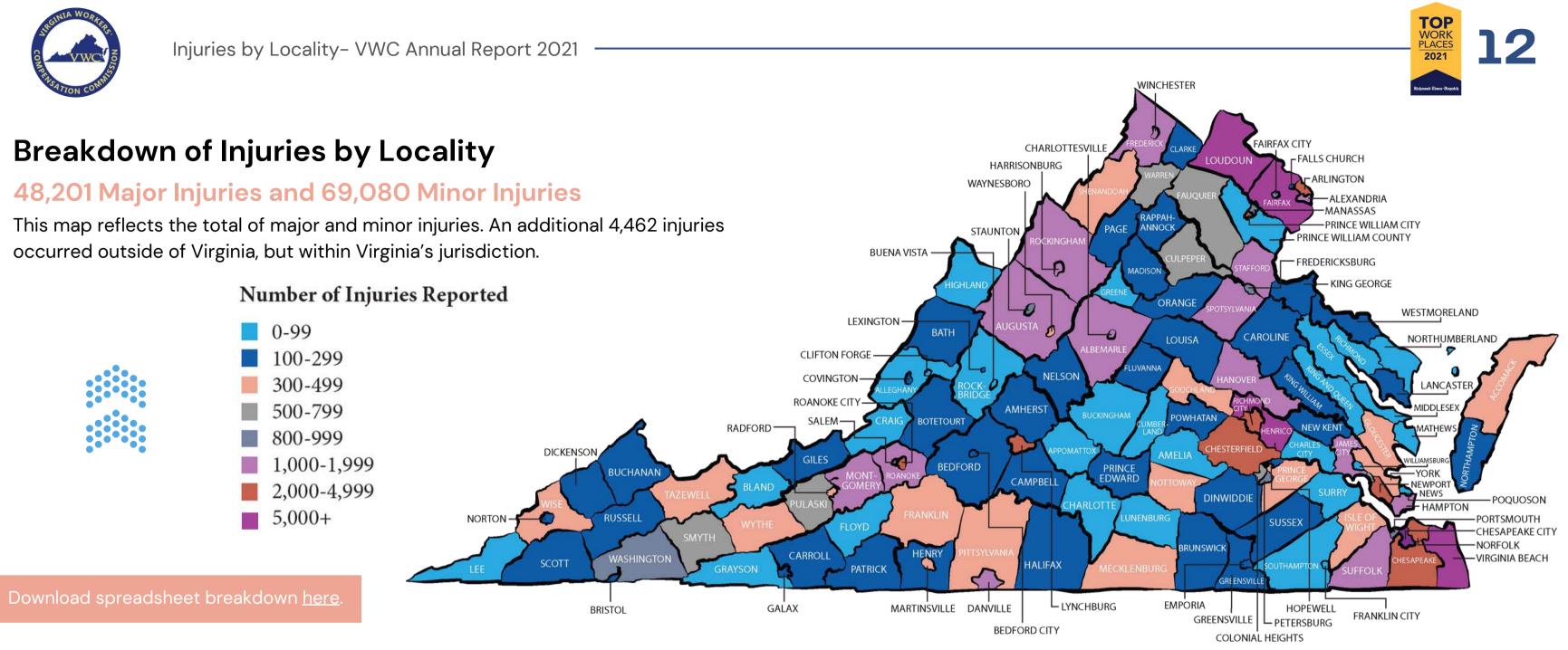




Breakdown of Injuries by Locality

48,201 Major Injuries and 69,080 Minor Injuries

This map reflects the total of major and minor injuries. An additional 4,462 injuries occurred outside of Virginia, but within Virginia's jurisdiction.









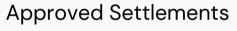
Judicial System

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 before a Deputy Commissioner for an evidentiary hearing or on-the-record decision. Appeals are docketed for review by the full Commission, which usually sits with a panel of the three Commissioners. Decisions of the full Commission's decisions may be made to the Court of Appeals of Virginia. Appeals of these decisions are docketed for review by the full Commission consisting of the three Commissioners. Appeals of the full Commission's decisions can be appealed to the Virginia Court of Appeals.

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 Virginia Victims Fund (officially Criminal Injuries Compensation Fund) appeals (Va. Code §§ 19.2-38 et seq.).

Total Aggregate Value of Settlements





4,839

Alternative Dispute Resolution

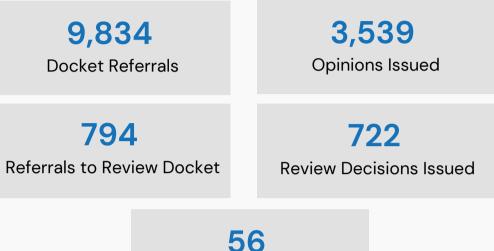
As part of the Judicial Division, the Alternative Dispute Resolution (ADR) program provides voluntary, confidential and informal dispute resolution processes. Facilitations are conducted by ADR staff members who assist parties in reaching an agreeable solution.

The Commission's 20 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. In 2021, pursuant to a JLARC recommendation, the Commission changed its policy and now allows Staff Attorneys to mediate Full and Final Mediations using the Neutral Facilitation model.

>1% Orientation Sessions Full & Final Mediations 17% 82% Issue Mediations and Issue Facilitations







Appeals to Court of Appeals



ADR Resolution Rates

85% Full & Final Mediation Rate 82% Issue Mediation Rate **41%** Issue Facilitation Rate

54% Resolved in 45 days or less





2021 DEPUTY COMMISSIONERS

*Managing Deputy Commissioners

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

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

RICHMOND

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

FAIRFAX

Hon. Susan E. Cummins *Hon. John S. Nevin Hon. Dana L. Plunkett Hon. Josh Wulf

MANASSAS

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

ROANOKE

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

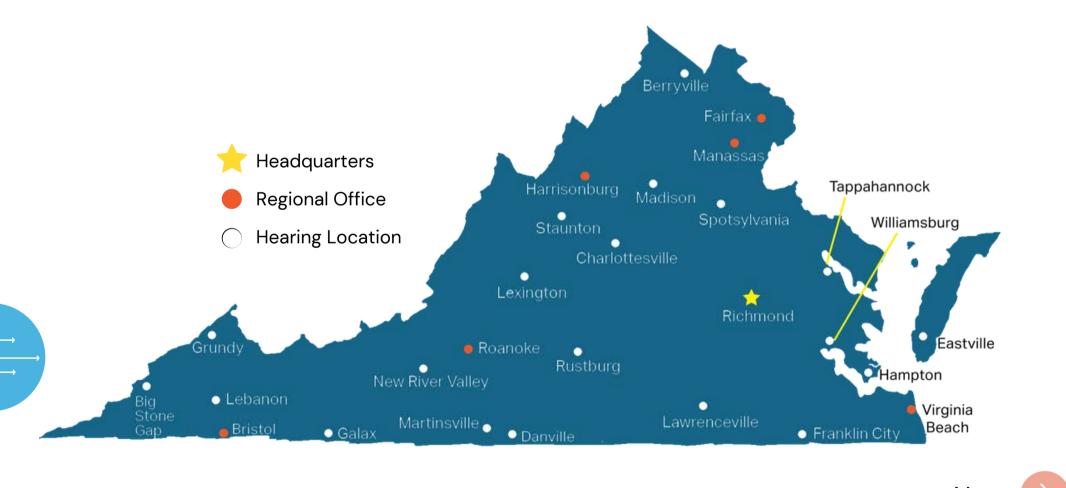
VIRGINIA BEACH *Hon. Lynne M. Ferris Hon. Terry L. Jenkins Hon. Lee E. Wilder

\bigcirc REGIONAL LOCATIONS

BRISTOL MANASSAS

23 Deputy Commissioners

serve as administrative law judges and preside over evidentiary and on-the-record hearings throughout the Commonwealth to determine rights and liabilities of parties under the Act.



Previous



Next

FAIRFAX HARRISONBURG **VIRGINIA BEACH** ROANOKE

HQ LOCATION: RICHMOND, VA



Compliance Process Flow



Employer | EDI | PEO

VWC provides guidance on electronic claims submissions and coverage requirements, and monitors compliance regularly. 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.

Employer Compliance

Certificate of Workers' Compensation Insurance

If requested by an employer, a Certificate of Workers' Compensation Insurance (Form 61A) is provided by the Commission in support of any Commonwealth of Virginia business licensing and registration requirements.

Investigations Unit

An employer conducting business in Virginia must maintain an insurance policy in accordance with the provisions set forth in the Virginia Workers' Compensation Act. The Investigations Unit conducts employer insurance policy verification sweeps throughout the Commonwealth of Virginia to ensure that employers are compliant with insurance coverage requirements.

Due to the operational constraints resulting from COVID-19 no sweeps were conducted during the first half of 2021. The Investigations Unit resumed its sweeps in July 2021.

Electronic Data Interchange Compliance

Claim Administrators are required to submit various Electronic Data Interchange (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 for late submission of reports and transactions, and provide a useful guide to trading partners on their status.

EDI training continues as new trading partners come on board and existing trading partners seek assistance with their filings.

14.771 **Online Submissions** in 2021



A Professional Employer Organization (PEO) enters into a written agreement to provide professional employer services to one or more client companies. PEOs are required to register with the Commission prior to transacting business in Virginia.

The number of PEO's may vary due to the timing of reporting and any registrations that may be revoked or suspended.

Previous

Professional Employer Organization Compliance

The number of PEOs increased 6% in 2021.







Program Administration

The Commission manages three programs.

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

The Uninsured Employer's Fund (UEF) 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 fails to carry an active workers' compensation insurance policy. The UEF may place a lien on assets of the uninsured employers until the debt is repaid.

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

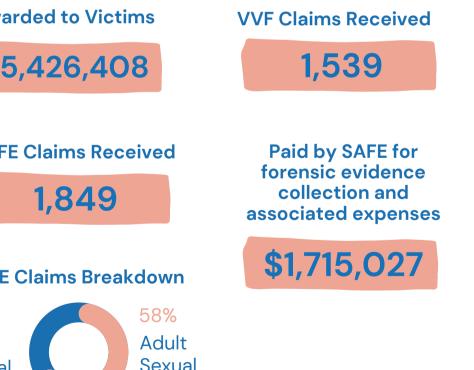


The Virginia Victims Fund (VVF) is maintained and administered in accordance with Va. Code §§ 19.2-368.1, et seq. Established by the Virginia General Assembly in 1977, this fund pays unreimbursed expenses of innocent victims of crime who suffered physical or emotional injury or death. In 2008, the Fund 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.

VVF's mission 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.



Assault





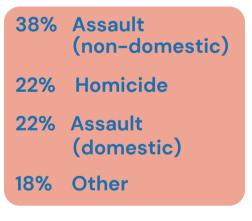




Virginia Victims Fund

Officially the Criminal Injuries Compensation Fund

VVF Crime Types



Funeral expenses accounted for 40% of VVF's claim payments.





Looking Ahead

01

Work in various departments will result in an updated Medical Fee Schedule and Lookup Tool to be implemented January 1, 2022.

02

Harrisonburg Regional Office Relocation

VWC's Harrisonburg regional office relocation is targeted for spring 2022. The relocation will allow space for a dedicated mediation room and additional attorney conference rooms. Enhanced security measures will also be implemented, consistent with all other regional office locations.

Automation of Business Processes

Automation of certain Human Resources and timekeeping systems will be implemented in 2022, with training for Commission employees. These automated processes will reduce the Commission's dependency on paper and further support VWC's innovative hybrid work model.

05

Virginia Victims Fund's 45th **Anniversary**

The Virginia Victims Fund will celebrate its 45th anniversary during 2022. The Fund was created July 1, 1977. Various celebration activities will be planned to commemorate the anniversary.

06

03

Continued Response to COVID-19

As the COVID-19 pandemic continues into 2022, the Commission will monitor fiscal and staffing plans, making adjustments if necessary. The Commission's COVID-19 Task Force will continue to meet regularly and make recommendations as needed.





Implementation of Updated Medical Fee Schedule

04

Reinstatement of In-Person VWC Educational Conference and VVF Symposium

The 2022 VWC Educational Conference and Exhibition will be held in-person at the Richmond Convention Center, September 29-30th. Additionally, the Virginia Victims Fund will host its First Annual VVF Symposium in-person, September 30th, 2022 at the same location.

07

VWC Headquarters Modifications

The Commission will evaluate redesign options of its headquarters building, as well as leasing options for a portion of the building space.





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Commissioners



Hon. Robert A. Rapaport Chairman

Judicial Leaders



Hon. Wesley G. Marshall, Commissioner



Hon. R. Ferrell Newman, Commissioner

Senior Leaders





Evelyn V. McGill Executive Director Hon. James J. Szablewicz Chief Deputy Commissioner

De





Deborah W. Blevins Alternative Dispute Resolution Managing Deputy Commissioner

P<u>revious</u>



Frederick M. Bruner Judicial Petition and Order Deputy Commissioner



Lorraine B. D'Angelo Ombuds



Angela F. Gibbs Judicial Compliance Show Cause Deputy Commissioner



Jason S. Quattropani Clerk of the Court





Paul J. Baitinger Chief Information Officer

Kassandra D. Bullock Virginia Victims Fund Director



Faith G. Richardson Human Resource Manager



Charles W. Steepleton Director of Correspondence Management and Outreach Services



Chadwick D. Burns Project Management Office Manager



TOP WORK PLACES 2021

18

Vivian R. Lane Director of Claims Services Insurance Compliance



Amy M. Pearson Chief Financial Officer Financial Services



Stephanie C. Sweeney EDI Quality Assurance Manager



Drema M. Thompson Medical Fee Services Manager



Michael S. Wickham Information Security Officer

