

2014 Performance Evaluation Suggested Elements

- **Preferred Provider Program Study (2013 HB 1051 attached)**

This study should include consideration of the legislative history and intent of creation of the program; whether the program has been successful in furthering the intent of the program; the qualifications of the preferred providers and preferred provider networks selected by employers under the program; whether employers and employees have benefited under the program and whether there are any associated costs to the program; the process workforce safety and insurance utilizes in considering whether to allow an employee to opt-out of the program; and whether employers and employees participating in the program are familiar with the terms of the program.

- **Study the adequacy and appropriateness of the statutory surplus range of 120% to 140% of discounted reserve liabilities. – NDCC 65-04-02**

Evaluate the North Dakota statute regarding the required level of surplus in the Workers Compensation fund. Determine if the surplus range is adequate and appropriate for a monopolistic state fund, considering the current economic conditions that exist within the state. Compare and contrast the surplus requirements of other states with North Dakota. If changes are recommended, provide a range as well as a basis for those changes.

- **Evaluate the efficiency and effectiveness of the current WSI administrative appeal system as administered by the Office of Administrative Hearings, and determine whether there are alternative forms of dispute resolution that may serve to enhance the current system.**

Evaluate the WSI administrative appeal process and costs as administered by the Office of Administrative Hearings to determine whether improvements in the quality of service and efficiencies in cost and timeliness can be gained. Make specific recommendations for improvements, if applicable. Determine whether WSI should consider alternative forms of dispute resolution outside the formal administrative appeal process and provide specific recommendations, if applicable.

- **Evaluation of North Dakota's Usage Rates Trends and Controls of Narcotic Utilization.**

Evaluate North Dakota's narcotic utilization trends in comparison to similar states when adjusted for our labor force. Explore what, if any methodologies or systems could be employed to address prevalence if it exists within North Dakota. This evaluation will make recommendations regarding legislative controls if any are needed.

- **Study the economic impacts of wellness on workers' compensation claims.**

Evaluate the financial impacts and make specific recommendations on the costs deconditioned workers have within the North Dakota workers compensation system, how they might be mitigated, and the extent to which a cost credit system may impact any burdens which may exist.

- **Evaluate whether providing coverage for post-traumatic stress disorder resulting from a compensable work place injury is an appropriate and feasible option for WSI.**

Evaluate compensability of post-traumatic stress disorder in the 50 states, and identify and report on any significant, identifiable trends in coverage in the several states. Evaluate the economic impact of providing coverage to the North Dakota Workers Compensation System, report on the pros and cons of providing coverage.

- **Evaluate the basis for determining annual cost of living adjustments (Supplementary Benefits).**

For injuries resulting in permanent total disability, temporary total disability (pre January 1, 2006), or death, North Dakota benefit recipients are entitled to supplementary benefits, also known as cost of living adjustments (COLA's), after three consecutive years of disability. Per statute, annual COLA adjustments are equivalent to the percent increase in the state's average weekly wage and are effective July 1 of each year. With North Dakota's growing economy, this year's COLA was 10.3% and last year's COLA was 9.9%. COLA's have averaged 5.7% over the last decade and 7.0% over the last five years. Many states do not provide COLAs. For the states that do, compare and contrast the basis for determining COLAs in North Dakota with the basis used in other jurisdictions. If changes are recommended, provide a basis for the recommendations.

**Sixty-third Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 8, 2013**

HOUSE BILL NO. 1051
(Legislative Management)
(Workers' Compensation Review Committee)

AN ACT to provide for a workers' compensation review committee study of the workers' compensation preferred provider program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. WORKERS' COMPENSATION REVIEW COMMITTEE STUDY - PREFERRED PROVIDER PROGRAM. During the 2013-14 interim, the workers' compensation review committee shall study the workforce safety and insurance preferred provider program created under sections 65-05-28.1 and 65-05-28.2. The committee may conduct this study by including the study as one of the elements to be evaluated in the workforce safety and insurance independent performance evaluation conducted under section 65-02-30. The study should include consideration of the legislative history and intent of creation of the program; whether the program has been successful in furthering the intent of the program; the qualifications of the preferred providers and preferred provider networks selected by employers under the program; whether employers and employees have benefited under the program and whether there are any associated costs to the program; the process workforce safety and insurance utilizes in considering whether to allow an employee to opt-out of the program; and whether employers and employees participating in the program are familiar with the terms of the program. The committee shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-third Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1051.

House Vote: Yeas 94 Nays 0 Absent 0

Senate Vote: Yeas 47 Nays 0 Absent 0

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2013.

Approved at _____ M. on _____, 2013.

Governor

Filed in this office this _____ day of _____, 2013,

at _____ o'clock _____ M.

Secretary of State