

Minnesota Department of Labor and Industry

A major player in workers' compensation, DOLI touches employees, employers and insurers

The Minnesota Department of Labor and Industry's focus, generally speaking, is Minnesota workers. DOLI is the state's means for ensuring that employees' working conditions are safe and that the workers' compensation system is there for those who get injured.

For Minnesota employers, it's helpful to see how this state agency's focus is approached from several directions—regulatory oversight, dispute resolution, public policy initiatives, and beyond—and how that translates into education and enforcement activities directed at employers and insurers as well as injured workers.

Think about all those reminders you get from SFM to report injuries in five days or less. Quick response usually allows for the best-possible resolution of the claim. It also allows for meeting deadlines imposed by state law and enforced by DOLI.

Suppose a \$400-a-week employee receives his first wage-replacement check two weeks later than the deadline prescribed by law because the employer is late reporting the injury. DOLI could assess a string of penalties adding up to more than \$800. They'd be assessed against the insurer, who would pass them on to the at-fault employer.

Regulatory oversight

The department's regulatory oversight encompasses various other worker's compensation laws. Generally, they're all aimed at assuring injured employees of being treated fairly and receiving the medical and wage-loss benefits prescribed by state law.

You may not be aware, for instance, that all Minnesota workers' compensation insurers are

required to report to DOLI every claim that is denied or involves wage-loss or other employee benefits. SFM, after receiving the employer's First Report of Injury and determining whether to pay or deny the claim, adds any new information and then forwards the First Report to DOLI. The department monitors the claim for timely and accurate payment of wage-loss and other benefits.



That's one reason why you want to pay attention to the First Report box that asks for the date of the first day of any lost time. Or why you need to call your SFM claims representative if the employee misses work after you've already submitted your First Report. If you're late in doing that and consequently the injured employee is late in receiving wage-loss compensation, a DOLI compliance person likely will follow up. Failing to indicate that an employee is losing time from work has been the No. 1 cause of problems leading to state penalties.

Other common areas of DOLI regulatory oversight on specific claims: assuring that the employee is paid appropriate permanent disability benefits, that the services of a rehabilitation counselor have been initiated timely, and that rehabilitation plans meet state guidelines.

Assisting and educating

The department's role goes beyond compliance. It's in a position to assist and educate—a valued role given the complexities and mystery that workers' compensation presents for many

employers and injured employees.

The “Minnesota workers’ compensation: employee rights and responsibilities” poster that, until a recent law change, employers were required by law to post in their workplaces. The poster is essentially a way of educating employees about the system. So is the state “Employee information” sheet that SFM sends to injured employees on behalf of employers, who by law are required to distribute it. The department also fields individual questions from employees, employers and insurers, and regularly offers educational sessions.

These state efforts can be helpful in reducing the uncertainty experienced by some injured employees. In fact, SFM works toward that objective, too, in its letters and phone calls with injured employees. Unless helpful contacts are made, anxiety can drive an injured employee to do things that lead to complications in the case, litigation and higher claim costs.

Dispute resolution

Most disputes that arise between SFM and injured employees are resolved between themselves and go no further. But sometimes a claim involves legal or factual issues that are not easily resolved.

Depending on the type, dollar value and timing, the dispute may be heard either at the Office of Administrative Hearings or DOLI. In general, DOLI’s dispute resolution efforts are used earlier in the process of the dispute and involve less dollar value. They’re also informal. If a party to the dispute is not happy with the decision at DOLI, it may have the dispute heard through a more formal process at the Office of Administrative Hearings.

If you as an employer are called upon to appear at a DOLI workers’ compensation conference, keep in mind this advice from SFM’s attorneys:

Come prepared. That means bringing witnesses—the actual people rather than written statements—and bringing too much documentation rather than too little.

Benefits policy starts here

Workers’ compensation historically has often been a contentious area of public policy. Facilitating the public discourse and providing policy leadership to the process falls heavily on the Labor and Industry Department. Other state agencies are involved in workers’ compensation policy leadership, too—notably the Department of Commerce, whose role focuses mainly on the regulation of agents and insurers in their dealings with policyholders, and with financial regulation of insurers and self-insurers. DOLI’s swath of responsibility centers generally around the health-care and other benefits delivered to injured employees.

Key to the process of initiating policy change are boards comprised of public members. Under DOLI’s purview is the Workers’ Compensation Advisory Council—a panel representing labor and employers that traditionally has been the place for legislative proposals to be hashed out before they move on as recommendations to the Legislature. For instance, the WCAC recently reviewed the findings of a special healthcare task force—whose members included SFM’s general counsel, Bob Lund—and recommended to the Legislature specific measures that would have helped control workers’ compensation medical costs through more effective use of pharmacy networks and managed care. Although the bill stalled in the 2004 legislative session, a revised version passed into law in 2005. Essentially, the bill requires injured employees to use network pharmacies to fill prescriptions for work-related injuries, among other things.

Also under DOLI’s umbrella is the Medical Services Review Board—a panel representing

physicians, hospitals, chiropractors and physical therapists as well as insurers, employers and the public. Among other things, it reviews the state's parameters on what constitutes appropriate medical treatment for workers' compensation injuries. Recommended changes are made through public rulemaking.

The Rehabilitation Review Panel operates under the auspices of DOLI to review and recommend revisions to the state's rules relating to injured employees who need retraining or other forms of rehabilitation in order to return to employment. SFM's vice president of Claims Services, Meg Kasting, serves on this board along with representatives of the medical, rehabilitation, chiropractic, employer and labor communities.

Other

Significant other responsibilities that fall under DOLI include:

Special Compensation Fund. It gained public visibility when the 2002 and 2003 Legislatures drained \$265 million from it to help balance the state budget. Funding for the SCF comes from assessments on employers. You can see your assessment amount itemized on your workers' compensation policy information page. The SCF pays benefits to uninsured injured workers and supplemental benefits to certain low-wage workers with longer-term disability. It also pays the costs of administering the state's workers' compensation system, including judicial and regulatory costs, and portions of the costs of administering Minnesota OSHA programs.

Workplace services. Besides workers' compensation, DOLI also plays a major role in workplace safety. Minnesota is one of 26 states that have established a state Occupational Safety and Health Administration program. Minnesota's program includes the adoption of federal OSHA standards and the development of additional,

localized standards for hazards not covered by federal OSHA. Employers in states without a state OSHA, such as Wisconsin, are regulated by federal OSHA. Minnesota OSHA is administered by DOLI: inspecting workplaces, issuing noncompliance citations, receiving employer reports of work-related deaths or catastrophic cases, training employees, offering safety incentive programs, educating employers on safety regulations and practices, and providing employer consultation services. DOLI operates MNOSHA offices in St. Paul, Mankato and Duluth. Its free quarterly publication *Safety Lines* includes news on changes in standards. In addition to MNOSHA, DOLI's workplace services include administering the state's labor standards, such as minimum wage and overtime laws, regulating the operation of high-pressure equipment, and registering apprenticeship training programs.

SFM

The Work Comp Experts

3500 American Blvd. West, Suite 700
Bloomington, Minnesota 55431-4434

© 2006 SFM
All rights reserved.

0606B