

Alternative Dispute Resolution

AN INTERVIEW WITH **BILL STAFFORD**



Bill Stafford has been with the Golden Gate Highway and Transportation District for over 15 years. In addition to serving as their Director of Risk Management and Safety, he also played an instrumental role in implementing the Alternative Dispute Resolution (ADR) program for the District. Bill sat down us and discussed some of the benefits and challenges of implementing such a program, and his experiences of creating this program with Athens Administrators.

Athens Administrators:

Can you describe for me what an Alternative Dispute Resolution (ADR) program is and how it differs from a traditional workers' compensation program?

Bill Stafford:

The workers' compensation ADR or carve-out agreement is negotiated by a union with an employer or group of employers e.g. JPA. The agreement is approved and the program is monitored by the California Division of Workers' Compensation.

The agreement contains customized procedures for resolving disputes that vary from the statutory procedures for settling claims for injured workers that are set forth in the California Labor Code. However, the carve-out agreements must provide the injured worker with benefits that are at least equal to the benefits required by the Labor Code.

ADR is an alternative to the traditional approach to resolving workers' compensation claims. With ADR, an injured worker will report the injury and then use the services a professional, neutral ombudsperson who is knowledgeable of workers' compensation law. The ombudsperson, in collaboration with the employer and the claims adjuster, will recommend and expedite the appropriate medical treatments and other benefits as set forth in the carve-out agreement.

ADR provides employers with flexibility to manage the overall costs of their workers' compensation program by promoting voluntary agreement early on with the injured worker on effective medical treatment and thereby reduces litigation.

Athens Administrators:

When and why did you implement an ADR program at Golden Gate Bridge?

Bill Stafford:

The Amalgamated Transit Union Local 1575 (Bus Operators) brought the ADR program to the Golden Gate Transit negotiations table. On September 1, 2016 the GGT Bus Operator ADR was implemented. It is the first workers' compensation ADR program for public entity transit workers in California.

The program was structured and implemented to move their membership through the workers' compensation systems quicker by providing injured workers prompt treatment and reducing disputes/litigation which can lead to delays in treatment and return-to-work.

The ombudsperson also helps the injured worker better understand the framework of the California workers' compensation system and helps set and reinforce expectations about medical treatment strategies, as well as current and future benefits.

Athens Administrators:

Is there a certain employee segment where the ADR program is used?

Bill Stafford:

The GGBHTD has 17 Unions and 27 bargaining groups. The Bus Operators, ATU Local 1575, is the District's largest union with about 280 Bus Operator positions. Bus Operators account for approximately 30% of the District staff and 30% of Districts injuries.

Claims Administration Services

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Athens Administrators:

What are the benefits of an ADR program for the employees?

Bill Stafford:

ADR can provide accelerated claims resolutions, expedited medical treatment and quicker return-to work outcomes for the injured worker. There is less stress for the employee navigating this system and they know that their interests are being protected by the union.

Athens Administrators:

What are the benefits of an ADR program for the employer or why should an employer consider implementing a program like this?

Bill Stafford:

A well managed workers' compensation program that includes the ADR process for an employer's unionized employees results in a comprehensive system that is designed to efficiently manage the costs of workplace injuries and provide injured workers with benefits equal to or better than provided by traditional workers' compensation alone. If a public entity workers' compensation program is "bogged down" by costly litigated claims the public entity should consider an ADR workers' compensation carve-out program.

Athens Administrators:

What do you believe are the most important components of a successful ADR program?

Bill Stafford:

There are a few things that are pivotal in ensuring the success of an ADR program:

- An ombudsperson who can collaborate with the TPA and employer so that "friction points" can be avoided and the employees learn to trust the system.
- Open communication - focused on providing the best medical treatment.
- TPA/Claims Adjuster(s) willing to adjust their "level of control" of a claim from its inception.
- Not over-utilizing utilization review. A well-managed ADR program needs little UR.
- The opt-in provision/process allows open claims, including litigated claims where the injury date is prior to the start of the program, to be brought into the ADR program. This allows these claims to settle more quickly.

Athens Administrators:

Have you been able to quantify the results of your program? If so, what have been the successful results of your program?

Bill Stafford:

Yes. We have seen a dramatic drop in litigated cases. Our claims close faster which ultimately results in less cost. Our Return To Work Program is working better, our employees are getting back to work

faster, which again saves us money. And lastly it's impacted the morale of employees; they feel supported.

Athens Administrators:

How important is the role of the third-party administrator of your ADR program?

Bill Stafford:

The role of the TPA is critical. The TPA needs to understand the goals of the program, the role of ombudsperson, the ability to think outside the traditional workers' compensation "box" and to be able to bring new solutions to the table. It is important for all parties to leave their egos at the door and to focus on the injured worker. It is also important for the TPA to have a RMIS system that can capture the metrics that measure the success or weaknesses in the program.

Athens Administrators:

Is the Workers' Compensation Appeals Board still involved in an ADR program?

Bill Stafford:

Marginally - This is one of the goals of the ADR program. The employee can still get an attorney if they feel they are not being treated fairly.

Athens Administrators:

Did you experience any internal challenges as you rolled out the ADR program? How did you overcome them?

Bill Stafford:

There were no major challenges. A lot of pre-implementation planning was accomplished with all stakeholders prior to roll-out. This included bus operator notifications, injury reporting, and MPN and QME review/selection. A meeting was held with Athens and the ADR Joint Committee to ensure that all stakeholders were on board before the program was launched in September 2016. Issues and challenges are dealt with efficiently and effectively at the Quarterly Joint Committee meeting.

Athens Administrators:

And ultimately, would you recommend an ADR program to others that might be considering this alternative?

Bill Stafford:

Yes definitely, but it requires a significant change in an organizations view of the workers compensation system. Without an employer's and union's commitment to collaborate and change their approach to workers' compensation, the ADR program will likely fail. It is a long-term strategy not a short-term strategy.

Founded in 1976, Athens Administrators delivers superior workers' compensation and liability claims administration services and support with the highest level of personalized attention. We are a full service, customer-centered organization dedicated to creating value and delivering results.

