

Strategic Plan

Fiscal Years 2015-2019

The Office of Injured Employee Counsel

Norman Darwin, Public Counsel

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TABLE OF CONTENTS

STATEWIDE VISION4

THE MISSION AND PHILOSOPHY OF TEXAS STATE GOVERNMENT5

 State Priority Goals and Benchmarks Relating to OIEC.....6

AGENCY MISSION.....7

AGENCY PHILOSOPHY7

EXTERNAL / INTERNAL ASSESSMENT8

Overview of Agency Scope and Functions.....8

 Statutory Basis.....8

 Historical Perspective.....8

 Affected Populations9

 Main Functions.....9

 Public Perception.....10

Organizational Aspects11

 Size and Composition of Workforce11

 Organizational Structure11

 Agency Locations.....14

 Location of Service Populations15

 Human Resources Strengths and Weaknesses17

 Capital Asset Strengths and Weaknesses26

 Agency Use of Historically Underutilized Businesses (HUB)26

 Key Organizational Events and Areas of Change26

Fiscal Aspects28

 Size of Budget28

 Method of Finance28

 Budgetary Limitations.....28

 Degree to Which Current Budget Meets Current and Expected Needs29

 Potential Exceptional Items for the FY 2016-2017 Legislative Appropriations Request.....29

 Capital and/or Leased Needs29

Service Population Demographics.....30

Technological Developments.....38

Economic Variables	40
Impact of Federal Statutes/Regulations and Other Legal Issues	41
Impact of Federal Statutes/Regulations.....	41
Impact of Anticipated State Statutory Changes	42
Self-Evaluation and Opportunities for Improvement	46
AGENCY GOALS	62
OBJECTIVES AND OUTCOME MEASURES	63
STRATEGIES and OUTPUT, EFFICIENCY, and EXPLANATORY MEASURES	64
TECHNOLOGY RESOURCES PLANNING	66
CONCLUSION	66

APPENDICES

APPENDIX A: Description of the Agency’s Planning Process	68
APPENDIX B: Organizational Chart	69
APPENDIX C: Five-Year Projections for Outcomes	70
APPENDIX D: Performance Measure Definitions	71
APPENDIX E: Workforce Plan	91
APPENDIX F: Survey of Employee Engagement Results and Utilization Plan	103
APPENDIX G: Comparison to Statewide HUB Procurement Goals	108

STRENGTHENING OUR PROSPERITY: The Statewide Strategic Planning Elements for Texas State Government

STATEWIDE VISION

Fellow Public Servants:

Since the last round of strategic planning began in March 2012, our nation's economic challenges have persisted, but Texas' commitment to an efficient and limited government has kept us on the pathway to prosperity. Our flourishing economic climate and thriving jobs market continue to receive national attention and are not by accident. Texas has demonstrated the importance of fiscal discipline, setting priorities and demanding accountability and efficiency in state government. We have built and prudently managed important reserves in our state's "Rainy Day Fund," cut taxes on small business, balanced the state budget without raising taxes, protected essential services, and prioritized a stable and predictable regulatory climate to help make the Lone Star State the best place to build a business and raise a family.

Over the last several years, families across this state and nation have tightened their belts to live within their means, and Texas followed suit. Unlike people in Washington, D.C., here in Texas we believe government should function no differently than the families and employers it serves. As we begin this next round in our strategic planning process, we must continue to critically examine the role of state government by identifying the core programs and activities necessary for the long-term economic health of our state, while eliminating outdated and inefficient functions. We must continue to adhere to the priorities that have made Texas a national economic leader:

- ensuring the economic competitiveness of our state by adhering to principles of fiscal discipline, setting clear budget priorities, living within our means and limiting the growth of government;
- investing in critical water, energy and transportation infrastructure needs to meet the demands of our rapidly growing state;
- ensuring excellence and accountability in public schools and institutions of higher education as we invest in the future of this state and ensure Texans are prepared to compete in the global marketplace;
- defending Texans by safeguarding our neighborhoods and protecting our international border; and
- increasing transparency and efficiency at all levels of government to guard against waste, fraud and abuse, ensuring that Texas taxpayers keep more of their hard-earned money to keep our economy and our families strong.

I am confident we can address the priorities of our citizens with the limited government principles and responsible governance they demand. I know you share my commitment to ensuring that this state continues to shine as a bright star for opportunity and prosperity for all Texans. I appreciate your dedication to excellence in public service and look forward to working with all of you as we continue charting a strong course for our great state.

Rick Perry
Governor of Texas

THE MISSION OF TEXAS STATE GOVERNMENT

Texas state government must be limited, efficient, and completely accountable. It should foster opportunity and economic prosperity, focus on critical priorities, and support the creation of strong family environments for our children. The stewards of the public trust must be men and women who administer state government in a fair, just, and responsible manner. To honor the public trust, state officials must seek new and innovative ways to meet state government priorities in a fiscally responsible manner.

Aim high . . . we are not here to achieve inconsequential things!

THE PHILOSOPHY OF TEXAS STATE GOVERNMENT

The task before all state public servants is to govern in a manner worthy of this great state. We are a great enterprise, and as an enterprise, we will promote the following core principles:

- First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics, or individual recognition.
- Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.
- Decisions affecting individual Texans, in most instances, are best made by those individuals, their families, and the local government closest to their communities.
- Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. Just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future and the future of those they love.
- Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.
- State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse and providing efficient and honest government.
- Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.

State Priority Goals and Benchmarks Relating to OIEC

Priority Goal

To promote the health, responsibility, and self-sufficiency of individuals and families by:

- Making public assistance available to those most in need through an efficient and effective system while reducing fraud;
- Enhancing the infrastructure necessary to improve the quality and value of health care through better care management and performance improvement incentives;
- Continuing to create partnerships with local communities, advocacy groups, and the private and not-for profit sectors; and
- Facilitating the seamless exchange of health information among state agencies to support the quality, continuity, and efficiency of health care delivered to clients in multiple state programs.

Benchmark:

- Percentage of people completing vocational rehabilitation services and remaining employed

Priority Goal

To ensure Texans are effectively and efficiently served by high-quality professionals and businesses by:

- Implementing clear standards;
- Ensuring compliance;
- Establishing market-based solutions; and
- Reducing the regulatory burden on people and business.

Benchmark:

- Number of utilization reviews conducted for treatment of occupational injuries

Priority Goal

To provide citizens with greater access to government services while reducing service delivery costs and protecting the fiscal resources for current and future taxpayers by:

- Supporting effective, efficient, and accountable state government operations;
- Ensuring the state's bonds attain the highest possible bond rating; and
- Conservatively managing the state's debt.

Benchmark:

- Total savings realized in state spending by making reports/documents/processes available on the internet and accepting information in electronic format

AGENCY MISSION

The Office of Injured Employee Counsel's mission is to assist, educate, and advocate on behalf of the injured employees of Texas.

AGENCY PHILOSOPHY

The Office of Injured Employee Counsel (OIEC) is committed to protecting the rights of the injured employees of Texas in the workers' compensation system. OIEC provides the highest level of professional, efficient, and effective customer service and maintains a work environment that values a diverse workforce, ethical management practices, teamwork, respect, and dignity.



EXTERNAL / INTERNAL ASSESSMENT

Overview of Agency Scope and Functions

Statutory Basis

Chapter 404 of the Texas Labor Code provides the statutory authority for OIEC. The statute sets out the powers and duties of the agency, which are to represent the interests of injured employees in the Texas workers' compensation system. No other state or federal agency in Texas provides advocacy for injured employees as a class.

OIEC is administratively attached to the Texas Department of Insurance (TDI) as provided by Labor Code Section 404.002(b). TDI provides: 1) administrative assistance and services to OIEC, including budget planning and purchasing; 2) personnel services; 3) facilities; and 4) computer equipment and support.

Historical Perspective

OIEC was established as a state agency on March 1, 2006 as a result of the adoption of House Bill (HB) 7, 79th Texas Legislature, Regular Session, 2005. HB 7 abolished the Texas Workers' Compensation Commission (TWCC) and established the Division of Workers' Compensation (TDI-DWC) as a division within TDI as a means to reform the Texas Workers' Compensation System.

HB 7 also transferred TWCC's Ombudsman Program to OIEC, which included 91 full-time equivalent (FTE) staff to assist unrepresented injured employees in the workers' compensation system. The bill also authorized OIEC to employ staff attorneys to advise OIEC employees in providing assistance to injured employees and preparing for administrative dispute resolution proceedings.

In 2007, the 80th Texas Legislature transferred 25 full-time-equivalent staff positions (FTE) from TDI-DWC to enable OIEC to resolve disputes between injured employees and workers' compensation carriers prior to a proceeding conducted by TDI-DWC. The 80th Texas Legislature also provided funding for 36 FTEs to allow OIEC to hire customer service representatives to directly respond to injured employee telephone calls and to educate them about their rights and responsibilities in the workers' compensation system. In 2013, the 83rd Texas Legislature provided funding for 10 additional Ombudsman positions to facilitate OIEC's ability to effectively assist injured employees in TDI-DWC's administrative dispute resolution proceedings.

The agency underwent a review by the Sunset Advisory Commission (a process known as Sunset) in 2011 and legislation was passed to continue the agency through fiscal year (FY) 2021.

Affected Populations

OIEC's primary customers are unrepresented injured employees and beneficiaries of injured employees fatally injured on the job who work for employers that participate in the Texas Workers' Compensation System. However, OIEC advocates for *all* injured employees as a class.

OIEC also assists other participants in the workers' compensation system on behalf of injured employees including: health care providers, employers, insurance carriers, attorneys and other representatives, friends and family of injured employees, and other workers' compensation system stakeholders throughout Texas.

Main Functions

OIEC was established to represent the interests and provide services to unrepresented injured employees. OIEC's mission and main functions are to assist, educate, and advocate on behalf of the injured employees of Texas.

ASSIST: OIEC assists unrepresented injured employees and beneficiaries free of charge with disputes relating to workers' compensation income or medical benefits. OIEC strives to resolve medical and indemnity disputes prior to entering the workers' compensation administrative dispute resolution system. When this is not possible, Ombudsmen prepare unrepresented injured employees for and assist them during TDI-DWC's administrative dispute resolution proceedings. Ombudsmen may also assist in filing a request for review by TDI-DWC's Appeals Panel if the injured employee is not satisfied with the decision of the Hearing Officer.

EDUCATE: OIEC educates injured employees about their rights and responsibilities and responds to questions they have about the workers' compensation system. OIEC also refers injured employees to federal, state, or local financial or social services agencies to help them with:

- returning to work,
- finding employment,
- training and development opportunities,
- filing complaints with appropriate licensing boards or other regulatory agencies,
- obtaining financial assistance, and
- reporting alleged administrative violations.

The agency provides outreach presentations, workshops, seminars, and speaking engagements across the State regarding OIEC's role and services. Additionally, OIEC provides education and information to health care providers, employers, insurance carriers, attorneys, family members, and other system stakeholders on behalf of injured employees individually and as a class.

ADVOCATE: OIEC advocates on behalf of injured employees as a class by analyzing and participating in workers' compensation system initiatives and encouraging the simplification of the system's procedures and forms. OIEC identifies systemic issues that may increase burdens or create problems for injured employees and addresses those issues in the legislative and rulemaking processes. The agency also files *amicus curiae* (friend of the court) briefs when a

case is pending before a court in an effort to protect the rights and interests of injured employees as a class.

Public Perception

Although OIEC has been a state agency for almost eight years, many workers' compensation system participants are still unaware of the services that OIEC offers to unrepresented injured employees. OIEC has been proactive in identifying innovative ways to provide this information to the public. OIEC utilizes its website and other technological tools such as Facebook, Twitter, and YouTube; outreach presentations; and educational materials (brochures and flyers) to inform the public about services provided and the role that OIEC plays in the Texas workers' compensation system.

OIEC's responsibilities are often confused with the regulatory functions of TDI-DWC. Although OIEC is administratively attached to TDI, it is a separate Article VIII agency. Services provided by OIEC do not include regulatory functions. Some injured employees do not realize that OIEC and TDI-DWC are two separate agencies. They may contact OIEC to complain about regulatory or system issues such as their designated doctor examination or the adjuster is not returning their telephone calls. In such cases, OIEC tries to educate the individual about the workers' compensation system and may refer them to TDI-DWC or other agency, as appropriate.

A goal of the Texas Workers' Compensation System reform was to ensure injured employee's rights were protected in the administrative dispute resolution system. OIEC's Ombudsman Program was designed to assist injured employees in TDI-DWC's administrative dispute resolution system free of charge. Private attorney concerns that OIEC would deplete business has been alleviated because OIEC assists injured employees who are often turned away by the private attorney community, and OIEC recognizes that there may be cases where attorney representation of an injured employee may be more appropriate. In some cases, OIEC makes referrals to the Texas State Bar for assistance in finding an attorney to represent an injured employee, for instance, in district court where OIEC's Ombudsmen are not permitted to provide assistance to injured employees. OIEC's website provides information pertaining to an injured employee's right to hire an attorney to provide representation in TDI-DWC's administrative dispute resolution system and in district court.

See http://www.oiec.texas.gov/resources/atty_info.html. Additionally, OIEC has partnered with the workers' compensation claimants' bar and provided a non-exhaustive list of attorneys that may represent injured employees.

Most of the individuals that OIEC assists perceive the agency positively. OIEC conducts a Customer Satisfaction Survey each year, and the results of the survey are used for planning agency initiatives and evaluating the quality of the services it provides. The 2013 Customer Satisfaction Survey indicated that more than 90 percent of the respondents to the survey were satisfied with the services that they received. OIEC works hard to meet the needs of its customers and is diligent in maintaining a consistently high level of customer service.

Organizational Aspects

Size and Composition of Workforce

OIEC is authorized to employ 175 full-time equivalent (FTE) positions in FY 2014-2015. OIEC relies on competent, knowledgeable, and diverse staff to effectively and efficiently serve the injured employees of Texas. Officials, administrators, professionals, and para-professionals make up 100 percent of OIEC's workforce. Females make up 87 percent of OIEC workforce, and Black, Hispanic, and other ethnicities make up 68 percent of the agency's workforce as shown in the table below.

Office of Injured Employee Counsel – Workforce Statistics by Equal Employment Opportunity (EEO) Category

	Black	Hispanic	Anglo	Other	Male	Female
Officials, Admin. (A)	14.29%	50.00%	35.71%	0.00%	35.71%	64.29%
Professional (P)	13.64%	49.09%	35.45%	1.82%	14.55%	85.45%
Technical (T)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Para-Professional (Q)	11.36%	68.18%	20.45%	0.00%	2.27%	97.73%
Admin. Support (C)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Skilled Crafts (S)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Service & Maintenance (M)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
All Categories	13.10%	54.17%	31.55%	1.19%	13.10%	86.90%

Organizational Structure

The Public Counsel serves as the executive director of the agency and is appointed by the Governor with the advice and consent of the Senate. The Public Counsel serves a two-year term that expires on February 1st of each odd-numbered year (Texas Labor Code Section 404.051). Norman Darwin has served each term as OIEC's Public Counsel since he was first appointed by Governor Rick Perry on December 8, 2005. Mr. Darwin has publicly announced his retirement date on August 31, 2014. The Public Counsel's current term expires on February 1, 2015

The Deputy Public Counsel oversees the daily operations and administration of OIEC and serves as OIEC's legislative liaison, public information officer, general counsel, and chief of staff. Brian White continues to serve in this position.

OIEC has five program areas or divisions:

- Ombudsman Program,
- Customer Services Program,
- Legal Services,
- Administration and Operations; and
- Internal Audit.

Ombudsman Program. The Ombudsman Program consists of highly trained employees who assist unrepresented injured employees with disputes relating to their workers' compensation claim at no cost to them. Ombudsmen strive to resolve disputed issues at the earliest point prior to a dispute resolution proceeding administered by TDI-DWC. Ombudsmen assist the unrepresented injured employees in preparing for benefit review conferences (mediation), contested case hearings (administrative hearings), and appeals of the Hearing Officer's decision through TDI-DWC's Appeals Panel. Ombudsmen also attend benefit review conferences and contested case hearings with the injured employees and communicate on their behalf with the other system participants, including TDI-DWC. Ombudsman assistance is also provided to injured employees in administrative proceedings pending before the State Office of Administrative Hearings.

The Ombudsman Program is comprised of 97 Ombudsmen. The Program is managed by Director, Luz Loza, three Associate Directors, and six Ombudsman Supervisors. The Supervisors provide oversight, direction, and management in the 20 field offices across the State.

Customer Service Program. The Customer Service Program educates injured employees and the public by responding to questions they have about the workers' compensation system. Customer Service Representatives work with injured employees and refer them to federal, state, or local financial or social services agencies as appropriate. Referrals are made to the Department of Assistive and Rehabilitative Services for services in an effort to return the injured employee to work. Referrals are also made to the Texas Workforce Commission, TDI, the Texas Medical Board, or other social and regulatory services.

Customer Service Representatives identify disputed issues that may arise in an injured employee's workers' compensation claim and try to resolve them within the first 10 business days after the disputed issue is identified. Appropriate parties are contacted and information is requested in an attempt to resolve the issue(s) prior to entering TDI-DWC's administrative dispute resolution process. If the Customer Service Representative cannot resolve the issue(s), the information is forwarded to the Ombudsman Program for case development and formal dispute resolution. These two programs work closely together to assist and educate the injured employees of Texas.

OIEC's Customer Service Program is comprised of one Director, Anthony Walker, one Associate Director, three Supervisors, and 45 Customer Service Representatives. Thirty-six Customer Service Representatives are located in the 20 field offices across the state and nine Customer Service Representatives are located in the central office to schedule preparation appointments for Ombudsmen to meet with an injured employee prior to a proceeding. Supervisors are located in the Austin Central Office, and the Tyler and San Antonio field offices.

Legal Services. Legal Services is comprised of one Director, Elaine Chaney, one Associate Director, and six Regional Staff Attorneys. Regional Staff Attorneys provide a resource for the Ombudsmen and Customer Service Representatives as they fulfill their mandate to assist, educate, and advocate for injured employees. Regional Staff Attorneys oversee the work of the Ombudsman Program, advise Ombudsmen in providing assistance to injured employees in

preparation for administrative proceedings, and conduct Practical Skills Training to help Ombudsmen refine their skills in assisting injured employees in proceedings before TDI-DWC.

Legal Services analyzes and provides comments on rules proposed by TDI-DWC and suggests legislative recommendations that will protect the interests of injured employees. This program also determines whether there are issues pending before either the Texas appellate courts or the Supreme Court where OIEC needs to serve as a voice for the injured employees of Texas.

Legal Services provides legal counsel to the agency's program areas regarding policymaking, open records, contracts, human resources, and other issues affecting the daily operations of the agency. The program is charged with reviewing agency documents for legal accuracy.

Administration and Operations. Administration and Operations is comprised of two sections – Operations, and Communications and Development. The Director of Administration and Operations is currently vacant due to lack of funding.

Operations. The Operations section includes one Associate Director, one Planner, and three Staff Services Officers. These staff members provide technical and administrative support for the agency including functions such as: strategic planning; budget planning and management; records retention; rulemaking; performance measure monitoring and reporting; staff services; and preparation of reports required by statute. The agency business plan is published each month by Operations staff to keep OIEC employees and the citizens of Texas informed about agency initiatives. The business plan details the agency's most critical initiatives, establishes their due date, identifies the parties responsible for completing them, provides a value ranking the initiative in importance in relation to fulfilling the agency's mission, and a general status update on each initiative.

OIEC is administratively attached to TDI, and Operations staff works in conjunction with TDI employees who provide services such as human resources, budget, accounting, facilities, and information technology services. Operations staff also administers human resource issues (such as hiring and disciplinary actions).

Communications and Development. The Communications and Development section includes one Associate Director and three Communications Specialists (two of which work half time). The section utilizes a variety of initiatives to raise awareness of the services provided by OIEC. Educational materials, including flyers and brochures, are compiled into information packets for injured employees as well as employers, employee organizations, social service agencies, and other stakeholders. OIEC Communications Specialists coordinate outreach presentations, workshops, information booths, seminars, and statewide speaking engagements; and maintain OIEC's intranet, internet, and social media websites, such as Facebook, Twitter, and YouTube accounts – all in an effort to help educate customers and the public about the agency and its services.

The agency's newsletter "The Quarterly Review" is published by Communications and Development staff and is distributed to OIEC employees, workers' compensation system

stakeholders, Texas Legislators, and members of the public to provide information and highlight issues in the workers' compensation system from the injured employee's perspective.

The Communications and Development section assists legislative offices with constituent issues relating to workers' compensation and advocates on behalf of injured employees at the State Capitol as part of the agency's statutorily mandated advocacy function. This section also researches opportunities for grant funding pursuant to the 82nd Texas Legislature, 2011, procures medical doctors to serve as expert witnesses in certain disputes, and oversees the agency's succession planning initiatives.

Internal Audit. The agency's internal audit function was established in accordance with the provisions of the Texas Internal Auditing Act, Government Code, Chapter 2102. The Internal Auditor, Lesley Wade, provides consultation to OIEC management and furnishes independent analysis, appraisals, and recommendations about the adequacy and effectiveness of the agency's internal control policies, procedures, and the quality of performance in carrying out assigned responsibilities.

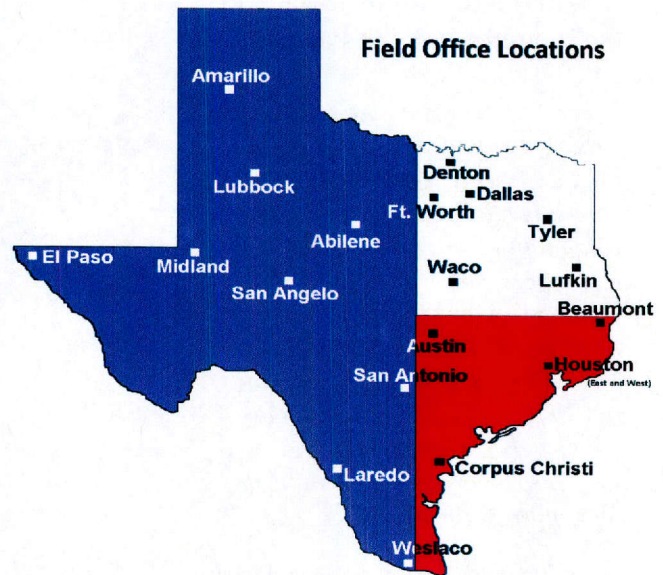
OIEC's Organizational Chart can be found in Appendix B.

Agency Locations

OIEC's central office is located at 7551 Metro Center Drive in Austin, Texas. Approximately 83 percent of staff are located in 20 field offices across the State and approximately 17 percent of agency staff reside in the Austin central office.

Travel. Ombudsmen and other OIEC staff travel throughout Texas to provide adequate support and services for all injured employees.

In situations where there is no field office within 75 miles of an injured employee's residence, TDI-DWC is statutorily responsible for providing a place to hold the dispute resolution proceeding within 75 miles of the injured employee's residence. The location of the administrative proceeding is TDI-DWC's responsibility as the agency charged with regulating the workers' compensation system. Additionally, Ombudsmen may be required to travel to hold case development and preparation appointments with injured employees if telephone conferencing is not an option.



Texas Government Code Section 651.004 requires that all state agencies have a management-to-staff ratio of no more than one manager for each 11 staff. OIEC is in compliance with this

requirement. However, most agency Supervisors are not located in the same city/field office as their employees because approximately 83 percent of the agency staff are spread amongst field offices. Therefore, they are obligated to travel to train and support their staff as necessary.

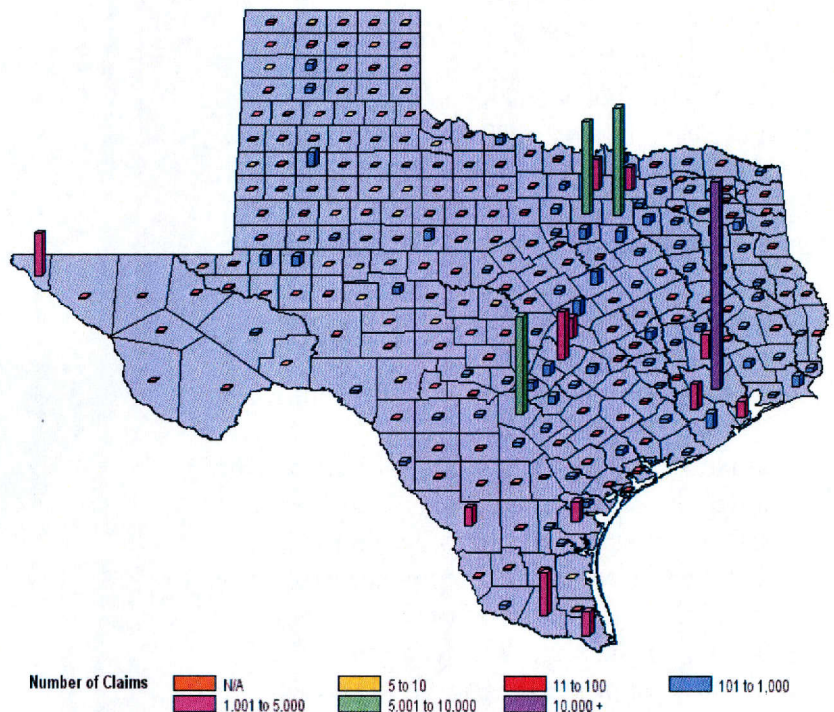
Training is an important initiative at OIEC. At least one year of experience is required to be eligible for designation as an Ombudsman. Experienced Ombudsmen must travel across the State to monitor and ensure appropriate training for each potential Ombudsman. Regional Staff Attorneys conduct Practical Skills Training, which often requires travel. Continuing education requirements for Ombudsmen, Regional Staff Attorneys, and other OIEC staff also may necessitate travel.

Out-of-State Requirements. OIEC staff does not travel outside the State except for conferences and training.

Location of Service Populations

The majority of injured employees generally reside in the most populated cities in Texas. The map on the right identifies the number of 2013 injury claims (83,369) based on the county of the injured employees address.

Note: The claims include lost workday claims only and do not include "medical only" claims. Lost workday claims only involve work-related injuries reported by employers with workers' compensation insurance that resulted in: 1) the employee's absence from work for more than one (1) day; 2) an occupational disease or illness (even if the employee was never absent from work); or 3) the employee's death.



Source: Texas Department of Insurance, Division of Workers' Compensation; System Data Report; Workers' Compensation claim data updated through December 2013.

Texas-Mexico Border Region (In accordance with Texas Government Code, Section 2056.002[b][8]). The Texas-Mexico border region consists of 79,422 square miles with a population density of 62.60 residents per square mile compared to a statewide density of 95.92. This region includes the following 43 South Texas counties: Atascosa, Bandera, Bexar, Brewster, Brooks, Cameron, Crockett, Culberson, Dimmit, Duval, Edwards, El Paso, Frio,

Hidalgo, Hudspeth, Jeff Davis, Jim Hogg, Jim Wells, Kenedy, Kerr, Kimble, Kinney, Kleberg, La Salle, Live Oak, Maverick, McMullen, Medina, Nueces, Pecos, Presidio, Real, Reeves, San Patricio, Starr, Sutton, Terrell, Uvalde, Val Verde, Webb, Willacy, Zapata, and Zavala.

Field offices serving counties in the Texas-Mexico border region include Corpus Christi, El Paso, Laredo, Midland, San Angelo, San Antonio, and Weslaco.

The latest U.S. Census (2010) indicates that the population of the Texas-Mexico border region increased 21 percent between 2000 and 2010. Population projections by the Office of the State Demographer in 2012 indicate that by 2020 the Hispanic population will increase to 76 percent in the region and 42 percent statewide. The Hispanic population makes up the majority of the region at 73 percent compared to 38 percent statewide.¹

Due to the various languages of the population in this region and across Texas, it is important for OIEC to ensure that the agency can effectively communicate with its customers. Language barriers continue to challenge the agency; however, OIEC has successfully implemented many measures to ensure access to the agency's various programs.

OIEC ensures that nearly all of its offices have OIEC staff that are able to provide personal assistance in Spanish. The population of Texas counties bordering Mexico is mostly Hispanic, and consequently, Spanish is commonly spoken in the region. Therefore, it is extremely important that the field offices in the Texas-Mexico border region include staff that speak Spanish. More than half of OIEC staff is bilingual. One hundred percent of the field offices in the Texas-Mexico border region include staff that speak Spanish.

Twelve (28 percent) of the counties in the Texas-Mexico border region are located in the Permian Basin or Eagle Ford Shale areas. The oil industry is having a tremendous impact on this region, and throughout Texas, has boosted the economy, and is expected to last at least through 2019.

Three of the seven Texas cities/metros that were ranked in the top 25 large cities in *The 2013 Milken Institute Best-Performing Cities Index*² are located within the Texas-Mexico border region. The Milken Institute ranks U.S. metropolitan areas by how well they are creating and sustaining jobs and economic growth. The components include job, wage and salary, and technology growth. In 2013, San Antonio was ranked number 12, Corpus Christi was ranked number 17, and Laredo was ranked number 22 among the nation's best-performing large cities.

Other Texas cities that ranked in the top 25 included Fort Worth-Arlington ranked number 16, Houston-Sugarland-Baytown ranked number eight, Dallas-Plano ranked number seven, and Austin-Round Rock-San Marcos ranked number one.

Midland was ranked number five in the top 25 small cities, Longview was ranked number seven, and San Angelo was ranked number eight among the nation's best-performing small cities.

¹Source: *Texas' Looming Hispanic Shift Explained In 2 Charts*; by Matt Stiles, data editor on National Public Radio's News Applications team; <http://www.npr.org/blogs/itsallpolitics/2013/07/03/198345561/texas-looming-hispanic-shift-explained-in-2-charts>.

²Source: <http://www.milkeninstitute.org/pdf/Best-Performing-Cities-Report-2013.pdf>, visited April 28, 2014.

Governor Perry released this statement in a press release regarding the designation:

“The Lone Star State continues to set a national example for job creation thanks to our model of low taxes, smart regulations and fair courts, combined with a highly skilled workforce prepared to take on new challenges in a diverse array of industries, these principles continue to make Texas the best state in the nation to live, work, raise a family and run a business.”³

Texas-Louisiana Border Region. (Pursuant to Texas Government Code, Section 2056.002[b][8]). The Texas-Louisiana border region includes the following 18 Northeast Texas counties: Bowie, Camp, Cass, Delta, Franklin, Gregg, Harrison, Hopkins, Lamar, Marion, Morris, Panola, Red River, Rusk, Smith, Titus, Upshur, and Wood.

Field offices serving counties along the Texas-Louisiana border are located in Tyler, Beaumont, and Lufkin.

Texas-New Mexico Border Region. The Lubbock, Amarillo, and El Paso field offices serve injured employees along the Texas-New Mexico border.

Texas-Oklahoma/Arkansas Border Region. Field offices in Amarillo, Tyler, and Denton serve injured employees along the Texas-Oklahoma border. The Tyler Field Office provides service to injured employees residing in Texas counties bordering Arkansas.

Human Resources Strengths and Weaknesses (Note: The information in this section is also provided in Appendix E – Workforce Plan)

OIEC has a weighty responsibility – to assist hard-working Texans who likely are in pain and may be frustrated by the complexities of the workers’ compensation system. The core of the agency, the Ombudsmen, must know the law, understand aspects of health care, and have the heart of a social worker. The Ombudsmen and Customer Service Representatives must be educators, able to patiently explain laws, rules, processes, and procedures so injured employees and their families can make informed decisions about pursuing their workers’ compensation claim.

OIEC’s overall strength in serving injured employees resides in the knowledge and experience its staff possesses. OIEC’s staff has an average of 12.4 years of workers’ compensation experience. This strength is at risk as experienced staff retires.

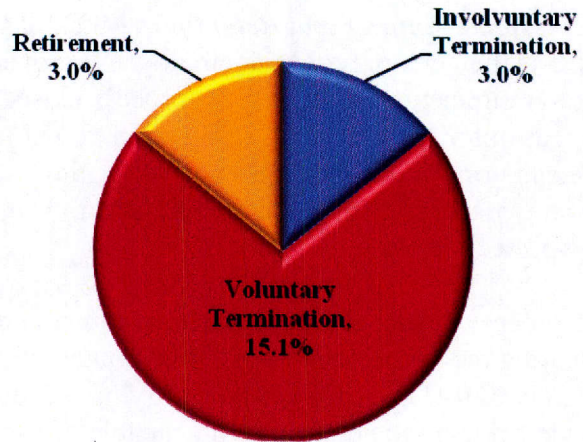
Employee Turnover. OIEC employee turnover has increased within the past few years. OIEC’s turnover rate (including interagency transfers) was 16.2 percent in FY 2012 and 21.1 percent in FY 2013. Reasons for the departures cited on exit interviews include low salary, personal reasons, and retirement. The turnover rate is anticipated to be lower in FY 2014. As of the end of the second quarter of FY 2014, the turnover rate was five percent.

³ Source: Governor Rick Perry Press Office, 12-10-2013, *In Case You Missed It: Milken Institute Names Texas Cities Best-Performing in 2013.*

OIEC’s most vulnerable program area is the Ombudsman Program. Ombudsmen are required to go through extensive training and obtain a workers’ compensation adjuster’s license, which makes them targets for companies wanting to hire qualified and trained adjusters.

More than half of employees who leave OIEC resign voluntarily for reasons other than retirement as shown in the chart on the right. Most cited personal circumstances as the reason for leaving. Agency turnover and reasons for turnover are expected to change markedly within three to six years based on an analysis of employee retirement eligibility.

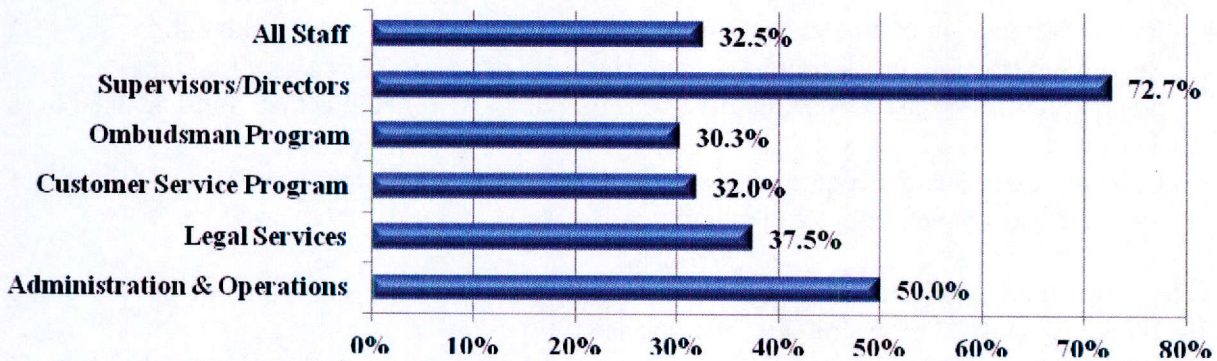
**OIEC Employee Turnover Justification
FY 2013**



Employee Retirement. Approximately 27 percent of all agency staff is currently eligible to retire. The percentage increases to 33 percent through August 31, 2019.

More than 27 percent of OIEC management staff is currently eligible to retire. The percentage increases to 73 percent through August 31, 2019.

Percent of Agency Staff Eligible to Retire Within 5 Years



Seven percent of OIEC Ombudsmen (not including management staff) are currently eligible to retire. At the end of August 31, 2019, the percentage jumps to 30 percent.

Compensation and Benefits. The Survey of Employee Engagement has indicated “fair pay” as an area needing improvement in the past four biennial surveys. OIEC executive management agrees and remains concerned about this issue and its effect on turnover in all program areas.

The latest State Auditor's Office Workforce Summary report (February 2013) indicates OIEC's average annual salary in FY 2012 was \$42,192, which is slightly higher than the statewide average salary of \$40,160 but well below the average Article VIII salary of \$51,237.

Succession Planning and Retention. Much of the impetus for formal succession planning at OIEC is the potential for high employee turnover and loss of critical knowledge and experience due to retirements. However, the process exists to preserve continuity in services regardless of the reason for the vacancy – resignation, transfer, termination, death, disability, or retirement. Life can bring sudden changes so even young leaders need to build bench strength, employees who are prepared to perform crucial functions or step into key positions, in case something unexpected happens.

The process of succession planning, a component of OIEC's strategic and workforce plans, is preparing the agency for the risks associated with loss of knowledge that is critical to achieve its mission. OIEC is doing so by identifying, developing, and transferring knowledge to employees who become highly qualified and capable of filling key positions or perform crucial functions as individuals leave the agency.

The scope of OIEC's succession planning includes identifying and developing key talent within the agency for Director, Associate Director, and Supervisor positions in the Ombudsman and Customer Service programs, Legal Services, and Administration and Operations. The succession plan is periodically reviewed and revised. The ongoing process includes:

- Researching best practices in succession planning.
- Assessing the risk of employee turnover.
- Conducting leadership position analyses.
- Determining bench strength, defined as employees positioned to succeed each Supervisor and Director.
- Identifying gaps in competencies for potential successors and how to bridge them.
- Reviewing training, cross-training, mentoring, and other workforce development practices currently used by Directors and Supervisors and methods that could be used in the future.
- Updating career ladder requirements periodically, adding a preference that supervisory job candidates have Team Lead experience.

OIEC has implemented several strategies to continually ensure business continuity and the success of agency staff. These strategies include the following:

1. Goal setting and training strategies are discussed during annual performance evaluations, and incorporated into an individual development plan;
2. All potential candidates are made aware of job openings and how to apply for them; and
3. Cross-training was implemented for Administration and Operations functions.

Experience and Training. In addition to an average of 12.4 years of workers' compensation experience per staff, OIEC also has knowledge and experience in a variety of other areas. Through succession planning, policies, procedures, and cross-functional training, more than one

employee has the knowledge, skills, and abilities to perform any given task to ensure business continuity. Other areas of specialty include:

- Two OIEC staff members are certified as Senior Professionals in Human Resources;
- All OIEC attorneys, including the Public Counsel, Deputy Public Counsel, Regional Staff Attorneys, and the Director and Associate Director of Legal Services are members of the State Bar College;
- All OIEC Management staff maintain a law license or workers' compensation adjuster's license;
- All OIEC Management staff have taken the Senior Management Training at the Governor's Center for Management Development; and
- Two staff members are certified as instructors to teach Mental Health First Aid USA.

The continually evolving nature of workers' compensation law drives agency management to focus on employee training and development opportunities to ensure injured employees are provided competent and effective customer service. Examples of OIEC training are described below.

New Employee Training. All new employees are required to participate in new employee training. Training courses are available on the intranet and may include a course description page with prerequisite reading, the course itself, and helpful links. Several training modules are available and include the following: Ethics in the Workplace, Employment Law, Computer security, and Workplace Conduct. The training courses consist of slideshows, videos, or videos with a handout. Some courses include audio. All employees are also required to read the employee manual, read and sign the *OIEC Attestation Concerning Confidential Information*, and take core training offered by OIEC and TDI, such as Ethics, Confidentiality, Sexual Harassment, Discrimination, and agency-related policy and law training.

Emergency Preparedness, Risk Management, and Continuity Plan Training. OIEC conducts periodic training regarding emergency preparedness, risk management, and the agency's Continuity Plan to ensure staff understands what to do in case of emergencies and to circumvent any confusion or adversity resulting from possible disasters. The agency periodically runs drills regarding procedures for handling situations with a potentially threatening injured employee, disaster drills for the Coastal field offices in preparation for the hurricane season, or other various safety drills and tests.

Ethics Training and Committee. OIEC is dedicated to operating under the highest standards of ethical and professional behavior. To ensure that every effort is made to achieve this goal, the agency conducts ethics training and created an Ethics Committee. Ethics training is conducted for new employees and annually thereafter. The Ethics Committee has been vital to the development of our agency's superior reputation for being a professional and ethical organization. Created in June 2008, the OIEC Ethics Committee addresses the ethical questions and issues presented to it by OIEC employees.

The Committee is comprised of a cross-section of OIEC staff, which includes both supervisory and non-supervisory employees and representatives from each division of the agency. The Ethics Committee convenes as necessary to discuss the issues presented to it by OIEC employees, and a quarterly update on the issues is sent to all agency employees.

The agency's Ethics Committee has a revolving membership to ensure that new voices are heard. OIEC's ethics statement is below:

Each OIEC employee has an obligation to maintain high ethical standards in the performance of their work responsibilities and in their personal life, realizing that lapses in such judgment will reflect negatively on OIEC. OIEC employees must seek to enhance and implement ethical values based on established principles of sound reasoning and the highest standards of business conduct.

Ombudsman Training Program. Generally, employees in the Ombudsman Program are hired as Ombudsmen Associates and begin up to a year-long training program at the end of which they will have earned their workers' compensation adjuster's licenses and will be reclassified as an Ombudsman I. The training program for an Ombudsman Associate consists of up to one year of training divided into two parts. In Part I, the Ombudsman Associates complete new employee orientation courses, classroom studies, customer services training, and observation of activities. After completing Part I, the Associates enter Part II of the program. In Part II, the Ombudsman Associates begin conducting meetings with unrepresented injured employees in preparation for dispute resolution hearings and assisting in proceedings while being observed and evaluated by their mentor, trainer, and Supervisor of the Ombudsman Program. The Ombudsman Associates are required to obtain a workers' compensation adjuster's license before they finish their training program. Upon successful completion of the training program, Ombudsman Associates are eligible for reclassification to an Ombudsman I.

The Ombudsman I must have at least one year of workers' compensation experience as required by Texas Labor Code Section 404.152. They participate in proceedings; assist injured employees to obtain supporting documentation and to appropriately and timely exchange evidence; and work closely with the Customer Service Representatives to effectively assist injured employees.

The Ombudsman II is required to have at least two years of experience as an Ombudsman I. The Ombudsman II must maintain all of the requirements of an Ombudsman I and may be required to assist Ombudsman Supervisors and Associate Directors in the training and mentoring of Ombudsman Associates and Customer Services Representatives. Each field office has an Ombudsman Lead who serves as a mentor for all staff in their particular field office. They are vital in administrative efforts, such as disaster recovery and staff services coordination.

Ombudsmen must remain current on continuing education requirements in order to maintain their workers' compensation adjuster's licenses. These credits are offered through the annual agency conference and practical skills training conducted by the agency's Regional Staff Attorneys. Training is also provided through monthly teleconferences. Additional information

regarding the Ombudsman training program and continuing education can be found in Title 28, Texas Administrative Code Section 276.10.

Practical Skills Training Program. The practical skills training is designed to help Ombudsmen refine their skills in assisting injured employees in proceedings before TDI-DWC and to ensure injured employees' rights are protected. Practical skills training courses are offered periodically by Regional Staff Attorneys in regional locations across the State or are available through video. Ombudsmen receive continuing education credits for participating in the training, which helps them fulfill the requirements for maintaining their legally required workers' compensation adjuster's license.

The courses are designed to give practical, useful information to the Ombudsmen, which they can immediately implement into the performance of their job duties. There is a lecture and discussion component at each training session. In addition, written material is prepared to provide more detailed resource material than can be presented in a lecture. The written materials from each practical skills training are posted on OIEC's intranet for future reference. Finally, each practical skills training includes some practical application of the material to test the participants' knowledge of the subject matter covered in the training. These exercises provide an excellent opportunity to provide feedback from the trainer and for the participants to learn from each other, determine best practices and strategies, and learn more about the workers' compensation and insurance laws.

Practical Skills Training topics include the following:

- Direct Examination and Cross Examination;
- Direct Examination and Cross Examination of Expert Witnesses;
- Discovery Tools, Objections and Responses;
- Pre-Hearing Dispute Resolution: Case Management, Assessment and Development;
- Advanced Case Development and Formulation of Oral and Written Arguments;
- Occupational Disease and Repetitive Trauma Injuries;
- Formulation of Arguments to Assist Injured Employees Through the Medical Dispute Resolution Process;
- Effectively Questioning Physicians;
- Case Assessment and Case Development;
- Contested Case Hearings: The Opening Statement;
- Creative Legal Reasoning;
- Medical Dispute Resolution – Present and Future;
- An Overview of the Contested Case Hearing;
- Violation Referrals and AMA Guides to the Evaluation of Permanent Impairment;
- Evaluation of Designated Doctor Impairment Ratings; and
- Direct and Cross-Examination of Lay and Expert Witnesses.

Customer Service Representative Training. A comprehensive training program is provided to each Customer Service Representative to enable them to respond accurately and promptly to injured employees' questions. Copies of the Workers' Compensation Act and Rules are provided to each Customer Service Representative with the requirement that they be conversant

with the information contained therein. Training requirements include completing the OIEC Core Training, workers' compensation modules; customer service training; computer, telephone, and soft-skills training; training on setting preparation appointments for Ombudsmen; and early intervention, administrative training. Ongoing education includes review of the agency website and links, and attendance at the various teleconference training sessions. A monthly review of Appeals Panel decisions is also required as the decisions provide interpretations of the Act and Rules and procedural clarifications.

Before being assigned to provide customer service to injured employees, Customer Service Representatives are required to observe interaction between injured employees and Ombudsmen. In addition, new Customer Service Representatives choose or are assigned a more senior Customer Service Representative and an Ombudsman Lead (field office team leader) as a mentor for guidance and advice. They are also required to observe dispute resolution proceedings, preparation appointments, benefit review conferences, and contested case hearings. Training exercises are given that are designed to help Customer Service Representatives determine the questions to ask injured employees and the information that should be provided based upon the injured employee's needs. This extensive training is designed to produce employees who are well-equipped to provide exceptional customer service. The agency's Customer Service Program provides advocacy, assistance, and education about the workers' compensation system while TDI-DWC staff processes official and regulatory actions.

Teleconferences. Teleconferences are held to ensure OIEC staff in the field and central office stays informed of necessary information to continue to effectively serve the injured employees of Texas. Teleconferences may be held for specific agency functions, such as Ombudsmen or Customer Service Representatives, or for the agency as a whole. Regional Staff Attorneys may make presentations on legal issues, or presentations may be made by OIEC staff on new legislation, policies, and procedures. Agency staff also have the opportunity to request particular topics be included in the teleconferences via the agency Policy Development Program.

OIEC Conferences. Three in-person meetings are held for staff each year, if budget permits. Below is a summary of each type.

OIEC's Annual Conference: OIEC's annual conference is held in June for all OIEC staff to come together in one place. The conference generally lasts over a three-day period to allow for travel during work hours. Since OIEC staff is located throughout Texas, the conference provides an opportunity to get to know each other - providing a face with a name, building OIEC's network, and increasing agency relations to overcome geographical barriers among OIEC's 20 locations and central office.

Training sessions promote teamwork and ethics as well as provide information about aspects of the agency that staff may not be familiar with. Breakout sessions address a variety of topics, including current legislative activities, changes in workers' compensation laws and rules, and new agency policies and procedures. Information presented at the conference is designed to enhance the skills of staff and increase communication within the agency in order to provide excellent service to the injured employees of Texas. Additionally, the conference provides continuing education credits to help Ombudsmen and other OIEC staff satisfy the regulatory

requirements for maintaining their workers' compensation adjuster's licenses and for OIEC attorneys to obtain continuing legal education credits.

OIEC Leadership Conference: OIEC holds an annual conference where management employees meet for training, issue discussion, strategic planning, and employee development. The meeting provides an opportunity for management from all of the program areas of the agency to come together and focus efforts on improving communication and the quality of the service provided to the injured employees of Texas.

Legal Services Planning and Debriefing Session: OIEC periodically hosts an in-person meeting for agency attorneys to discuss legal issues in the workers' compensation system and plan legal training for the Ombudsman Program. The meeting also provides an opportunity for candid discussion about how effectively the agency is accomplishing its mission to assist, educate, and advocate on behalf of the injured employees of Texas.

Training is one of the most important aspects of the agency and is ultimately beneficial to the injured employees in Texas. Although the agency makes every effort to retain its outstanding staff, the agency's focus on employee development ultimately enables OIEC staff to be extremely competitive in higher-paying job classifications or in the same work in the private sector.

Recruitment and Retention. Recruiting and retaining the depth of knowledge and experience necessary to navigate the complexities of the workers' compensation system is a key factor in fulfilling OIEC's mission of assisting, educating, and advocating for Texans who are injured on the job. Therefore, OIEC carefully selects the most qualified applicant for each position. OIEC has been fortunate in the ability to hire and retain strong employees with varied skill sets who can perform in high-stress, demanding situations. OIEC has been able to keep some of its most knowledgeable and experienced employees even after their retirement eligibility date.

OIEC provides extensive training and development opportunities to assist employees in performing their jobs to the best of their abilities. OIEC also provides incentives and utilizes various tools to retain its staff, such as the following:

Alternative Work Schedule Program. This program extends the number of hours that agency staff is available to provide services while also providing employees with work-schedule flexibility. Every effort is made to accommodate the needs of individual employees who are working extended or alternate hours; however, in all instances, business necessity is the overriding factor.

The Performance Planning and Development System (PPDS). This evaluation process provides Supervisors the tools to develop an employee's performance, address performance that does not meet expectations, and handle performance problems in a manner that encourages individual responsibility for results. This system also presents an opportunity for the Supervisor and the employee to look to the future and identify opportunities for the employee's growth and development. Regular assessment of performance levels against expectations increases productivity and morale.

Merit Awards. For OIEC employees who meet the criteria for a merit award, OIEC may provide deserving staff with administrative leave for outstanding performance. The total amount of leave granted may not exceed 32 hours per employee during a fiscal year pursuant to the Government Code. OIEC may also grant merit salary increases and one-time merit payments to eligible classified employees who meet various administrative qualifications and whose job performance exceeds performance expectations.

Performance Excellence Awards. The annual performance excellence awards are intended to recognize employees who exhibit superior performance or special efforts significantly beyond their regular duty requirements and directly related to fulfilling OIEC's mission. The Directors and the Associate Directors of the Ombudsman and Customer Service Programs make the final decision about the Ombudsman and Customer Service Representative who will receive the performance excellence award for their respective program area. The selected employee will receive a certificate, an award, 16 hours of administrative leave and, when budget allows, a one-time merit. Whenever possible, the Performance Excellence Awards will be announced at the Annual OIEC Conference.

Sick Leave Pool. The Sick Leave Pool has been established to benefit OIEC employees and their immediate family members who suffer a catastrophic illness or injury. The Pool is intended to provide for the alleviation of a hardship caused to an employee and the employee's immediate family if a catastrophic illness or injury forces the employee to exhaust all leave earned by that employee and to lose compensation from OIEC. The program allows employees to voluntarily contribute sick leave time to the Pool.

OIEC's rule Title 28, Texas Administrative Code Section 276.4 was adopted as a result of a requirement of Texas Government Code Section 661.002(c). The Government Code requires state agencies to adopt rules relating to the agency's Sick Leave Pool program. OIEC's Deputy Public Counsel administers this program.

Policy Development Program. OIEC's Policy Development Program was initiated to increase internal communication and receive ideas from all employees. Recognizing the value and ideas of each employee, this program was designed to serve as a channel of communication for "great ideas." While participation in this program is optional, all OIEC employees are encouraged to submit their ideas on how to improve OIEC, its policies or procedures, or work environment. OIEC's executive management team reviews the ideas or recommendations submitted monthly. Confidentiality of employees who submit policy recommendations is provided to encourage all OIEC employees to participate in providing suggestions to improve or increase the efficiency of the agency and its resources. Since its inception, many ideas have been proposed and implemented. Administrative leave for outstanding performance has been awarded to OIEC staff whose ideas have been implemented.

Return-to-Work Program. The intent of the Return-to-Work Program is to allow employees with injuries or illnesses, both job-related and non-job related, to return to work as quickly as possible in a meaningful and productive capacity. Participation in the program is handled on a case-by-case basis in consultation with the employee's physician. It is the employee's responsibility to

make all reasonable effort to return to work at the earliest possible time to full duty, or alternatively, to a light- or restricted-duty capacity.

OIEC recently spoke to the Texas State Human Resources Association (TSHRA) about "Return-to-Work Best Practices." The presentation included the latest research highlighting the physical and mental benefits to injured employees who return to work in temporary or modified work positions. Employer benefits such as cost containment, office morale, and productivity were emphasized along with the need for employers to be proactive long before a work injury. OIEC's internal return-to-work policy was also reviewed and several revisions were adopted by the agency and shared at OIEC's recent stakeholder meeting.

Capital Asset Strengths and Weaknesses

Approximately 95 percent of OIEC's budget is dedicated to salaries for OIEC staff and it is expected to increase in the next biennium. OIEC's lean operations are a testament to the organization's business efficiencies and its commitment to the Statewide Vision, Mission, and Philosophy (See pages 4 and 5 of this report). OIEC's management is extremely proud of its efficiencies and exceptional use of appropriated funds. In addition to agency programs and staff, capital assets are purchased through lapsed salary dollars.

Agency Use of Historically Underutilized Businesses (HUB)

OIEC enjoys TDI's purchasing support services as part of the agency's administrative attachment. OIEC's close coordination with TDI staff enables the agency to be in compliance with all HUB requirements and consistently exceed at least one of the three applicable statewide HUB procurement goals each fiscal year. Several of the contracts under the "Other Services" category are specialized contracts with low HUB participation, such as proprietary maintenance. Major expenditures in "Commodities" include specialized educational training, other office equipment, and hardware maintenance services. Since TDI's Purchasing Department is responsible for OIEC's procurement process, OIEC was able to be a part of TDI HUB Forums hosted since FY 2006. Additionally, OIEC and TDI are in concert to ensure that the use of each HUB vendor class (Hispanic, Female, etc.) is representative and proportional to the availability of goods and services from each class. See Appendix G for OIEC's FY 2012-2013 Comparison to Statewide HUB Procurement Goals.

Key Organizational Events and Areas of Change

OIEC continually looks for ways to streamline its processes to enable staff to work more efficiently and effectively while serving the injured employees of Texas.

Organizational Changes. OIEC's workload has increased substantially within the past few years, and with the increase came a variety of challenges. The following changes were made in response to the challenges.

Centralized Docketing – In an effort to increase docketing efficiency and create better early intervention results, OIEC initiated a centralized docketing function in March 2013. Customer Service Representative positions were transferred to the central office to begin setting case development, benefit review conference, and contested case hearing preparation appointments for field offices. As of February 1, 2014, all field office preparation appointments are scheduled by the central office Customer Service Representatives. Handling these appointments from one location provides consistency in scheduling and allows OIEC to more efficiently coordinate its work processes with TDI-DWC. This initiative has helped create time management opportunities for Customer Service Representatives in the field offices to better serve our customers through improved telephone coverage, and fulfilling the agency’s mission to educate injured employees. The transition has also enabled Customer Service Representatives in the field to conduct additional early intervention tasks, enabling Ombudsmen to focus on disputed issues that are more difficult to resolve.

Separation of Administration and Operations and Legal Services – In FY 2014, the Legal Services section of the Administration and Operations program became its own Division, and the Director of Administration and Operations was reassigned as the Director of Legal Services. The previous structure was designed to provide additional bench strengths in budget, purchasing, performance measures, and other administrative services to the Director as part of the agency’s succession planning. This new structure will refocus efforts on strengthening OIEC’s performance as an advocate for the injured employees of Texas. The change was critical to OIEC’s mission and takes advantage of the Director’s strengths and interests as an advocate and an expert in the workers’ compensation system. Until the position of Director of Administration and Operations is filled, the Deputy Public Counsel is serving in this role.

Addition of 10 new Ombudsmen – The 83rd Texas Legislature appropriated 10 new Ombudsmen positions to OIEC. All 10 have been hired and are currently assisting injured employees. The additional Ombudsmen are located in the Dallas, Fort Worth, Houston East and West, San Antonio, Corpus Christi, and Waco field offices. Four Ombudsmen Associates have graduated to become Ombudsman Is. Six Ombudsmen Associates will graduate training after statutory requirements of one year of workers’ compensation experience is satisfied.

Some of the anticipated benefits resulting from the additional staff include:

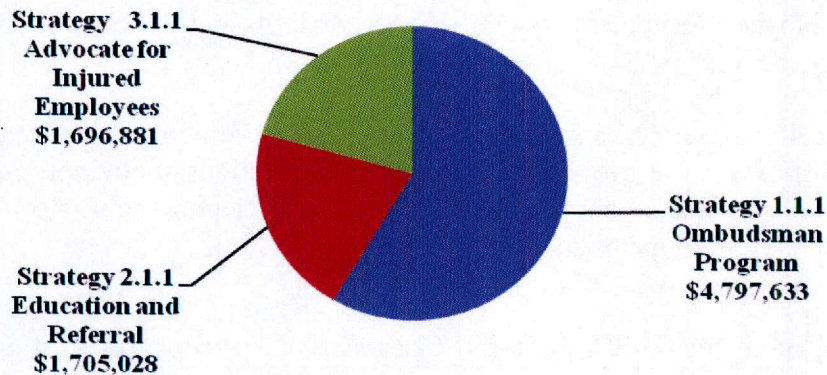
- a decrease in the number of days between scheduling and holding a preparation appointment,
- the ability to resolve disputes more efficiently and effectively, and
- a decrease in the number of cases per Ombudsman.

Fiscal Aspects

Size of Budget

OIEC's budget for the FY 2014-2015 biennium is \$16,399,084. The total expended in FY 2013 was \$7,813,358 due to the unexpended balance transferred of approximately \$100,000 from FY 2012 to FY 2013. The estimated expenditure for FY 2014 is \$8,298,392, which includes the one percent salary increase for State employees appropriated by the 83rd Texas Legislature for FY 2014. An additional two percent salary increase will be appropriated in FY 2015.

**Distribution of Funds By Strategy
General Appropriations Act FY 2014-2015**



Method of Finance

OIEC is administratively attached to TDI and is funded from the same operating account – General Revenue (GR) Dedicated Account 36. The funding mechanism is self-leveling and has no fiscal impact on General Revenue.

The Legislature appropriates funds from GR Dedicated Account 36 to various agencies that participate in or contribute to the regulation of insurance, prevention of insurance loss, and administration of workers' compensation. Both the Texas Insurance Code and Texas Labor Code require that the maintenance taxes be set with the intention of collecting the revenue needed to fund authorized expenditures from Fund 36.

The agency is not funded for consumables, facilities, or other items as a result of its administrative attachment. As a result, approximately 95 percent of OIEC's budget is dedicated to employee salaries and wages, and personnel costs, which is uncommon in State government.

Budgetary Limitations

The full-time-equivalent (FTE) staffing cap for the agency is currently 175.

Unexpended Balance Authority. Any unexpended balances as of August 31, 2014, not to exceed five percent for any item of appropriations, are appropriated to OIEC for the same purposes for the fiscal year ending August 31, 2015.

Degree to Which Current Budget Meets Current and Expected Needs

Beginning September 1, 2011 each state agency was required to begin contributing an amount equal to 1.0 percent of the total base wages and salaries for each benefits-eligible employee during each State fiscal biennium to the Employees Retirement System's Group Benefits Program. Additionally, beginning September 1, 2013, agencies were required to contribute an amount equal to 0.5 percent of the total base wages and salaries for each eligible employee of a state agency during the State fiscal biennium beginning September 1, 2013 to the Employees Retirement System's Retirement Program.

Because the agency's funding for salaries and wages is approximately 91 percent of its total budget (95 percent of its total budget with other personnel costs included), the amount of agency contribution to the Employees Retirement System's Group Benefits and Retirement Programs is equivalent to approximately four FTEs.

OIEC operates in a fiscally conservative fashion and has a work culture that values innovative ways to operate more efficiently. However, the additional contributions to other programs reduce the agency's ability to fund all appropriated FTEs and may require the agency to request additional funding in the future to maintain current staffing levels.

Potential Exceptional Items for the FY 2016-2017 Legislative Appropriations Request

As part of OIEC's succession planning process, the agency is verifying that positions are in the appropriate job classification series and corresponding salary group assignments for the type and level of work being performed. Due to recent organizational changes and efforts made to streamline processes, OIEC has determined the need to more clearly distinguish the work employees actually perform.

OIEC is currently studying the job functions that Customer Service Representatives are performing as well as the level of responsibility of the position. Although OIEC is in the early stages of review, it has been identified that most of the Customer Service Representative functions fall into the legal occupational category and that the duties may not be commensurate with their job descriptions.

Results of the study may necessitate changing Customer Service Representative positions from the Administrative Support Occupational Category to Ombudsman Associate positions in the Legal Occupational Category and the agency may find it necessary to request additional funding in order to accomplish this initiative.

Capital and/or Leased Needs

TDI provides agency facilities and computer equipment/technology to meet the needs of OIEC through its administrative attachment. Changes are not anticipated.

Service Population Demographics

Increasing Population. Texas continues to exceed the population growth among all states. The Texas population jumped by more than 1.3 million people in the three years between the 2010 census and July of 2013, making Texas by far the fastest growing state in terms of population growth in the past three years, according to figures released by the U.S. Census Bureau. The estimated population of Texas in 2014 is over 27 million.⁴

The IH-35 corridor is becoming a mecca for individuals wanting to experience the thriving Texas economy. Five Texas cities rank in the top 15 cities with the largest numeric population increase in the nation from July 1, 2012 to July 1, 2013 as shown in the table below, and four are located along the IH-35 corridor.

Cities with the Largest Numeric Increase from July 1, 2012 to July 1, 2013

Rank of the Top 15 Cities in the Nation	City Name	Numeric Increase	2013 Total Population
2	Houston	35,202	2,195,914
4	San Antonio	25,378	1,409,019
6	Austin	20,993	885,400
10	Dallas	15,976	1,257,676
13	Fort Worth	14,643	792,727

Source: U.S. Census Bureau, Population Division, Vintage 2013 Population Estimates Release Date: May 2014

In terms of percentage increase, the table below shows that seven of the 15 fastest growing cities in the nation with populations of 50,000 or more are located in Texas.

Fastest-Growing Large Cities with Populations of 50,000 or more from July 1, 2012 to July 1, 2013

Rank of the Top 15 Cities in the Nation	City Name	Percent Increase	2013 Total Population
1	San Marcos	8	54,076
2	Frisco	6.5	136,791
4	Cedar Park	5.6	61,238
7	Georgetown	4.5	54,898
11	Odessa	4	110,720
13	McKinney	3.9	148,559
15	Pearland	3.8	100,065

Source: U.S. Census Bureau, Population Division, Vintage 2013 Population Estimates Release Date: May 2014

Twenty Texas counties were among the top 100 counties in the United States (with a population over 10,000) that experienced the largest percentage increase in population between July 1, 2012 and July 1, 2013. The growth rate over the one-year period for those Texas counties was an

⁴ Source: Department of State Health Services Center for Health Statistics. Figures are based on Texas State Data Center projections using the 2000-2010 migration scenario 1.0.

average of 3.2 percent. Kendall County had the largest growth rate in Texas – five percent – and was number five on the list. The table below lists the 20 Texas counties in the top 100.⁵

Rank	Texas County	Population Estimate as of July 1, 2012	Population Estimate as of July 1, 2013	Population Increase	Percent Increase
5	Kendall	35,968	37,766	1,798	5.0%
9	Fort Bend	625,853	652,365	26,512	4.2%
10	Hays	169,013	176,026	7,013	4.1%
11	Andrews	16,137	16,799	662	4.1%
13	Dimmit	10,481	10,897	416	4.0%
22	Comal	114,590	118,480	3,890	3.4%
23	Ector	144,609	149,378	4,769	3.3%
25	Ward	10,877	11,244	357	3.3%
28	Williamson	456,359	471,014	14,655	3.2%
29	Midland	146,786	151,468	4,682	3.2%
32	Montgomery	484,790	499,137	14,347	3.05
35	Denton	708,050	728,799	20,749	2.9%
39	Gaines	18,393	18,921	528	2.9%
51	Rockwall	83,028	85,245	2,217	2.7%
69	Collin	834,674	854,788	20,104	2.4%
73	Jackson	14,252	14,591	339	2.4%
76	Guadalupe	139,873	143,183	3,310	2.4%
80	Wilson	44,396	45,418	1,022	2.3%
84	Travis	1,096,246	1,120,954	24,708	2.3%
97	Aransas	23,847	24,356	509	2.1%

Harris County had the largest numeric population increase in Texas between July 1, 2012, and July 1, 2013, adding almost 83,000 people. Fort Bend County, just to the South and West of Harris County, ranked number nine in the table above and remains the fastest-growing county with 250,000 or more people. It's population increased by 4.2 percent between 2012 and 2013.⁶

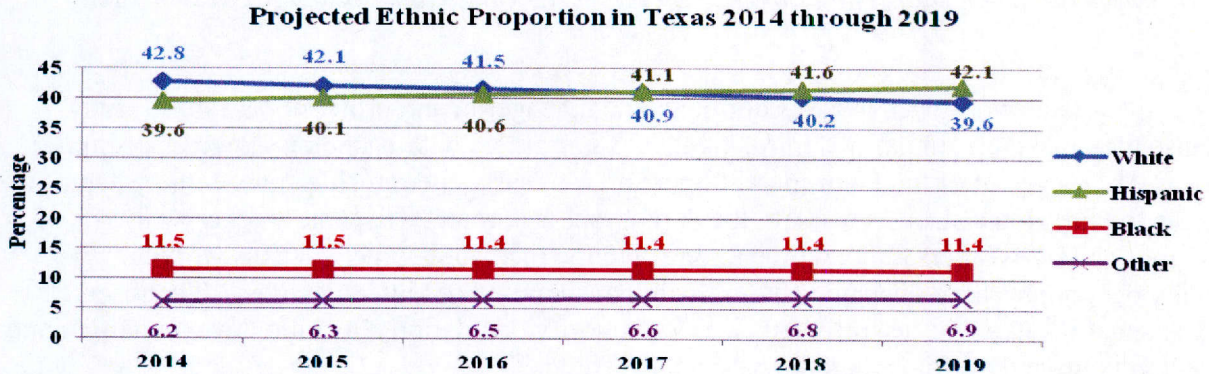
According to a 2013 Rice University study, *Houston Area Asian Survey: Diversity and Transformation among Asians in Houston*,⁷ Fort Bend County is now the single most ethnically diverse county in the nation. Fort Bend County comes closer than any other county in the United States to having an equal division among the nation's four major ethnic communities – Asian residents (24 percent), black residents (21 percent), Hispanic residents (21 percent) and white residents (36 percent), according to the 2010 Census. The whole Houston region is the most ethnically and culturally diverse large metropolitan area in the country. Ethnic diversity encompasses all of Texas; however, not as equally.

⁵ Source: U.S. Census Bureau, Population Division; *Resident Population Estimates for the 100 Fastest Growing U.S. Counties with 10,000 or More Population in 2012: July 1, 2012 to July 1, 2013*; Release Date: March 2014.

⁶ Source: U.S. Census Bureau; <http://www.census.gov/newsroom/releases/archives/population/cb14-51.html>; visited 4-10-2014.

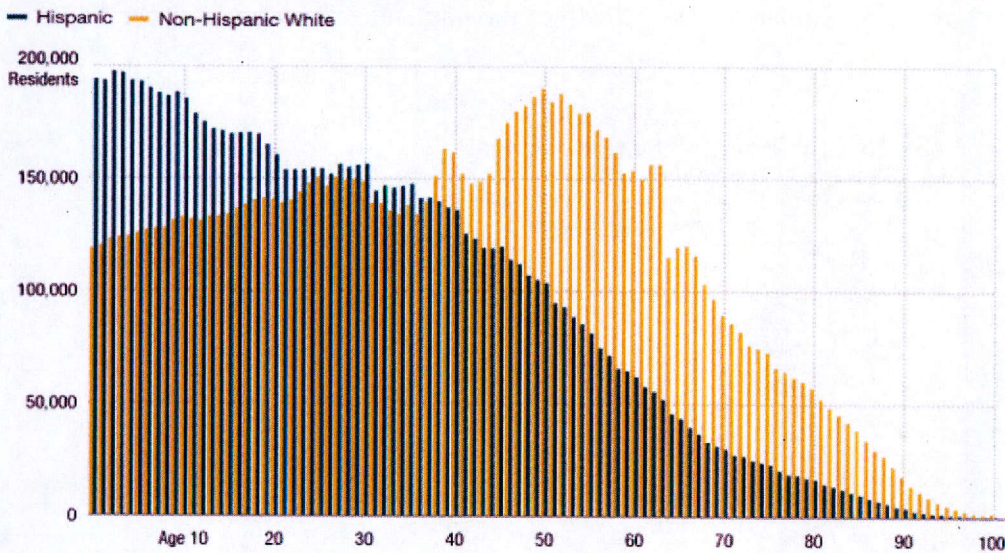
⁷ Source: *Houston Area Asian Survey: Diversity and Transformation among Asians in Houston*; Kinder Institute for Urban Research, Rice University; 2013.

Changing Demographics. Overall, the estimated population percentages of each ethnic group in Texas are currently 42.8 percent white, 39.6 percent Hispanic, 11.5 percent black and 6.2 percent of other ethnic origin.⁸ As shown in the table below, the Hispanic population is expected to increase and become the largest ethnic group in Texas within the next few years.



According to Lloyd Potter, a professor at the University of Texas – San Antonio, who serves as the State's official demographer, the demographic change is due in part to the young Hispanic population compared to the non-Hispanic white population. In 2010, for example, there were 197,000 2-year-old Hispanics in Texas – 50,000 more than non-Hispanic whites that age. In contrast, there were 190,000 50-year-old non-Hispanic whites – 90,000 more than Hispanics of that age. That age line will continue trending older, and the non-Hispanic white population will start to decline, fueling the trend. The chart below, created with 2010 data, shows the total number of Hispanics and non-Hispanic whites by each specific age.⁹

Population Distribution, By Age and Race/Ethnicity



⁸ Source: Department of State Health Services Center for Health Statistics. Figures are based on Texas State Data Center projections using the 2000-2010 migration scenario 1.0.

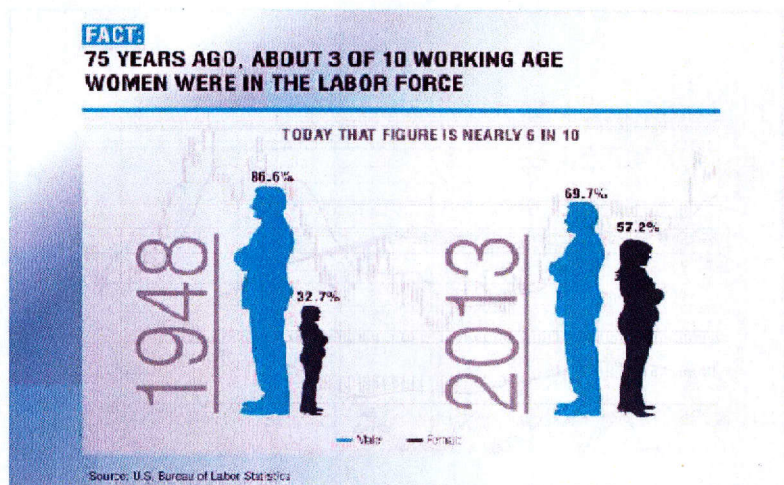
⁹ Source: *Texas' Looming Hispanic Shift Explained In 2 Charts*; by Matt Stiles, data editor on National Public Radio's News Applications team; <http://www.npr.org/blogs/itsallpolitics/2013/07/03/198345561/texas-looming-hispanic-shift-explained-in-2-charts>.

According to a March 2014 article in *Texas Monthly* magazine, “the average age of a non-Hispanic white (NHW) woman in Texas is 42. The average age of a Hispanic woman in the State is 28 – and that pretty much sums up the future of Texas.” The article introduces a book authored by the first State demographer of Texas, Steve H. Murdoch and others, *Changing Texas: Implications of Addressing or Ignoring the Texas Challenge* (Texas A&M University Press).

“In today’s Texas workplace, NHWs dominate the managerial and professional ranks, partly because they make up almost two thirds of all Texas workers with bachelor’s degrees or higher. But as NHWs age out of the labor market, there aren’t nearly enough Hispanics earning such degrees to take up the slack. By 2050, the demographers project, Hispanic workers will outnumber NHW workers almost three to one, and the median income of Texas workers will actually decline, because Hispanics will remain concentrated in low-wage jobs.” The research suggests that if Texas successfully educates its minority population, “it could have a younger and more competitive workforce than the nation as a whole.”¹⁰

Education and Job Tenure. Since 1997, the Bureau of Labor Statistics has been keeping tabs on about 9,000 young men and women born in the early 1980s, surveying their educational and workplace progress. The latest survey is from interviews conducted in 2011-2012. According to the survey, more than two-thirds of the jobs held by high-school dropouts lasted less than a year. Additionally, men were one-fourth less likely to have earned a bachelor's degree than women. By age 27, some 32 percent of the women had received a bachelor's degree, compared with 24 percent of the men.¹¹

Women in the Workplace. The percentage of women in the workplace has almost doubled in the last 75 years. The chart below illustrates the growth of the percentage of women in the labor force.¹²



¹⁰ Source: *Coming To Our Census*, by Michael Ennis; Texas Monthly Magazine; March 2014.

¹¹ Source: *Young workers change jobs frequently, study shows*; By Tom Raum; The Associated Press; <http://www.statesman.com/ap/ap/business/young-workers-change-jobs-frequently-study-shows/nfLhPJ/>. Viewed 3-27-2014.

¹² Source: Insurance Information Institute; Graphic included in a presentation - *The Rough and Tumble Recovery: How the Great Recession Upset the Workers Comp Apple Cart* by Robert P. Hartwig, Ph.D., CPCU, President and Economist; at the NCCI Annual Issues Symposium; Orlando, FL; May 8, 2014.

Growing Labor Force. According to the Texas Workforce Commission, the Texas labor force continues to increase. The table below indicates the civilian labor force estimates and unemployment rate in the various metropolitan statistical areas (MSA) in Texas in April 2014 compared to one year ago.¹³

**Civilian Labor Force Estimates for Texas Metropolitan Statistical Areas
Not Seasonally Adjusted (In Thousands) – April – 2014 and 2013**

	2014 Civilian Labor Force	2014 Employment	2014 Unemployment	2014 Rate	2013 Civilian Labor Force	2013 Employment	2013 Unemployment	2013 Rate
United States	154,845.0	145,767.0	9,079.0	5.9	154,739.0	143,724.0	11,014.0	7.1
Texas	12,931.2	12,317.6	613.6	4.7	12,772.8	12,002.6	770.2	6.0
Abilene	83.9	80.8	3.1	3.7	84.5	80.5	4.0	4.7
Amarillo	133.5	129.1	4.4	3.3	135.4	129.6	5.8	4.3
Austin-Round Rock-San Marcos	1,017.6	978.7	38.9	3.8	1,001.5	951.8	49.7	5.0
Beaumont-Port Arthur	182.7	169.3	13.4	7.3	186.1	168.0	18.1	9.7
Brownsville-Harlingen	163.4	150.2	13.2	8.1	164.8	148.8	16.0	9.7
College Station-Bryan	121.9	117.7	4.2	3.5	117.8	112.2	5.6	4.8
Corpus Christi	222.3	212.2	10.1	4.6	218.9	206.4	12.5	5.7
Dallas-Fort Worth-Arlington	3,439.7	3,276.7	163.0	4.7	3,373.0	3,172.7	200.3	5.9
Dallas-Plano-Irving MD	2,293.7	2,183.9	109.8	4.8	2,246.6	2,111.5	135.1	6.0
Fort Worth-Arlington MD	1,145.9	1,092.7	53.2	4.6	1,126.4	1,061.2	65.2	5.8
El Paso	323.4	301.7	21.7	6.7	326.0	298.2	27.8	8.5
Houston-Sugar Land-Baytown	3,152.7	3,006.9	145.8	4.6	3,102.3	2,920.6	181.7	5.9
Killeen-Temple-Fort Hood	172.1	162.7	9.4	5.5	171.8	160.1	11.7	6.8
Laredo	101.4	96.1	5.3	5.2	101.5	94.9	6.6	6.5
Longview	116.2	111.2	5.0	4.3	115.6	109.4	6.2	5.3
Lubbock	149.6	144.4	5.2	3.5	148.0	141.1	6.9	4.7
McAllen-Edinburg-Mission	318.6	291.2	27.4	8.6	319.4	286.7	32.7	10.2
Midland	97.2	94.9	2.3	2.3	94.4	91.5	2.9	3.0
Odessa	86.2	83.7	2.5	2.9	84.4	81.2	3.2	3.7
San Angelo	57.2	55.1	2.1	3.6	57.4	54.6	2.8	4.9
San Antonio-New Braunfels	1,054.6	1,008.5	46.1	4.4	1,046.0	986.7	59.3	5.7
Sherman-Denison	58.5	55.8	2.7	4.6	57.9	54.1	3.8	6.5
Texarkana	62.1	58.5	3.6	5.7	62.9	58.6	4.3	6.9
Tyler	103.3	98.4	4.9	4.8	103.1	96.9	6.2	6.0
Victoria	63.7	61.3	2.4	3.8	62.2	59.1	3.1	5.0
Waco	114.6	109.5	5.1	4.4	115.1	108.6	6.5	5.7
Wichita Falls	69.6	66.5	3.1	4.4	70.9	66.9	4.0	5.6

¹³ Source: Texas Workforce Press Release; May 16, 2014; Texas Economy adds 64,100 jobs in April - Unemployment rate lowest since September 2008 at 5.2 percent. <http://www.twc.state.tx.us/news/press/2014/051614epress.pdf>

The Midland MSA had the lowest April unemployment rate in the State at 2.3 percent. The Odessa MSA had the second lowest rate at 2.9 percent.

“April [2014] was a robust month for Texas job growth; the unemployment rate continues to fall and we posted the highest monthly job growth in well over three years,” said Texas Workforce Commission Chairman Andres Alcantar in the agency’s May 2014 press release.¹⁴

In April 2014, eight of the 11 major industries experienced positive growth. Employment in Professional and Business Services grew by 20,100 positions, the largest monthly increase ever recorded for this industry. All major industries in Texas added jobs over the past year. The next table represents the job growth in the 11 major industries in Texas for the month, March 2014 to April 2014, and for the year, April 2013 to April 2014.

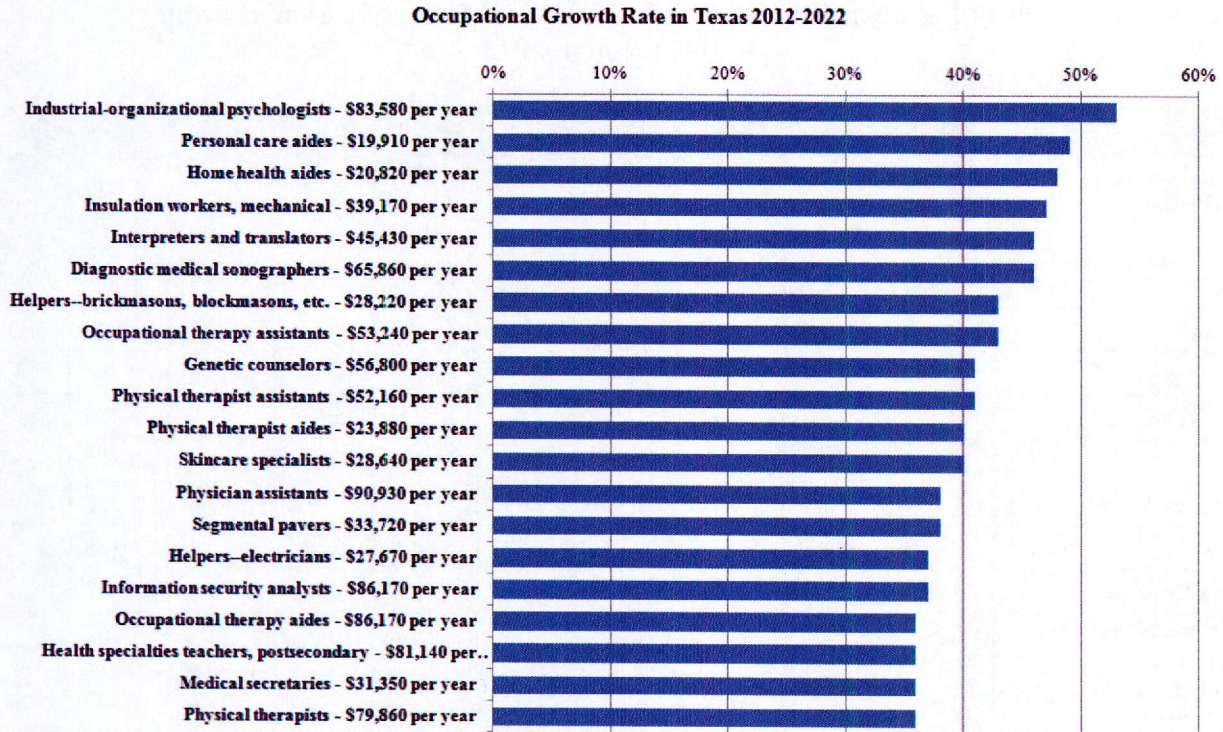
**Texas Non-Agricultural Wage and Salary Employment,
(Seasonally Adjusted)**

INDUSTRY TITLE	Apr. 2014	Mar. 2014	Apr. 2013	Absolute Change Mar. '14 to Apr. '14	Percent Change Mar. '14 to Apr. '14	Absolute Change Apr. '13 to Apr. '14	Percent Change Apr. '13 to Apr. '14
Total Nonagricultural	11,477,100	11,413,000	11,129,100	64,100	0.6	348,000	3.1
Total Private	9,649,400	9,581,300	9,325,200	68,100	0.7	324,200	3.5
Goods Producing	1,825,600	1,808,300	1,768,800	17,300	1.0	56,800	3.2
Mining and Logging	309,900	302,300	288,200	7,600	2.5	21,700	7.5
Construction	634,100	626,600	610,200	7,500	1.2	23,900	3.9
Manufacturing	881,600	879,400	870,400	2,200	0.3	11,200	1.3
Service Providing	9,651,500	9,604,700	9,360,300	46,800	0.5	291,200	3.1
Trade, Transportation, and Utilities	2,308,600	2,292,300	2,228,900	16,300	0.7	79,700	3.6
Information	204,600	204,800	199,600	-200	-0.1	5,000	2.5
Financial Activities	695,300	692,000	678,500	3,300	0.5	16,800	2.5
Professional and Business Services	1,513,700	1,493,600	1,448,500	20,100	1.3	65,200	4.5
Education and Health Services	1,518,600	1,510,500	1,477,700	8,100	0.5	40,900	2.8
Leisure and Hospitality	1,180,200	1,174,600	1,130,500	5,600	0.5	49,700	4.4
Other Services	402,800	405,200	392,700	-2,400	-0.6	10,100	2.6
Government	1,827,700	1,831,700	1,803,900	-4,000	-0.2	23,800	1.3

The Mining and Logging industry continues to be the fastest growing industry in Texas due to the recent oil boom. Although, many other industries had a higher *number* of jobs added over the past year, the Mining and Logging industry experienced an overall increase of 7.5 percent, well above that of other industries. The Construction industry also continues to experience growth.

¹⁴ Ibid.

According to the U. S. Bureau of Labor Statistics 2014 Occupation Outlook Handbook¹⁵, the average employment growth for all occupations from 2012 through 2022 is projected to be 11 percent. The chart below shows the projected employment growth of the 20 fastest growing occupations and the average annual salary.



Some of the occupations among the fastest growing are in industries with a high number of injuries, such as construction (insulation workers) and health care and social assistance, which could result in a continued increase in the number of occupational injury claims in several industries.

Occupational Injury Claims by Industry. The Texas incidence rate of nonfatal injuries and illnesses in private industry was 2.7 cases per 100 equivalent full-time workers in 2012, below the national rate of 3.4. The incidence rate for Texas remained unchanged for the third consecutive year. Transportation and warehousing and agriculture, forestry, fishing, and hunting have the highest incidence rates of all private industries at 3.9 each.¹⁶

However, injuries with more than one day of lost time that are reported to TDI-DWC occur most frequently in the Education Services and Manufacturing industries, respectively, according to TDI-DWC’s System Data Report, updated through December 2013.

¹⁵ Source: U. S. Bureau of Labor Statistics 2014 Occupation Outlook Handbook; *Fastest Growing Occupations*. <http://www.bls.gov/ooh/fastest-growing.htm>. Visited 5-22-2014.

¹⁶ Source: Texas Department of Insurance News Release: *Texas Workplace Injury, Illness Rate Again Below U.S. Rate*; November 21, 2013. <http://www.tdi.texas.gov/wc/safety/sis/documents/2012nfnwsrlse.pdf>

The next table shows the number and percentage of injury claims by type of industry from 2009 through 2013 based on the year that the injury occurred. Note that the number of claims per year will continue to grow as injuries for that calendar year are reported or as injuries reported in the calendar year as "medical only" begin to lose time from work.¹⁷

**Table of Number of Claims by Industry and Calendar Year of Injury
2009 through 2013**

Industry	2009 #	2009%	2010 #	2010%	2011 #	2011%	2012 #	2012%	2013 #	2013%
Agriculture, Forestry, Fishing and Hunting	1,454	1%	2,461	2%	2,196	2%	1,639	1%	1,079	1%
Mining	2,647	2%	3,209	3%	3,702	3%	3,635	3%	3,135	3%
Utilities	1,554	1%	1,668	1%	1,502	1%	1,457	1%	1,200	1%
Construction	9,058	9%	8,842	8%	8,612	8%	8,473	8%	7,649	9%
Manufacturing	11,451	11%	10,584	10%	11,463	11%	12,048	12%	9,968	11%
Wholesale Trade	3,437	3%	3,460	3%	3,372	3%	3,616	3%	3,020	3%
Retail	8,060	8%	7,962	8%	7,156	7%	5,610	5%	4,478	5%
Transportation, Warehousing	7,032	7%	7,408	7%	7,660	7%	7,442	7%	6,557	7%
Information	1,702	1%	1,633	1%	1,593	1%	1,304	1%	1,163	1%
Finance and Insurance	1,678	1%	1,532	1%	1,411	1%	1,412	1%	1,313	1%
Real Estate and Rental and Leasing	1,789	1%	1,733	1%	1,791	1%	1,837	1%	1,596	1%
Professional, Scientific, and Technical Services	1,801	1%	1,752	1%	1,823	1%	1,669	1%	1,477	1%
Management of Companies and Enterprises	347	0%	308	0%	283	0%	314	0%	249	0%
Admin/Support/Waste Mgmt/Remediation Svcs	6,796	6%	7,687	7%	7,996	8%	8,555	8%	7,482	8%
Educational Services	11,915	12%	13,072	13%	11,991	12%	12,277	12%	10,383	12%
Health Care and Social Assistance	6,999	7%	7,106	7%	7,168	7%	6,657	6%	5,997	7%
Arts, Entertainment, and Recreation	1,322	1%	1,225	1%	1,220	1%	1,381	1%	1,191	1%
Accommodation and Food Services	3,506	3%	3,399	3%	3,742	3%	3,707	3%	3,299	3%
Other Services (except Public Administration)	1,974	2%	2,054	2%	2,053	2%	1,981	2%	1,752	2%
Public Administration	12,149	12%	11,554	11%	11,317	11%	10,786	11%	9,867	11%
Not Reported	493	0%	522	0%	473	0%	630	0%	514	0%
Total	97,164	100%	99,171	100%	98,524	100%	96,430	100%	83,369	100%

¹⁷ Source: Source: Texas Department of Insurance, Division of Workers' Compensation; Workers' Compensation System Data Report. Claim data updated through December 2013. Note that the number of claims per year will continue to grow as injuries for that calendar year are reported or as injuries reported in the calendar year as "medical only" begin to lose time from work. Industry based on the six digit NAICS (North American Industrial Classification System) Coding System.

Technological Developments

OIEC is administratively attached to TDI, and TDI provides information technology services to OIEC. Services include voice and data connectivity for field and central office staff, including refreshing obsolete computer equipment; improved office software enhancements; and workers' compensation-related claims systems (TXCOMP and COMPASS).

OIEC has restricted use of TDI workers' compensation claim systems in order to fulfill its cause and case advocacy roles. Aggregate information is needed to advocate on behalf of injured employees as a class. The agency accesses individual claimant information to fulfill the agency's case advocacy role and assist injured employees in their workers' compensation claim and during the dispute resolution process.

Section 404.111(a) of the Texas Labor Code provides that when assisting an injured employee, OIEC is entitled to the same access to information related to the employee's injury and workers' compensation claim as the employee or any other party to the claim. OIEC gains access to claim information in the system by receiving permission directly from the injured employees to access their confidential information.

OIEC and TDI-DWC entered into a Memorandum of Understanding (MOU) in 2012 to facilitate the implementation of these Labor Code provisions. All OIEC employees are required to sign an acknowledgement that they understand and will follow these processes.

The processes involved in implementing and conforming to the MOU have led to several obstacles that have caused inefficiencies and complications. Access to a database OIEC used for management, workload, and system performance analysis has been denied. Previously, OIEC staff had the ability to extract data without having to rely on TDI-DWC to provide the information, which was very efficient – staff could extract the information in a matter of minutes. Due to access being denied; however, much of the information is now required to be requested from TDI-DWC on an ad-hoc basis and may take weeks to receive.

TDI-DWC replaced the real-time access to the database with an Excel spreadsheet report that is received on a regular basis. OIEC now relies on the Excel spreadsheet report to extract the data for management and workload analysis; however, the data is not complete in many cases. For example, specific codes are entered into the computer system to indicate that OIEC has been given permission to access the injured employee's confidential claim information. If the specific code is inadvertently not entered into the system, the information pertaining to that claim will not be provided to OIEC in the Excel report. Therefore, although OIEC has received permission to access the information and may currently be assisting the injured employee in the system, the information is not reflected in the Excel spreadsheet report, resulting in inaccurate information. OIEC and TDI-DWC are currently working together to alleviate these problems.

The current claims systems were also not designed to specifically meet OIEC's needs, (i.e., track OIEC processes and activities); therefore, OIEC has been working with TDI to improve the system in the interim and create other tools that will enhance OIEC's ability to serve its customers more efficiently and effectively. The changes may eventually allow OIEC to calendar

preparation appointments, activities, and deadlines to aid the Ombudsmen and Customer Service Representatives in providing assistance to injured employee.

Although TDI provides equipment for internet and intranet services for OIEC, the websites are maintained by OIEC staff. OIEC's intranet website provides a resource for OIEC staff to learn about other program areas within the agency; updates on new or revised policies and procedures; quick links to the agency's business plan, training, and agency directives; and other useful information that allows staff to ensure injured employee rights are protected.

An online complaint form is available for those who want to file a complaint, and OIEC posts its Customer Satisfaction Survey to obtain feedback. OIEC's Customer Satisfaction Survey can now also be accessed through a Quick Response Code using a smartphone. By downloading a Quick Response Code reader application to a smartphone and launching the Quick Response Code reader application, the code can be scanned using the Quick Response Code reader and the survey will open. The survey can then be completed and submitted from the smartphone.

OIEC utilizes social media (such as Twitter and Facebook) as an inexpensive way to reach out to its customers to provide education information. OIEC has a page on Twitter at <http://twitter.com/OIEC>. It is another way OIEC's customers can receive updates about the agency. Twitter is a free social networking service that enables its users to send and read messages known as *tweets*. Tweets are text-based posts of up to 140 characters displayed on the author's profile page and delivered to the author's subscribers, who are known as *followers*, via mobile texting, instant message, or the web. OIEC also has a Facebook page. The OIEC page has its contact info, explanation of services, upcoming events (monthly public outreach), as well as other helpful information. When a person becomes a "Fan," they will automatically be notified when something is added to the OIEC page.

The agency also regularly participates in webinars and online training when available.

OIEC plans to harness technology in the following future initiatives: creating additional education videos about workers' compensation to be placed on YouTube; creating an intranet web page for OIEC staff to be used as a medical resource guide; and developing internet-based training designed to provide practical applications by having self-testing available for staff to get immediate feedback on their skills.

Additionally, preparations are under way for a new telephone system. OIEC will soon transition to a telephone system that will provide the agency with more efficient and cost-effective communications. The internet-based telephone system will utilize a computer, headset, and the internet to place and receive most calls instead of the traditional telephone handset and line. The long-distance charges incurred will be limited, causing a decrease in that expense.

Economic Variables

If Texas were a nation, its economy would rank as the 13th largest in the world by Gross Domestic Product (GDP), according to the Texas Comptroller of Public Account's (CPA) 2013 estimates.¹⁸ The CPA's Economic and Population Forecast for fiscal years 2012 through 2019 is provided below as an indication of Texas' future economic climate.

TEXAS AND THE U.S. ECONOMIC AND POPULATION FORECAST FISCAL YEARS 2012 to 2019, WINTER 2013 FORECAST

CATEGORY	2012	2013	2014*	2015*	2016*	2017*	2018*	2019*
TEXAS ECONOMY								
Gross State Product (Billion 2005\$)	1,198.5	1,248.2	1,294.4	1,338.5	1,385.9	1,436.8	1,493.7	1,552.7
Annual Percentage Change	4.7	4.1	3.7	3.4	3.5	3.7	4.0	4.0
Personal Income (Billion Current \$)	1,064.5	1,116.7	1,161.1	1,210.4	1,278.1	1,352.8	1,431.6	1,513.5
Annual Percentage Change	4.6	4.9	4.0	4.2	5.6	5.8	5.8	5.7
Nonfarm Employment (Thousands)	10,793.4	11,108.8	11,348.7	11,588.9	11,841.8	12,116.0	12,375.2	12,619.4
Annual Percentage Change	2.6	2.9	2.2	2.1	2.2	2.3	2.1	2.0
Unemployment Rate (Percentage)	7.1	6.5	6.4	6.3	5.9	5.5	5.3	5.1
Texas Exports (Billions of Dollars)	262.7	271.2	283.6	300.3	323.3	347.5	373.0	400.8
Resident Population (Thousands)	26,005.7	26,441.9	26,886.9	27,338.3	27,794.9	28,254.3	28,715.4	29,178.8
Annual Percentage Change	1.6	1.7	1.7	1.7	1.7	1.7	1.6	1.6
Taxable Oil Price (\$ per Barrel)	\$92.0	\$93.2	\$94.0	\$86.7	\$84.3	\$90.5	\$93.9	\$96.7
Taxable Nat. Gas Price (\$ per MCF)	3.8	3.4	3.3	3.4	3.8	3.9	4.0	4.1
U.S. ECONOMY								
Gross Domestic Product (Billion 2005\$)	15,396.4	15,639.4	16,002.3	16,515.5	17,042.8	17,564.5	18,084.2	18,605.1
Annual Percentage Change	2.8	1.6	2.3	3.2	3.2	3.1	3.0	2.9
Cons. Price Index (1982-84=100)	229	232	236	239	244	249	253	258
Annual Percentage Change	2.7	1.3	1.7	1.3	2.1	2.0	1.6	2.0
Prime Interest Rate (Percentage)	3.3	3.3	3.3	3.3	4.6	6.6	7.0	7.0

* Projected.

¹⁸ Source: Office of the Governor; Economic Development & Tourism; Overview of the Texas Economy; Updated: March 2014; www.TexasWideOpenForBusiness.com.

Impact of Federal Statutes/Regulations and Other Legal Issues

Impact of Federal Statutes/Regulations

Currently, there are no federal statutes/regulations that impact OIEC operations directly; however, the Federal Health Care Reform may have an impact on the Texas Workers' Compensation System.

Federal Health Care Reform – Potential for Cost/Claim Shifting. President Obama signed the Patient Protection and Affordable Care Act of 2009 (ACA), the federal health care reform bill, into law on March 23, 2010. The purpose of the law is to provide accessible health care coverage for an estimated 32 million Americans who are currently uninsured, and it will help people who already have health insurance retain their coverage. Some of the law's provisions became effective in 2010 while others will be phased in through 2020.

It is still unknown how much of an impact the ACA will have on workers' compensation; however, one concern is prevalent among system stakeholders nationwide – the expectation that Medicare might start reducing its reimbursement rates as a result of ACA rules. If that happens, medical providers could start feeling a pinch, says Harry Shuford, chief economist for the National Council on Compensation Insurance (NCCI). “Combined with the growth in Medicaid – where reimbursement rates are quite low – there is some concern that providers might start to find ways to get their patients' injuries covered by workers' comp, a concept called cost shifting,” he says. “That is potentially a bigger concern, but right now the whole thing is uncertain.”¹⁹

Workers' compensation system stakeholders in Texas are also carefully monitoring the effects of the ACA. According to Jeanette Ward, Senior Vice President of Claims with Texas Mutual Insurance Company in an April 2014 news update, medical cost and/or claim shifting could potentially become a problem in Texas. She said, “No one can prove that uninsured workers tend to call an injury work related to have a portion of their health care paid for (i.e. the low back injury from a softball game on Sunday becomes the lifting injury on Monday at work), it is widely suspected in the industry that this does occur. If there is no time lost from work for these injuries, the now-insured worker may be incented to file under healthcare instead of workers' compensation. However, the high deductibles as part of the ACA could have the opposite effect. Other factors could influence cost or claim shifting between healthcare and workers' compensation, including reimbursement rates for providers and the complexity of the workers' compensation system. A recent *RAND study* shows that in Massachusetts, which implemented an ACA-like reform in 2006, costs shifted from workers' compensation to healthcare. However, that state's workers' compensation reimbursement rates are the lowest in the country. Texas workers' compensation rates are higher than Medicare, which could favor medical cost shifting to workers' compensation for some claims. It seems that for every theory I read that would shift costs one way, there is another theory that predicts shifting costs the other way.”

¹⁹ Source: Insurance Journal: *10 Challenges Ahead for Workers' Compensation*, by Andrea Wells; May 5, 2014 <http://www.insurancejournal.com/magazines/features/2014/05/05/327694.htm> . Visited May 6, 2014

Ms. Ward also lists two additional theories regarding the possible side-effects in Texas:

- **Provider shortages/access to care.** As more consumers enter the healthcare market, there could be less capacity in the medical community to match the increased demand. The potential downside to workers' compensation is that if it takes longer for an injured worker to receive medical care, overall claim duration and costs could increase. Additionally, the theory of supply and demand (low doctor supply, high demand) could accelerate medical inflation overall, which would have an impact on workers' compensation claim costs. Texas is one of the top states projected to have doctor shortages in the coming years.
- **Healthier workers.** The ACA does not bring all bad news for workers' compensation. In theory, a healthier workforce could lead to a reduction in claim frequency and acceleration in return-to-work. This could ultimately result in lower workers' compensation costs overall. While not all theories are proven true, it is worth monitoring for changing claim frequency and severity trends.

At least for the short term, the ACA is not likely to have a material impact on the Texas workers' compensation system. However, the longer-term impact could bring some mixed results. OIEC will continue to monitor the effects that the ACA may have on the workers' compensation system and particularly on the injured employees in Texas.

Impact of Anticipated State Statutory Changes

OIEC has an obligation to protect the interests of injured employees as a class. This requires that OIEC give thorough and thoughtful comments to the rules proposed by TDI-DWC. OIEC also makes legislative recommendations to protect the interests of injured employees and advances its advocacy role by pursuing matters pending before either the Texas appellate courts or the Supreme Court where OIEC needs to serve as a voice for the injured employees of Texas.

Currently, there are no State statutory changes that may impact OIEC operations directly; however, the passage of mandatory workers' compensation legislation may have a significant impact on the Texas Workers' Compensation System and ultimately the agency.

Mandatory Workers' Compensation. Texas is the only state that does not require some type of mandatory workers' compensation coverage for its injured employees. Oklahoma recently passed legislative which allows some employers to opt-out of the workers' compensation system as long as they provide another type of equivalent coverage for their employees. Approximately 67 percent of Texas employers and 81 percent of Texas employees are covered by workers' compensation insurance.²⁰

However, according to the Texas Department of Insurance during testimony before the House Business and Industry Committee in April 2014 regarding the voluntary nature of the Texas

²⁰ Texas Department of Insurance, Research and Evaluation Group; [Employer Participation in the Texas Workers' Compensation System: 2012 Estimates](#), December, 2012.

workers' compensation system, approximately 500,000 workers in Texas are not covered by any type of workers' compensation plan.

During the hearing, Stephanie Gharkhanian of the Workers Defense Project, an advocacy group, stated that construction workers particularly lack workplace coverage. Despite their relatively dangerous jobs, only 40 percent of them have coverage. Those workers also are among the least able to afford a workplace injury. The typical construction worker without coverage makes between \$10 and \$20 an hour, is between 20 and 40 years old, and 30 percent of them are foreign born.²¹

If legislation mandates Texas employers to cover their employees with workers' compensation insurance, it may have a significant impact on OIEC's workload and its mission to assist, educate and advocate on behalf of the injured employees in Texas.

Workers' Compensation Rule and Forms Activity. Pursuant to Texas Labor Code Sections 404.101 and 404.104, OIEC advocates on behalf of injured employees as a class by analyzing and participating in workers' compensation system rule initiatives and encouraging the simplification of procedures and forms. The level of workers' compensation rule activity is ultimately dependent on statutory changes mandated during legislative sessions. OIEC provides comments to TDI-DWC during the development phase of rules and forms relating to workers' compensation. Since the last biennium, OIEC has provided comments to TDI-DWC on the following informal and formal rules and forms:

- *July 2012* – Review of the informal working draft to amend Chapter 166 relating to Workers' Health and Safety Accident Prevention Services;
- *August 2012* - Proposal on new 28 TAC §126.17 and to amend § 130.2 regarding Post Designated Doctor Treating Doctor Examination;
- *August 2012* - Proposal on new 28 TAC §§180.60-180.78 regarding the Medical Quality Review Panel;
- *August 2012* - Draft of the Plain Language Notice relating to the Potential Entitlement to Workers' Compensation Death Benefits (PLN-12);
- *August 2012* - Review of the informal working draft to amend Chapter 166 relating to Workers' Health and Safety Accident Prevention Services;
- *September 2012* - Proposal on 28 TAC, Subchapter R, §§19.1701-19.1719 and Subchapter U, §§19.2001-19.2017 concerning Utilization Reviews for Health Care
- *October 2012* - Proposal of new 28 TAC §126.17 concerning Guidelines for Examination by a Treating Doctor or Referral Doctor after a designated doctor examination to address issues other than certification of maximum medical improvement and the evaluation of permanent impairment;
- *November 2012* - Proposed Designated Doctor Plan-Based Audit;
- *November 2012* - Informal Proposal of DWC057, Request for Extension of Maximum Medical Improvement Date for Spinal Surgery;

²¹ Sources: Texas Department of Insurance Workers' Compensation Research and Evaluation Group; *Employer Participation in the Texas Workers' Compensation System: 2012 Estimates*; October 2012; and a video broadcast of the Texas House Business & Industry Committee Meeting on 4-22-2014.

- *November 2012* - Review of the informal working draft to amend Chapter 166 relating to Workers' Health and Safety Accident Prevention Services;
- *December 2012* - Proposed 28 TAC §§134.803 and 134.807, concerning reporting standards and state specific requirements;
- *December 2012* - Informal proposal to amend 28 TAC §130.1 regarding Certification of Maximum Medical Improvement and Evaluation of Permanent Impairment;
- *January 2013* - Proposed DWC Form-105 and DWC Form-109;
- *March 2013* - Proposal to amend 28 TAC §130.1 regarding Certification of Maximum Medical Improvement and Evaluation of Permanent Impairment;
- *June 2013* - Proposal to amend 28 TAC §§114.1-114.15 regarding Self-Insurance rules;
- *July 2013* - Concept draft of 28 TAC §152.4 concerning guidelines for legal services provided to claimants and carriers;
- *July 2013* - Proposed Legacy Claims Pain Management Plan-Based Audit;
- *August 2013* - Proposed repeals of 28 TAC §§43.15 and 43.20 regarding reporting requirements of insurance carriers;
- *August 2013* - Proposed repeal of 28 TAC Chapter 89 regarding the Crime Victims Compensation Act;
- *August 2013* - Informal proposal to amend 28 TAC §§133.2, 133.240, 133.250, and 133.305 regarding General Medical Provisions;
- *August 2013* - Informal proposal to amend 28 TAC §§134.110, 134.502, and 134.600 regarding Benefits – Guidelines for Medical Services, Charges, and Payments;
- *September 2013* - Informal proposal to amend 28 TAC §133.10 regarding Health Care Provider Billing Procedures;
- *November 2013* - Proposal to amend 28 TAC §133.10 regarding Health Care Billing Procedures;
- *November 2013* - Request for input concerning the Medical Quality Review CY 2014 Annual Audit Plan by the TDI-DWC Medical Advisor
- *December 2013* - Proposal to amend 28 TAC §§133.2, 133.240, 133.250, and 133.305 regarding General Medical Provisions;
- *December 2013* - Proposal to amend 28 TAC §§134.110, 134.502, and 134.600 regarding Benefits – Guidelines for Medical Services, Charges, and Payments;
- *December 2013* - Informal proposal to amend 28 TAC Chapter 148 regarding Hearings Conducted by the State Office of Administrative Hearings;
- *January 2014* - Informal proposal to amend 28 TAC §124.5 regarding Mode of Payment by Insurance Carriers and to add new §124.6 regarding Payments Made Through an Access Card;
- *January 2014* - Informal draft of 28 TAC §152.4 concerning guidelines for legal services provided to claimants and carriers;
- *March 2014* - Informal proposal to amend 28 TAC §124.5 regarding Mode of Payment by Insurance Carriers and to add new §124.6 regarding Payments Made Through an Access Card;
- *March 2014* - Review of the text of the proposed Medical Quality Review Process document;

- *April 2014* - Proposal to amend 28 TAC Chapter 148 regarding Hearings Conducted by the State Office of Administrative Hearings;
- *April 2014* - Review of concept draft of 28 TAC §137.10 concerning return-to-work guidelines;
- *June 2014* – Proposal to amend 28 TAC §§ 152.3-4 regarding attorneys’ fees; and
- *June 2014* – Review of concept draft of new 28 TAC § 131.1 regarding lifetime income benefits.

OIEC also amended Texas Administrative Code Section 276.5 regarding an Employer’s Notification of the Ombudsman Program to Employees, which became effective September 1, 2013. All employers participating in the workers’ compensation system are required to publicly post the revised notice of the OIEC Ombudsman Program.

OIEC has been successful in recommending changes for the benefit of injured employees on many of the rules that would have negatively impacted injured employees had the agency not intervened. OIEC will continue to monitor all workers’ compensation rule activities to further the interests of injured employees.

Possible Legislative Recommendations for the 84th Legislative Session, 2014. OIEC takes seriously its role as the voice of the injured employee in carrying forward legislation that improves workers’ compensation benefits and the system as a whole. Pursuant to Labor Code Section 404.108, the OIEC Public Counsel may recommend legislation determined to benefit the interests of injured employees as a class and uphold the workers’ compensation system goal of treating injured employees with dignity and respect. Based on the feedback from OIEC’s February 2014 stakeholder’s meeting, OIEC is in the process of prioritizing the following legislative recommendations for the 84th legislative session:

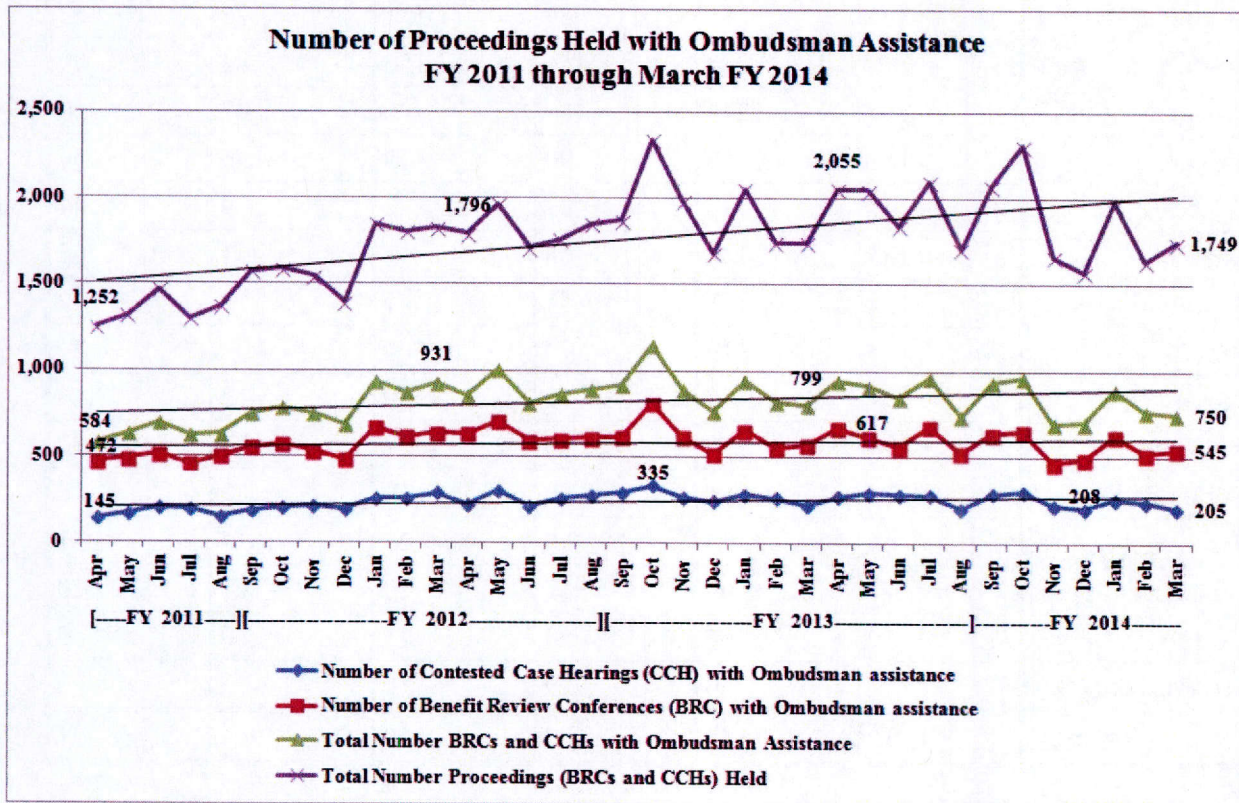
1. ***Lifetime Income Benefits*** –Amend the Texas Labor Code to include additional qualifying criteria.
2. ***Temporary Income Benefits*** –Amend the Texas Labor Code to provide for a modest increase in benefits, and an increase in the benchmark earnings rate.
3. ***Challenges to Compensability*** –Amend the Texas Labor Code to provide a deadline for disputing the compensability of an injury to a body part following notification that an injury extends to that body part.
4. ***Consistency in Venue of Benefit Disputes*** –Amend the Texas Labor Code to provide the same venue for appeals of medical necessity and indemnity dispute decisions.
5. ***Medical Necessity Disputes at Judicial Review*** –Enact legislation providing that the insurance carrier is liable for attorneys’ fees incurred by the injured employee at judicial review when the injured employee prevails in the administrative dispute process.
6. ***Expert Testimony*** –Require the insurance carrier to pay either the treating doctor or designated doctor to testify at a contested case hearing.

Self-Evaluation and Opportunities for Improvement

As the labor force increases, becomes more diverse, and workers' compensation disputes continue to occur, OIEC must evolve to provide services to all of its customers. This section of the Strategic Plan provides a glimpse of some of the ways OIEC is responding to changing conditions and plans for the future.

Increasing Need for OIEC Services. Although the number of occupational injuries has remained fairly stable, the need for OIEC's services has increased over the past few years. The percentage of proceedings in which an Ombudsman assisted an unrepresented injured employee was 38 percent in FY 2009 and peaked at 50 percent in FY 2012. Currently, the percentage of proceedings in which an Ombudsman assists an unrepresented injured employee is approximately 46 percent.

The next chart indicates the trending increase in the *number* of proceedings held with Ombudsman assistance during the past three years (from April 2011 through March 2014). A trend line is displayed in the chart to show the steady overall increase for each type of proceeding.



**Number of Benefit Review Conferences (BRC),
Contested Case Hearings (CCH), and Appeals with Ombudsman Assistance
Actual Performance in FY 2013 and Projected for FY 2014 by Field Office**

Field Office	FY 2013 BRC Actual	FY 2014 BRC Projection	FY 2013 CCH Actual	FY 2014 CCH Projection	FY 2013 APPEAL Actual	FY 2014 APPEAL Projection
Fort Worth	987	800	373	317	104	89
Houston West	981	921	473	414	153	183
Dallas	913	740	593	515	139	98
San Antonio	739	731	251	266	155	132
Houston East	699	663	320	335	126	96
Weslaco	456	489	199	158	110	104
Austin	345	348	127	93	46	24
El Paso	311	278	104	89	34	53
Corpus Christi	293	255	66	111	26	63
Denton	290	284	154	156	84	99
Waco	265	243	160	126	47	50
Tyler	181	168	90	75	56	54
Lubbock	151	111	79	72	39	41
Amarillo	133	132	55	53	41	35
Beaumont	125	107	54	41	2	12
Lufkin	115	119	74	60	37	21
Laredo	111	98	59	50	12	26
Abilene	94	125	30	27	24	17
Midland	90	81	23	18	9	8
San Angelo	64	50	19	23	17	21
Wichita Falls	47	65	17	20	0	0
Uvalde	19	14	13	15	0	0
Mt. Pleasant	10	0	9	0	0	0
TOTAL	7,419	6,816	3,342	3,029	1,261	1,221

Part of the reason for the increase in requests for Ombudsman assistance is likely due to the current economy. Injured employees may choose the free services offered by the Ombudsman Program rather than paying a private attorney up to 25 percent of their indemnity benefits. Another reason for the increase of requests for Ombudsmen may be OIEC's increased public outreach efforts – more customers are aware of OIEC's services.

OIEC strives to meet the workload demand; however, it has been a challenge for the agency. Scheduling time for case development and preparation appointments, benefit review conferences, contested case hearings, telephone conferences, training, travel, and other responsibilities can be difficult to balance. Additionally, OIEC’s Compact with Texans directs staff to return telephone calls within 16 business hours.

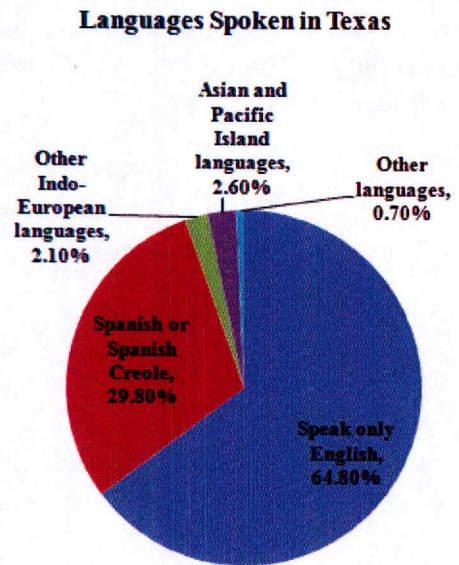
One way OIEC is managing the workload is by filling vacancies as soon as possible. In some instances, a position is posted as soon as the resignation is received, prior to the actual departure. OIEC also has developed a process for Ombudsmen in smaller field offices to assist Ombudsmen in larger field offices with their case development activities, such as requesting medical records and contacting the insurance adjuster. However, OIEC’s policy requires a single Ombudsman to assist the injured employee throughout the life of the workers’ compensation claim; therefore, communication with the injured employee remains strictly between the injured employee and his or her assigned Ombudsman.

Effective Communication – Access Plan. One challenge that OIEC encounters in providing excellent customer service is language barriers. This challenge is enhanced as the non-English speaking population grows in Texas and nationally.

The chart on the right indicates the distribution of the different languages spoken throughout the State according to the 2012 American Community Survey data.²² Due to the various languages spoken across Texas, it is important for OIEC to ensure that the agency can effectively communicate with its customers.

One of the tools the agency uses to ensure effective communication is its *Access Plan for Non-English Speakers*. Pursuant to Texas Labor Code Section 404.005(a), OIEC is required to prepare and maintain a written plan that describes how a person who does not speak English can be provided reasonable access to its programs. The *Access Plan* summarizes OIEC’s efforts to ensure access to the agency for non-English speaking individuals. OIEC’s *Access Plan* is available on the agency’s internet at www.oiec.texas.gov/topics/access.

OIEC ensures that nearly all of its offices have OIEC staff that is able to provide personal assistance in Spanish. More than half of OIEC staff is bilingual in languages including Spanish, German, French, Edo (Nigerian), and Vietnamese. OIEC’s hiring practices ensure that field office personnel have the skills to speak languages other than English.



²² Source: U.S. Census Bureau, 2012 American Community Survey; Data Extract: Language Spoken at Home in Texas. <http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>

Additionally, in an effort to increase the number of bilingual staff, OIEC has purchased tools/resources for interested staff to learn a new language. OIEC also offers other resources to individuals that do not speak English. OIEC provides outreach and educational materials in Spanish and other languages including but not limited to Chinese (Cantonese), Vietnamese, Laotian, and Korean, upon request.

The agency's website (www.oiec.texas.gov) can be translated into several languages as a helpful resource. There is also a feature on the OIEC internet that translates the OIEC HTML web pages into other languages including Portuguese, Spanish, French, Italian, German, Dutch, Swedish, Russian, Greek, Arabic, Simplified Chinese, Traditional Chinese, Korean, and Japanese. At the top of the OIEC internet pages, in the upper right hand corner is a web link that says "Translate Page." This brings the user to the bottom of the page where one can select the language to translate the page.

OIEC's toll-free number (1-866-EZE-OIEC • 1-866-393-6432) provides assistance to callers in both English and Spanish. Interpreter services are also available for injured employees in various stages of the workers' compensation dispute resolution process.

OIEC utilizes Language Line Services which provides non-English speaking injured employees with a quicker response time in answering their questions telephonically, in-person, and at proceedings. The following table reflects the many languages provided to its customers through Language Lines Services in FY 2014.

OIEC Language Line Services Summary
September 1, 2013 through April 30, 2014

Language	Calls	Minutes	Average
Spanish	1,394	25,912	18.6
Vietnamese	30	642	21.4
Korean	8	177	22.1
Karen	6	48	8.0
Somali	4	33	8.3
Farsi	2	30	15.0
Portuguese	1	63	63.0
French	1	61	61.0
Burmese	1	19	19.0
Total	1,447	26,985	18.6

OIEC is committed to continue efforts to improve and expand its offerings to non-English speakers in the State. In addition to OIEC's efforts to reduce language barriers, the agency is also taking steps to ensure access to its website, including documents that are accessible to individuals with impaired vision and other disabilities.

Safeguarding Confidential Claimant Information: A Top Priority. Assisting injured employees or their beneficiaries is at the heart of OIEC's mission. Effective assistance requires OIEC employees to review workers' compensation claim information. Because OIEC is

administratively attached to TDI, the agencies share a computer system, which OIEC uses to fulfill its mission.

Texas Labor Code Section 402.083(a) provides that an injured employee's claim file information is confidential and may not be disclosed by TDI-DWC except as provided by law. Further, Section 402.086(a) provides that information relating to a claim that is confidential under that subtitle remains confidential when released to any person, except when used in court for the purposes of an appeal.

In October 2011, TDI-DWC and OIEC formalized their processes to ensure OIEC employees only access confidential claim information for customers who have requested OIEC's assistance. The agencies entered into a *Memorandum of Understanding Concerning Confidential Claim Information (MOU)*, which details the circumstances in which OIEC employees may access confidential claim information. All OIEC employees signed an acknowledgement that they understand and will follow these processes.

The processes involved in implementing and conforming to the MOU have led to several obstacles that have caused inefficiencies and complications. Access to databases OIEC used for management, workload, and system performance analysis has been denied. Previously, OIEC staff had the ability to extract data without having to rely on TDI-DWC to provide the information, which was very efficient – staff could extract the information in a matter of minutes. Due to access being denied, much of the information is now required to be requested from TDI-DWC on an ad-hoc basis and may take weeks to receive. OIEC and TDI-DWC are currently working in concert to alleviate these problems. For more detailed information regarding this issue, please refer to the *Technological Developments* section on page 38 of this report.

Despite the complexities of the situation, OIEC continues to effectively protect the confidential claim information entrusted to it by injured employees.

Advocacy on Behalf of Injured Employees. OIEC has an obligation to protect the interests of injured employees as a class. This requires that OIEC give thorough and thoughtful comments to the rules proposed by TDI-DWC.

In the past, most of the comments were prepared in the OIEC Central Office. However, a commitment has been made to place more emphasis on input from the agency field offices, especially on proposed rules such as benefit review conference rules that affect how business is conducted in the agency field offices.

OIEC also makes legislative recommendations to protect the interests of injured employees and determines whether there are issues pending before either the Texas appellate courts or the Supreme Court where OIEC needs to serve as a voice for the injured employees of Texas.

Stakeholder Meeting Results in Collaboration. In February 2014, OIEC hosted a meeting for workers' compensation system stakeholders to present the agency focus on "the customer experience" and proposed legislative recommendations for the 84th Texas Legislature.

Nearly 40 stakeholders representing diverse interests (the Governor's Office, legislators, both insurance carrier and claimant attorneys, insurance carriers, medical associations, and TDI) participated in the meeting, which had the highest attendance of any OIEC meeting.

The discussion centered on six issues that OIEC has identified for action within the workers' compensation system:

- **Lifetime Income Benefits.** Amend the Texas Labor Code to include additional qualifying criteria. **Temporary Income Benefits.** Amend the Texas Labor Code to provide for a modest increase in benefits, and an increase in the benchmark earnings rate.
- **Challenges to Compensability.** Amend the Texas Labor Code to provide a deadline for disputing the compensability of an injury to a body part following notification that an injury extends to that body part.
- **Consistency in Venue of Benefit Disputes.** Amend the Texas Labor Code to provide the same venue for appeals of medical necessity and indemnity dispute decisions.
- **Medical Necessity Disputes at Judicial Review.** Enact legislation providing that the insurance carrier is liable for attorneys' fees incurred by the injured employee at judicial review when the injured employee prevails in the administrative dispute process.
- **Expert Testimony.** Require the insurance carrier to pay either the treating doctor or designated doctor to testify at a contested case hearing.

The stakeholders actively discussed the issues and provided significant input on the recommendations, which will be useful in shaping the final legislative recommendations proposed by OIEC.

OIEC looks forward to working with all of the stakeholders in the months ahead to ensure a fair and responsive workers' compensation system.

Public Outreach and Overcoming Technological Barriers. While OIEC explores opportunities to make information available in electronic media formats such as webinars or videos, other tools that OIEC utilizes to disseminate information about its services are email and its website.

OIEC performs mass email distributions to notify OIEC stakeholders of special events and key agency information. OIEC's website provides a great deal of information about OIEC and the workers' compensation system. Answers to almost any question about OIEC and the workers' compensation system are provided on OIEC's website or a provided link.

Social media use is on the rise by state agencies and OIEC was one of the first agencies to use social media outlets. OIEC can be found by searching for "OIEC" at www.twitter.com and www.facebook.com.

OIEC has also uploaded videos concerning workers' compensation topics to YouTube – OIECTube. These videos enhance OIEC's effort to educate the public concerning the workers' compensation system in Texas. OIEC recently created two videos explaining the dispute resolution process. The videos are scripted re-enactments of a benefit review conference and a

contested case hearing. Along with providing information, the videos allow OIEC's customers to get a sense of what to expect if they attend one of these proceedings.

However, not all of OIEC's customers have access to the internet and many are unable to take advantage of recent technological developments. Although the percentage has been decreasing over the past few years, approximately one-third of the respondents to OIEC's 2013 Customer Satisfaction Survey said that they do not have internet access at home.

To overcome this barrier, OIEC also provides outreach and information materials for injured employees and other system participants in paper form. All literature and materials are available in English, Spanish, and other languages upon request.

Additionally, once a month every OIEC field office holds an hour-long presentation to educate its customers on a given topic. Recent topics include "Ten Things to Know About Compensability and Extent of the Injury," "Making Preauthorization for Treatment More Successful," and "Steps in the Dispute Resolution Process." These outreach efforts are essential to inform injured employees and the public about important topics and the role that OIEC plays in the Texas workers' compensation system.

Partnering with Other Entities to Educate. OIEC constantly seeks new opportunities and venues to share information about the agency and its services. OIEC has broadened its public outreach initiatives to reach more customers. In addition to providing information at speaking engagements and presentations, OIEC hosts educational sessions at exhibition booths free of charge at various organization's conventions. For example:

OIEC hosted an informational booth at the TexMed 2014 Convention. OIEC was one of more than 200 exhibitors who provided product and services information on a variety of topics that benefit doctors, medical practice staff, and patients. Approximately 1,500 providers attended this event and almost as many visited OIEC's booth.

OIEC hosted a booth at the Texas Job Fair at Rice University in Houston in February 2014. Approximately 1,000 potential new employees attended the job fair.

OIEC has participated as an exhibitor at events including: TDI-DWC's Designated Doctor Training, Compliance Conference, and Safety Summit; the annual meeting of the American College of Physicians Texas Chapter in Fort Worth; the Texas Medical Association convention; Texas American Federation of Labor and Congress of Industrial Organization (AFL-CIO) convention; and the Executive Women in Texas Government Annual Professional Development Conference in San Marcos.

OIEC works with the Workers' Defense Project as an avenue to educate injured employees in the workers' compensation system about OIEC's role and services. The Workers' Defense Project assists low-income employees with the resources to improve their working and living conditions.

Outreach Efforts Extend to Growing Population of Hispanics, Asians in Houston. OIEC's outreach efforts now extend from federal agencies to small nonprofits that help the growing

number of Hispanic and Asian employers and employees in the Houston area to understand their rights and responsibilities in the workplace.

The Mexican Consulate, which processes 700 applications for passports and other documents each day, has included OIEC in its booklet that describes every aspect of life in the U.S. in simple terms for its constituents. Highly publicized events occur monthly at the consulates, churches, and other venues to reach out to immigrant families.

The Mexican Consulate in Houston invited OIEC in August 2013 to join the Justice and Equality in the Workplace Program (JEWEP), which was formed in 2001 as a collaborative effort among government agencies, consulates, nonprofits, and faith-based organizations to provide outreach to the Hispanic community in the greater Houston area.

Through that collaboration OIEC also has reached out to members of The Information Group for Asian American Rights (TIGAAR) in Houston. TIGAAR participants include the same federal agencies as well as local organizations such as the Alliance for Multicultural Community Services, Boat People-SOS of Houston, VN TeamWork/HiepLuc, and Organization of Chinese Americans.

The objectives of OIEC, JEWEP, and TIGAAR align well, including case-by-case resolution of issues affecting immigrant workers regardless of their immigration status.

OIEC has two field offices in Houston that serve the metropolitan area that includes Harris County, which has more than 1 million foreign-born residents. Harris County saw its percentage of foreign-born residents increase to 25 percent, up from 22 percent in 2000 and 14 percent in 1990, according to the U.S. Census American Community Survey data released in December 2013. Immigrants have come from a cross-section of Latin America and Asia, some highly educated and others with virtually no education, to work in a variety of jobs from doctors and engineers to construction workers and cooks according to a January 2014 report in The Texas Tribune. Houston – the nation’s fourth-largest city – is also a major destination for the resettlement of refugees from all over the world. And foreign-born residents of other U.S. states have also come to the Houston area. JEWEP participants include the:

- U.S. Department of Labor through its Wage and Hour Division, Equal Employment Opportunity Commission, and Occupational Safety and Health Administration;
- National Labor Relations Board;
- Consulates General of Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, and Peru;
- Harris County AFL-CIO Council;
- YMCA International;
- Fe y Justicia Worker Center;
- Conroe Hispanic Task Force;
- Houston Women’s Center; and
- Restaurant Opportunities Centers.

These entities were unaware that OIEC existed until the agency participated in Labor Rights Week. Now OIEC is a part of (JEWEP and TIGAAR's) international outreach. OIEC's information is now spread out to high government levels and to small nonprofits throughout the city and State and surrounding states.

OIEC is excited about this opportunity to reach out to those who need our services most.

FY 2012 and FY 2013 Outcome Measure Results and Projected Performance for FY 2014.

The table below identifies some of OIEC's outcome measure performance for FY 2012 and FY 2013 and the performance projected for FY 2014.

Performance Measure	FY 2012	FY 2013	FY 2014
	Actual	Actual	Projected
Percentage of Disputes Resolved by the Office of Injured Employee Counsel Prior to Holding a Texas Department of Insurance Administrative Dispute Resolution Proceeding	63.58%	61.04%	64.00%
Percentage of Proceedings Held Before the Division of Workers' Compensation in Which the Injured Employee was Assisted by an Ombudsman	49.98%	46.10%	45.00%
Percentage of Issues Raised at Contested Case Hearings (CCH) Where the Injured Employee Prevailed When Assisted by an Ombudsman	27.95%	26.78%	29.00%
Percentage of Workers' Compensation Rules Changed for the Benefit of the Injured Employee as a Result of OIEC Participation	83%	75%	78%

Highlights of OIEC's performance include the following:

- OIEC attempts to resolve disputes prior to entering TDI-DWC's administrative dispute resolution system. OIEC has been successful in achieving this goal and consistently resolves more than 60 percent of the disputed issues prior to an administrative proceeding. OIEC currently resolves approximately 475 disputed issues each month prior to holding a proceeding. Among the dozens of potential issues that could be disputed, some may include the appropriate average weekly wage, the correct date of injury, the extent of the injury, plus many more.
- The percentage of proceedings in which an injured employee is assisted by an Ombudsman has increased within the past few years and peaked at approximately 50 percent in FY 2012. OIEC believes that injured employees are requesting Ombudsman assistance due in part to the economy and OIEC's increased public outreach efforts. More injured employees are choosing free assistance from an Ombudsman rather than paying up to 25 percent of their income benefits for attorney representation.

- The percentage of issues raised at Contested Case Hearings (CCH) where the injured employee prevailed when assisted by an Ombudsman at a CCH in FY 2014 is expected to increase to approximately 29 percent. The prevail rate has decreased during the past few years, regardless of the type of assistance or representation, due in part to the evidence needed to prove the injured employee's case. OIEC is passionate about this issue and continues to advocate for a balance to properly address the evidentiary requirements to prove an injured employee's extent-of-injury claim (Refer to OIEC's legislative recommendation to the 85th Texas Legislature for additional information on this issue).
- The percentage of workers' compensation rules changed for the benefit of the injured employee as a result of OIEC participation is at least 75 percent each year. OIEC analyzes and actively participates in TDI-DWC rule initiatives to carry out its statutory mission to advocate on behalf of the injured employees of Texas.

Centralized Docketing Helps Injured Employees Keep Appointments. Centralizing OIEC's docketing functions is proving to be a valuable initiative for the agency and its customers. Customer Service Representatives in the Austin central office schedule case development and proceeding preparation appointments for Ombudsmen in all 20 field offices around the State. Field office staff now can focus on telephone coverage and fulfilling the agency's mission to educate injured employees. Handling these appointments from one location provides consistency in scheduling and allows OIEC to more efficiently coordinate its work processes with TDI-DWC.

The most important result of centralized docketing is its benefit to injured employees. Prior to centralized docketing, a large number of injured employees did not attend the scheduled appointments, particularly in the five largest offices. Many of these "no shows" were a result of scheduling appointments without first having the opportunity to speak with the injured employee. With centralized docketing, the appointment can be scheduled at a time that is mutually beneficial to both the Ombudsman and injured employee. Centralized docketing is expected to continue to make a positive impact on the overall process.

OIEC Prepares Customers for Designated Doctor Examinations. OIEC management has taken a proactive approach to ensure designated doctors have a complete file before examining an injured employee based on a recommendation TDI-DWC. Lack of medical records or an incomplete Form DWC032, Request for Designated Doctor Examination, could result in inaccurate ratings, disputes, letters of clarification, or re-examinations. When TDI-DWC or the insurance carrier requests a designated doctor examination on a claim where OIEC has assisted the injured employee, an OIEC customer service representative reviews the claim file. If medical records are available, a case development appointment between the injured employee and ombudsman is scheduled within five working days.

The case development appointment ensures that the injured employee understands the reason for the examination and that all available medical records are provided to the designated doctor. Additionally, the Ombudsman reviews the Form DWC032, Request for Designated Doctor Examination, to verify the information including the body parts and diagnoses of the injury. If

necessary, the injured employee and ombudsman will complete and submit a new Form DWC032. These steps make it more likely that the designated doctor has all of the information needed at the time of the injured employee's examination to rate the entire injury and provide an accurate medical opinion.

This initiative does create additional appointments that would not have occurred if OIEC were not proactively involved. At a time that workload is increasing it is difficult for the agency to add one more task, but this step does reduce the likelihood of designated doctor disputes based on incomplete information. Ultimately OIEC believes this initiative is supported by the agency's mission to assist, educate, and advocate on behalf of the injured employee's of Texas.

Referral Services Assistance. One of the statutory duties of OIEC is to assist injured employees with referral to local, state, and federal financial assistance, rehabilitation, and work placement programs, and other social services. Texas Labor Code, Section 404.101. Referrals are made to the Department of Assistive and Rehabilitative Services for services in an effort to return the injured employee to work. Referrals are also made to the Texas Workforce Commission, TDI-DWC, the Texas Medical Board, or other social and regulatory services. Injured employees' complaints regarding health care providers are referred to the appropriate licensing boards or oversight agencies.

Data indicates that the number of referrals has declined but remains relatively stable at approximately 5,000. Management believes that one reason for the decline may be that staff is not entering the referral into the computer system each time a referral is made. Data entry is one area that has suffered due to an increase in workload. However, the agency is increasing training efforts to ensure that appropriate referrals are made on behalf of the injured employees and are entered into the computer system accurately.

Expert Witness Project. Performance measures indicate that injured employees continue to face unprecedented challenges in proving their cases within the administrative dispute resolution process. In FY 2012 and FY 2013, the percentage of issues raised at contested case hearings where the injured employee prevailed when assisted by an Ombudsman was only 27.95 percent and 26.78 percent, respectively.

One key factor motivating this trend is the ever-increasing evidentiary standard required to prove entitlement to benefits. Historically, the workers' compensation system was designed to prove an injured employee's case without expert evidence in most situations. If an injured employee could convince the fact-finder that the injury was caused by the work without an expert's opinion, the injured employee could prevail without the expense of providing expert evidence. Recently, an additional burden was placed on injured employees to produce expert testimony in cases where it traditionally has not been required. Additionally, TDI-DWC is requiring evidence-based medicine (i.e., medicine based upon scientific studies) for propositions, such as one can injure his back when falling down, for which there are no relevant scientific studies. OIEC believes that the requirement of evidence-based medicine should be limited only to those cases where the nature of the injury is truly beyond the realm of common experience, such as the work causing cancer.

While there are certainly other factors at play – factors over which OIEC has no control – OIEC has stepped up its efforts to reverse this trend by assisting injured employees in meeting the evidentiary standards necessary to prove entitlement to income and medical benefits. In order to do this, OIEC works with health care providers and encourage the medical expertise necessary to bring about a systemic change by improving injured employees’ ability to establish the full nature and extent of their injury, their entitlement to income benefits, and their need of medical care in its effort to advocate on behalf of the injured employees in Texas. OIEC also uses agency funds to procure medical doctors to serve as expert witnesses in certain cases and researches opportunities through grants to help defray costs associated with obtaining the appropriate medical expertise.

Business Plan Provides Framework for Agency Initiatives. OIEC uses a business-planning process, known as the Agency Business Plan, to detail the agency’s most critical objectives, the date by which the objectives must be met, and the parties responsible for completing them. The Business Plan is detailed and includes many initiatives and projects that OIEC must perform in support of the agency’s mission to assist, educate, and advocate on behalf of the injured employees of Texas. The business plan demonstrates OIEC’s commitment to completing tasks in a timely and effective manner as well as the agency’s commitment to open government. It is available on OIEC’s website at http://www.oiec.texas.gov/documents/pub_busplanoiec.pdf.

Commitment to Open Government. In an effort to promote better communication internally and externally, OIEC makes the following information available on its website:

- OIEC’s Organizational Chart – to provide internal and external customers a view of the organization of agency staff. OIEC’s Organization Chart can also be found in Appendix B.
- OIEC’s Budget – to provide internal and external customers a view of the agency’s budget and how taxpayers’ money is spent.
- OIEC’s Performance Measures – to keep interested parties updated quarterly on the agency’s progress in meeting its targeted goals.
- OIEC’s Reports – to provide information to the public about OIEC’s Strategic Plan, Legislative Report, Internal Audit, and other reports that highlight OIEC’s role, activities, successes, issues, and future initiatives.
- OIEC’s Business Plan – to provide an operational road map for achieving agency goals, consistent with its enabling statute, mission, strategic planning goals, and strategies to internal and external customers. The plan is an accountability and coordination tool to keep all employees focused on the most important activities in order to fulfill the organization’s mission effectively and efficiently.

Internal Audits Conducted. OIEC’s internal auditor conducts audits and makes recommendations about the adequacy and effectiveness of the agency’s systems of internal control policies and procedures and the quality of performance in carrying out assigned responsibilities. Audits are performed in accordance with the Standards for the Professional Practice of Internal Auditing, the Code of Ethics contained in the Professional Practices

Framework as promulgated by the Institute of Internal Auditors, and generally accepted government auditing standards. Recent audits include:

- 2013-005 – Risk Management Review
- 2013-006 – Social Media Policies and Procedures Review
- 2013-007 – Agency Training Activities Review
- 2013-008 – Agency Ombudsman Program Audit
- 2013-009 – Complaint Processes Review
- 2014-006 – Customer Service Program Audit

Other internal audits anticipated in FY 2014 include Agency Complaint Processes for FY 2013 and 2014, and the Administration and Operations Division.

Additionally, in FY 2012 and FY 2013 the agency's Internal Auditor participated as a peer review team member of the State Agency Internal Audit Forum in quality assurance reviews of the Texas Juvenile Justice Department and the Texas Department of State Health Services. This participation has enabled OIEC's Internal Auditor to earn required credits toward an external quality assurance review of the agency's internal audit function. The agency plans to request a peer review of its internal audit function during FY 2014.

External Audits Conducted. In May 2013, the State Auditor's Office (SAO) conducted an audit on six of OIEC's FY 2012 key performance measures. The SAO found that OIEC reported reliable results for all six measures tested. A result is considered reliable if it is certified or certified with qualification.

A performance measure is **certified** if reported performance is accurate within 5 percent of actual performance and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.

A performance measure is **certified with qualification** when reported performance appears accurate but the controls over data collection and reporting are not adequate to ensure continued accuracy; or when controls are strong but source documentation is unavailable for testing; or if an agency's calculation of performance deviated from the performance measure definition but caused less than a 5 percent difference between the number reported to ABEST and the correct performance measure result.

The following two key performance measures were *certified*:

- Percentage of Injured Employees Reached About Their Rights and Responsibilities in the Workers' Compensation System, and
- Number of Injured Employees Reached About Their Rights and Responsibilities.

The following four key performance measures were *certified with qualification*:

- Number of Benefit Review Conferences with Ombudsman Assistance,
- Number of Contested Case Hearings with Ombudsman Assistance,
- Number of Injured Employees Prepared for an Appeal by an Ombudsman, and

- Average Number of Days from the Date of Injury to the Date an Injured Employee Is Sent the Notice of Injured Employee Rights and Responsibilities in the Workers' Compensation System.

OIEC has worked with TDI to increase controls on performance measures certified with qualification.

Additional Projects on the Horizon. OIEC is continually analyzing its policies and procedures to ensure efficiencies in all aspects of its mission to assist, educate, and advocate on behalf of the injured employees in Texas. Some of OIEC's future initiatives include the following:

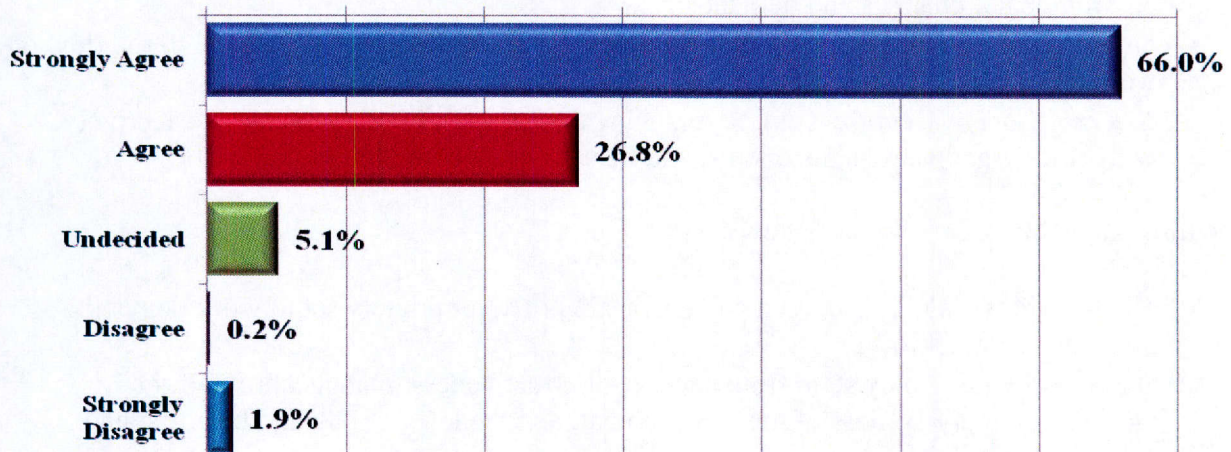
- Explore alternative programs of docketing Ombudsman appointments to identify compatibility with TDI-DWC's COMPASS or future programming capabilities.
- Explore the idea of a Customer Service call center and the potential benefits of the missions of both the Customer Service and Ombudsman programs in the field offices.
- Determine whether OIEC will file a rule petition to request the 28 Texas Administrative Code Section 150.3 be amended to include Ombudsmen as representatives in the workers' compensation system.
- Work with TDI-DWC to resolve the current process to decrease continuance requests.
- Develop and conduct training on how to review and evaluate medical records.
- Conduct a survey of TDI-DWC Hearing Officers to identify ways to improve customer assistance during TDI-DWC administrative dispute resolution proceedings.
- Review and pilot a new records retention process to alleviate excess paper and focus on electronic storage of documents.

Customer Satisfaction Survey. A Report on Customer Service is required to be submitted to the Governor's Office of Budget, Planning and Policy and the Legislative Budget Board every even-numbered year during the strategic planning process.

In accordance with these requirements and in an effort to obtain valuable feedback about the services it provides OIEC conducted the fiscal year (FY) 2013 Customer Satisfaction Survey with injured employees and other persons who sought information from OIEC between September 1, 2012 and August 31, 2013.

The results of the 2013 Customer Satisfaction Survey indicated that more than 96 percent of the respondents reported that OIEC staff members were able to answer their questions. Almost 93 percent (strongly agree and agree) of the respondents were satisfied with their OIEC experience as shown in the chart on the next page.

Overall, I am satisfied with my experience with OIEC



Another way OIEC is increasing its customer satisfaction level is through the use of the language line in order to enhance communications with persons that do not speak English. One hundred percent of the respondents who took the survey in Spanish reported that OIEC staff members were able to answer their questions.

OIEC provides continuous training to staff throughout their tenure with the agency, which is necessary because of the various aspects and complexity of the workers' compensation system. One of OIEC's key initiatives is future training efforts to ensure that Customer Service Representatives, Ombudsmen, and other OIEC staff are familiar with all facets of the workers' compensation system and stay abreast with dispute resolution rules and processes.

A complete copy of OIEC's 2013 Report on Customer Service and other survey reports can be found on OIEC's website. The 2014 Customer Satisfaction Survey is also available on OIEC's website and at each field office.

Although OIEC employees specialize in different program areas, every employee shares a common mission – to assist, educate, and advocate on behalf of the injured employees of Texas. OIEC's focus in FY 2014 is on "the customer experience."

Survey of Employee Engagement. At the beginning of calendar year 2014, OIEC employees were asked to participate in the *Survey of Employee Engagement*. The survey provides information about the employees' perceptions of the effectiveness of the agency and the employees' satisfaction with the agency. The survey is conducted by The University of Texas at Austin, School of Social Work, and most state agencies participate in the survey.

OIEC is very proud of the outstanding response rates realized each year. In 2010, 100 percent of OIEC employees responded, which was the first time in State history that the survey was completed with a 100 percent response rate. This year OIEC had a response rate of 95 percent. A high response rate means that OIEC employees have an investment in the organization, want to see the organization improve, and generally have a sense of responsibility to the organization.

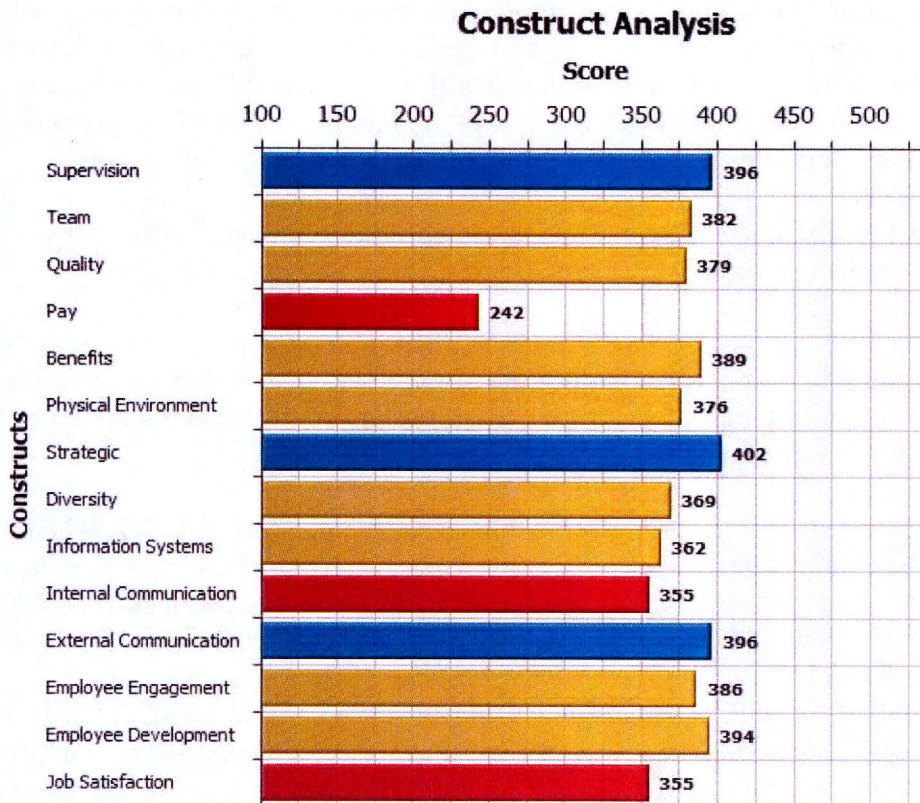
According to the survey results, the three areas of agency strengths include:

- *Strategic* – employees view the agency as able to quickly relate its mission and goals to environmental changes and demands;
- *Supervision* – employees view their supervisors as fair, helpful, and critical to the flow of work; and
- *External Communication* – employees view the agency as communicating effectively with other organizations, its clients, and those concerned with regulation.

The three areas of concern are as follows:

- *Pay* – employees may feel that pay levels are not appropriately set to work demands, experience, and ability;
- *Job Satisfaction* – may stem from supervisor effectiveness, manageability of the workload, supportiveness of the environment, and the level of pay and benefits; and
- *Internal Communication* – may stem from an organization that has outgrown an older verbal culture based upon a few people knowing “how to work the system,” lack in investment and training in modern communication technology, and vested interests that seek to control needed information.

The chart below identifies all of OIEC 2014 scores.



Additional information regarding the Survey of Employee Engagement can be found in Appendix F including OIEC’s 2012 and 2014 scores compared to the average 2014 scores of all state agencies for each category.

AGENCY GOALS

Goal 1: To assist injured employees in the workers' compensation system and protect their rights.

Goal 2: To increase injured employee education regarding their rights and responsibilities and refer them to local, state, and federal programs.

Goal 3: To advocate on behalf of injured employees as a class.



OBJECTIVES AND OUTCOME MEASURES

Objective 1.1 -- To provide assistance to all unrepresented injured employees requesting assistance in each year through 2019.

Outcome Measures

1.1 oc 1 Percentage of disputed issues that are resolved by the Office of Injured Employee Counsel prior to holding a Texas Department of Insurance administrative dispute resolution proceeding

1.1 oc 2 Percentage of Texas Department of Insurance administrative dispute resolution proceedings in which an Ombudsman assisted an unrepresented injured employee

1.1 oc 3 Percentage of issues raised at Contested Case Hearings where the injured employee prevailed when assisted by an Ombudsman

1.1 oc 4 Percentage of issues raised on appeal where the injured employee prevailed when assisted by an Ombudsman

Objective 2.1 To increase the knowledge of all injured employees and refer them to local, state, and federal programs each year through 2019.

Outcome Measure

2.1 oc 1 Percentage of injured employees reached about their rights and responsibilities in the workers' compensation system

Objective 3.1 -- To advocate on behalf of injured employees as a class in judicial, legislative, rulemaking, and administrative processes and ensure injured employee's rights are protected each year through 2019.

Outcome Measures

3.1 oc 1 Percentage of adopted workers' compensation rules analyzed

3.1 oc 2 Percentage of adopted workers' compensation rules in which the Office of Injured Employee Counsel participated

3.1 oc 3 Percentage of adopted workers' compensation rules changed for the benefit of injured employees as a result of the Office of Injured Employee Counsel participation

**STRATEGIES and OUTPUT,
EFFICIENCY, and EXPLANATORY MEASURES**

Strategy 1.1.1 -- Prepare unrepresented injured employees and assist them in Texas Department of Insurance's administrative dispute resolution proceedings.

Output Measures

1.1.1 op 1 Number of injured employees prepared for Benefit Review Conference by an Ombudsman

1.1.1 op 2 Number of Benefit Review Conferences with Ombudsman assistance

1.1.1 op 3 Number of injured employees prepared for a Contested Case Hearing by an Ombudsman

1.1.1 op 4 Number of Contested Case Hearings with Ombudsman assistance

1.1.1 op 5 Number of injured employees prepared for an appeal by an Ombudsman

Efficiency Measures

1.1.1 ef 1 Average number of days to resolve a disputed issue prior to entering the Texas Department of Insurance administrative dispute resolution system

Explanatory Measures

1.1.1 ex 1 Average dollar amount saved per injured employee when assisted by an Ombudsman

1.1.1 ex 2 Number of disputed issues resolved prior to entering the Texas Department of Insurance administrative dispute resolution system

1.1.1 ex 3 Number of preparation appointments held prior to a Benefit review Conference by an Ombudsman

1.1.1 ex 4 Number of preparation appointments held prior to a Contested Case Hearing by an Ombudsman

1.1.1 ex 5 Number of preparation appointments held for an appeal by an Ombudsman

Strategy 2.1.1 -- Provide injured employees with information about their rights and responsibilities and refer them to local, state, and federal programs offering financial assistance, rehabilitation, work placement, or social services.

Output Measures

2.1.1 op 1 Number of telephone calls made or received by the Office of Injured Employee Counsel where injured employees were educated or assisted

2.1.1 op 2 Number of in-person visits (walk-ins) by injured employees assisted at local field offices by the Office of Injured Employee Counsel

2.1.1 op 3 Number of public outreach presentations performed

2.1.1 op 4 Number of referrals to the Department of Assistive and Rehabilitative Services, the Texas Workforce Commission, the Texas Department of Insurance, or other social or regulatory services

Efficiency Measure

2.1.1 ef 1 Average number of educational sessions provided to or on behalf of injured employees per month

Strategy 3.1.1 -- Advocate on behalf of injured employees as a class in judicial, legislative, rulemaking, and administrative processes and ensure injured employee's rights are protected.

Output Measures

3.1.1 op 1 Number of adopted workers' compensation rules analyzed by the Office of Injured Employee Counsel

3.1.1 op 2 Number of adopted workers' compensation rules in which the Office of Injured Employee Counsel participated

3.1.1 op 3 Number of adopted workers' compensation rules changed for the benefit of injured employees as a result of the Office of Injured Employee Counsel participation

3.1.1 op 4 Number of assists a Regional Staff Attorney provides to an Ombudsman

Explanatory Measure

3.1.1 ex 1 Number of workers' compensation rules adopted

TECHNOLOGY RESOURCES PLANNING

This section is not applicable to OIEC. OIEC is administratively attached to TDI, and TDI, in cooperation with OIEC, handles all technology issues.

The Technology Obsolescence Project, based on TDI's Information Technology Services Obsolescence Plan, encompasses the replacement of deteriorated or functionally obsolete hardware for all aspects of TDI's and OIEC's technical infrastructure including desktop and laptop computers, network printers, portable printers, scanners, and monitors. The project also includes acquisition or upgrades of software to replace obsolete versions or manual systems.

Additionally, the current claims systems were not designed to specifically meet OIEC's needs (i.e., track OIEC processes and activity); therefore, OIEC has been working with TDI to improve the system in the interim and create other tools that will enhance OIEC's ability to serve its customers more efficiently and effectively. The changes will allow OIEC to calendar preparation appointments, activities, and deadlines to aid the Ombudsmen and Customer Service Representatives in providing assistance to the injured employee throughout the dispute resolution process.

TDI's Information Resources planning is inclusive of the automation needs of OIEC as required by statute.

Technology Resources Planning in the Texas workers' compensation system may be examined by referring to TDI's Strategic Plan and other State filings.

CONCLUSION

OIEC will experience new challenges and new opportunities within the next five years. Changing demographics, increasing population, and the growing labor force in Texas may impact the agency's workload and influence new processes. Retirements and turnover may affect the agency's workforce. The ability to retain the depth of knowledge and experience necessary to navigate the complexities of the workers' compensation system is imperative.

Through its training, succession planning, and strategic planning, the agency is prepared to meet these challenges and seize each opportunity to fulfill OIEC's mission to assist, educate, and advocate on behalf of the injured employees of Texas.



Appendices



APPENDIX A

Description of the Agency's Planning Process

The planning process at the Office of Injured Employee Counsel (OIEC) is a progressive aspect of the agency's continuing effort to effectively serve the injured employees of Texas. A business plan was developed as a tool to reach OIEC's goals and performance measures, and serves as a communication medium to coordinate the agency's programs. The business plan is updated and provided to all OIEC employees each quarter to reflect changing needs and priorities and identify accomplishments. A copy of the agency's business plan can be found on OIEC's website at <http://www.oiec.texas.gov/resources/publications.html> under Publications/Brochures - Agency Information.

Additionally, internal performance measures are submitted monthly to management. These reports identify the activity codes used in workers compensation disputed claims when the injured employee is assisted by OIEC.

Key Strategic Plan performance measures are reported electronically to the Legislative Budget Board (LBB) and the Governor's Office of Budget, Planning, and Policy (GOBPP) each quarter through ABEST. The report includes an explanation of any variances greater than five percent above or below the goal. A report of all Strategic Plan performance measures is provided to all OIEC staff each quarter. The report includes the monthly, quarterly, and year-to-date performance for each outcome, output, efficiency, and explanatory measure. OIEC staff are provided with highlights of outstanding performance, areas in which more focus may be needed during the next quarter, and a comparison of last year's performance for the quarter.

The five-year Strategic Plan document is developed each even-numbered year according to the instructions for preparing and submitting agency strategic plans received from the LBB and the GOBPP.

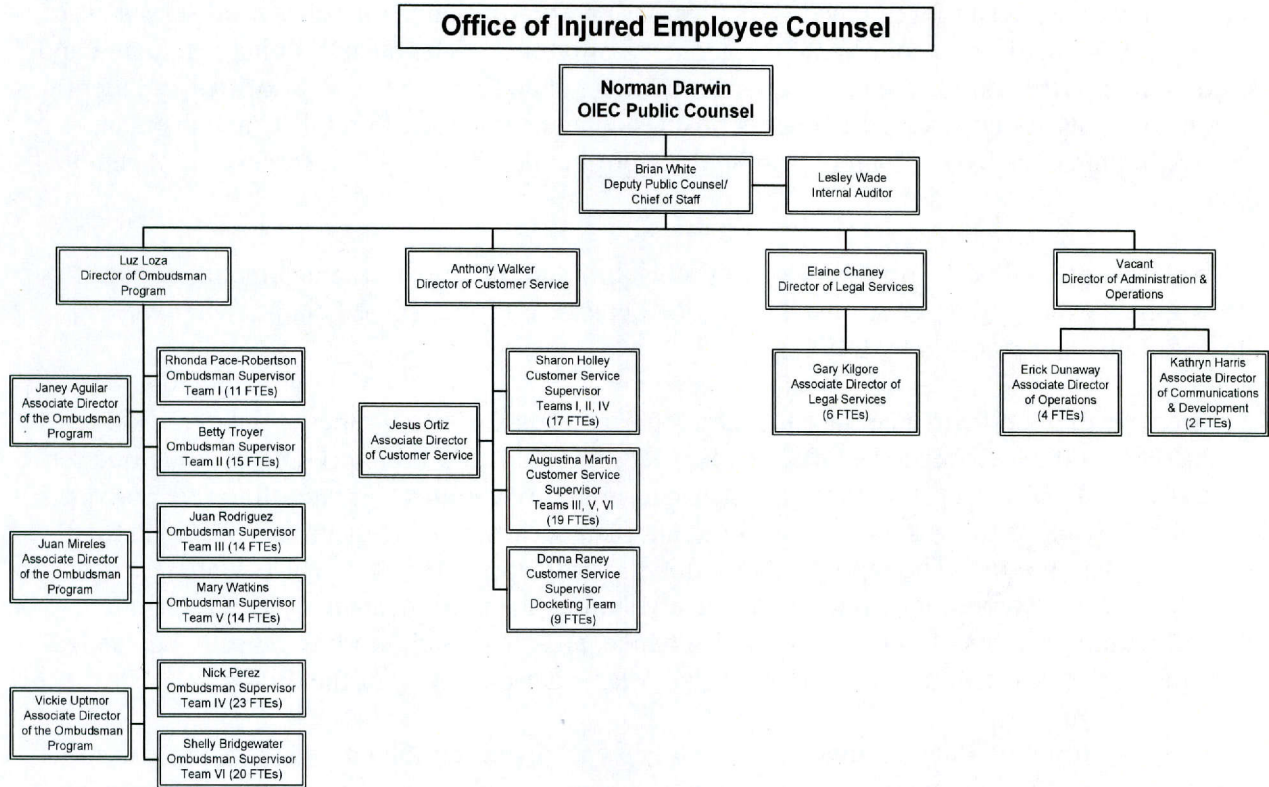
The current budget structure is carefully reviewed and recommendations for changes are submitted to the LBB and GOBPP by the required deadline. The revised structure includes the deletion of measures that are not relevant to the appropriation process, revision of the verbiage of measures for clarity and consistency, and the addition of measures that represent OIEC's overall goals, objectives, and strategies.

Meetings are held with agency staff as needed to brainstorm and discuss the substance of information included in the Strategic Plan.

A draft of the Strategic Plan document is prepared and provided to staff for review and revision. The final draft is approved by the Public Counsel and Deputy Public Counsel and submitted according to the Strategic Plan distribution list by the required deadline.

APPENDIX B

Current Organization Chart



April 15, 2014

APPENDIX C

Five-Year Projections for Outcomes

OUTCOME MEASURE	2015	2016	2017	2018	2019
1.1 oc 1 Percentage of disputed issues that are resolved by the Office of Injured Employee Counsel prior to holding a Texas Department of Insurance administrative dispute resolution proceeding	62%	62%	62%	62%	62%
1.1 oc 2 Percentage of Texas Department of Insurance administrative dispute resolution proceedings in which an Ombudsman assisted an unrepresented injured employee	44%	44%	44%	44%	44%
1.1 oc 3 Percentage of issues raised at Contested Case Hearings where the injured employee prevailed when assisted by an Ombudsman	28%	28%	28%	28%	28%
1.1 oc 4 Percentage of issues raised on appeal where the injured employee prevailed when assisted by an Ombudsman	23%	23%	23%	23%	23%
2.1 oc 1 Percentage of injured employees educated about their rights and responsibilities in the workers' compensation system	92%	92%	92%	92%	92%
3.1 oc 1 Percentage of adopted workers' compensation rules analyzed	100%	100%	100%	100%	100%
3.1 oc 2 Percentage of adopted workers' compensation rules in which the Office of Injured Employee Counsel participated	100%	100%	100%	100%	100%
3.1 oc 3 Percentage of adopted workers' compensation rules changed for the benefit of injured employees as a result of the Office of Injured Employee Counsel participation	78%	78%	78%	78%	78%

APPENDIX D

Performance Measure Definitions FY 2016-2017

Goal 1 -- To assist injured employees in the workers' compensation system and protect their rights.

Objective 1.1 -- To provide assistance to all unrepresented injured employees requesting assistance in each year through 2019.

Outcome Measures

1.1 oc 1 Percentage of disputed issues that are resolved by the Office of Injured Employee Counsel prior to holding a Texas Department of Insurance administrative dispute resolution proceeding

Definition: The percentage of disputed issues that are received and resolved by the Office of Injured Employee Counsel before a Texas Department of Insurance administrative dispute resolution proceeding is held.

Disputed issues: Disagreements pertaining to workers' compensation income or medical benefits (including but not limited to: compensability, average weekly wage, disability, impairment rating, maximum medical improvement, etc.).

Resolved: A satisfactory agreement reached by both parties of a disputed issue that is facilitated by the Office of Injured Employee Counsel which does not proceed to the Texas Department of Insurance administrative dispute resolution system.

Data Limitations: Particular data, such as the issue code and date, can be extracted as long as the information is entered in the same location in each log. Data entry errors may affect the confidence level of the data reported. Disputed issues in abeyance-status are included in this measure as a resolution.

Data Source: A claims database maintained by the Texas Department of Insurance is used to enter and maintain disputed issue codes and action codes. Disputed issues are received by the Office of Injured Employee Counsel from an unrepresented injured employee. The disputed issues are entered into a log in the database and identified by a specific issue code. The action codes identify the action performed on the disputed issue, such as 1) dispute is identified, 2) dispute is resolved, and 3) dispute is in abeyance-status.

Methodology: Sum the number of disputed issues that are resolved prior to holding a Benefit Review Conference during the reporting period to obtain total (A). Sum the total number of disputed issues that were placed in abeyance-status during the reporting period to obtain total (B). Sum (A) and (B) to obtain total (C). Sum the number of disputed issues that were received during the reporting period to obtain total (D). Divide (C) by (D) to determine the percentage.

Purpose: The purpose of this measure is to monitor the Office of Injured Employee Counsel's early intervention effectiveness in resolving disputed issues for unrepresented injured employees prior to holding an administrative dispute resolution proceeding. Disputes resolved early in the process provide injured employees a prompt resolution to the dispute while saving the State resources by resolving

disputes prior to entering into the Texas Department of Insurance's administrative dispute resolution system.

Calculation Type: N

New Measure: N

Desired Performance: H

1.1 oc 2 Percentage of Texas Department of Insurance administrative dispute resolution proceedings in which an Ombudsman assisted an unrepresented injured employee

Definition: The percentage of Texas Department of Insurance administrative dispute resolution proceedings in which an Ombudsman assisted an unrepresented injured employee. In this measure, a Texas Department of Insurance administrative dispute resolution proceeding is defined as a Benefit Review Conference and/or Contested Case Hearing.

Data Limitations: Data entry errors by Texas Department of Insurance staff may serve as a data limitation.

Data Source: An agency claim database maintained by the Texas Department of Insurance is used to capture the proceeding information. Information is entered by Texas Department of Insurance staff.

Methodology: Sum the total number of Benefit Review Conferences and Contested Case Hearings during the reporting period to capture total (A). Sum the total number of proceedings where an Ombudsman assisted an unrepresented injured employee during the reporting period to capture total (B). Obtain the percentage that (B) represents of (A) by dividing (B) by (A) to determine value (C). Submit (C) represented as a percentage.

Purpose: This measure addresses the agency's statutory duty to assist unrepresented injured employees through its Ombudsman program in the Texas Department of Insurance's administrative dispute resolution system.

Calculation Type: N

New Measure: N

Desired Performance: H

1.1 oc 3 Percentage of issues raised at Contested Case Hearings where the injured employee prevailed when assisted by an Ombudsman

Definition: The percentage of issues raised at a Texas Department of Insurance Contested Case Hearing where an unrepresented injured employee prevailed when assisted by an Ombudsman. One or more disputed issues may be raised at a Contested Case Hearing. An issue where the injured employee prevailed is determined by counting the number of issues where the Hearing Officer rules in favor of the injured employee.

Data Limitations: None

Data Source: A claim database maintained by the Texas Department of Insurance is used to capture the issue/proceeding outcome information. Information is entered by Texas Department of Insurance staff.

Methodology: Sum the total number of issues raised in Texas Department of Insurance Contested Case Hearings where the injured employee was assisted by an Ombudsman during the reporting period to capture value (A). Sum the number of issues where an injured employee prevailed on an issue when assisted by an Ombudsman during the reporting period to capture value (B). Obtain the percentage that (B) represents of (A) by dividing (B) by (A) to determine value (C). Submit (C) represented as a percentage.

Purpose: This measure addresses the agency's statutory duty to assist unrepresented injured employees, through its Ombudsman Program, in the Texas Department of Insurance's administrative dispute resolution system.

Calculation Type: N

New Measure: N

Desired Performance: H

1.1 oc 4 Percentage of issues raised on appeal where the injured employee prevailed when assisted by an Ombudsman

Definition: The percentage of issues raised on appeal where the unrepresented injured employee prevailed when assisted by an Ombudsman. One or more disputed issues may be raised on appeal. An issue where the injured employee prevailed is determined by counting the number of issues where the Appeals Panel rules in favor of the injured employee.

Data Limitations: None

Data Source: A claim database maintained by the Texas Department of Insurance is used to capture the issue/proceeding outcome information. Information is data entered by Texas Department of Insurance staff.

Methodology: Sum the total number of issues raised on appeal where the unrepresented injured employee was assisted by an Ombudsman during the reporting period to capture value (A). Sum the number of issues where an injured employee prevailed on an appealed issue when assisted by an Ombudsman during the reporting period to capture value (B). Obtain the percentage that (B) represents of (A) by dividing (B) into (A) to determine value (C). Submit (C) represented as a percentage.

Purpose: This measure addresses the Office of Injured Employee Counsel's statutory duty to assist unrepresented injured employees, through its Ombudsman Program, in the Texas Department of Insurance's administrative dispute resolution system.

Calculation Type: N

New Measure: N

Desired Performance: H

Strategy 1.1.1 -- Prepare unrepresented injured employees and assist them in Texas Department of Insurance's administrative dispute resolution proceedings.

Output Measures

1.1.1 op 1 Number of injured employees prepared for Benefit Review Conference by an Ombudsman

Definition: The total number of injured employees prepared for a Benefit Review Conference by an Ombudsman during the reporting period. Ombudsmen meet with each injured employee prior to a Benefit Review Conference to ensure proper preparation for the proceeding.

Data Limitations: None

Data Source: A claim database maintained by the Texas Department of Insurance is used to capture the proceeding preparation information. Information is regularly entered by the Office of Injured Employee Counsel staff.

Methodology: Sum the total number of Benefit Review Conference preparations conducted during the reporting period to capture (A). Submit (A) as a whole number. This calculation excludes counting more than one preparation per dispute and sequence number. Preparation time spent by the Ombudsman without the injured employee present (in person or by telephone) is not counted in this measure.

Purpose: This measure addresses the Office of Injured Employee Counsel's Ombudsman Program's statutory duty to prepare unrepresented injured employees for a Texas Department of Insurance administrative dispute resolution proceeding.

Calculation Type: C

New Measure: N

Desired Performance: H

1.1.1 op 2 Number of Benefit Review Conferences with Ombudsman assistance

Definition: The total number of Benefit Review Conferences that occurred during the report period where the unrepresented injured employee was assisted by an Ombudsman.

Data Limitations: None

Data Source: A claim database maintained by the Texas Department of Insurance is used to capture the proceeding attendance information. Information is entered by Texas Department of Insurance staff.

Methodology: Sum the total number of Benefit Review Conferences during the reporting period where the injured employee was assisted by an Ombudsman, including every Benefit Review Conference attended regardless of dispute or sequence number to capture (A). Submit (A) as a whole number.

Purpose: This measure addresses the agency's statutory duty to assist unrepresented injured employees through its Ombudsman Program.

Calculation Type: C

New Measure: N

Desired Performance: H

1.1.1 op 3 Number of injured employees prepared for a Contested Case Hearing by an Ombudsman

Definition: The total number of injured employees prepared for a Contested Case Hearing by an Ombudsman during the reporting period. An Ombudsman meets with an injured employee prior to a Contested Case Hearing to ensure proper preparation for the proceeding.

Data Limitations: None

Data Source: A claim database maintained by the Texas Department of Insurance is used to capture the proceeding preparation information. Information is entered by Office of Injured Employee Counsel staff.

Methodology: Sum the total number of Contested Case Hearing preparations conducted during the reporting period to capture (A). Submit (A) as a whole number. The calculation excludes counting more than one preparation per dispute and sequence number to capture (A). Preparation time spent by the Ombudsman without the injured employee present (in person or by telephone) is not counted in this measure.

Purpose: This measure addresses the Office of Injured Employee Counsel's Ombudsman Program's statutory duty to prepare unrepresented injured employees for a Texas Department of Insurance administrative dispute resolution proceeding.

Calculation Type: C

New Measure: N

Desired Performance: H

1.1.1 op 4 Number of Contested Case Hearings with Ombudsman assistance

Definition: The total number of documented Ombudsman attendance at Contested Case Hearings with unrepresented injured employees during the reporting period.

Data Limitations: None

Data Source: A claim database maintained by the Texas Department of Insurance is used to capture the proceeding attendance information. Information is entered by Texas Department of Insurance staff.

Methodology: Sum the total number of Contested Case Hearings during the reporting period where the injured employee was assisted by an Ombudsman, including every Contested Case Hearing attended regardless of dispute and sequence number to capture (A). Submit (A) as a whole number.

Purpose: This measure addresses the agency's statutory duty to assist unrepresented injured employees through its Ombudsman Program.

Calculation Type: C

New Measure: N

Desired Performance: H

1.1.1 op 5 Number of injured employees prepared for an appeal by an Ombudsman

Definition: The total number of injured employees prepared by an Ombudsman for an appeal proceeding before the Texas Department of Insurance during the reporting period. Ombudsmen meet prior to the deadline for filing an appeal with each unrepresented injured employee involved in the appellate process.

Data Limitations: None

Data Source: A claim database maintained by the Texas Department of Insurance is used to capture the proceeding preparation information. Information is entered by Office of Injured Employee Counsel staff.

Methodology: Sum the total number of appeal preparations conducted during the reporting period to capture (A). Submit (A) as a whole number. The calculation excludes counting more than one preparation per dispute and sequence number to capture (A). Preparation time spent by the Ombudsman without the injured employee present (in person or by telephone) is not counted in this measure.

Purpose: This measure addresses the agency's statutory duty to assist unrepresented injured employees through its Ombudsman Program.

Calculation Type: C

New Measure: N

Desired Performance: H

Efficiency Measures

1.1.1 ef 1 Average number of days to resolve a disputed issue prior to entering the Texas Department of Insurance administrative dispute resolution system

Definition: The average number of days to resolve a disputed issue prior to entering the Texas Department of Insurance administrative dispute resolution system.

Disputed Issue: A disagreement pertaining to workers' compensation income or medical benefits (including but not limited to: compensability, average weekly wage, disability, impairment rating, maximum medical improvement, etc.).

Resolved: A satisfactory agreement reached by both parties of a disputed issue that is facilitated by the Office of Injured Employee Counsel which does not proceed to the Texas Department of Insurance administrative dispute resolution system.

Data Limitations: Particular data, such as the issue code and date, can be extracted as long as the information is entered in the same location in each log. Data entry errors may affect the confidence level of the data reported. Disputed issues in abeyance-status are not included in this measure as a resolution.

Data Source: A claims database maintained by the Texas Department of Insurance is used to enter and maintain disputed issue codes and action codes. Disputed issues are received by the Office of Injured Employee Counsel from an unrepresented injured employee. The disputed issues are entered into a database log and identified by a specific issue code. The action codes identify the action performed on the disputed issue, such as 1) dispute is identified, 2) dispute is resolved, and 3) dispute is in abeyance-status.

Methodology: Sum the total number of days from the date the disputed issue is identified to the date the disputed issue was updated in the system as resolved during the reporting period to obtain value (A). Sum the number of disputed issues that are resolved prior to entering into the dispute resolution system during the reporting period to obtain total (B). Divide (A) by (B) to determine the average number of days to resolve the issue.

Purpose: The purpose of this measure is to monitor the Office of Injured Employee Counsel's early intervention effectiveness in resolving disputed issues for unrepresented injured employees prior to entering into an administrative dispute resolution proceeding. Disputes resolved early in the process provide injured employees a prompt resolution to the dispute while saving the State resources by resolving disputes prior to entering into the Texas Department of Insurance's administrative dispute resolution system.

Calculation Type: N

New Measure: N

Desired Performance: L

Explanatory Measures

1.1.1 ex 1 Average dollar amount saved per injured employee when assisted by an Ombudsman

Definition: The average dollar amount saved for all injured employees resulting from Ombudsman assistance. Attorneys charge fees for their services and submit fees to the Texas Department of Insurance for approval for payment. An average of these charges on attorney-assisted cases would presumably be charged to any represented injured employee. The Office of Injured Employee Counsel provides Ombudsman assistance free of charge. Therefore, injured employees assisted by an Ombudsman do not incur potential attorneys' fees, which could then be subtracted from their indemnity benefits.

Data Limitations: This methodology is actually calculating the average indemnity benefits paid to attorneys. It is assumed this is the average cost saved by injured employees accepting Ombudsman assistance.

Data Source: An attorney fee system database maintained by the Texas Department of Insurance is used to document the attorneys' fees charged against an injured employee's indemnity benefits. Attorneys or Texas Department of Insurance staff enters data into the system.

Methodology: Sum the fees approved by the Texas Department of Insurance to be paid to attorneys from indemnity benefits during the reporting period to capture value (A). Sum the number of claims with approved attorney fees during the report period to capture value (B). Divide value (B) by (A) to obtain value (C), which is the amount of attorney's fees an injured employee saved by electing Ombudsman assistance. The calculation excludes cases where attorneys' fees were approved but no proceedings-related charges were filed.

Purpose: This measure addresses an injured employee's cost savings by assessing the Office of Injured Employee Counsel's Ombudsman Program services in lieu of hiring an attorney.

Calculation Type: N

New Measure: N

Desired Performance: H

1.1.1 ex 2 Number of disputed issues resolved prior to entering the Texas Department of Insurance administrative dispute resolution system

Definition: The total number of disputed issues resolved prior to entering the Texas Department of Insurance administrative dispute resolution system.

Disputed Issue: A disagreement pertaining to workers' compensation income or medical benefits (including but not limited to: compensability, average weekly wage, disability, impairment rating, maximum medical improvement, etc.).

Resolved: A satisfactory agreement reached by both parties of a disputed issue that is facilitated by the Office of Injured Employee Counsel which does not proceed to the Texas Department of Insurance administrative dispute resolution system.

Data Limitations: Particular data, such as the issue code and date, can be extracted as long as the information is entered in the same location in each log. Data entry errors may affect the confidence level of the data reported. Disputed issues in abeyance-status are not included in this measure as a resolution.

Data Source: A claims database maintained by the Texas Department of Insurance is used to enter and maintain disputed issue codes and status codes. Disputed issues are received by the Office of Injured Employee Counsel from an unrepresented injured employee. The disputed issues are entered into a log in the database and identified by a specific issue code.

Methodology: Sum the number of disputed issues that are resolved prior to entering into the dispute resolution system during the reporting period to obtain total (A). Submit (A) as a whole number.

Purpose: The purpose of this measure is to monitor the Office of Injured Employee Counsel's early intervention effectiveness in resolving disputed issues for unrepresented injured employees prior to entering into an administrative dispute resolution proceeding. Disputes resolved early in the process provide injured employees a prompt resolution to the dispute while saving the State resources by resolving disputes prior to entering into the Texas Department of Insurance's administrative dispute resolution system.

Calculation Type: N

New Measure: N

Desired Performance: H

1.1.1 ex 3 Number of preparation appointments held prior to a Benefit Review Conference by an Ombudsman

Definition: The total number of preparation appointments held by an Ombudsman with an unrepresented injured employee to attempt to resolve the dispute and prepare for a Benefit Review Conference.

Data Limitations: None

Data Source: A claim database maintained by the Texas Department of Insurance is used to capture the preparation information. Information is regularly entered by the Office of Injured Employee Counsel staff.

Methodology: Sum the total number of preparation appointments conducted prior to a Benefit Review Conference during the reporting period to capture (A). Submit (A) as a whole number. Preparation time spent by the Ombudsman without the injured employee present (in person or by telephone) is not counted in this measure.

Purpose: This measure addresses the Office of Injured Employee Counsel's Ombudsman Program's statutory duty to prepare unrepresented injured employees for a Texas Department of Insurance administrative dispute resolution proceeding.

Calculation Type: C

New Measure: N

Desired Performance: H

1.1.1 ex 4 Number of preparation appointments held prior to a Contested Case Hearing by an Ombudsman

Definition: The total number of preparation appointments held by an Ombudsman with an unrepresented injured employee to prepare for a Contested Case Hearing during the reporting period. An Ombudsman meets with an injured employee prior to a Contested Case Hearing to ensure proper preparation for the proceeding.

Data Limitations: None

Data Source: A claim database maintained by the Texas Department of Insurance is used to capture the proceeding preparation information. Information is entered by Office of Injured Employee Counsel staff.

Methodology: Sum the total number of Contested Case Hearing preparation appointments conducted during the reporting period to capture (A). Submit (A) as a whole number. Preparation time spent by the

Ombudsman without the injured employee present (in person or by telephone) is not counted in this measure.

Purpose: This measure addresses the Office of Injured Employee Counsel's Ombudsman Program's statutory duty to prepare unrepresented injured employees for a Texas Department of Insurance administrative dispute resolution proceeding.

Calculation Type: C

New Measure: N

Desired Performance: H

1.1.1 ex 5 Number of preparation appointments held for an appeal by an Ombudsman

Definition: The total number of preparation appointments conducted prior to the appeal proceeding before the Texas Department of Insurance during the reporting period. Ombudsmen meet prior to the deadline for filing an appeal with each unrepresented injured employee involved in the appellate process.

Data Limitations: None

Data Source: A claim database maintained by the Texas Department of Insurance is used to capture the proceeding preparation information. Information is entered by Office of Injured Employee Counsel staff.

Methodology: Sum the total number of appeal preparations conducted during the reporting period to capture (A). Submit (A) as a whole number. Preparation time spent by the Ombudsman without the injured employee present (in person or by telephone) is not counted in this measure.

Purpose: This measure addresses the agency's statutory duty to assist unrepresented injured employees through its Ombudsman Program.

Calculation Type: C

New Measure: N

Desired Performance: H

Goal 2 -- To increase injured employee education regarding their rights and responsibilities and refer them to local, state, and federal programs.

Objective 2.1 To increase the knowledge of all injured employees and refer them to local, state, and federal programs each year through 2019.

Outcome Measures

2.1 oc 1 Percentage of injured employees reached about their rights and responsibilities in the workers' compensation system

Definition: The percentage of *Notices of Injured Employee Rights and Responsibilities in the Texas Workers' Compensation System* received by injured employees.

Data Limitations: This measure does not include the Office of Injured Employee staff's manual distribution in each field office, or *Notices of Injured Employee Rights and Responsibilities in the Texas Workers' Compensation System* returned to sender that are entered into the claims database.

Data Source: A claims database is maintained by the Texas Department of Insurance and includes claims reported by the injured employee or insurance carrier on behalf of the employer. Texas Department of Insurance staff enters returned *Notices of Injured Employee Rights and Responsibilities in the Texas Workers' Compensation System* into the claims database.

Methodology: Sum the total number of *Notices of Injured Employee Rights and Responsibilities in the Texas Workers' Compensation System* mailed during the reporting period to capture total (A). Sum the total number of employees reached about their Rights and Responsibilities by capturing the total number of *Notices of Injured Employee Rights and Responsibilities in the Workers' Compensation System* mailed during the reporting period minus those returned to sender to capture total (B). Obtain the percentage that (B) represents of (A) by dividing (B) by (A) to determine value (C). Submit (C) represented as a percentage.

Purpose: This measure addresses the agency's statutory duty to educate and assist injured employees.

Calculation Type: N

New Measure: N

Desired Performance: H

Strategy 2.1.1 -- Provide injured employees with information about their rights and responsibilities and refer them to local, state, and federal programs offering financial assistance, rehabilitation, work placement, or social services.

Output Measures

2.1.1 op 1 Number of telephone calls made or received by the Office of Injured Employee Counsel where injured employees were educated or assisted

Definition: The total number of telephone calls in which injured employees were educated or assisted as a result of a telephone call made by or to the Office of Injured Employee Counsel. This includes telephone calls received on the Office of Injured Employee toll-free number, calls received on any other telephone line that are subsequently transferred to the Office of Injured Employee Counsel and calls made by the Office of Injured Employee Counsel to parties on behalf of the injured employee. This measure includes telephone calls made through the agency's outreach efforts.

Data Limitations: While there is extensive training given regarding tracking such telephone calls, data entry or human error may affect the confidence level of the data reported. An injured employee may be counted more than once in a reporting period.

Data Source: A claims database maintained by the Texas Department of Insurance is used to document all telephone contacts with the Office of Injured Employee Counsel staff. Code values are assigned to the Office of Injured Employee Counsel to log calls.

Methodology: Sum the total number of Office of Injured Employee Counsel contact codes in the Texas Department of Insurance's claim that represents the total number of telephone calls made or received during the reporting period to capture total (A). Submit (A) represented as a whole number.

Purpose: This measure addresses the Office of Injured Employee Counsel's statutory duty to educate and assist injured employees.

Calculation Type: C

New Measure: N

Desired Performance: H

2.1.1 op 2 Number of in-person visits (walk-ins) by injured employees assisted at local field offices by the Office of Injured Employee Counsel

Definition: The total number of injured employees assisted in-person (walk-in) who visit the Office of Injured Employee Counsel during the reporting period.

Data Limitations: Data entry errors may affect the confidence level of the data reported.

Data Source: A Texas Department of Insurance claims database is used to document all assistance provided to a walk-in customer by the Office of Injured Employee Counsel Code values are assigned to the Office of Injured Employee Counsel staff to log "in- person" assistance.

Methodology: Sum the total number of contact codes in the Texas Department of Insurance's claim database specific to the Office of Injured Employee Counsel that represents the number of in-person visits (walk-ins) by injured employees assisted by the Office of Injured Employee Counsel during the reporting period to capture total (A). Submit (A) represented as a whole number. One injured employee may be counted multiple times during the reporting period.

Purpose: This measure addresses the agency's statutory duty to educate and assist injured employees.

Calculation Type: C

New Measure: N

Desired Performance: H

2.1.1 op 3 Number of public outreach presentations performed

Definition: The total number of outreach presentations, workshops, seminars, speaking engagements, or other forums during the reporting period where Office of Injured Employee Counsel staff speaks to workers' compensation system stakeholders regarding the Office of Injured Employee Counsel, its role, and its services.

Data Limitations: At least one member of the public must be present to be counted in this measure. Data entry or human error may affect the confidence level of the data reported.

Data Source: An agency database is maintained and utilized to track all outreach presentations for the agency. Agency staff enters information on a regular basis.

Methodology: Sum the number of public outreach presentations conducted by the Office of Injured Employee staff where at least one member of the public is present during the reporting period to capture total (A). Submit (A) represented as a whole number.

Purpose: This measure addresses the agency's statutory duty to inform the employees, employers, and other system stakeholders regarding the role of the Office of Injured Employee Counsel's services.

Calculation Type: C

New Measure: N

Desired Performance: H

2.1.1 op 4 Number of referrals to the Department of Assistive and Rehabilitative Services, the Texas Workforce Commission, the Texas Department of Insurance, or other social or regulatory services

Definition: The number of referrals made by the Office of Injured Employee Counsel on behalf of the injured employee. Referrals are made to the Department of Assistive and Rehabilitative Services, the Texas Workforce Commission, the Texas Department of Insurance or other social or regulatory services, such as the Health and Human Services Commission or licensing boards, to assist injured employees with 1) finding employment, 2) training opportunities, 3) returning to work, 4) filing complaints with appropriate licensing boards or other regulatory agencies, 5) obtaining financial assistance, and 6) reporting alleged administrative violations.

Data Limitations: In some cases the injured employee may choose not to contact the entity which is referred by the Office of Injured Employee Counsel.

Data Source: A claims database maintained by the Texas Department of Insurance is used to document all referrals made by Office of Injured Employee Counsel staff. Code values are used for particular types of referrals.

Methodology: Sum the total number of codes in the Texas Department of Insurance's claim system specific to the Office of Injured Employee Counsel which represents the total number of referrals made during the reporting period to capture total (A). Submit (A) represented as a whole number.

Purpose: This measure addresses the agency's statutory duty to refer injured employees to local, state, and federal financial assistance, rehabilitation, work placement programs, and other regulatory and social services.

Calculation Type: C

New Measure: N

Desired Performance: H

Efficiency Measure

2.1.1 ef 1 Average Number Of Educational Sessions Provided To Or On Behalf Of Injured Employees Per Month

Definition: The average number of educational session provided to or on behalf of injured employees per month. An educational session includes in-person visits to field offices by injured employees; outreach presentations performed, including workshops, seminars, speaking engagements, or other forums; and telephone calls made by or to the Office of Injured Employee Counsel on behalf of an injured employee. Each session may include education pertaining to an injured employee's dispute, the agency's role and services provided, and general workers' compensation system information that may affect an injured employee.

Data Limitations: While there is extensive training given regarding tracking telephone calls and walk-ins, data entry errors may affect the confidence level of the data reported.

Data Source: A claims database maintained by the Texas Department of Insurance is used to document all telephone contacts and walk-ins. Code values are assigned to the Office of Injured Employee Counsel to log calls and walk-ins. An agency database is utilized to track all outreach presentations performed by the agency.

Methodology: Sum the total number of Office of Injured Employee Counsel contact codes in the Texas Department of Insurance's claim database that represents the total number of telephone calls and the number of in-person visits (walk-ins) by injured employees, plus the number of outreach presentations performed by the Office of Injured Employee Counsel during the reporting period to capture total (A). Sum the number of months in the reporting period to capture total (B). Obtain the average number of educational sessions by dividing (A) by (B) to determine value (C). Submit (C) represented as a whole number.

Purpose: This measure addresses the agency's statutory duties to educate and assist injured employees, and inform system stakeholders of services provided and the role of the Office of Injured Employee Counsel.

Calculation Type: N

New Measure: N

Desired Performance: H

Goal 3 -- To advocate on behalf of injured employees as a class.

Objective 3.1 -- To advocate on behalf of injured employees as a class in judicial, legislative, rulemaking, and administrative processes and ensure injured employee's rights are protected each year through 2019.

Outcome Measures

3.1 oc 1 Percentage of adopted workers' compensation rules analyzed

Definition: The percentage of adopted workers' compensation rules, which were analyzed by the Office of Injured Employee Counsel. Analyzed rules include informal and formal rules, excluding repeals, by the Texas Department of Insurance, Division of Workers' Compensation, or Office of Injured Employee Counsel, which are analyzed to determine if they affect or have the potential to affect injured employees as a class.

Data Limitations: The rulemaking process may take months to complete. The rule analysis may have occurred in a previous month or year; however, the analysis is not counted for the purpose of this measure until the rule is finally adopted. A rule is considered one preamble submission by an agency and may contain several sections with the submission.

Data Source: An Office of Injured Employee Counsel database is maintained and utilized to track rule projects and processes for the agency. Office of Injured Employee Counsel staff enters information on a regular basis. Data is collected from various sources, including the *Texas Register*.

Methodology: Sum the total number of workers' compensation rules adopted by the Texas Department of Insurance, Division of workers' Compensation, or the Office of Injured Employee Counsel during the reporting period to capture total (A). Sum the total number of rules analyzed by the Office of Injured Employee Counsel during the reporting period to capture total (B). Obtain the percentage that (B) represents of (A) by dividing (B) by (A) to determine value (C). Submit (C) represented as a percentage.

Purpose: This measure addresses the Office of Injured Employee Counsel's statutory duty to advocate on behalf of injured employees as a class in all workers' compensation matters.

Calculation Type: N

New Measure: N

Desired Performance: H

3.1 oc 2 Percentage of adopted workers' compensation rules in which the Office of Injured Employee Counsel participated

Definition: The percentage of adopted workers' compensation rules that the Office of Injured Employee Counsel provided verbal or written public comment on behalf of the injured employee to either informal or formal workers' compensation rules, excluding repeals, proposed by the Texas Department of Insurance, Division of Workers' Compensation, or Office of Injured Employee Counsel.

Data Limitations: The rulemaking process may take months to complete. Participation (verbal or written rule recommendations) may have occurred in a previous month or year; however, the participation is not counted for the purpose of this measure until the rule is finally adopted. Rules that do not affect injured employees are not included in this measure. A rule is considered one preamble submission by an agency and may contain several sections with the submission.

Data Source: An Office of Injured Employee Counsel database is maintained and utilized to track rule projects and processes for the agency. Office of Injured Employee Counsel staff enters information on a regular basis. Data is collected from various sources, including the *Texas Register*.

Methodology: Sum the total number of rules adopted by the Texas Department of Insurance, Division of Workers' Compensation, or Office of Injured Employee Counsel that impact injured employees during the reporting period to capture total (A). Sum the total number of adopted rules that impact injured employees that the Office of Injured Employee Counsel participated to capture total (B). Obtain the percentage that (B) represents of (A) by dividing (B) by (A) to determine value (C). Submit (C) represented as a percentage.

Purpose: This measure addresses the Office of Injured Employee Counsel's statutory duty to advocate on behalf of injured employees as a class in all workers' compensation matters.

Calculation Type: N

New Measure: N

Desired Performance: H

3.1 oc 3 Percentage of adopted workers' compensation rules changed for the benefit of injured employees as a result of the Office of Injured Employee Counsel participation

Definition: The percentage of adopted workers' compensation rules changed for the benefit of injured employees as a result of the Office of Injured Employee Counsel's verbal or written public comments on behalf of the injured employee to either informal or formal workers' compensation rules, excluding repeals, proposed by the Texas Department of Insurance, Division of Workers' Compensation, or Office of Injured Employee Counsel.

Data Limitations: The rulemaking process may take months to complete. Participation (verbal or written rule recommendations) may have occurred in a previous month or year; however, the participation is not counted for the purpose of this measure until the rule is finally adopted. Rules that do not affect injured employees are not included in this measure. A rule is considered one preamble submission by an agency and may contain several sections with the submission.

Comments that are non-substantive, such as word-smithing recommendations to rules will not be included as a comment or as a credit to the Office of Injured Employee Counsel if incorporated.

Data Source: An Office of Injured Employee Counsel database is maintained and utilized to track rule projects and processes for the agency. Office of Injured Employee Counsel staff enters information on a regular basis. Data is collected from various sources, including the *Texas Register*.

Methodology: Sum the total number of rules that impact injured employees adopted by the Texas Department of Insurance, Division of Workers' Compensation, or Office of Injured Employee Counsel during the reporting period in which the Office of Injured Employee Counsel participated to capture total (A). Sum the total number of adopted rules where the Office of Injured Employee Counsel's recommendations were incorporated into the adopted rule text to capture total (B). Obtain the percentage that (B) represents of (A) by dividing (B) by (A) to determine value (C). Submit (C) represented as a percentage.

Rule comments from the Office of Injured Employee Counsel may be accepted in whole or in part by the Texas Department of Insurance and will likely not be accepted verbatim. Partial comments accepted will

count equal to full comments accepted as long as a benefit to injured employees remains included in the portion of the comment that was accepted and ultimately adopted as final rule text.

Purpose: Achieving a positive outcome in the rulemaking process for the benefit of injured employees addresses the agency's statutory duty to advocate on behalf of injured employees as a class in all workers' compensation matters.

Calculation Type: N

New Measure: N

Desired Performance: H

Strategy 3.1.1 -- Advocate on behalf of injured employees as a class in judicial, legislative, rulemaking, and administrative processes and ensure injured employee's rights are protected.

Output Measures

3.1.1 op 1 Number of adopted workers' compensation rules analyzed by the Office of Injured Employee Counsel

Definition: The total number of adopted workers' compensation rules, which were analyzed by the Office of Injured Employee Counsel. Analyzed rules include informal and formal rules, excluding repeals, by the Texas Department of Insurance or Office of Injured Employee Counsel that are reviewed to determine if they affect or have the potential to affect injured employees.

Data Limitations: The rule adoption process may take months to complete. Analysis may have occurred in a previous month or year; however, the analysis is not counted for the purpose of this measure until the rule is finally adopted. A rule is considered one preamble submission by an agency and may contain several sections with the submission.

Data Source: An Office of Injured Employee Counsel database is maintained and utilized to track rule projects and processes for the agency. Office of Injured Employee Counsel staff enters information on a regular basis.

Methodology: Sum the total number of workers' compensation rules adopted by the Texas Department of Insurance, Division of Workers' Compensation, or Office of Injured Employee Counsel during the reporting period that are analyzed by the Office of Injured Employee Counsel to capture total (A). Submit (A) represented as a whole number.

Purpose: This measure addresses the Office of Injured Employee Counsel's statutory duty to advocate on behalf of injured employees as a class in all workers' compensation matters.

Calculation Type: C

New Measure: N

Desired Performance: H

3.1.1 op 2 Number of adopted workers' compensation rules in which the Office of Injured Employee Counsel participated

Definition: The number of adopted workers' compensation rules, in which the Office of Injured Employee Counsel provided verbal or written public comments that offer the injured employee viewpoint to either informal or formal workers' compensation rules, excluding repeals, proposed by the Texas Department of Insurance, Division of Workers' Compensation, or Office of Injured Employee Counsel.

Data Limitations: The rulemaking process may take months to complete. Participation (verbal or written rule recommendations) may have occurred in a previous month or year; however, the participation is not counted until the rule is finally adopted.

Data Source: An Office of Injured Employee Counsel database is maintained and utilized to track rule projects and processes for the agency. Office of Injured Employee staff enters information on a regular basis. Data is collected from various sources, including the *Texas Register*.

Methodology: Sum the total number of rules adopted by the Texas Department of Insurance or Office of Injured Employee Counsel during the reporting period in which OIEC participated to capture total (A). Submit (A) represented as a whole number.

Purpose: This measure addresses the Office of Injured Employee Counsel's statutory duty to advocate on behalf of injured employees as a class in all workers' compensation matters.

Calculation Type: C

New Measure: N

Desired Performance: H

3.1.1 op 3 Number of adopted workers' compensation rules changed for the benefit of injured employees as a result of the Office of Injured Employee Counsel participation

Definition: The number of adopted workers' compensation rules changed for the benefit of injured employees as a result of the Office of Injured Employee Counsel's verbal or written public comments that offer the injured employee viewpoint to either informal or formal workers' compensation rules, excluding repeals, proposed by the Texas Department of Insurance, Division of Workers' Compensation, or Office of Injured Employee Counsel.

Data Limitations: The rulemaking process may take months to complete. Participation (verbal or written rule recommendations) may have occurred in a previous month or year; however, the participation is not counted for the purpose of this measure until the rule is finally adopted. A rule is considered one preamble submission by an agency and may contain several sections with the submission.

Data Source: An Office of Injured Employee Counsel database is maintained and utilized to track rule projects and processes for the agency. Office of Injured Employee Counsel staff enters information on a regular basis. Data is collected from various sources, including the *Texas Register*.

Methodology: Sum the number of rules adopted during the reporting period where the Office of Injured Employee Counsel's recommendations were incorporated into the rule text to capture total (A). Submit (A) represented as a whole number.

Comments that are non-substantive, such as word-smithing recommendations to rules will not be included as a comment or as a credit to the Office of Injured Employee Counsel if incorporated. Rule comments from the Office of Injured Employee Counsel may be accepted in whole or in part by the Texas Department of Insurance and will likely not be accepted verbatim. Partial comments accepted will count equal to full comments accepted as long as a benefit to injured employees remains included in the portion of the comment that was accepted and ultimately adopted as final rule text.

Purpose: Achieving a positive outcome in the rulemaking process to the benefit of injured employees addresses the agency's statutory duty to advocate on behalf of injured employees as a class in all workers' compensation matters. Participating and advocating for injured employees is one of the primary goals of this agency.

Calculation Type: C

New Measure: N

Desired Performance: H

3.1.1 op 4 Number of assists a Regional Staff Attorney provides to an Ombudsman

Definition: The total number of assists a Regional Staff Attorney provides to an Office of Injured Employee Counsel (OIEC) staff member. The agency's Regional Staff Attorneys supervise the work of the Ombudsman Program and advise Ombudsmen in providing assistance to injured employees and preparing for informal and formal hearings. A Regional Staff Attorney assist is defined as a response to an OIEC employee's request for legal assistance. The legal assistance may involve legal consultation or analysis on the workers' compensation law or may consist of legal research and consultation with an OIEC employee regarding a specific injured employee's claim.

Data Limitations: None

Data Source: A claims database maintained by the Texas Department of Insurance is used to document all assists made by Regional Staff Attorneys to an OIEC staff member. Code values are used for these assists, and the attorneys enter the code value into that system for each assist.

Methodology: Sum the total number of assists provided by Regional Staff Attorneys to an OIEC staff member during the reporting period to capture total (A). Submit (A) represented as a whole number.

Purpose: This measure addresses the agency's statutory duty to assign Regional Staff Attorneys to supervise and advise Ombudsmen through the Ombudsman Program.

Calculation Type: C

New Measure: N

Desired Performance: H

Explanatory Measure

3.1.1 ex 1 Number of workers' compensation rules adopted

Definition: The total number of workers' compensation informal and formal rules, excluding repeals, adopted by the Texas Department of Insurance, Division of Workers' Compensation, or Office of Injured Employee Counsel during the reporting period.

Data Limitations: The rule adoption process may take months to complete; however, the rule is not counted for the purpose of this measure until it is finally adopted. A rule is considered one preamble submission by an agency and may contain several sections with the submission.

Data Source: An Office of Injured Employee Counsel database is maintained and utilized to track rule projects and processes for the agency. Office of Injured Employee Counsel staff enters information on a regular basis.

Methodology: Sum the total number of workers' compensation rules adopted by the Texas Department of Insurance, Division of Workers' Compensation, or Office of Injured Employee Counsel during the reporting period to capture total (A). Submit (A) represented as a whole number.

Purpose: This measure represents the total number of workers' compensation rules adopted. Adopted rules may or may not affect injured employees as a class.

Calculation Type: C

New Measure: N

Desired Performance: H

APPENDIX E

Workforce Plan

As part of the strategic plan required under Texas Government Code, Section 2056.002, each state agency is required to conduct a strategic staffing analysis and develop a workforce plan according to guidelines developed by the State Auditor. Workforce planning is an organized process for:

- Identifying the number of employees and the types of employee skill sets required to meet agency goals and strategic objectives; and
- Developing a plan of action to ensure that the appropriate workforce will be available to provide quality services to the citizens of Texas.

I. OVERVIEW

OIEC Mission

To assist, educate, and advocate on behalf of the injured employees of Texas

OIEC Philosophy

The Office of Injured Employee Counsel (OIEC) is committed to protecting the rights of the injured employees of Texas in the workers' compensation system. OIEC provides the highest level of professional, efficient, and effective customer service and maintains a work environment that values a diverse workforce, ethical management practices, teamwork, respect, and dignity.

OIEC Strategic Goals and Objectives

Goal 1 -- To assist injured employees in the workers' compensation system and protect their rights.

Objective 1.1 -- To provide assistance to all unrepresented injured employees requesting assistance each year.

Goal 2 -- To increase injured employee education regarding their rights and responsibilities and refer them to local, state, and federal programs.

Objective 2.1 To increase the knowledge of all injured employees and refer them to local, state, and federal programs each year.

Goal 3 -- To advocate on behalf of injured employees as a class.

Objective 3.1 -- To advocate on behalf of injured employees as a class in judicial, legislative, rulemaking, and administrative processes and ensure injured employee's rights are protected each year.

Core Business Functions

OIEC was established to represent the interests and provide services to all unrepresented injured employees when assistance is requested. OIEC's core business functions include:

- Assisting injured employees in the workers' compensation system by providing free Ombudsman services in TDI-DWC's administrative dispute resolution system;
- Educating injured employees about their rights and responsibilities and improving their ability to effectively navigate through the workers' compensation system; and
- Advocating on behalf of injured employees as a class in order to achieve a balanced workers' compensation system and protect their rights.

OIEC also refers injured employees to the Department of Assistive and Rehabilitative Services, the Texas Workforce Commission, TDI-DWC or other social or regulatory services, such as the Health and Human Services Commission or licensing boards, to assist injured employees with 1) finding employment, 2) training opportunities, 3) returning to work, 4) filing complaints with appropriate licensing boards or other regulatory agencies, 5) obtaining financial assistance, and 6) reporting alleged administrative violations.

Additionally, OIEC provides outreach presentations, workshops, seminars, speaking engagements, or other forums to workers' compensation system stakeholders regarding OIEC, its role, and its services.

Anticipated Changes to the Mission, Strategies, and Goals Over the Next Five Years

The 2014-2015 budget structure was carefully reviewed and recommendations for changes to the 2016-2017 budget structure were submitted to the Legislative Budget Board and the Governor's Office of Budget, Planning, and Policy on April 7, 2014.

Changes to the mission, strategies, and goals through the 2018-2019 biennia are not anticipated at this time.

II. CURRENT WORKFORCE PROFILE (SUPPLY ANALYSIS)

Demographics information, including age, gender, and length of service

Aging Workforce. Only seven percent of the employees are under the age of 30 while 40 percent of the agency’s employees are 50 or older. The average age of an OIEC employee is 46.6.

Gender of OIEC Employees. According to the latest State Auditor’s Office Workforce Summary Report (2012), 56 percent of state employees in Texas are female. The percent of female employees at OIEC is well above this number at 87 percent.

Average State Tenure. OIEC employees have an average of 11.5 years of state service, and 12.4 years of workers’ compensation experience. Retaining and recruiting employees with workers’ compensation knowledge is important to the agency, and 89 percent of OIEC employees see themselves working for this agency in one year, according to OIEC’s 2014 Survey of Employee Engagement. Additional information regarding the survey can be found in Appendix F.

Ethnicity. OIEC’s percentage of Hispanic employees is well above the 2012 statewide civilian workforce with 54 percent. The statewide civilian workforce is comprised of 33 percent Hispanics. OIEC’s percentage of Black employees – 13 percent – is comparable to the statewide composition of 12 percent. The statewide composition of the Anglo workforce is 55 percent and OIEC’s percentage is 32 percent.

Office of Injured Employee Counsel – Workforce Statistics by Equal Employment Opportunity (EEO) Category

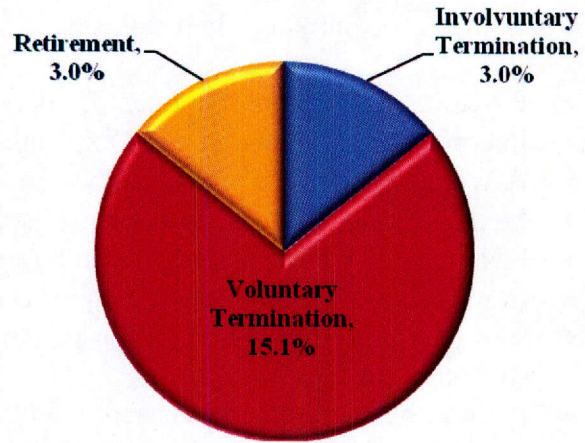
	Black	Hispanic	Anglo	Other	Male	Female
Officials, Admin. (A)	14.29%	50.00%	35.71%	0.00%	35.71%	64.29%
Professional (P)	13.64%	49.09%	35.45%	1.82%	14.55%	85.45%
Technical (T)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Para-Professional (Q)	11.36%	68.18%	20.45%	0.00%	2.27%	97.73%
Admin. Support (C)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Skilled Crafts (S)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Service & Maintenance (M)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
All Categories	13.10%	54.17%	31.55%	1.19%	13.10%	86.90%

Employee Turnover. OIEC employee turnover has increased within the past few years. OIEC’s turnover rate (including interagency transfers) was 16.2 percent in FY 2012 and 21.1 percent in FY 2013. Reasons for the departures cited on exit interviews include low salary, personal reasons, and retirement. The turnover rate is anticipated to be lower in FY 2014. As of the end of the second quarter of FY 2014, the turnover rate was five percent.

OIEC’s most vulnerable program area is the Ombudsman Program. Ombudsmen are required to go through extensive training and obtain a workers’ compensation adjuster’s license, which makes them targets for companies wanting to hire qualified and trained adjusters.

More than half of employees who leave OIEC resign voluntarily for reasons other than retirement as shown in the chart below. Most cited personal circumstances as the reason for leaving. Agency turnover and reasons for turnover are expected to change markedly within three to six years based on an analysis of employee retirement eligibility.

**OIEC Employee Turnover Justification
FY 2013**



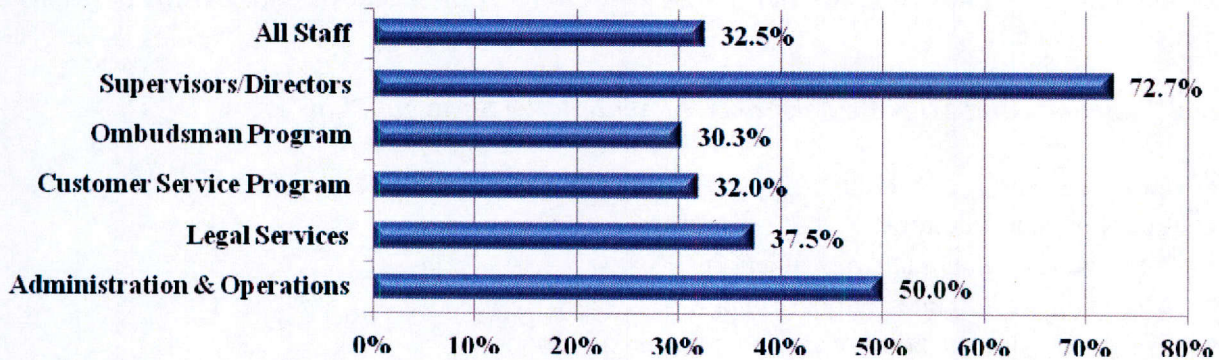
Projected Employee Turnover Rate over the Next Five Years

OIEC anticipates that the turnover rate over the next five years is likely to be relatively stable at approximately 15 percent.

Employee Retirement. Approximately 27 percent of all agency staff is currently eligible to retire. The percentage increases to 33 percent through August 31, 2019.

More than 27 percent of OIEC management staff is currently eligible to retire. The percentage increases to 73 percent through August 31, 2019.

Percent of Agency Staff Eligible to Retire Within 5 Years



Currently, seven percent of OIEC Ombudsmen (not including management staff) are eligible to retire. At the end of August 31, 2019, the percentage jumps to 30 percent.

Workforce Skills Critical to the Mission and Goals of the Agency

The agency is staffed with professional, skilled, and well-qualified employees. Maintaining a workforce with particular knowledge and skill sets is critical to the agency's ability to operate effectively and efficiently in achieving its mission and goals. These skill sets include:

- Providing exceptional customer service;
- Interpreting, implementing, and explaining legal/regulatory statutes;
- Providing and applying legal and workers' compensation research and analysis;
- Managing and providing leadership to staff;
- Planning and coordinating outreach efforts to stakeholders;
- Communicating effectively in English and Spanish;
- Recognizing and responding appropriately to mental and emotional stress among customers; and
- Performing audit, quality assurance, and administrative functions.

III. FUTURE WORKFORCE PROFILE (DEMAND ANALYSIS)

Expected Workforce Changes Driven by Factors such as Changing Missions, Goals, Strategies, Technology, Work, Workloads, and Work Processes

OIEC does not foresee the elimination of any of its responsibilities over the next five-year period nor a change in its mission and goals.

Future Workforce Skills Needed

OIEC needs staff that can provide medical research and analysis to help OIEC customers prove their entitlement to workers' compensation benefits.

Anticipated Increase or Decrease in the Number of Employees Needed To Do the Work

Additional employees are currently not necessary as long as the agency is able to fill positions that become vacant.

Critical Functions that Must Be Performed to Achieve the Strategic Plan

- Customer service functions
- Ombudsman functions
- Legal research and analysis functions
- Medical research and analysis functions
- Workers' compensation research and analysis functions
- Managerial and training functions
- Audit, quality assurance, and administrative functions.

IV. GAP ANALYSIS

Anticipated Surplus or Shortage in Staffing Levels

There is currently no surplus or shortage in staffing levels.

Anticipated Surplus or Shortage of Skills

As experienced staff retires over the next few years, the agency anticipates a greater need for skills in training, mentoring, and transferring knowledge to less-experienced employees in all program areas. In addition, greater skill in medical research and analysis is required to address the trend of declining prevail rates for injured employees due to the ever-increasing evidentiary standard required to prove entitlement to benefits.

V. STRATEGY DEVELOPMENT

Specific Goals to Address Workforce Competence Gaps or Surpluses

Recruitment and Retention. Recruiting and retaining the depth of knowledge and experience necessary to navigate the complexities of the workers' compensation system is a key factor in fulfilling OIEC's mission of assisting, educating, and advocating for Texans who are injured on the job. Therefore, OIEC carefully selects the most qualified applicant for each position. OIEC has been fortunate in the ability to hire and retain strong employees with varied skill sets who can perform in high-stress, demanding situations.

OIEC has been successful in hiring individuals that possess the necessary knowledge, education, and experience that has enabled the agency to continue to provide injured employees excellent assistance. OIEC has been able to keep some of its most knowledgeable and experienced employees even after their retirement eligibility date.

OIEC provides extensive training and development opportunities to assist employees in performing their job to the best of their abilities. OIEC also provides incentives and utilizes various tools to retain its staff, such as the following.

Alternative Work Schedule Program. This program extends the number of hours that agency staff is available to provide services while also providing employees with work-schedule flexibility. Every effort is made to accommodate the needs of individual employees who are working extended or alternate hours; however, in all instances, business necessity is the overriding factor.

The Performance Planning and Development System (PPDS). This evaluation process provides Supervisors the tools to develop an employee's performance, address performance that does not meet expectations, and handle performance problems in a manner that encourages individual responsibility for results. This system also presents an opportunity for the Supervisor and the employee to look to the future and identify opportunities for the employee's growth and

development. Regular assessment of performance levels against expectations increases productivity and morale.

Merit Awards. For OIEC employees who meet the criteria for a merit award, OIEC may provide deserving staff with administrative leave for outstanding performance. The total amount of leave granted may not exceed 32 hours per employee during a fiscal year pursuant to the Government Code. OIEC may also grant merit salary increases and one-time merit payments to eligible classified employees who meet various administrative qualifications and whose job performance exceeds expectations.

Performance Excellence Awards. The annual performance excellence awards are intended to recognize employees who exhibit superior performance or special efforts significantly beyond their regular duty requirements and directly related to fulfilling OIEC's mission. The Directors and the Associate Directors of the Ombudsman and Customer Service Programs make the final decision about the Ombudsman and Customer Service Representative who will receive the performance excellence award for their respective program area. The selected employee will receive a certificate, an award, 16 hours of administrative leave and, when budget allows, a one-time merit. Whenever possible, the Performance Excellence Awards will be announced at the Annual OIEC Conference.

Sick Leave Pool. The Sick Leave Pool has been established to benefit OIEC employees and their immediate family members who suffer a catastrophic illness or injury. The Pool is intended to provide for the alleviation of a hardship caused to an employee and the employee's immediate family if a catastrophic illness or injury forces the employee to exhaust all leave earned by that employee and to lose compensation from OIEC. The program allows employees to voluntarily contribute sick leave time to the Pool.

OIEC's rule Title 28, Texas Administrative Code Section 276.4 was adopted as a result of a requirement of Texas Government Code Section 661.002(c). The Government Code requires state agencies to adopt rules relating to the agency's Sick Leave Pool program. OIEC's Deputy Public Counsel administers this program.

Policy Development Program. OIEC's Policy Development Program was initiated to better communicate and receive ideas from all employees. Recognizing the value and ideas of each employee, this program was designed to serve as a channel of communication for "great ideas." While participation in this program is optional, all OIEC employees are encouraged to submit their ideas on how to improve OIEC, its policies or procedures, or work environment. OIEC's executive management team reviews the ideas or recommendations submitted monthly. Confidentiality of employees who submit policy recommendations is provided to encourage all OIEC employees to participate in providing suggestions to improve or increase the efficiency of the agency and its resources. Since its inception, many ideas have been proposed and implemented. Administrative leave for outstanding performance has been awarded to OIEC staff whose ideas have been implemented.

Return-to-Work Program. The intent of the Return-to-Work Program is to allow employees with injuries or illnesses, both job-related and non-job related, to return to work as quickly as possible in a meaningful and productive capacity. Participation in the program is handled on a case-by-case basis in consultation with the employee's physician. It is the employee's responsibility to make all reasonable effort to return to work at the earliest possible time to full duty, or alternatively, to a light- or restricted-duty capacity.

OIEC recently spoke to the Texas State Human Resources Association (TSHRA) about "Return-to-Work Best Practices." The presentation included the latest research highlighting the physical and mental benefits to injured employees who return to work in temporary or modified work positions. Employer benefits such as cost containment, office morale, and productivity were emphasized along with the need for employers to be proactive long before a work injury. OIEC's internal return-to-work policy was also reviewed several revisions were adopted by the agency and shared at OIEC's recent stakeholder meeting.

Organizational Training and Employee Development. Training is a year-round, continuous requirement for OIEC staff. The many complexities of the workers' compensation system and the agency's core value of providing premier service necessitate ongoing training. Various committees and training activities are discussed below.

New Employee Training. All new employees are required to participate in new employee training. Training courses are available on the intranet and may include a course description page with prerequisite reading, the course itself, and helpful links. Several training modules are available and include the following: Ethics in the Workplace, Employment Law, Computer security, and Workplace Conduct. The training courses consist of slideshows, videos, or videos with a handout. Some courses include audio. All employees are also required to read the employee manual, read and sign the *OIEC Attestation Concerning Confidential Information*, and take core training offered by OIEC and TDI, such as Ethics, Confidentiality, Sexual Harassment, Discrimination, and agency-related policy and law training.

Emergency Preparedness, Risk Management, and Continuity Plan Training. OIEC conducts periodic training regarding emergency preparedness, risk management, and the agency's Continuity Plan to ensure staff understands what to do in case of emergencies and to circumvent any confusion or adversity resulting from possible disasters. The agency periodically runs drills regarding procedures for handling situations with a potentially threatening injured employee, disaster drills for the Coastal field offices in preparation for the hurricane season, or other various safety drills and tests.

Ethics Training and Committee. OIEC is dedicated to operating under the highest standards of ethical and professional behavior. To ensure that every effort is made to achieve this goal, the agency conducts ethics training and created an Ethics Committee. Ethics training is conducted for new employees and annually thereafter. The Ethics Committee has been vital to the development of our agency's superior reputation for being a professional and ethical organization. Created in June 2008, the OIEC Ethics Committee addresses the ethical questions and issues presented to it by OIEC employees.

The Committee is comprised of a cross-section of OIEC staff, which includes employees from all divisions of the agency who hold both supervisory and non-supervisory positions. The Ethics Committee convenes as necessary to discuss the issues presented to it by OIEC employees, and a quarterly update on the issues is sent to all agency employees.

The agency's Ethics Committee has a revolving membership to ensure that new voices are heard. OIEC's ethics statement is below:

Each OIEC employee has an obligation to maintain high ethical standards in the performance of their work responsibilities and in their personal life, realizing that lapses in such judgment will reflect negatively on OIEC. OIEC employees must seek to enhance and implement ethical values based on established principles of sound reasoning and the highest standards of business conduct.

Ombudsman Training Program. Generally, employees in the Ombudsman Program are hired as Ombudsman Associates and begin up to a year-long training program at the end of which they will have earned their workers' compensation adjuster's licenses and will be reclassified as an Ombudsman I. The training program for an Ombudsman Associate consists of up to one year of training divided into two parts. In Part I, the Ombudsman Associates complete new employee orientation courses, classroom studies, customer services training, and observation of activities. After completing Part I, the Associates enter Part II of the program. In Part II, the Ombudsman Associates begin conducting meetings with unrepresented injured employees in preparation for dispute resolution hearings and assisting in proceedings while being observed and evaluated by their mentor, trainer, and Supervisor of the Ombudsman Program. The Ombudsman Associates are required to obtain a workers' compensation adjuster's license before they finish their training program. Upon successful completion of the training program, Ombudsman Associates are eligible for reclassification to an Ombudsman I.

The Ombudsman I must have at least one year of workers' compensation experience as required by Texas Labor Code Section 404.152. They participate in proceedings; assist injured employees to obtain supporting documentation and to appropriately and timely exchange evidence; and work closely with the Customer Service Representatives to effectively assist injured employees.

The Ombudsman II is required to have at least two years of experience as an Ombudsman I. The Ombudsman II must maintain all of the requirements of an Ombudsman I and may be required to assist Ombudsman Supervisors and Associate Directors in the training and mentoring of Ombudsman Associates and Customer Services Representatives. Each field office has an Ombudsman Lead who serves as a mentor for all staff in their particular field office. They are vital in administrative efforts, such as disaster recovery and staff services coordination.

Ombudsmen must remain current on continuing education requirements in order to maintain their workers' compensation adjuster's licenses. These credits are offered through the annual agency conference and practical skills training conducted by the agency's Regional Staff Attorneys. Training is also provided through monthly teleconferences. Additional information

regarding the Ombudsman training program and continuing education can be found in Title 28, Texas Administrative Code Section 276.10.

Practical Skills Training Program. The practical skills training is designed to help Ombudsmen refine their skills in assisting injured employees in proceedings before TDI-DWC and to ensure injured employees' rights are protected. Practical skills training courses are offered periodically by Regional Staff Attorneys in regional locations across the State or are available through video. Ombudsmen receive continuing education credits for participating in the training, which helps them fulfill the requirements for maintaining their legally required workers' compensation adjuster's license.

The courses are designed to give practical, useful information to the Ombudsmen, which they can immediately implement into the performance of their job duties. There is a lecture and discussion component at each training session. In addition, written material is prepared to provide more detailed resource material than can be presented in a lecture. The written materials from each practical skills training are posted on OIEC's intranet for future reference. Finally, each practical skills training includes some practical application of the material to test the participants' knowledge of the subject matter covered in the training. These exercises provide an excellent opportunity to provide feedback from the trainer and for the participants to learn from each other, determine best practices and strategies, and learn more about the workers' compensation and insurance laws.

Practical Skills Training topics include the following:

- Direct Examination and Cross Examination;
- Direct Examination and Cross Examination of Expert Witnesses;
- Discovery Tools, Objections and Responses;
- Pre-Hearing Dispute Resolution: Case Management, Assessment and Development;
- Advanced Case Development and Formulation of Oral and Written Arguments;
- Occupational Disease and Repetitive Trauma Injuries;
- Formulation of Arguments to Assist Injured Employees Through the Medical Dispute Resolution Process;
- Effectively Questioning Physicians;
- Case Assessment and Case Development;
- Contested Case Hearings: The Opening Statement;
- Creative Legal Reasoning;
- Medical Dispute Resolution – Present and Future;
- An Overview of the Contested Case Hearing;
- Violation Referrals and AMA Guides to the Evaluation of Permanent Impairment;
- Evaluation of Designated Doctor Impairment Ratings; and
- Direct and Cross-Examination of Lay and Expert Witnesses.

Customer Service Representative Training. A comprehensive training program is provided to each Customer Service Representative to enable them to respond accurately and promptly to injured employees' questions. Copies of the Workers' Compensation Act and Rules are

provided to each Customer Service Representative with the requirement that they be conversant with the information contained therein. Training requirements include completing the OIEC Core Training, workers' compensation modules; customer service training; computer, telephone, and soft-skills training; training on setting preparation appointments for Ombudsmen; and early intervention, administrative training. Ongoing education includes review of the agency website and links, and attendance at the various teleconference training sessions. A monthly review of Appeals Panel decisions is also required as the decisions provide interpretations of the Act and Rules and procedural clarifications.

Before being assigned to provide customer service to injured employees, Customer Service Representatives are required to observe interaction between injured employees and Ombudsmen. In addition, new Customer Service Representatives choose or are assigned a more senior Customer Service Representative and an Ombudsman Lead (field office team leader) as a mentor for guidance and advice. They are also required to observe dispute resolution proceedings, preparation appointments, benefit review conferences, and contested case hearings. Training exercises are given that are designed to help Customer Service Representatives determine the questions to ask injured employees and the information that should be provided based upon the injured employee's needs. This extensive training is designed to produce employees who are well-equipped to provide exceptional customer service. The agency's Customer Service Program provides advocacy, assistance, and education about the workers' compensation system while TDI-DWC staff processes official and regulatory actions.

Teleconferences. Teleconferences are held to ensure OIEC staff in the field and central office stays informed of necessary information to continue to effectively serve the injured employees of Texas. Teleconferences may be held for specific agency functions, such as Ombudsmen or Customer Service Representatives, or for the agency as a whole. Regional Staff Attorneys may make presentations on legal issues, or presentations may be made by OIEC staff on new legislation, policies, and procedures. Agency staff also has the opportunity to request particular topics be included in the teleconferences via the agency Policy Development Program.

OIEC Conferences. Three in-person meetings are held for staff each year, if budget permits. Below is a summary of each type.

OIEC's Annual Conference: OIEC's annual conference is held in June for all OIEC staff to come together in one place. The conference generally lasts over a three-day period to allow for travel during work hours. Since OIEC staff is located throughout Texas, the conference provides an opportunity to get to know each other - providing a face with a name, building OIEC's network, and increasing agency relations to overcome geographical barriers among OIEC's 20 locations and central office.

Training sessions promote teamwork and ethics as well as provide information about aspects of the agency that staff may not be familiar with. Breakout sessions address a variety of topics, including current legislative activities, changes in workers' compensation laws and rules, and new agency policies and procedures. Information presented at the conference is designed to enhance the skills of staff and increase communication within the agency in order to provide

excellent service to the injured employees of Texas. Additionally, the conference provides continuing education credits to help Ombudsmen and other OIEC staff satisfy the requirements for maintaining their workers' compensation adjuster's licenses and for OIEC attorneys to obtain continuing legal education credits.

OIEC Leadership Conference: OIEC holds an annual conference where management employees meet for training, issue discussion, strategic planning, and employee development. The meeting provides an opportunity for management from all of the program areas of the agency (Customer Service, Ombudsman, and Administration and Operations) to come together and focus efforts on improving communication and the quality of the service provided to the injured employees of Texas.

Legal Services Planning and Debriefing Session: OIEC periodically hosts an in-person meeting for agency attorneys to discuss legal issues in the workers' compensation system and plan legal training for the Ombudsman Program. The meeting also provides an opportunity for candid discussion about how effectively the agency is serving its mission to assist, educate, and advocate on behalf of the injured employees of Texas.

Training is one of the most important aspects of the agency and is ultimately beneficial to the injured employees in Texas. Although the agency makes every effort to retain its outstanding staff, the agency's focus on employee development ultimately enables OIEC staff to be extremely competitive in higher-paying job classifications or in the same work in the private sector.

Succession Planning. The process of succession planning, a component of OIEC's strategic and workforce plans, is preparing the agency for the risks associated with loss of knowledge that is critical to achieve its mission. OIEC is doing so by identifying, developing, and transferring knowledge to employees who become highly qualified and capable of filling key positions or perform crucial functions as individuals leave the agency.

The scope of OIEC's succession planning includes identifying and developing key talent within the agency for Director, Associate Director, and Supervisor positions in the Ombudsman and Customer Service programs, Legal Services and Administration and Operations, which includes the internal audit function.

APPENDIX F

**2014 Survey of Employee Engagement
Results and Utilization Plan**

At the beginning of calendar year 2014, OIEC employees were asked to participate in the *Survey of Employee Engagement*. The survey provides information about the employees’ perceptions of the effectiveness of the agency and the employees’ satisfaction with the agency. The survey is conducted by The University of Texas at Austin, School of Social Work, and most state agencies participate in the survey.

The Survey of Employee Engagement is a framework, which at the highest level, consists of five Workplace Dimensions capturing the total work environment. Each Workplace Dimension is composed of several Survey Constructs designed to broadly profile areas of strength and concern so that interventions may be targeted appropriately.

Workplace Dimensions
Survey Constructs

<p><u>Work Group</u> <i>Supervision</i> <i>Team</i> <i>Quality</i></p>	<p><u>Organization</u> <i>Strategic</i> <i>Diversity</i></p>	<p><u>Accommodations</u> <i>Pay</i> <i>Benefits</i> <i>Physical Environment</i></p>
<p><u>Information</u> <i>Information System</i> <i>Internal Communication</i> <i>External Communication</i></p>		<p><u>Personal</u> <i>Employee Engagement</i> <i>Employee Development</i> <i>Job Satisfaction</i></p>

OIEC is very proud of the response rates realized each year, which have ranged from a low of 82 percent to a high of 100 percent. This year OIEC had a response rate of 95 percent. A high response rate means that OIEC employees have an investment in the organization, want to see the organization improve, and generally have a sense of responsibility to the organization. Results are provided to OIEC employees including comparisons of specific teams and program areas. According to the survey results, the three areas of **agency strengths** include the following:

- **Strategic Score: 402**

The Strategic construct reflects employees’ thinking about how the organization responds to external influences that should play a role in defining the organization’s mission, vision, services, and products. Implied in this construct is the ability of the organization to seek out and work with relevant external entities. High scores indicate employees view the organization as able to quickly relate its mission and goals to environmental changes and demands. It is viewed as creating programs that advance the organization and having highly capable means of drawing information and meaning from the environment.

- **Supervision Score: 396**

The Supervision construct provides insight into the nature of supervisory relationships within the organization, including aspects of leadership, the communication of expectations, and the sense of fairness that employees perceive between supervisors and themselves. High Supervision scores indicate that employees view their supervisors as fair, helpful, and critical to the flow of work.

- **External Communication Score: 396**

The External Communication construct looks at how information flows into the organization from external sources, and conversely, how information flows from inside the organization to external constituents. It addresses the ability of organizational members to synthesize and apply external information to work performed by the organization. High scores indicate that employees view their organization as communicating effectively with other organizations, its clients, and those concerned with regulation.

Survey results also indicated the three **areas of concern**, which are identified below:

- **Pay Score: 242**

The Pay construct addresses perceptions of the overall compensation package offered by the organization. It describes how well the compensation package ‘holds up’ when employees compare it to similar jobs in other organizations. Low scores suggest that pay is a central concern or reason for satisfaction or discontent. In some situations pay does not meet comparables in similar organizations. In other cases individuals may feel that pay levels are not appropriately set to work demands, experience, and ability. Cost-of-living increases may cause sharp drops in purchasing power, and as a result, employees will view pay levels as unfair.

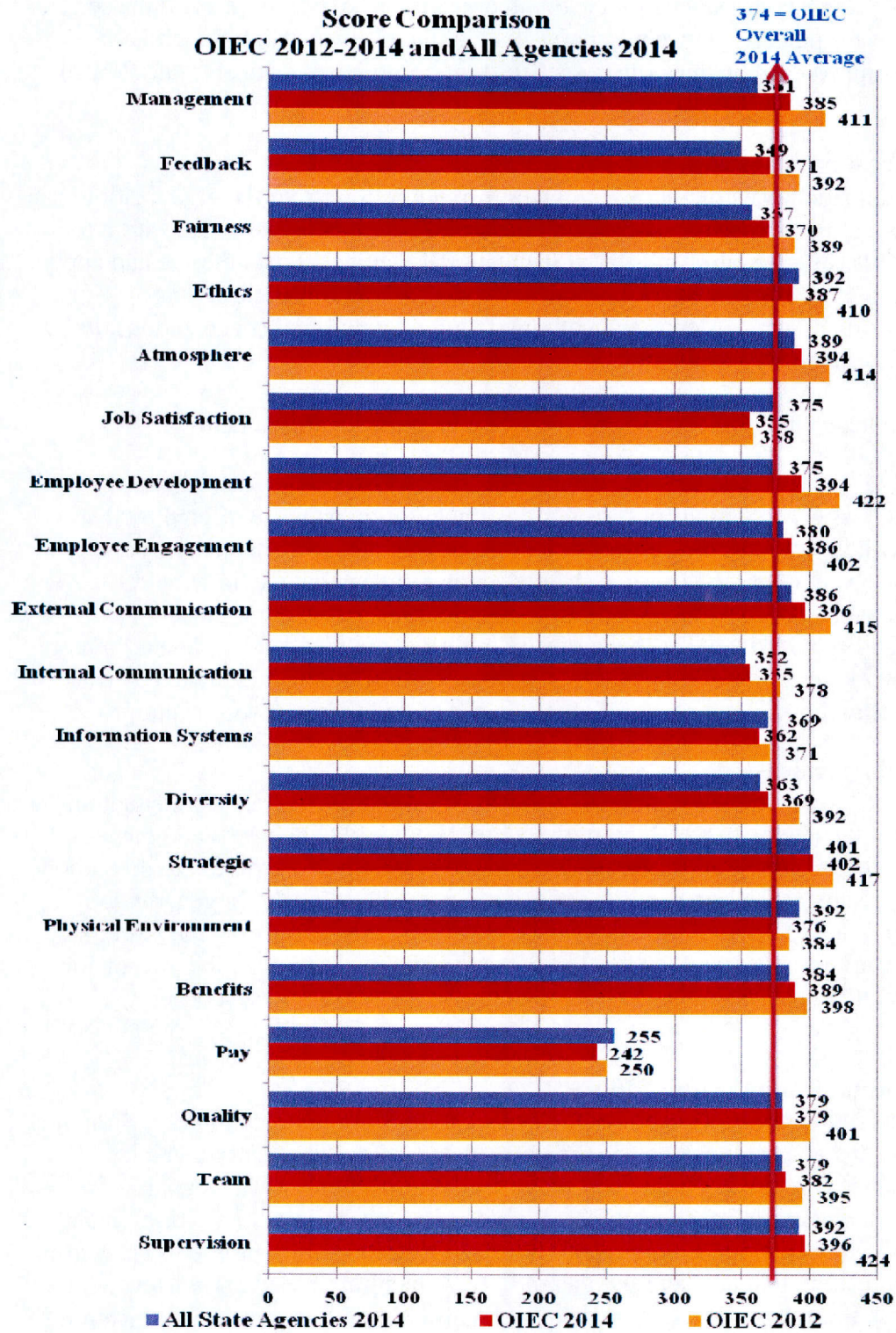
- **Job Satisfaction Score: 355**

The Job Satisfaction construct addresses employees’ attitudes about the overall work situation. This construct looks at the degree to which employees intrinsically like their jobs and the total work environment. It focuses on both the job itself and the availability of resources to do the job. Moderate levels of job satisfaction can result in good but not excellent work. In general, job satisfaction stems from these factors: supervisory effectiveness, manageability of the workload, supportiveness of the environment, and the level of pay and benefits. Although the area of Job Satisfaction scored relatively high at 355, this area was one of the three lowest scoring constructs.

- **Internal Communication Score: 355**

The Internal Communication construct captures the organization’s communication flow from the top-down, bottom-up, and across divisions/departments. It addresses the extent to which communication exchanges are open, candid, and move the organization toward its goals. Average scores suggest that employees feel information does not arrive in a timely fashion and often it is difficult to find needed facts. In general, Internal Communication problems stem from these factors: an organization that has outgrown an older verbal culture based upon a few people knowing “how to work the system”, lack in investment and training in modern communication technology and perhaps, vested interests that seek to control needed information.

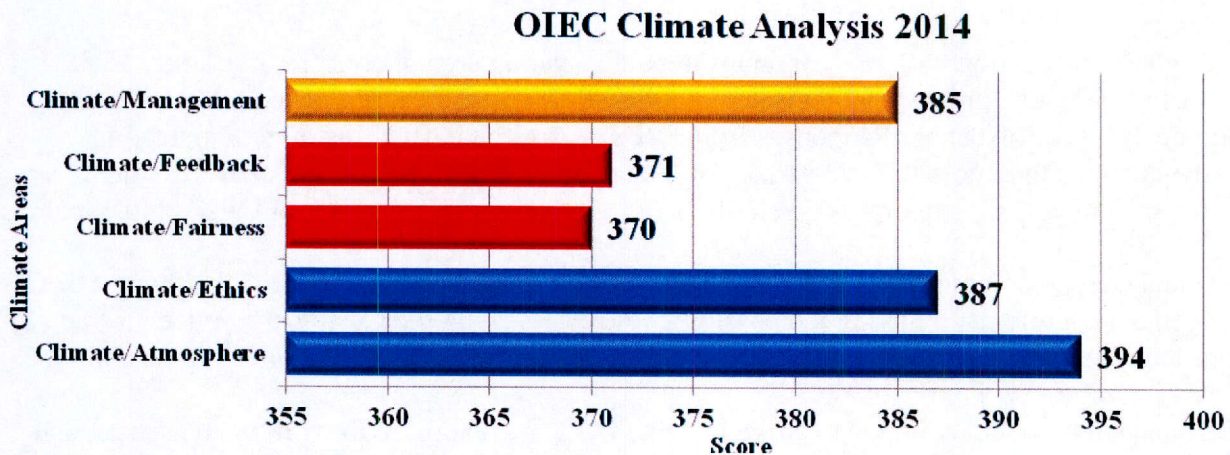
The chart below illustrates a comparison of OIEC scores from 2012 and 2014 surveys and other state agency scores in 2014.



When compared to all state agencies, OIEC scored higher in 74 percent of the constructs in the 2014 survey.

Climate Analysis. The climate in which employees work does, to a large extent, determine the efficiency and effectiveness of an organization. The appropriate climate is a combination of a safe, non-harassing environment with ethical abiding employees who treat each other with fairness and respect. Moreover, it is an organization with proactive management that communicates and has the capability to make thoughtful decisions. Climate Areas have been color coded to highlight the organization’s areas of strength and areas of concern. The two highest scoring climate areas are blue (Atmosphere, Management), the two lowest scoring climate areas are red (Fairness, Feedback), and the remaining climate area is yellow (Ethics).

Each Climate Area is displayed below with its corresponding score. Scores above 350 suggest that employees perceive the issue more positively than negatively, and scores of 375 or higher indicate areas of substantial strength. Conversely, scores below 350 are viewed less positively by employees, and scores below 325 should be a significant source of concern for the organization and should receive immediate attention.



Climate Analysis Definitions.

Climate/Management: The climate presented by Management as being accessible, visible, and an effective communicator of information is a basic tenant of successful leadership.

Climate/Feedback: Appropriate feedback is an essential element of organizational learning by providing the necessary data in which improvement can occur.

Climate/Fairness: Fairness measures the extent to which employees believe that equal and fair opportunity exists for all members of the organization.

Climate/Ethics: An ethical climate is a foundation of building trust within an organization where not only are employees ethical in their behavior, but that ethical violations are appropriately handled.

Climate/Atmosphere: The aspect of climate and positive atmosphere of an organization must be free of harassment in order to establish a community of reciprocity.

Utilization Plan

Employee satisfaction is one of OIEC's primary concerns. Ninety-five percent of OIEC staff participated in the Survey of Employee Engagement, which is considered a very high response rate. High response rates mean that employees have an investment in the agency, want to see the agency improve, and generally have a sense of responsibility to the agency.

It is pleasing to know that 89 percent of OIEC employees see themselves working for this agency in one year, and OIEC believes that is a good indicator of how well the organization is doing at retaining its employees. Also encouraging is that, compared to employees in organizations of similar size or mission, OIEC has more favorable results in most categories.

Scores in each area OIEC management is identifying ways to encourage better internal communication throughout the agency as well as in other areas where the results are lower than in previous surveys.

Although dissatisfaction with pay continues to be the leading area of concern, it has not significantly altered employee attitudes toward their jobs or the level of service provided to the injured employees of Texas. Responses from OIEC's 2012 and 2013 Customer Satisfaction Surveys indicate that more than 92 percent of the agency's customers are satisfied with their experience with OIEC – this speaks well of the dignity and professionalism of OIEC employees.

OIEC makes regular attempts to applaud the efforts of its employees as the budget allows. OIEC management is currently studying the possibility of reclassifying the Customer Service Representatives to Associate Ombudsman positions due to the position's level of responsibility.

OIEC management will continue to strive to make OIEC a great place to work in all aspects, and as OIEC's philosophy states, "OIEC is committed to protect the rights of the injured employees of Texas. We will provide the highest level of professional, efficient, and effective customer service; and maintain a work environment that values a diverse workforce, ethical management practices, teamwork, respect, and dignity."

APPENDIX G

Historically Underutilized Business (HUB)

Comparison to Statewide HUB Procurement Goals Fiscal Year 2012-13 HUB Expenditure Information

Procurement Category	Statewide HUB Goals	HUB % Expenditures FY 2012	HUB \$ Expenditures FY2012	Total Expenditures FY 2012	HUB % Expenditures FY 2013	HUB \$ Expenditures FY 2013	Total Expenditures FY 2013
Heavy Construction	11.20%	0.00%	\$0.00	\$0.00	0.00%	\$0.00	\$0.00
Building Construction	21.10%	0.00%	\$0.00	\$0.00	0.00%	\$0.00	\$0.00
Special Trade Construction	32.70%	0.00%	\$0.00	\$0.00	0.00%	\$0.00	\$0.00
Professional Services	23.60%	0.00%	\$0.00	\$0.00	0.00%	\$0.00	\$2,375.00
Other Services	24.60%	.53%	\$198.00	\$37,344.00	2.21%	\$1,169.00	\$53,024.00
Commodities	21.00%	46.34%	\$10,662.00	\$23,008.00	62.91%	\$15,266	\$24,267.00
Total Expenditures		17.99%	\$10,860.00	\$60,352.00	20.63%	\$10,533.00	\$79,666.00

Assessment of Fiscal Year 2012-13 Efforts to Meet HUB Procurement Goals

Attainment:

The agency attained or exceeded one of the three goals, or 33 percent, of the applicable statewide HUB procurement goals in FY 2012 and FY 2013.

Applicability:

OIEC functions do not include construction; therefore, "Heavy Construction," "Building Construction," and "Special Trade Construction" categories are not applicable to the agency.

Factors Affecting Attainment:

Professional Services: No expenditures were made under "Professional Services" procurement category for FY 2012.

Other Services and Commodities: Several of the contracts under the "Other Services" category were specialized contracts with low HUB participation. Major expenditures in Commodities included office equipment and hardware maintenance services.

"Good Faith" Efforts: Since TDIs Purchasing Department is responsible for OIEC's procurement process, OIEC was able to be a part of TDI HUB Forums hosted since FY 2006. Additionally, OIEC and TDI are in concert to ensure that our use of each HUB vendor class (Hispanic, Female, etc.) is representative and proportional to the availability of goods and services from each class.

