Premium Payments on Account Made at Field Offices

Agency: Department of Labor and Industries

Project Impact
The Department of Labor and Industries (L&I) improved the processing of workers’ compensation premium payments and quarterly reports received in its 19 field offices, resulting in a decrease of 6 business days to post the money and hours to the employers’ accounts – from an average of 8 business days to 2 business days.

- Washington employers will no longer be assessed penalties and interest (P&I) for premiums they paid on time, but which were not posted to the system until after the deadline. This saves the employers aggravation and time getting their accounts straightened out, and saves L&I staff time spent researching the date the payment was actually received, adjusting the P&I off the account, and dealing with an upset customer.
- Construction employers that filed their quarterly reports and paid by check in a field service location will show “in good standing” more quickly so they can get or stay on construction jobs.
- Revenue agents can spend their time collecting from employers that truly did not file and/or pay their workers’ compensation premiums.
- Credit reports of employers will reflect satisfaction of tax warrants in a timely manner when they make payments in a field office with guaranteed funds (cashier’s check or money order).

Project Summary
Customers drive to L&I service locations to pay their workers’ compensation premiums with the assumption that the payment will post to their account within 24 hours. If customers pay their premiums with cash, customer service specialists could process the payment immediately. However, when customers paid with a check, it had to be mailed (along with the quarterly report, if applicable) to the lockbox service in Seattle for processing.

On average, it took 8 business days (from 2 days to 22 days) from the time a check was received at the service location for that payment and hours from the quarterly report to post on the customer’s account. The consequences for customers included:

- Accruing additional penalties and interest.
- Receiving delinquency letters with for money they didn’t really owe.
- Receiving phone calls from revenue agents attempting to collect in error.
- Defaulting of payment agreements.
- Delays in showing “in good standing” on the agency’s website.
- Delays in issuing satisfactions of tax warrants for payments made with guaranteed funds.

The goal was to reduce the average time to post premium payments and quarterly hours on employer accounts from the average of 8 business days to our target of 2 business days, which we wanted to reach by October 1, 2017. Payments are usually entered into L&I’s system within 24 hours, but there is an overnight batch process for the payments to be reflected on the employers’ accounts (resulting in the 2-day goal).
The Premium Payment on Account (POA) workgroup mapped out the various processes involved in getting the premium payments made by check in the field offices posted to the employers’ accounts, identified areas of waste and delay, and designed a simpler process for processing the payments and quarterly reports that:

- Involves the customer service specialists in the field depositing the premium payments the same day, whether they are made with cash or checks (checks are no longer mailed to lockbox);
- Includes all field premium payments on a report that is emailed to lockbox the following morning to enter the payments on the employers’ accounts, eliminating the mail time; and
- Shifts the data entry of the quarterly report hours from the lockbox staff to the revenue agents for timely entry of the actual hours on the report.

In August 2017, the new process began as a pilot in one of six regions after programming, testing and training took place. After reviewing those results, the process was implemented one region at a time until all regions were using the new process as of October 1, 2017.

**Project Results**

- **Cost**
  - Decreased mailing costs by eliminating field mailings to lockbox whenever a premium check or quarterly report is received in the field. Costs savings undetermined.  
  - Minor savings in mailing costs

- **Time**
  - Decreased time to post premium payments and quarterly reports received in the field offices to the employers’ accounts from an average of 8 business days to 2 business days. For accounts reviewed, payments are being posted to the accounts within 2 business days 99% of the time.  
  - Saved an average of 6 business days

- **Customer Satisfaction**
  - Decreased employer complaints about premium payments and quarterly reports not being posted to their accounts in a timely manner from hundreds per quarter to only 5 complaints for the 4th-quarter 2017 filing period.  
  - Only 5 customer complaints received 4th quarter for this issue

- **Employee Engagement**
  - Increased staff satisfaction from having to spend time dealing with frustrated employers to staff being thankful they can process payments and reports promptly and print a computer-generated receipt for the customer. They are having better interactions with their customers.  
  - Feedback from customer service staff is positive

**Project Details**

- **Date improvement project was initiated:** 2/27/2017
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- **Report reviewed and approved by:** Randi Warick, Deputy Director