

February 19, 2002

Dear Group Retro Member:

The Group Retro Committee wants to thank you for your participation in the 2001-02 WHCA Group Retro Plan. The success of our program can be measured in many ways by retro returns, reduction in premium a facility pays and improved safety programs and training for our employees. This has been an exciting year for WHCA's retro program.

One measure of performance is to look at our retro members' experience factors. **WHCA members are paying about 9% less than the industry with an average experience factor of .9187.** This is in addition to any retro refunds a member receives. **Congratulations to Cascade Plaza, Cascade Vista and Evergreen Vista with the lowest experience factor of .4507!** Lowering your experience rating directly affects what you pay in premium to the Department of Labor and Industries. Experience factors are used by the Department to determine whether you will pay more or less than the base rate for your employees. Your experience factor, which is a three year rolling average from July 1997 through June 2000, is calculated based on losses versus premium paid and the frequency and severity of accidents. For example, an experience factor of 1.50 means you are paying 50% more than the base rate. For nursing homes, which have a base rate of \$.5462/hr, a facility with an experience factor of 1.5 would be paying \$.7833 per employee hour. For 2002, the nursing home class received a 1% decrease in the base rate from \$.5523 to \$.5462 per employee hour. Residential care members class 6509 had a 7% increase from \$.4191 to \$.4470 per employee hour for 2002. This is compared to a 1.8% percent increase for other employers in Washington State. Residential care reports in a catch all class that includes fraternities and sororities, mental health and boarding homes. One of the goals of WHCA's retro program is to reduce the dollars paid upfront to L & I in premiums by effective accident prevention programs.

Enclosed are the experience factors of retro members for the 2002 year so you can review what your experience factor has done over time and where your facility ranks compared to other members. Facilities who have common ownership share the same experience factor since L & I considers the employer one entity for experience factor calculations. The lavender sheet is in alpha order and the blue sheet is in experience order. If you are below the group average of .9187, congratulations! If you are above the group average, there are many factors that could contribute to your above average experience factor. In fact, since the factor is based on claims experience over three years ago, steps implemented in the areas of accident prevention and modified work after that time are not yet reflected in your current experience factor. In other words, you could have a well run program currently, but still be feeling the financial sting of prior bad years. Those high premium dollars can still be recouped if you have low claims through the group retro program. Employer Resources Northwest is available to visit your facility to conduct a loss control audit or provide inservice training to your employees. ErnWest phone number is 1-800-433-7601.

And last but not least, don't forget **WHCA is still offering rebates of up to \$1000 for the purchase of resident transfer equipment and continues its \$200 safety shoe rebate.** If you have any questions about WHCA's rebate programs or any other topic in this letter, please call Donna Ganders at the WHCA office at 1-800-562-6170.

Sincerely,

Carmen Steiner
Chair
WHCA Group Retro Committee