

COMMONWEALTH OF MASSACHUSETTS WORKERS' COMPENSATION ADVISORY COUNCIL

FISCAL YEAR 2019 ANNUAL REPORT

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INDEX

Chairman's Welcome	Page 3
2019 Mission Highlights	Page 4
Recovery Highlight	Page 5
Focus Areas	Page 6
DIA Office of Safety	Pages 7-8
DIA Office of Investigation Compliance	Pages 9-11
Recommendation	Page 12
The Opioid Crisis	Page 13-15
Additional Areas of Focus Funding	Pages 17-27
Legislation	Page 29
Timeliness of Judicial Decisions DIA Office of Dispute Resolution	Pages 31-32
DIA Locations	Page 34
DIA Office of Claims	Pages 35-37
DIA Workers' Compensation Trust Fund	Pages 38-39
Advisory Council Members	Pages 41
Appendices	Page 42

CHAIRMAN'S WELCOME

On behalf of the Workers' Compensation Advisory Council ("WCAC"), we are pleased to present the Workers' Compensation Advisory Council Fiscal Year 2019 Annual Report. According to MGL Chapter 23E, Section 17, the Council is charged with providing an analysis of the workers' compensation system in Massachusetts. This includes operations at the Department of Industrial Accidents ("DIA"). Much of the data and content focus is similar to previous report years and we continue to incorporate the use of links and hyperlinks to information. Reader feedback is encouraged. The Appendix contains all prior year reports for reference as necessary.

This report is a product of the collaboration of a diverse group of Council members who volunteer their time to analyze a variety of workers' compensation issues with the goal of identifying priority focus areas. The report highlights successes, perceived challenges, and recommended guidance to stakeholders to improve the system. We also wish to publicly recognize the contributions toward development of this report of Maureen O'Connell, the Advisory Council Executive Director, and the entire DIA management team led by Interim Director Sheri Bowles.

While there are areas to improve upon, the Council feels that the Massachusetts model remains one of the premier workers' compensation systems in the country. That said, the Council looks forward to working with all stakeholders to continue to improve our highly regarded workers' compensation system.

On Behalf of The Council,

John A. Pulgini

John A. Pulgini, Esq.
Chairman

Todd R. Johnson

Todd R. Johnson JD, AIC, ARM-P, ARM-E
Vice Chairman

OUR MISSION

The Workers' Compensation Advisory Council (**WCAC**) is charged with providing an analysis of the workers' compensation system in Massachusetts, in accordance with **MGL Chapter 23E, Section 17**, including operations at the Department of Industrial Accidents (**DIA**) for Fiscal Year 2019 which covers the period July 1, 2018 through June 30, 2019. The WCAC consists of voting and non-voting members that represent major stakeholders in the workers' compensation system. Members include five business and five labor representatives and one representative each from the claimant's bar, insurance industry, medical provider and vocational rehabilitation provider.

2019 HIGHLIGHTS

RECOVERY |

\$1,490,637.00 recovery by the Civil Litigation Unit *

FINES COLLECTED |

\$1,165,656.00 Compliance | \$192,844.00 First Report

DIA OFFICE OF DISPUTE RESOLUTION |

Approximately 50% of cases are resolved at Conciliation. The Department is diligent in resolving cases efficiently.

* See Page 5

Civil Litigation Unit RECOVERY HIGHLIGHT

According to Council Member Mickey Long, “Notably, \$30,000.00 of revenue to the Trust Fund in FY 2019 derived from a 2010 amendment to the GL c. 152, Section 25C. Specifically, the amendment added sub-section (11). During June 2016, three private individuals filed what Section 25C (11) “deemed a private attorney’s general action” in the Middlesex Superior Court (Woburn Div.), known there as Civil Action No. 1681-cv-01687. A few months later, the parties to that action settled the matter amicably with a non-admissions clause, but also without a confidentiality clause. In accord with the settlement, the defendant paid \$30,000.00 into the Trust Fund.”

**FOR ADDITIONAL INFORMATION ON THE WCTF
PROCEEDS
[CLICK HERE](#)**

FOCUS AREAS

The format of the annual report continues to evolve. As a result, the Workers' Compensation Advisory Council (**WCAC**) established three **Focus Areas** for Fiscal Year 2019:

SAFETY | COMPLIANCE | THE OPIOID CRISIS

The Advisory Council is also committed to monitoring the following:

LEGISLATION | FUNDING | JUDICIAL DECISIONS

□ SAFETY

According to the Commonwealth of Massachusetts General Laws, MGL Chapter 149 Section 6 1/2, Employers must protect employees consistent with the Federal Occupational Safety and Health Act.

This law was amended and updated February 1, 2019:

Chapter 44 of the Acts of 2018, *An Act Relative to Standards of Employee Safety*, and clarifies employee safety requirements in public sector workplaces and will be enforced by the Department of Labor Standards (DLS). The law defines a public sector workplace to include counties, municipalities, all state agencies, quasi-public independent entities, courts, bureaus, commissions, divisions or authorities of the commonwealth, political subdivisions, and public colleges and universities. It requires all public sector employers to implement methods of reducing work-related injury and illness that meet the minimum requirements provided under the federal Occupational Safety and Health Act of 1970 and establishes a new occupational health and safety hazard advisory board, appointed by the Governor.

For more information on MGL Chapter 149 Section 6 1/2 [CLICK HERE](#)

□ **DIA Safety Grants & Training**

This fiscal year the DIA's Office of Safety awarded \$600,000.00 in safety grants to pay for programs that provide workplace safety training. The Office of Safety funded 45 grants which trained 6,350 workers. Grants are awarded in amounts up to \$25,000.00.

For more information on the DIA Safety Grant process [CLICK HERE](#)

A sample of the Safety Grants awarded in FY 2019
and for the intended purpose.

\$19,260.00
Energy Company
Safety & Workplace Training

\$18,725.00
Maritime Company
OSHA 10 training

\$6,420.00
Architecture Company
Dust training

DIA - OFFICE OF INVESTIGATIONS

All businesses operating in the Commonwealth of Massachusetts must have proof of workers' compensation insurance coverage pursuant to M.G.L. c. 152, Sec. 25A. If a business fails to provide proof of coverage a Stop Work Order (SWO) is issued immediately.

☐ COMPLIANCE

- ☐ Public & Private Sector employers, ***with one or more employees***, operating in the Commonwealth of Massachusetts are required to maintain workers' compensation insurance for their employees.
- ☐ This requirement can be satisfied by purchasing a commercial insurance policy, becoming a member in a self-insurance group (**SIG**), or maintaining a license as a self-insured employer.
- ☐ The DIA Office of Investigations is charged with ensuring employers are in compliance with M.G.L. Chapter 152, Section 25C (2). During an investigation, the investigative team will request that the business provide proof of workers' compensation coverage. If a business fails to provide proof of coverage, a stop work order (SWO) is immediately issued.
- ☐ As a result of these compliance checks, the number of SWOs issued to Employers during FY 2019 was 2,028. The breakdown by Employers:

Small: 1,979; Medium: 49; Large : 0

OFFICE OF INVESTIGATIONS

- ❑ The number of Employees covered by workers' compensation insurance as a result of SWOs: 5,740
- ❑ During an office compliance check a referral is reviewed in-house. Once it has been thoroughly reviewed in-house and it is probable that an employer is in violation of the statute, the DIA will conduct a field investigation at the worksite. During a field investigation, an investigative team will request that the business provide proof of workers' compensation insurance coverage.



- ❑ During the month of August 2019 (**FY 2020**) there were 2,372 office compliance checks, 2,495 field compliance checks; 112 SWOs, 605 employees covered as a result of SWOs and \$47,050.00 was collected in fines.

FOR MORE INFORMATION ON THE OFFICE OF INVESTIGATIONS
[CLICK HERE](#)

RECOMMENDATION

The WCAC recommends continued focus on compliance and vigilance by the DIA in investigating and issuing Stop Work Orders (**SWOs**) to employers operating without workers' compensation insurance. The DIA should continue to pursue uninsured employers to recoup funds paid by the Trust Fund. Also, the WCAC recommends that the DIA continue its collaborations with other state agencies to effectively identify and address non-compliant employers.

THE OPIOID CRISIS



The WCAC continues to make the Opioid Crisis a priority in the Massachusetts workers' compensation system and will support the DIA in efforts to mitigate opioid abuse in the Commonwealth of Massachusetts.

□ THE OPIOID CRISIS

As part of a multipronged approach to the national opioid crisis, the Department of Industrial Accidents has been committed to assisting injured workers who suffer from chronic pain learn to manage the pain with less opioid medication, and thus reduce their risk of adverse and potentially fatal outcomes. The voluntary Opioid Alternative Treatment Pathway (OATP) program began in June 2016. **[CLICK HERE FOR ANNOUNCEMENT](#)**

Since its commencement, the OATP program has assisted several injured workers to either wean off their opioids entirely, or significantly reduced their opioid exposure.

According to Senior Judge Omar Hernandez and Michael Pringle, a highly skilled care coordinator, “most injured workers express a desire to be “opioid-free”; however, they want to have their pain controlled, which for many necessitates the use of opioid medication”. Injured workers with chronic pain face two choices; significantly reduce or omit their use of opioid medication which may result in poorly controlled or uncontrolled disabling pain, or, live a life of opiate dependence that is associated with a host of potential adverse side effects, some of which could be life ending.

The OATP program provides an opportunity for injured workers to learn how to manage their pain through evidence-based pain management strategies. With the assistance of select care coordinators, specific interventions are tailored for each injured worker as part of an interdisciplinary plan in which a team of highly trained medical providers, therapists, and allied health professionals work collaboratively using a shared biopsychosocial framework to help injured workers with chronic pain achieve their pain management goals.

For more information on the opioid crisis see links on Page 15.

ADDITIONAL INFORMATION ON OPIOID INITIATIVES

**Form 108 Filed:
38**

**Medical Mediation
Agreements
19A filed:
16**

**Withdrawn
Following Form
108-A:
2**

**Active Form 110-A
Filed:
9**

Governors Opioid Addiction
Working Group Action Plan

WCRI Report on Opioids

CONTINUED AREAS OF FOCUS



**FUNDING | LEGISLATION | JUDICIAL
DECISIONS**

FUNDING



The funding system for the DIA is unique. Funding is received through employer assessments | collections of fees | fines | penalties | reimbursements.

❑ FUNDING

❑ **Employer Funded:**

The DIA is an agency that is fully funded by the Employers of Massachusetts, it is not funded by taxpayers. This funding policy dates back to 1985.

Funds are allotted to the Workers' Compensation Trust Fund and the Special Fund. The funds are used for DIA operations, benefits for uninsured injured workers, and insurer reimbursements.

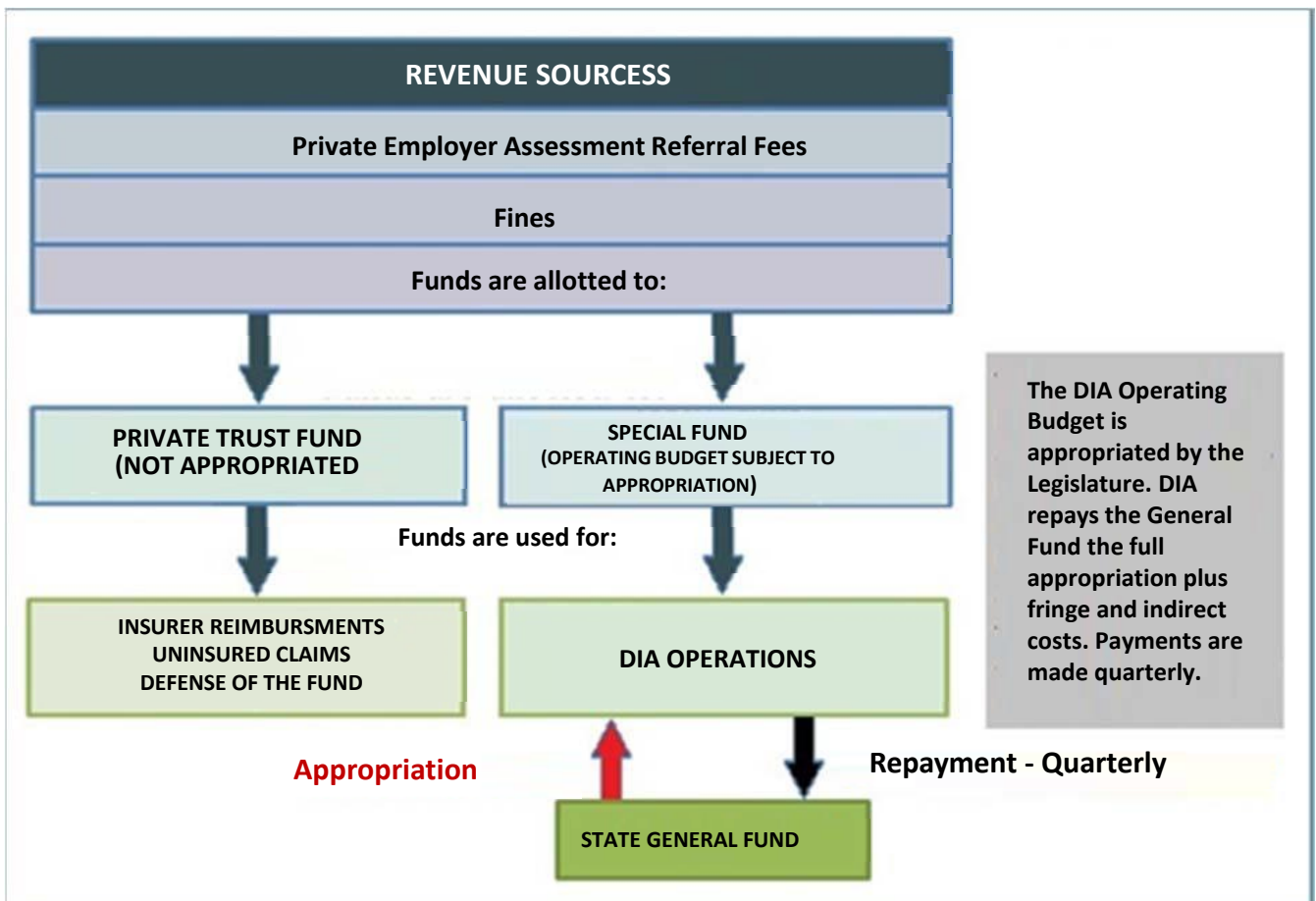
❑ **Concern:**

The WCAC is concerned that in recent years policymakers have treated the DIA as a tax-funded agency, reducing the agency's budget and imposing midyear reductions and account transfers.

REVENUE SOURCES

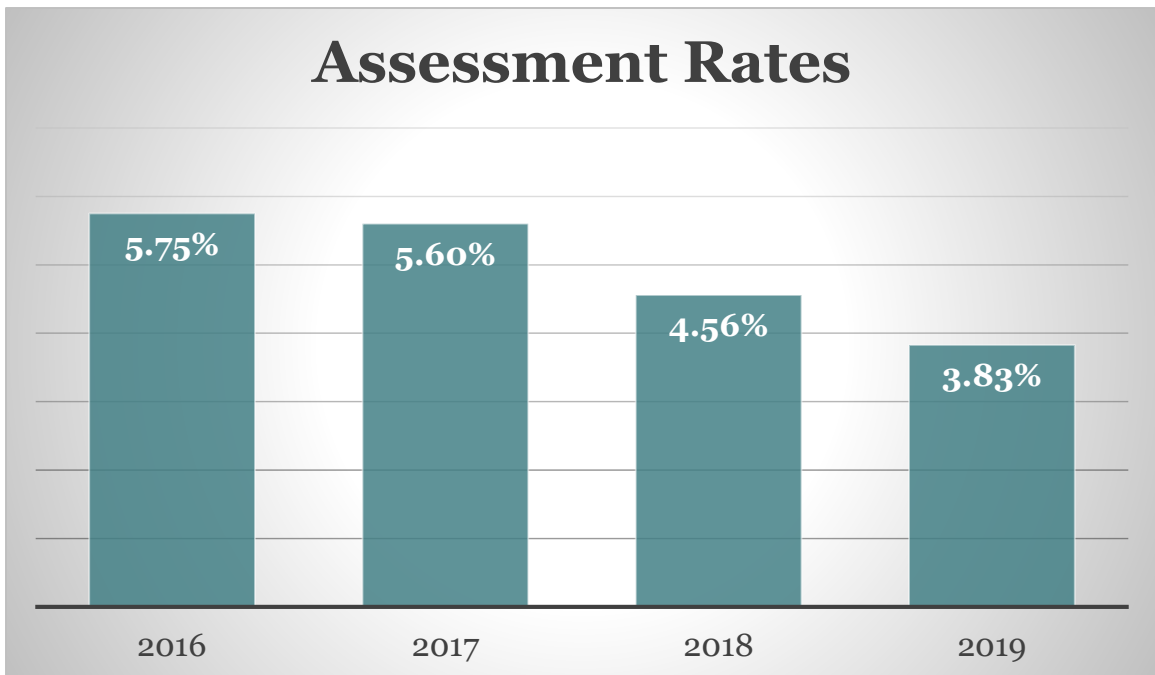
For the fourth consecutive year, beginning July 1, 2018 the assessment rate employers pay to the Commonwealth of Massachusetts on workers' compensation policies has been reduced to 3.83%. Employers will pay **3.83%** in assessments on their insurance premium.

Private employers fund the DIA through an assessment on their workers' compensation insurance premiums. The Revenue Sources chart below shows the DIA's operating expenses. ***The General Fund is paid back the full amount of the appropriation plus fringe and indirect costs.***



❑ ASSESSMENT RATE

The assessment rate over the last several fiscal years has decreased. Beginning July 1, 2018 the assessment rate is **3.83%**. Decreasing the assessment rate eases the financial burden on employers while maintaining sufficient resources to cover the needs of those injured on the job and operation of the department.



ASSESSMENT & BUDGET PROCESS

Assessment:

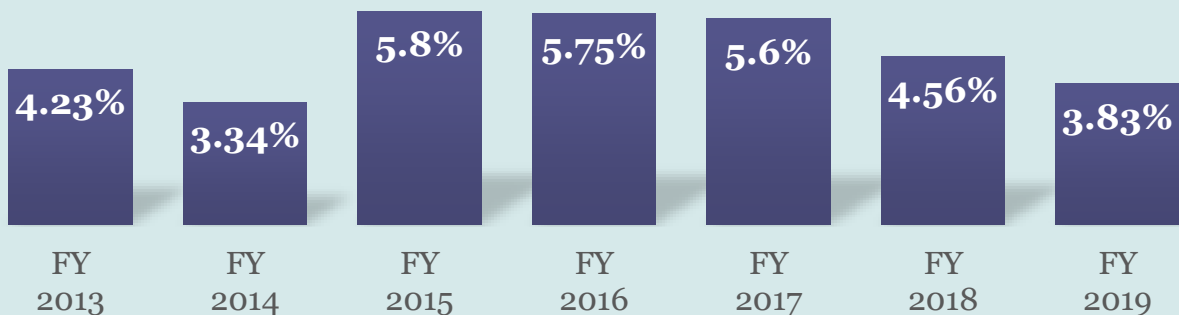
Employers fund the DIA through an assessment on their workers' compensation insurance premiums. See chart below for private employer assessment rates.

Operating Budget:

The Fiscal Year 2019 General Appropriations Act (GAA) allocated \$20,166,018.00 for DIA operating expenses [line item 7003-0500] and was signed by Governor Charles D. Baker on **July 26, 2018**. The operating budget of the DIA is appropriated by the Legislature even though employer assessments fund the DIA. For more information on the [FY 2019 Budget CLICK HERE](#)

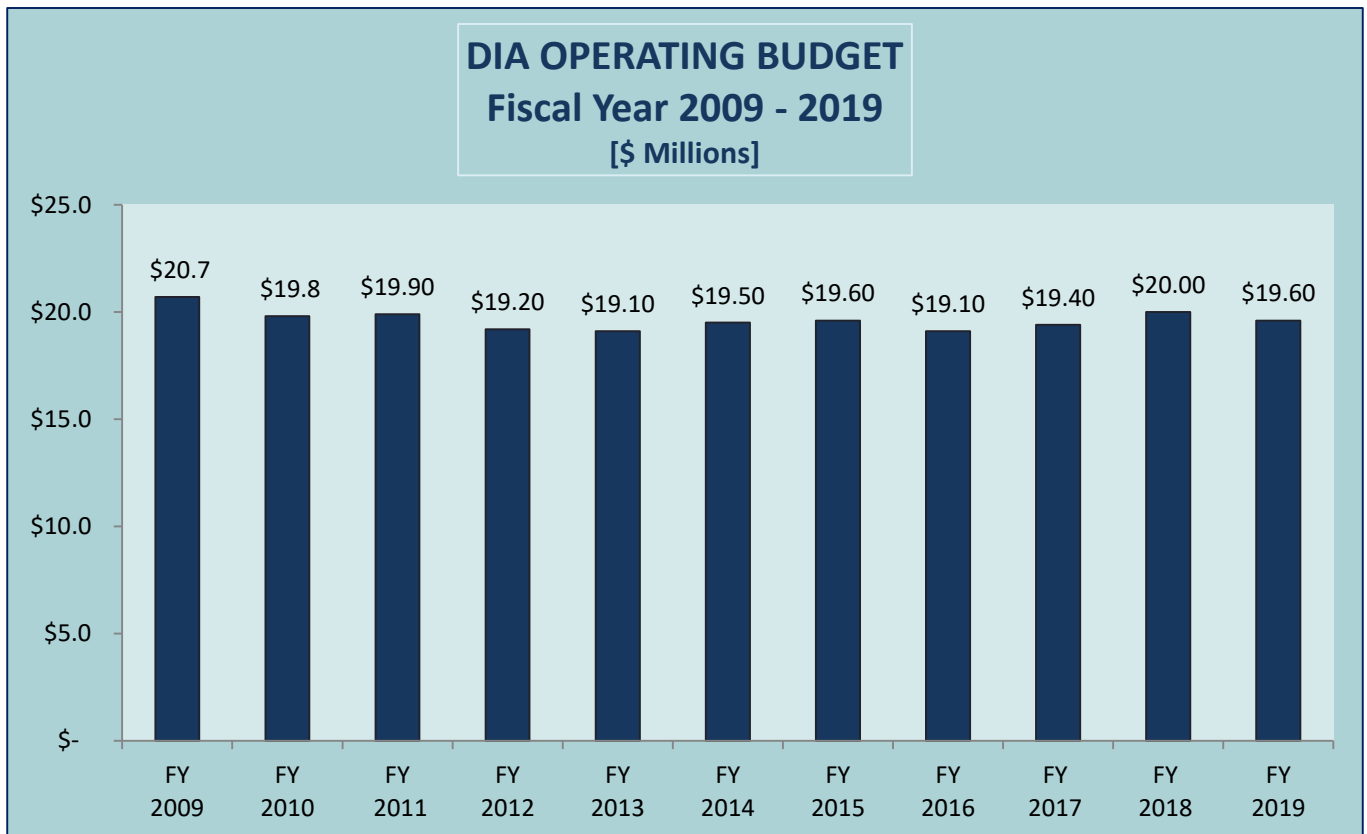
For information on collections, expenditures, public and private trust fund balances please refer to the charts on pages 23-27.

PRIVATE EMPLOYER ASSESSMENT RATES [% Percent]



OPERATING BUDGET

The DIA must abide by the budget process in the same manner as most other tax-funded government agencies. A historical view of the DIA Operating Budget dating back to Fiscal Year 2009 can be found in the chart below.



COLLECTIONS & EXPENDITURES

SPECIAL FUND	FY'19	FY'18	FY'17	FY'16	FY'15
COLLECTIONS					
INTEREST	68,516	42,817	24,387	11,243	5,316
ASSESSMENTS	20,822,368	24,948,735	22,129,907	20,662,324	14,677,534
LESS RET. CHECKS	(71,139)	0	0	0	0
LESS REFUNDS		(224,804)	(212,215)	(346,009)	(21,280)
SUB-TOTAL	20,751,229	24,723,932	21,917,692	20,316,315	14,656,254
REFERRAL FEES	4,985,763	4,523,149	4,475,217	4,281,551	3,912,134
LESS RET. CHECKS	0	0	0	0	0
LESS REFUNDS	(16,849)	0	(1,606)	(76,402)	(136,907)
OPERATING TRANSFER	0	(3,190)	0	0	0
SUB-TOTAL	4,968,914	4,519,959	4,473,611	4,205,149	3,775,227
1ST REPORT FINES	202,294	203,200	198,811	248,430	252,716
LESS RET. CHECKS	0	0	(1,000)	0	0
LESS REFUNDS	(9,450)	0	0	0	(4,662)
SUB-TOTAL	192,844	203,200	197,811	248,430	248,054
STOP WORK ORDERS	1,137,003	947,500	1,020,522	1,111,280	1,180,461
LESS REFUNDS	0	0	(5,567)	(4,250)	(4,407)
EDS FEE	28,653	35,945	52,494	0	12,487
LESS BAD CHECKS	0	0	0	0	0
MERCHANT FEE	0	0	0	0	0
SUB-TOTAL	1,165,656	983,445	1,067,449	1,107,030	1,188,541
LATE ASSESS. FINES		5,500	97,660	101,980	149,304
MISCELLANEOUS	1,235	0	0	(500)	49,464
ADJUSTMENT	0	0	0	0	0
SUB-TOTAL	1,235	5,500	97,660	101,480	198,769
TOTAL SPECIAL FUND COLLECTIONS	27,148,395	30,478,853	27,778,610	25,989,646	20,072,162
BALANCE BRGT FWD	15,243,340	10,176,338	7,082,154	4,980,445	7,534,484
TOTAL	42,391,734	40,655,191	34,860,764	30,945,046	27,606,646
LESS EXPENDITURES	(26,839,130)	(25,411,851)	(24,684,426)	(23,887,937)	(22,626,201)
ADJUSTMENT	0	0	0	0	0
BALANCE	15,552,604	15,243,340	10,176,338	7,082,154	4,980,445
EXPENDITURES					
TOTAL DIRECT	873,337	868,377	739,239	959,520	263,116
REPAYMENT - SALARIES	14,658,574	14,243,306	13,995,106	13,836,825	13,722,012
FRINGE BENEFITS	5,084,151	4,927,580	4,574,381	3,970,076	3,722,851
INDIRECT COSTS	606,776	487,121	478,633	507,811	537,903
NON-PERSONNEL COSTS	4,834,912	4,816,348	4,711,929	4,612,697	4,397,893
OTHER INDIRECT COSTS	781,379	69,118	185,138	1,007	(17,574)
IP INDIRECT-EXPENSE	0	0	0	0	0
ADJUSTMENT FRINGE	0	0	0	0	0
TOTAL REPAYMENT	25,184,414	24,474,355	23,760,049	22,927,410	22,363,085
TOT. SPECIAL FUND EXPENDITURES	26,839,130	25,411,851	24,684,426	23,887,937	22,626,201

COLLECTIONS & EXPENDITURES

PUBLIC TRUST FUND	FY'19	FY'18	FY'17	FY'16	FY'15
COLLECTIONS					
INTEREST	0	2	256	864	409
ASSESSMENTS	0	0	0	0	0
LESS FUNDS TRANSFERRED	0	409,692	0	0	0
TOTAL ASSESSMENTS	0	409,692	0	0	0
TOTAL PUBLIC TRUST COLLECTIONS	0	409,694	256	864	409
BALANCE BRGT FWD	409,694	0	0	409,125	408,716
TOTAL	409,694	409,694	256	409,890	409,125
LESS EXPENDITURES	(166,236)	0	0	(409,989)	0
BALANCE	243,458	409,694	256	0	409,125
EXPENDITURES					
RR COLAS	0	0	0	0	0
TOT. PUBLIC TRUST EXPENDITURES	0	0	0	409,989	0

PRIVATE TRUST FUND	FY'19	FY'18	FY'17	FY'16	FY'15
COLLECTIONS					
INTEREST	107,738	67,327	38,347	17,679	12,922
ASSESSMENTS	48,696,276	60,897,757	67,886,338	64,384,880	56,907,836
LESS RET. CHECKS	0	0	0	0	0
LESS REFUNDS	(433,598)	(677,366)	(9,039)	(119,785.83)	(629,833)
SUB-TOTAL	48,262,679	60,220,391	67,877,299	63,186,994	56,278,003
REIMBURSEMENTS	1,490,637	1,557,376	2,481,274	1,746,315	1,556,069
RET. CHECK	0	0	0	0	0
REFUNDS	0	(25,554)	0	0	0
SUB-TOTAL	1,490,637	1,531,822	2,481,274	1,746,315	0
SEC. 30 H	0	0	0	0	0
OTHER TRUST FUND	0	0	0	26,873	0
TOT.PRIVATE TRUST COLLECTIONS	49,861,055	61,819,541	70,396,920	64,977,861	\$57,846,994
BALANCE BRGT FWD	45,588,750	35,097,288	16,530,628	6,229,734	8,199,807
TOTAL	95,449,805	96,916,829	86,927,548	71,207,595	66,046,801
LESS EXPENDITURES	(51,036,762)	(51,328,079)	(51,830,260)	(54,676,967)	(59,817,067)
ADJUSTMENT	0	0	0	0	0
BALANCE	44,413,043	45,588,751	35,097,288	16,530,628	6,229,734

COLLECTIONS & EXPENDITURES

PRIVATE TRUST FUND	FY'19	FY'18	FY'17	FY'16	FY'15
CLAIMANTS - EXPENDITURES					
RR SEC. 34	956,464	1,320,249	1,148,166	1,108,354	1,120,950
RR SEC. 35	294,491	304,806	348,188	434,169	499,721
RR LUMP SUM	1,471,973	1,824,731	1,966,349	1,844,071	1,801,203
RR SEC. 36	199,554	95,827	214,642	107,669	351,484
RR SEC. 31	133,999	141,622	166,317	245,624	176,642
RR SEC. 34, PERM. TOTAL	732,242	744,787	736,439	925,489	865,685
RR COLA ADJ	425,797	180,362	192,994	866,228	281,448
RR EE MEDICAL	44,224	53,983	52,193	51,727	33,698
RR EE TRAVEL	1,750	1,300	1,474	5,000	9,196
RR EE MISC. EXPENSE	0	0	0	369	905
RR BURIAL BENEFITS	0	16,334	11,125	0	0
RR LEGAL FEES	577,255	681,106	674,864	925,689	676,763
RR VOC. REHAB SERVICES	5,547	27,452	13,941	8,482	14,091
RR REHAB (PRIOR YEAR)	0	0	0	0	0
RR MEDICAL	1,763,799	2,695,691	2,947,041	1,384,551	1,789,068
EE Books & Supplies	6,441	(603)	1,724	60	0
SUB-TOTAL CLAIMANT PAYMENTS	6,613,536	8,087,647	8,475,457	7,907,482	7,620,855
MM TUITION	0	14,442	8,991	5,975	0
TOTAL CLAIMANTS	6,613,536	8,102,089	8,484,448	7,913,457	7,620,855
INSURERS - EXPENDITURES					
RR COLAS	7,730,743	8,503,462	8,960,571	10,679,718	14,073,608
RR SEC. 19 COLA LUMP SUM	137,349	192,651	271,353	338,590	270,653
RR LATENCY SEC. 35C	453,245	465,807	55,001	172,154	436,956
RR LATENCY SEC. 35C QUARTERLY	101,446	79,619	109,025	135,485	110,992
RR SEC. 37	20,095,616	14,880,525	18,178,616	17,626,489	20,682,433
RR SEC. 37 QUARTERLY	6,408,334	10,775,877	7,563,905	10,393,381	9,999,957
RR SEC. 37 INTEREST	0	0	0	0	0
TOTAL PAYMENT TO INSURERS	34,926,733	34,897,940	35,138,471	39,345,817	45,574,599
OEVR - EXPENDITURES					
MM TUITION	0	0	0	942	0
RR REHAB-30H	0	0	0	4	170
EE OTHER	0	0	0	0	0
RR EE TRAVEL	0	0	0	0	0
RR EE BOOKS & SUPPLIES	0	0	0	0	0
SUB-TOTAL OEVR EXP.	0	0	0	946	170

COLLECTIONS & EXPENDITURES

PRIVATE TRUST FUND	FY'19	FY'18	FY'17	FY'16	FY'15
DEFENSE - EXPENDITURES					
AA PAYROLL - SALARY	4,622,426	4,531,893	4,626,702	4,285,094	3,878,899
AA STAND-BY PAY	0	525	1,516	35	0
AA VACATION-IN-LEU	12,245	0	16,619	10,678	7,638
AA BONUS AND AWARDS	0	1,174	18,058	2,000	0
AA OVERTIME COSTS	5,848	4,632	3,700	1,067	415
AA SICK LEAVE BUY BACK	16,837	0	12,280	1,633	0
SUB-TOTAL	4,657,356	4,538,223	4,678,874	4,300,506	3,886,951
BB TRAVEL	59,554	53,099	46,623	48,997	44,646
BB CONFERENCE TRAINING	3,903	2,387	1,497	(916)	5,540
BB EMPLOYEE REIMBURS AP	0	0	0	0	0
BB EE REIMBURSEMENT	0	(207)	(187)	22	11
BB EMPLOYEE REIMBURS	169	185	242	151	154
SUB-TOTAL	63,625	55,466	48,175	48,253	50,351
CONTRACTED STUDENT INTERNS	0	263	0	0	27,773
SUB-TOTAL	0	263	0	0	27,773
DD FRINGE	1,693,337	1,643,811	1,627,614	1,320,920	1,120,020
DD MEDICAL EXPENSES	0	0	951	0	0
DD BOND	0	0	0	0	0
DD WC CHARGEBACK	9,328	2,195	6,619	1,965	1,208
DD HEALTH SERVICES CORP	0	974	0	0	0
SUB-TOTAL	1,702,665	1,646,980	1,635,185	1,322,885	1,121,228
EE RENTAL/MV CHRGE-BACK	0	0	0	0	0
EE DEST. OLD RECORDS	0	0	0	0	6,562
EE ADVERTISING	0	0	168	431	0
EE BOOKS/SUPPLIES	17,482	31,294	55,507	31,155	30,354
EE IMPARTIAL APPEALS	15,552	29,850	24,518	26,777	13,650
EE CENTRAL REPRO.	0	63	0	0	0
EE POSTAGE	13,495	23,379	19,890	1,317	18,055
EE WATER	1,481	1,679	996	996	100
EE TRAINING / TUITION	745	991	2,104	191	500
EE TEMP USE SPACE	41	561	188	51	0
EE PRINTING	1,462	6,103	4,798	1,551	1,071
EE CONFERENCE, INCIDEN.	3,944	6,968	6,624	6,427	9,924
EE INDIRECT COSTS	998,905	155,207	159,029	157,377	152,069
EE POSTAGE CHRGE-BACK	0	127	164	1,394	2,101
EE MEMBERSHIPS	3,793	2,647	2,806	2,558	1,972
EE STATE SINGLE AUDIT CHGBK	0	0	0	0	0
SUB-TOTAL	1,056,899	258,869	276,791	230,222	236,357
FF MED SUP/TOILETRIES & PERSONL	0	703	0	5,267	331
FF STATE OFFICE MAINTENANCE	40,974	45,412	27,541	84,209	114,509
SUB-TOTAL	40,974	46,115	27,541	89,476	114,840
GG BOSTON LEASE	718,875	606,748	602,464	528,681	494,226
GG ELECTRICITY - BOSTON	0	0	0	0	0
GG FUEL FOR VEHICLES	0	57	60	0	0
SUB-TOTAL	718,875	606,805	602,525	528,681	494,226
HH CONSULTANTS	573,117	429,375	364,467	234,176	183,669
SUB-TOTAL	573,117	429,375	364,467	234,176	183,669

COLLECTIONS & EXPENDITURES

PRIVATE TRUST FUND	FY'19	FY'18	FY'17	FY'16	FY'15
JJ OPERATIONAL SERV.	172,752	204,529	209,580	158,940	153,882
SUB-TOTAL	172,752	204,529	209,580	158,940	153,882
KK EQUIPMENT	2,377	2,138	1,793	1,815	13,027
SUB-TOTAL	2,377	2,138	1,793	1,815	13,027
LL AUTOMOBILE RENT/LEASE	61,939	55,432	64,035	64,311	51,564
LL OFFICE EQUIP RENT/LEASE	7,487	13,627	1,895	676	911
LL PRINT/COPY EQUIP RENT/LEASE	0	7,305	6,397	17,764	12,139
LL OFFICE EQUIP MAINTENANCE	1,672	8,535	11,728	1,197	1,453
LL PRINT/COPY EQUIP MAINT	1,457	100	167	8	837
SUB-TOTAL	72,554	84,998	84,222	83,956	66,904
UU TELECOM SERVICES - DATA	24,893	28,587	23,130	28,629	23,858
UU TELECOM SERVICES - VOICE	19,199	19,263	20,001	17,427	17,894
UU SOFTWARE LICENSES	1,726	12,437	2,284	71,932	2,341
UU INFO TECH CHARGEBACK	171,442	208,573	31,925	31,416	30,920
UU INFO TECH PROFESSIONALS	0	31,292	17,985	0	2,929
UU INFO TECH CABLING	0	0	0	0	0
UU INFO TECH EQUIP PURCHASE	115,328	9,070	3,126	112,842	138,969
UU IT TELP LEASE-PURCHASE	0	0	0	0	0
UU INFO TECH MAINTENANCE	89,403	142,295	164,555	152,648	50,510
UU INFO TECH CONTRACT SVCS	8,774	748	13,085	0	2,570
SUB-TOTAL	430,765	452,266	276,091	414,894	269,992
NN NON-MAJOR INFRA MAINT	48	304	158	1,525	784
NN INFRA MAINT TOOLS/SUPPLIES	42	103	261	0	0
NN HAZARDOUS WASTE	0	0	0	0	0
NN NON-HAZARDOUS WASTE	1,902	1,617	1,676	1,417	1,458
NN SNOW REMOVAL GROUNDS	43	0	0	0	0
SUB-TOTAL	2,034	2,023	2,096	2,942	2,242
TT LOANS AND SPECIAL PMNTS	0	0	0	0	0
Sub-total	0	0	0	0	0
RR PENALTIES SEC. 8	2,500	0	0	0	0
SUB-TOTAL	2,500	0	0	0	0
TOTAL DEFENSE EXPENDITURES	9,496,493	8,328,049	8,207,341	7,416,747	6,621,443
TOTAL PRIV. TRUST EXPENDITURES	51,036,762	51,328,079	51,830,260	54,676,967	59,817,067
DIA - INCOME SUMMARY					
INCOME SUMMARY	FY'19	FY'18	FY'17	FY'16	FY'15
Total Assessments (All 3 Funds)	69,013,907	84,944,323	89,794,991	83,503,309	70,934,257
Total Filing Fees	4,968,914	4,519,959	4,473,611	4,205,149	3,775,227
Total First Report Fines	192,844	203,200	197,811	248,430	248,054
Total SWOs	1,165,656	983,445	1,067,449	1,107,030	1,188,541
Total Misc. Fines	56,021	24,991	26,127	0	49,464
Total 5% Fines (Late Assess.)	0	5,500	97,660	101,980	149,304
Total Reimbursements	1,490,637	1,531,822	2,481,274	1,746,315	1,556,069
Total 30H	0	0	0	0	0
Total Other Trust Fund	0	0	0	26,373	0
Yr. Adj. for Refunds to TF	0	0	0	0	0
Total Interest	176,255	110,147	62,990	29,785	18,647
TOTAL INCOME	77,064,234	92,323,386	98,201,913	90,967,871	77,919,564

LEGISLATION



The WCAC continues to monitor legislation as it relates to Massachusetts General Law Chapter 152.

LEGISLATION

According to the Joint Committee on Labor and Workforce Development website:

“It shall be the duty of the committee on Labor and Workforce Development to consider all matters concerning discrimination with respect to employment, the labor laws, workers’ compensation and such other matters as may be referred.”

At present, the WCAC is monitoring House and Senate Bills that involve the workers’ compensation system and independent contractors - An Act relative to workers’ compensation insurance, An Act relative to independent contractors, and An Act relative to the fairness in workers’ compensation benefits.

HOUSE BILL NUMBER

1598 | 1635 | 1644 | 1645

SENATE BILL NUMBER

1079 | 1121

To read the [full list](#) of House and Senate Bills in the Joint Committee or to track a bill’s legislative history by entering the bill number [CLICK HERE](#)

JUDICIAL DECISIONS

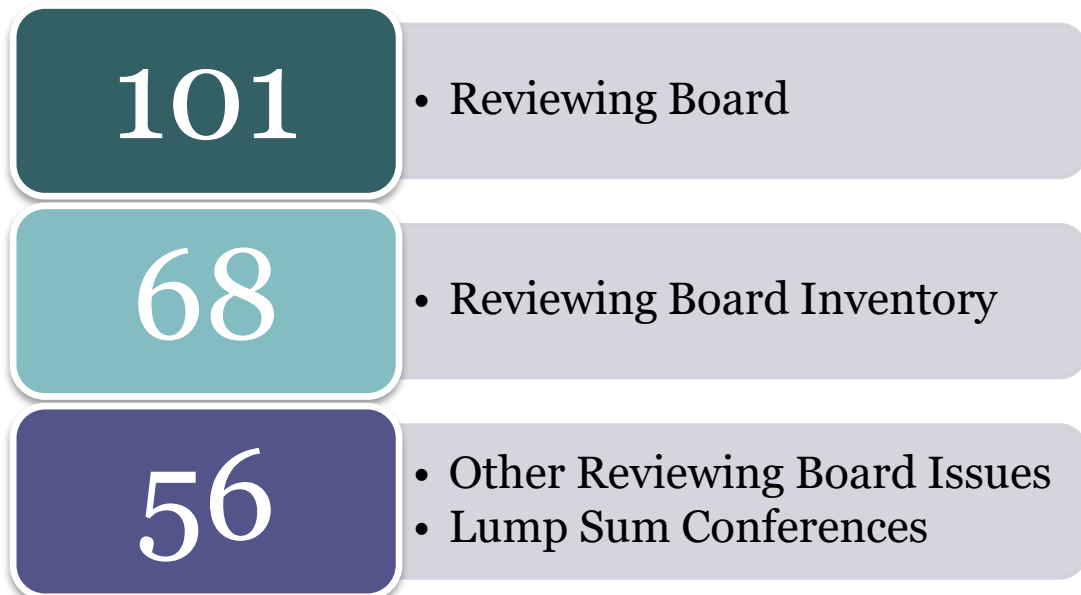


The WCAC would like to acknowledge Senior Judge Omar Hernandez and the Administrative Judges for their commitment to reducing the number of pending hearing decisions that had been outstanding over six months.

❑ JUDICIAL DECISIONS

○ Pending Hearing Decisions

Decisions following completion of a hearing in excess of six months continue to trend downward. During FY 2016, the WCAC expressed concern about the timeliness of judicial decisions. At the time of this report there were **zero** pending hearing decisions outstanding over six months in comparison to 23 in September 2016. Other review board matters are mentioned in the chart below and on page 32.



REVIEWING BOARD

Reviewing Board

The total number of appeals resolved:

- 49 Published decisions
- 28 Summary affirmations
- 0 Lump sums approved at Review Board
- 24 Withdrawals/dismissals

Review Board Inventory

- 23 Cases under panel deliberation
- 9 Awaiting assignment
- 24 Awaiting briefs
- 12 Awaiting conference

Other Reviewing Board issues

Lump Sum conferences: 56

Number of Section 15 petitions heard: 1,362

Number of Section 46A conferences heard: 8

For more information on the DIA Reviewing Board Decisions [CLICK HERE](#)

For more information on The Dispute Resolution Process [CLICK HERE](#)

DEPARTMENT OF INDUSTRIAL ACCIDENTS



Office Locations

Office of Claims Administration

Workers' Compensation Trust Fund

❑ DIA OFFICE LOCATIONS

The DIA has one main office in **Boston** and four regional offices located throughout the Commonwealth of Massachusetts: **Fall River** | **Lawrence** | **Worcester** | **Springfield**. The Boston and Worcester locations recently moved to new locations.

Office logs are retained for the main office and the regions - data includes the number of visitors, incoming calls, and requests for information (Boston Office only).

Additional information: [DIA OFFICE LOCATIONS](#)

Visitors

- **24,570 Boston**
- **40,613 Regions**

Incoming Calls

- **17,781 Boston**
- **19,972 Regions**

Information

- **25,222 Boston**

□ DIA –

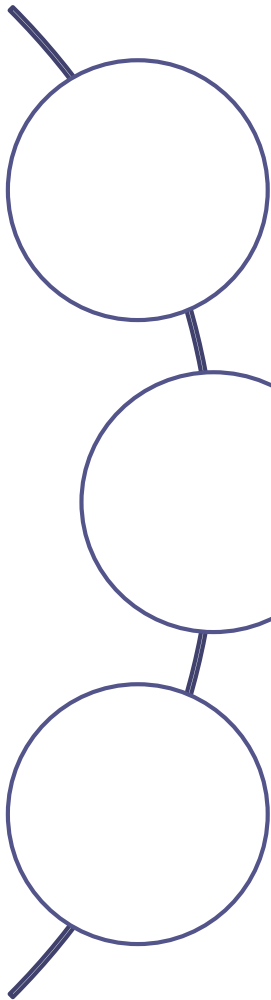
OFFICE OF CLAIMS ADMINISTRATION

The Office of Claims Administrations start the dispute resolution process with the Department of Industrial Accidents. Claims are received from employers, attorneys, insurance companies, and third parties.

When an employee is disabled or incapable of earning full wages for five or more calendar days, or dies, as the result of a work-related injury or disease, the employer must file a First Report of Injury (FRI). Failure to file this report in a timely manner results in a fine.

The charts on the next few pages outline the claims process. For more information about the claims process [**CLICK HERE**](#)

FIRST REPORT OF INJURY (FRI)



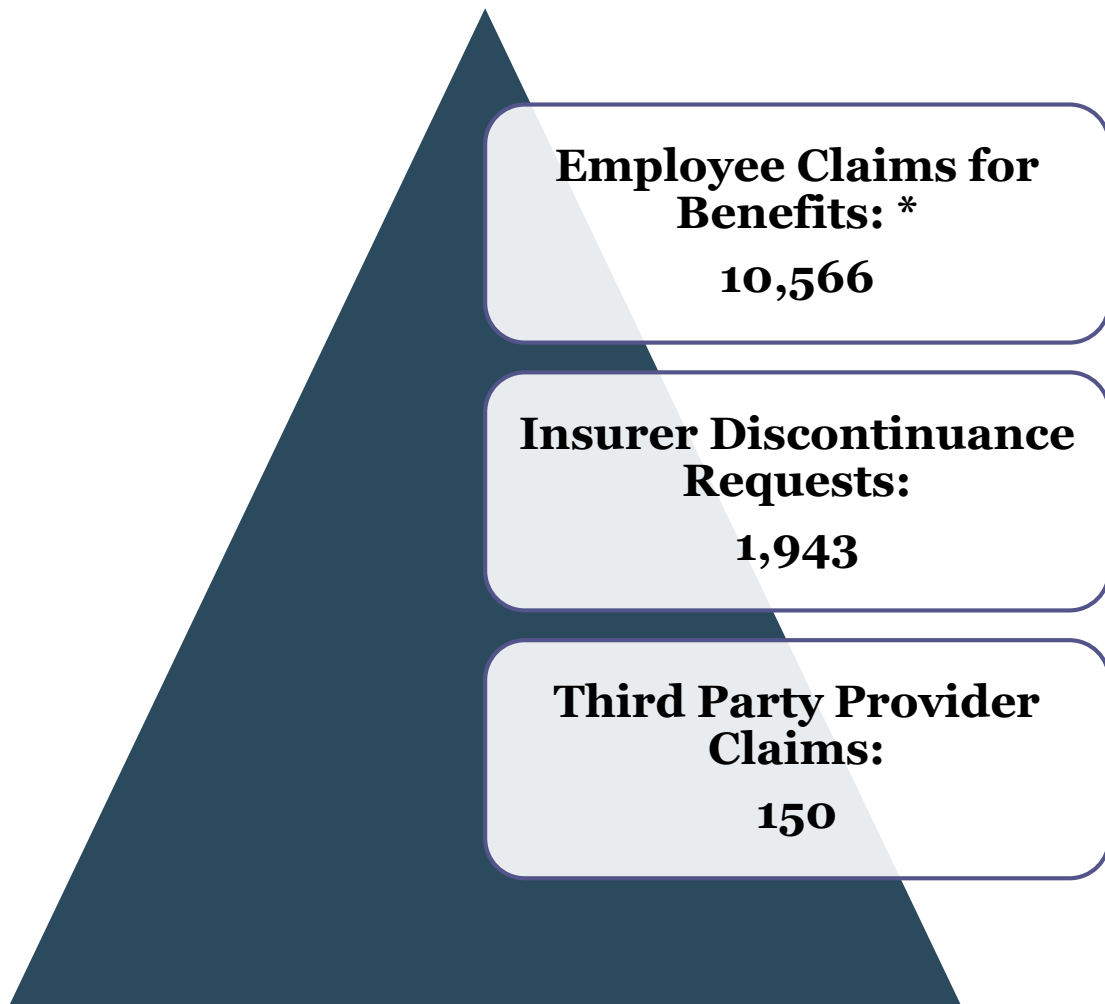
First Reports Filed: 34,169

**First Report Fines:
\$192,844.00 ***

**Total # of cases filed:
12,659**

**Failure to file this first report of injury or filing of the report late is a violation under M.G.L. c.152, §6. If such violation occurs three or more times within any year, a fine of \$100 for each such violation will be sent to the employer.*

CLAIMS BENEFIT PROCESS



*** Please note that a case is an employee claim, an insurers request for discontinuance or a third party claim/lien.**

❑ WORKERS' COMPENSATION TRUST FUND & SECOND INJURY FUND

MGL Law Chapter 152, Section 65 established a special revenue fund in the state treasury, known as the Workers' Compensation Special Fund [Special Fund].

\$1,490,637.00 was recovered by the Civil Litigation Unit in FY 2019

Section 65 also provides for the Workers' Compensation Trust Fund [WCTF] and is established in the state treasury to make payments to injured workers whose employers unlawfully failed to obtain workers' compensation insurance.

- ❑ WCTF is funded entirely by the Employers who purchase workers' compensation policies and is administered by the DIA. The WCTF also reimburses insurers for certain compensation paid pursuant to sections 34B, 35C, 37 and 37A.
- ❑ MGL Chapter 152, Section 37, the Second Injury Fund was created by the Legislature in an effort to encourage employers to hire previously injured workers.
- ❑ The Second Injury Fund is meant to offset any financial disincentives associated with the employment of the injured workers. Section 37 allows WCTF to reimburse the insurers when compensation has been paid.

FOR MORE INFORMATION:

- ❑ [MGL CHAPTER 152 CLICK HERE](#)
- ❑ [MGL CHAPTER 152 SECTION 65 CLICK HERE](#)
- ❑ [MGL CHAPTER 152 SECTION 37 CLICK HERE](#)

WORKERS' COMPENSATION TRUST FUND CLAIMS & INDUSTRY BREAKDOWN

The number of Section 65 Uninsured Claims
against the Trust Fund for
Fiscal Year 2019 = 117

There were three areas that generated the most claims:
Construction, Transportation and Services/Miscellaneous. Industry codes are assigned
by the injured worker on **DIA Form 110**.



The remaining claims fall under Retail/Manufacturing [5], Home Services [6], Restaurant/Food [1] and Landscaping/Tree Services [5].

**FOR ADDITIONAL INFORMATION ON THE WCTF PROCEEDS
[CLICK HERE](#)**

WORKERS' COMPENSATION ADVISORY COUNCIL



ADVISORY COUNCIL MEMBERS | APPENDICES

ADVISORY COUNCIL MEMBERS

LABOR

JOHN A. PULGINI, CHAIR *

Pulgini & Norton, LLP
Represents Laborers Union, Local 223

STEPHEN JOYCE *

N.E. Carpenter Labor Management Prog
Represents NERCC

STEPHEN FALVEY *

N.E. Regional Council of Carpenters
Represents Disabled Workers

MICKEY LONG *

AFL-CIO
Represents AFL-CIO

PATRICK WALSH *

Local 223
Represents Laborer's Union, Local 223

VOTING MEMBERS *

NON-VOTING MEMBERS

CLAIMANT'S BAR

BERNARD J. MULHOLLAND
Ford, Mulholland & Moran, P.C.
Represents Claimant's Bar

VOCATIONAL REHABILITATION

VACANT

INSURANCE

MICHAEL KELLEY
HUB International of N.E.
Represents Insurance Industry

MEDICAL PROVIDER

VACANT

EX-OFFICIO

SECRETARY ROSALIN ACOSTA, Executive Office of Labor & Workforce Development
SECRETARY MIKE KENNEALY, Executive Office of Housing & Economic Development

STAFF

MAUREEN O'CONNELL, Executive Director

WORKERS' COMPENSATION ADVISORY COUNCIL

Lafayette City Center | 2 Avenue de Lafayette | Boston, MA 02111
Phone | 857.321.7379 Website | [Workers' Compensation Advisory Council](#)

BUSINESS

TODD R. JOHNSON, VICE CHAIR *

USI Insurance Services, LLC
Represents Self-Insurance Industry

JOHN REGAN *

Associated Industries of MA (AIM)
Represents AIM

TERI MCHUGH *

Boyle | Shaughnessy Law
Represents Small Business Industry

VACANT *

Raytheon
Represents Manufacturing Industry

JAMES STEENBRUGGEN *

First Electric Motor Service, Inc.
Represents Small Business Industry

APPENDICES

Workers' Compensation Advisory Council

Annual Reports - Workers' Compensation Advisory
Council

Department of Industrial Accidents

Executive Office of Labor and Workforce Development

Legislature - Joint Committee on Labor and Workforce
Development