

**MASSACHUSETTS WORKERS' COMPENSATION  
ADVISORY COUNCIL MINUTES**

January 8, 2003  
Department of Industrial Accidents  
600 Washington Street, 7<sup>th</sup> Floor  
Boston, MA 02111

**Present:** Chairman Thomas M. Jones. CM: Edmund C. Corcoran, Jr.; Frank Fanning; Antonio Frias (Inez Leonardo); Alan S. Pierce; Carol Falcone; Department of Labor & Workforce Development (Joan Lenihan).

**Also Present:** DIA: Commissioner Thomas J. Griffin; Deputy Commissioner Priscilla J. Conant; Senior Judge Dan O'Shea; Jerome Shea, Director of Administration; Paul Griffin, DIA Legal Counsel; Karen Fabiszewski, Trust Fund. Karen Wager (WCRIB); Benjamin Evans and Patrick Taylor (Northeastern University).

**Advisory Council Staff:** Andrew Burton; Ann Helgran.

**Absent:** Vice Chairman William H. Carnes; Jeanne-Marie Boylan; Robert Banks; Stephen Sampson; Bruce Cochrane; Department of Economic Development.

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**Agenda:**

DIA Update

Insurance Rate Filing - Bidder Presentations

Mercer Risk, Finance & Insurance Consulting - Scott J. Lefkowitz

Tillinghast - Towers Perrin - Ann M. Conway

Fiscal Year 2002 Annual Report - Final Draft

Action Items

- Minutes - November, 2002
- Minutes - December, 2002

Chairman Jones conducted today's meeting. The Chairman recognized the services of Edmund C. Corcoran and William H. Carnes regarding the significant contributions they made to the Council serving as Chair and Vice-Chair. Chairman Jones indicated that a formal presentation would be conducted at a future Council Meeting.

### **DIA UPDATE**

The Senior Judge updated Council Members on current judicial statistics. Conference Queue: 2,194; Hearing Queue: 2,008; Reviewing Board Inventory: 84; Impartial Exams: 2,085 (49 waivers).

Senior Judge O'Shea informed Council Members that a brochure was being designed to enhance the recruitment of impartial physicians. He also noted that he was in the process of obtaining a list of physicians used by the Public Employee Retirement Administration (PERA). Senior Judge O'Shea stated that he had communicated with the Governors' Office and believed that the judicial appointments would be addressed in the near future.

Council Members expressed the need to educate members of the new administration on the distinct funding mechanism of the DIA. Council Members agreed that the new administration will need to be informed that the DIA uses no tax dollars towards its operation, but instead receives its funding by assessments placed on employers. Chairman Jones suggested that a meeting be scheduled with members of the administration to familiarize them with the function of the Advisory Council and the funding of the DIA. Advisory Council members agreed.

### **Stop Work Orders**

Mr. Shea updated Council Members on the status of stop work orders. Total Investigations for December: 572; Total SWO's Issued: 136; Total Fines Collected: \$37,239; Total Fines Billed: \$23,550.

Chairman Jones inquired as to what happens to the monies collected from fines and fees. The Commissioner stated that this money was placed into the Special Fund. Budget Chairman Jones suggested that a Budget Subcommittee be created as done in past years. Council Members agreed that a Budget Subcommittee should be created.

### **Assessment Audit**

Paul Griffin updated Council Members on the assessment audit process. He informed the Council that a hard-copy report of the figures was unavailable for today's meeting, but would be distributed at the next Council Meeting. Mr. Griffin indicated that letters had been sent to those insurers who owed the DIA money. He further noted that Liberty Mutual Insurance Company would be meeting with the Department regarding their payment. Chairman Jones thanked Mr. Griffin.

## Personnel Issues

Mr. Shea continued to update Council Members on the Personnel Statistics. Total DIA positions filled as of December 31, 2002: 297. Chairman Jones addressed the issue of Advisory Council staffing. The Chairman noted that the Council's staffing resources have been seriously depleted with the recent resignation of the Executive Director coupled with the retirement of a researcher.

Chairman Jones explained that the statute provides the Council to appoint such personnel as necessary for the proper discharge of Advisory Council duties. He noted that this is subject to the approval of the Director of Labor and Workforce Development. The Executive Director suggested the possibility of sending a letter to the Director of Labor and Workforce Development regarding this matter. Council Members agreed.

## **BIDDER PRESENTATION - INSURANCE RATE FILING**

Chairman Jones informed Council Members that the next portion of the meeting would focus on bidder presentations and interviews from the two vendors who submitted proposals to review the insurance rate filing (Mercer Risk, Finance & Insurance Consulting and Tillinghast - Towers Perrin). The Chairman noted that voting Council Members were given two scorecards in their packets in which to score each vendor. It was announced that the bidder who receives the most points on all the scorecards combined would be the vendor selected.

The Advisory Council interviewed Scott Lefkowitz (Mercer) and Ann Conway (Tillinghast) for 15 minutes each and asked each vendor three questions during their presentation. Each vendor gave Council Members a hard-copy of their presentations (attached to minutes). The Voting Members scored each vendor on how they answered the three interview questions on the "Standard Interview Sheet." Voting Council Members also scored each bidder on the Response Evaluation Scorecards. Each Voting Member was asked to initial and date the top right hand corner of their Evaluation Scorecards. Council Members were informed that Voting Members who were not present at today's meeting would not participate in the bidder selection process.

Discussion followed the presentations. Completed scorecards were handed to the Executive Director for final tallying. The Executive Director announced that the bidder who receives the most points on all the scorecards combined would be the vendor selected. After tallying the scorecards of the four Council Members present, it was determined that Tillinghast-Towers Perrin would be the vendor selected for this project.

## **FISCAL YEAR 2002 ANNUAL REPORT FINAL DRAFT**

Council Members discussed the final draft of the Fiscal Year 2002 Annual Report. Council Members expressed concern over the lack of information regarding the Compensation Review System (CRS). The Council was in agreement that an overview of CRS be presented by the DIA at the next meeting.

Chairman Jones suggested that a letter be addressed to the Commissioner requesting an overview of the CRS project detailing its objectives, requirements of the insurance community, timeframes, and projected expenditures.

The Executive Director informed Council Members that an Oracle Subcommittee Meeting would be held at 10:00 a.m. in the 7th floor conference room on Tuesday, January 14, 2003. Any Council Members interested in attending this meeting were invited.

### **ACTION ITEMS**

Chairman Jones requested that a motion be made to accept the November 2002 and the December 2002 Minutes.

Motion made to accept the November Minutes.

MMS - passed.

Motion made to accept the December Minutes.

MMS - passed.

Chairman Jones asked for a motion to adjourn.

Motion made to adjourn.

MMS - passed.

Meeting adjourned 11:20 a.m.

**The next regular meeting of the Advisory Council: February 12, 2003 at 9:00 AM, Division of Industrial Accidents, 7th Floor Conference Room, at 600 Washington Street, Boston, MA 02111.**