

**MASSACHUSETTS WORKERS' COMPENSATION
ADVISORY COUNCIL MINUTES**

February 12, 2003
Department of Industrial Accidents
600 Washington Street, 7th Floor
Boston, MA 02111

Present: Chairman Thomas M. Jones; Vice Chairman William H. Carnes. CM: Antonio Frias (Inez Leonardo); John Perry; Robert Banks; Frank Fanning; Stephen Sampson; Alan S. Pierce; Carol Falcone.

Also Present: DIA: Deputy Commissioner Priscilla J. Conant; Senior Judge Dan O'Shea; Thomas J. Griffin III, Director of Administration; Paul Griffin, DIA Legal Counsel; Catherine Farnam, Director of the Office of Health Policy; Sandra Brown, Utilization Coordinator; Fran Clarke, CRS Coordinator; Cynthia Barthelmess, Administrative Staff; Karen Fabiszewski, Trust Fund; Karen Wager (WCRIB); Benjamin Evans Northeastern University).

Advisory Council Staff: Andrew Burton; Ann Helgran.

Absent: CM: Jeanne-Marie Boylan; Edmund C. Corcoran, Jr.; Bruce Cochrane; Department of Economic Development; Department of Labor & Workforce Development.

Agenda:

DIA Update

Compensation Review System (CRS)

Catherine Farnam, Director of Office of Health Policy

Executive Director Update

Action Items

- Minutes - January, 2003

Miscellaneous

Chairman Jones conducted today's meeting and acknowledged the leadership role of Edmund C. Corcoran and William H. Carnes. He informed Council Members that a formal acknowledgement would be made when both Council Members were present.

DIA Update

Senior Judge O'Shea updated Council Members on current judicial statistics. Conference Queue: 1,860; Hearing Queue: 2,066; Review Board Inventory: 148; Impartial Exams: 2,375 (60 waivers). The Senior Judge noted that the increased fee for impartial doctors had been beneficial in recruiting new doctors and renewing existing contracts. Senior Judge O'Shea stated that he would continue to communicate with the Governor's Chief Legal Office regarding judicial appointments. The Senior Judge noted that a recall Judge had not been re-appointed.

Advisory Council Meeting - February 12, 2003 2 Mr. Tom Griffin, Director of Administration, informed Council Members that one judicial position could not be filled because it had been frozen by the Commonwealth along with several other positions.

Stop Work Orders

Mr. Griffin updated Council Members on the stop work order statistics. Total Investigations for January: 630; Total SWO's Issued: 197 (1 reissued); Total Fines Collected: \$55,497; Total Fines Billed: \$26,900.

Personnel Issues

Personnel statistics were included in Council Members' packets (attached to minutes). Total DIA positions filled as of January 2003: 295. Mr. Griffin stated that vacant positions were under a freeze by the Governor's Office and that he had been directed not to backfill any positions. Mr. Griffin explained that the three positions were terminated not for reasons of cause, but instead, for a reduction in workforce. He then informed those present that Mr. Angelo Buonopane had been appointed to Commissioner of the DIA. Chairman Jones suggested that the Budget Subcommittee address the issue of staffing levels of DIA personnel at their March meeting.

Assessment Audit

Ms. Karen Fabiszewski updated Council Members regarding the assessment audit and reviewed her handout that been given to Council Members prior to today's meeting (attached to minutes). She highlighted several of the companies mentioned in the report. Eastern Casualty has remitted an additional \$49,176 to the DIA. Parent, McLaughlin and Nangle's review of CIGNA/ACE found an error in their reporting of assessments in which an additional \$415,179.54 has since been remitted. Ms. Fabiszewski stated that since her last report the DIA has received \$37,000 from American Employers' Company and the Employers' Fire Insurance Company. She continued to say that DIA has also received \$3,418 from the Great Northern Insurance Company and the Pacific Indemnity Insurance Company and \$2,883.80 from American Guarantee Company.

Discussion followed. Council Member Banks further inquired about the status of AIG Insurance and whether or not they were paying their fair share of assessment for the Big Dig construction project. Ms. Fabiszewski replied that she would follow-up on this inquiry and would present the information at the next meeting.

Chairman Jones inquired about the status of negotiations with Liberty Mutual. Ms. Fabiszewski stated that the DIA's Legal Counsel was conducting the negotiations and that she would follow up on this issue. Chairman Jones thanked Mr. Griffin and members of the Department for their update.

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Compensation Review System (CRS)

Catherine Farnam, Director of the Office of Health Policy introduced the members of her staff: Sandra Brown, Utilization Coordinator; Fran Clarke, CRS Coordinator; and Cynthia Barthelmees, Administrative Staff. Ms. Farnam distributed a hard copy of her slide presentation (attached to minutes) and proceeded to update Council Members on the status of the Compensation Review System (CRS).

Ms. Farnam began her presentation with the lessons learned from the Medical Utilization Tracking and Trending System (MUTTS). She stated that MUTTS had costs the agency between \$1.5M and \$2M. She noted that MUTTS failed because it was not a functional system and had relied heavily on consultants. She concluded that there was very little usable information obtained from the MUTTS system.

Ms. Farnam stated that she believed CRS would succeed because insurers appeared to be willing to share information and that the majority would comply. She also implied that the Division of Insurance could be used to enforce insurers to comply. She stated that if insurers did not comply they could be issued a "cease and desist" order. Members of the Council asked if a legal opinion have ever been obtained regarding this matter.

Chairman Jones voiced the complaints presented to him by UR agents who were unable to obtain the renewal of their licenses. Ms. Farnam stated that the Department is now conducting a system wide audit to monitor the utilization review program.

Chairman Jones thanked Ms. Farnam and her staff.

Vocational Rehab Subcommittee Update

Council Member Falcone updated Council Members. She informed Council Members that the vocational rehabilitation subcommittee held a meeting in January in which the Director of OVER was in attendance. The subcommittee was informed that the DIA is reviewing issues of confidentiality in electronic reporting

by certified providers and other applicable areas. Oracle will also be able to implement automatic scheduling for OEVR mandatory meetings enabling more timely referrals and determinations for VR services.

OEVR also noted referrals have slightly increased. The next subcommittee meeting will be on March 27, 2003.

Chairman Jones thanked Council Member Falcone for her update.

Executive Director Update

Executive Director Andrew Burton informed Council Members that on January 23rd he attended a briefing at the State House given by the Massachusetts Young Worker Initiative Task Force. At this briefing the Task Force released a report which encouraged the strengthening of child labor laws. The Executive Director stated that he was Advisory Council Meeting - February 12, 2003 4 impressed with the presentation and was discussing with Chairman Jones about the possibility of inviting the Task Force to a Council Meeting.

Mr. Burton also stated that he had attended an Oracle Phase II Subcommittee Meeting. The Executive Director stated that the project is proceeding on schedule and that there were no major problems to report. The next Oracle subcommittee meeting is scheduled for March 11, 2003.

Mr. Burton referred to the Fiscal Year 2002 Annual Report that had been enclosed in Council Members' packets. He noted that the reports will be mailed to the Legislature, selected libraries, and interested parties over the upcoming weeks.

Mr. Burton stated that he had organized a meeting with John O'Leary from the Executive Office for Administration & Finance to be held on February 19th. The meeting will allow the Advisory Council to educate members of the new administration on the unique funding mechanism of the DIA.

Action Items

Motion made to accept the January Minutes.

MMS - passed.

Miscellaneous

Chairman Jones asked for a motion to adjourn so that anyone who was interested could attend the Office of Commerce & Labor's budget hearing at the State House.

Motion made to adjourn.

MMS - passed.

Meeting adjourned 10:20 a.m.

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