

**MASSACHUSETTS WORKERS' COMPENSATION
ADVISORY COUNCIL MINUTES**

September 10, 2003
Department of Industrial Accidents
600 Washington Street, 7th Floor
Boston, MA 02111

Present: Chairman Thomas M. Jones. CM: Robert Banks; Jeanne-Marie Boylan; Alan S. Pierce; Carol Falcone; Department of Economic Development (Richard Weitzel); Department of Labor and Workforce Development (Joan Lenihan).

Also Present: DIA: Deputy Commissioner John Chapman; Senior Judge Dan O'Shea; Bill Taupier, Deputy Director of Administration and EDP; Gregory White, General Counsel; Catherine Farnam, Executive Director, Office of Health Policy; John Zimini, Director, Office of Investigations; Kevin Mulvey, State Auditor's Office.

Advisory Council Staff: Andrew Burton; Evelyn Flanagan; Ann Helgran.

Absent: CM: Edmund C. Corcoran, Jr.; Antonio Frias; Frank Fanning; Bruce Cochrane; Stephen Sampson; John Perry.

Agenda:

DIA Update

Stop Work Order (SWO) Pilot Project

John Zimini, Office of Investigations

Action Items

- Minutes - August 6, 2003

Executive Director Update

Miscellaneous

Chairman Jones conducted today's meeting.

DIA UPDATE

Members of the Department attended today's meeting to update the Advisory Council on their recent statistics. Although it was not possible to proceed with the usual PowerPoint slide presentation format, Mr. Taupier distributed a hardcopy of the Department's monthly statistics to those present at the meeting (attached to minutes).

Judicial Update

Senior Judge O'Shea updated Council Members on information contained within the DIA handout. Conference Queue: 989; Hearing Queue: 2,354; Reviewing Board Inventory: 108; Impartial Exams: 855 (13 waivers).

The Senior Judge informed Council Members that two judges presently serving on the Board have announced their intention to take the early retirement currently being offered to state employees. At the same time, the Governor's Council is in the process of reappointing Judge Richard Heffernan to a 6-year term and has recalled Judge Leo Purcell for a term of one-year. Four Judges have been lost out of the queue and three new judges have recently been appointed. The Senior Judge noted that the Department will probably lose three conciliators through the early retirement initiative program and possibly the conciliation manager. The Senior Judge further informed Council Members that there are now 237 impartial doctors on the DIA's impartial physician list.

Stop Work Orders/Caseload Statistics

Mr. Taupier updated Council Members on the Stop Work Order and Caseload Statistics utilizing a hardcopy of the slide presentation handout (attached to minutes). Stop work orders issued for August: 47; Fines Collected: \$24,789; Fines Imposed: \$8,500. With respect to Cases filed for August 2003, the totaled was 1,305 as compared with August 2002, which totaled 1,296.

Chairman Jones had requested that the actual number of claims brought against the Trust Fund be included in the DIA's monthly report. This report was included in the handout distributed by the Department (attached to minutes).

Stop Work Order Pilot Project

Mr. John Zimini, Director of the Office of Investigations, presented to the Advisory Council Members an overview of the new Stop Work Order (SWO) process currently in affect. The Department implemented this program to address certain areas of concern, as well as to improve the overall SWO billing and collection system. With the advancement of new technology, the Office of Investigation hopes to streamline operations and become more productive.

According to Mr. Zimini, after receiving a referral under the new system, the investigator performs in-house research utilizing updated electronic databases which eliminate steps that were previously ineffective and time consuming. The new program also allows the investigator to close cases where an insurance policy has been discovered or when there is evidence that a company has ceased operations. This new system has given the Office of Investigations a better ability to track cases and manage workflow. Deputy Commissioner Chapman and Attorney Gregory White explained to Council Members that the Department had considered a variety of ways to improve collections.

Mr. Chapman stated that the Council might initially see collections decrease, but the number of companies that will be carrying workers' compensation insurance policies will increase. The General Counsel stated that the DIA would be actively pursuing repeat offenders.

Discussion followed regarding the collection of fines and the adjustment of payments. In an effort to ensure compliance with the statute, Council Members suggested that the Department legislatively change language in the statute, which would allow the Department to work with companies in certain situations where a portion of a SWO fine could be revoked. The Senior Judge suggested that an alternative method to legislation would be to have the agency issue a regulation that addressed the specific circumstances where a SWO fine could be partially revoked.

Budget/Personnel Issues

Mr. Taupier addressed Budget and Personnel Issues. The total number of DIA positions filled as of August 2003: (289). Approximately 24 employees have tentatively signed up for the early retirement program. Mr. Chapman stated that he would be working with the Department of Labor & Workforce Development on refilling positions lost to the early retirement program.

Compensation Review System

Ms. Catherine Farnam, Director of the Health Care Service Board, updated Council Members on the status of the Compensation Review System (CRS). She stated that the data submission deadline for the second quarter ended on July 31st and that 96% of the entities contacted who were required to submit specific data from their claim and treatment records to the CRS database for the first two quarters were in compliance. She informed the Council Members that she and her staff were presently holding CRS meetings for the Insurers, Self-Insurers, and TPAs. She stated that if anyone is interested in attending they could visit the CRS website for the upcoming schedule of meetings.

Chairman Jones thanked members of the Department for their presentation and update.

ACTION ITEMS

Council Members agreed to table the vote on the acceptance of the August 6, 2003 Minutes until the next meeting in October.

EXECUTIVE DIRECTOR UPDATE

The Executive Director updated Council Members on current issues. He informed Council Members that on August 29th, the Insurance Commissioner issued a rate decision that reduced average workers' compensation rates by 4%. He stated that the Workers' Compensation Rating & Inspection Bureau has 30 days to appeal the Commissioner's decision.

Mr. Burton noted that the Oracle project would be completed sometime in late- September. The Executive Director stated that members of the Data Processing Unit have agreed to give the Advisory Council a presentation on the DIA's new computer system at the October Advisory Council meeting.

Motion made to adjourn.

MMS - passed. Meeting adjourned 10:45 a.m.

The next regular meeting of the Advisory Council: October 8, 2003 at 9:00 AM, Division of Industrial Accidents, 7th Floor Conference Room, at 600 Washington Street, Boston, MA 02111