

**Massachusetts Workers' Compensation  
Advisory Council Minutes**

October 9, 2002

Department of Industrial Accidents

600 Washington Street, 7<sup>th</sup> Floor

*Boston, MA 02111*

**Present:** Vice Chairman Edmund C. Corcoran, Jr. CM: Tom Jones; Robert Banks; John Perry; Frank Fanning; Alan S. Pierce; Carol Falcone.

**Also Present:** DIA: Commissioner Thomas J. Griffin; Deputy Commissioner Priscilla J. Conant; Senior Judge Dan O'Shea; Jerome Shea, Director of Administration; Bill Taupier, Deputy Director of Administration and EDP; Philip Wiswell, Automation Manager; Richard Morris, First Deputy Director of Administration; Paul Griffin, DIA Legal Counsel; Karen Fabiszewski, Assistant General Counsel. Lynne Salkin, Boston Chamber of Commerce; Gerald Pugsley, Mass Turnpike.

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

**Absent:** Chairman William H. Carnes; CM: Jeanne-Marie Boylan; Antonio Frias; Stephen Sampson; Bruce Cochrane; Department of Labor & Workforce Development; Department of Economic Development.

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**Agenda**

DIA Update

Oracle - Phase II

Action Items

- Procurement for Actuarial Consulting Services (Draft)
- Minutes - August 2002
- Minutes - September 2002

Budget Subcommittee Update

Executive Director Update

Miscellaneous

Vice Chairman Corcoran conducted today's meeting.

## DIA Update

Senior Judge O'Shea updated Council Members on current judicial statistics. Conference Queue: 1,751; Hearing Queue: 1,844; Reviewing Board Inventory: 120; Impartial Exams: 980 (27 waivers). He informed Council Members that there had been no change regarding judicial appointments.

Council Members discussed the legislation that would stagger judicial terms. It was noted that Representative Koczera was attempting to amend section 23E in reference to the staggering of judicial terms.

Vice Chairman Corcoran suggested that members of the Council meet with Chairmann Rodrigues and Chairman Greene and be involved in the drafting of the judicial legislation. Advisory Council members agreed that a probationary period of two to three years for newly appointed judges should be included within any drafted language.

## Stop Work Orders

Mr. Shea updated Council Members on the stop work orders statistics. Total Investigations for September: 932; Total SWO's Issued: 133; Total Fines Collected: \$38,894; Total Fines Billed: \$17,100.00.

## Budget

Mr. Paul Griffin updated Council Members. He stated that KrisAnn O'Herron, Budget Manager, met with the Advisory Council's Budget Subcommittee and that a member of that committee would inform Council Members of the status of the Budget. He further noted that the Department would be level funded for both fiscal year 2003 and fiscal year 2004.

## Assessment Audit

Ms. Karen Fabiszewski updated Council Members regarding the status of the Assessment Audit. She referred to the handout that she had included in Council Members packets (attached to minutes) and proceeded to review the charts. The charts included insurance assessment reviews by the audit firms contracted by the Department.

Ms. Fabiszewski stated that since her last report, Eastern Casualty Insurance has remitted additional monies and to date has remitted a total of \$1,008,510 in unpaid assessments. She also noted that since her last report to the Council, Great Northern Insurance Company has remitted another \$429 and Pacific Indemnity remitted an additional \$3,008. As a result, the two companies combined have remitted an approximate total of \$231,757. When asked about the status of Liberty Mutual Insurance Company, Mr. Paul Griffin stated that a letter had been sent to Liberty Mutual, but no response has been received and the matter may have to be litigated.

Council Member Banks asked as to the status of the audit on A.I.G. Mr. Griffin replied that A.I.G. was comprised of a number of host companies and the audit process had begun. Council Member Banks then requested that a written statement be submitted naming those members of A.I.G. who owed assessments.

## Personnel Issues

Personnel Statistics were included in Council Members' packets and are attached to the Minutes. Vice Chairman Corcoran thanked members of the Department for their updates and asked the Senior Judge of the status of delinquent decisions outstanding. The Senior Judge stated that progress was being achieved and that he had received responses from all judges. A quarterly report on information regarding cases overdue by more than six months was provided to Council Members pursuant to Council's request. Vice Chairman Corcoran thanked members of the Department for their updates.

## Oracle Phase II Update

Mr. Bill Taupier, Deputy Director of Administration and EDP, and Mr. Philip Wiswell, Automation Manager, addressed the Council regarding Oracle Phase II. Mr. Taupier provided Council Members a summary of the Oracle Conversion, Phase II (attached to minutes). They proceeded to review the handout and informed Council Members that Phase II was designed to provide better access to the public and would bring all needed forms on-line.

Mr. Taupier noted that the focus of Phase II was to make the system user-friendly and to ultimately save money. Mr. Taupier told Council Members that the estimated cost of Phase II is approximately 2.2 million and the initial quote from the contractor was 1.85 million. Mr. Taupier stated that they were in the process of negotiating this figure and that they expected Phase II of the Oracle conversion would begin on November 15, 2002.

Vice Chairman Corcoran requested that the Department notifies the Council as soon as a figure is reached and that a telephone poll be conducted to accept or reject the proposal. Vice Chairman Corcoran thanked Bill Taupier and Philip Wiswell for their presentation.

## Action Items

Vice Chairman Corcoran asked for a motion to accept both the Minutes for August and September.

Motion made to accept the September Minutes.

MMS - passed.

Motion made to accept the August Minutes.

MMS - passed.

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## Draft RFR

The Executive Director had presented Council Members with the following documents pertaining to the upcoming rate filing actuarial analysis: Draft Request for Responses, Draft Reference Review Form, Draft Standard Interview Questions,

Draft Response Evaluation Scorecard, and Draft Procurement Management Team Scorecard Totals. Discussion followed among members of the Council.

Vice Chairman Corcoran asked for a vote to accept the Draft Request for Responses, Draft Reference Review Form, Draft Standard Interview Questions, Draft Response Evaluation Scorecard, and Draft Procurement Management Team Scorecard Totals.

MMS - passed.

Vice Chairman Corcoran then referred to the Department's Annual Report that had been given Council Members. He complimented the Department on an excellent report.

### **Budget Subcommittee Update**

Council Members Jones and Falcone updated the Council. They agreed that KrisAnn O'Herron, Budget Manager, had made a great deal of effort in formulating the DIA Budget. It was explained that funding would be tight and that cuts would have to be made by the DIA. The DIA will eliminate out-of-state travel, paid internships, new contract positions and new subscription renewals. As part of the discussion that followed it was suggested that a statutory change could be implemented to reduce the number of regional offices and the possible elimination of some managerial positions.

Both Council Member Jones and Falcone recommended that Council continue their efforts with the new administration on the funding process and possible alternatives regarding future budgets. Vice Chairman Corcoran continued to emphasize the need of informing the new administration in January on how the DIA is funded.

### **Executive Director Update**

Executive Director, Denise Lucciola updated the Council. Ms. Lucciola informed Council Members that on October 3, 2002 she, Council Member Jones, Andrew Burton, Senior Judge O'Shea, and members of the DIA, met with the Executive Office of Administration and Finance at the State House regarding the IME increase. At this meeting they discussed the Council's agreement to increase the fee from \$350 to \$450. Ms. Lucciola expects that the Office of Administration and Finance will promulgate the regulations (801 CMR) today. Vice Chairman Corcoran informed Council Members that the State's Average Weekly Wage had decreased and Senior Judge O'Shea noted that attorney fees had increased.

Ms. Lucciola continued to tell Council Members that there would be two hearings held regarding the passage of H.4348 (the Sole Proprietor Bill). She thanked the Commissioner and Bill Taupier for their assistance in this matter. Ms. Lucciola stated that the Commissioner has scheduled a hearing to be held on Oct. 21, 2002 at the Department of Industrial Accidents in hearing room 767 at 10:00 a.m. The second hearing date is scheduled for October 22nd at 10:00 a.m. at the DIA office in Worcester.

She will continue to update the Council regarding the process of the regulations. There will also be another public hearing held regarding workers' compensation policies and to ensure access to ambulatory medical services on November 6,

2002 at 10:00 a.m. at the Division of Health Care Finance & Policy. She will also inform Council Members on any new regulatory change that may take place at this meeting.

Ms. Lucciola concluded by welcoming Mr. Richard Morris who had recently been appointed to the position of First Deputy Director of Administration by Commissioner Griffin.

### **Miscellaneous**

Council Member Jones mentioned his meeting with the WCRIB that was held a few weeks ago and the presentation that was made by Bill Taupier regarding the CRS. He stated that a number of insurers had some concerns regarding the system. Mr. Taupier informed him that he would meet with the insurers and address their concerns. Council Member Jones also informed Council Members that there would be another briefing held by the WCRIB on October 24, 2002.

Vice Chairman Corcoran asked for a motion to adjourn.

MMS - passed - meeting adjourned 11:00 a.m.

**The next regular meeting of the Advisory Council: November 13, 2002 at 9:00 AM, Division of Industrial Accidents, 7th Floor Conference Room, at 600 Washington Street, Boston, MA 02111.**