

**MASSACHUSETTS WORKERS' COMPENSATION
ADVISORY COUNCIL MINUTES**

December 12, 2001
Department of Industrial Accidents
600 Washington Street, 7th Floor
Boston, MA 02111

Chairman: William H. Carnes

Vice Chairman: Edmund C. Corcoran, Jr.

Present: Chairman William H. Carnes. CM: Antonio Frias (Inez Leonardo); Robert Banks; Richard Lord (Tom Jones); Alan S. Pierce; Department of Labor & Workforce Development (Joan Lenihan); Bruce Cochrane (Doug Somerville, Vice President, Renaissance Group).

Also Present: DIA: Commissioner Griffin; Deputy Commissioner Conant; Jerome Shea; Jim Hayes; Ken Owens and Jonathan Ablett (Commerce and Labor Committee); Jesse Stanesa (Office of Senator Marc Pacheco); George Sutcliffe (Standard News); Victoria Carter (WCRIB).

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

Absent: Vice-Chairman Edmund C. Corcoran, Jr.; CM: Stephen Sampson; Jeanne-Marie Boylan; John Perry; Frank Fanning; Carol Falcone; Department of Economic Development.

Agenda:

DIA Update

Action Items

- Minutes - November, 2001

Executive Director Update

Miscellaneous

Chairman Carnes conducted today's meeting and thanked the representatives from the Commerce and Labor Committee and Senator Pacheco's office for attending.

DIA Update

Senior Judge O'Shea updated Council Members on current judicial statistics. Conference Queue: 1,677; Hearing Queue: 1,936; Reviewing Board Inventory: 194; Impartial Exams: 1,718 (42 waivers). He then referred to his handout on decisions outstanding that he had distributed to Council Members. He noted that the average decisions outstanding for judges on this list was 9.7. The Senior Judge explained that he uses this report as a management tool. He further stated that there are no judges off-line but that there were still judicial vacancies that needed to be filled. Chairman Carnes thanked Senior Judge O'Shea and also commented on the need for judicial appointments to fill judicial vacancies.

Stop Work Orders

Mr. Shea wished everyone a happy holiday and updated Council Members on the stop work orders statistics. Total Investigations for November: 496; Total SWO's Issued: 136; Total Fines Collected: \$21,653.00; Total Fines Billed: \$15,100.00. He explained that the total number of investigations are down due to the transfer of one experienced investigator to another position.

Personnel Issues

Mr. Shea addressed the personnel statistics. As of November 30, 2001 the personnel number was 306.50. There have been two resignations and these positions will not be filled at this time.

Assessment Audit

Ms. Karen Fabiszewski, Legal Counsel, updated and distributed a handout (attached to minutes), that she reviewed with Council Members. She explained that the number under the "comments section" of the report corresponds with the footnote on each page and explains the status of that company.

Ms. Fabiszewski mentioned that at the October meeting she informed Council Members that she had received information regarding Eastern Casualty and she wanted to report to the Council that Eastern has remitted to the Department \$699,108. She was asked if all insurance companies that are doing workers' compensation insurance in the Commonwealth were being audited. Ms. Fabiszewski responded no and that there were still additional companies to be audited. Within the past year there have been fifty-one companies that were in stages of review. Ms. Fabiszewski stated that she would look into obtaining more information on this and other issues that were raised regarding Eastern Casualty and would submit that information to Council Members at the next meeting. Chairman Carnes thanked the members of the Department for their input.

Action Items

Chairman Carnes asked for a motion to accept the November 2001 minutes.

Motion made to accept the minutes.

MMS - passed.

Executive Director Update

Executive Director, Denise Lucciola updated the Council on various meetings. She stated that The OEVR subcommittee meeting on December 4th was postponed and will be held on the 16th of January. Ms. Lucciola said that she had attended the Oracle Steering Committee meeting on December 4th and that the project is back on schedule. The anticipated date of completion is April 2002.

Ms. Lucciola then referred to her Fiscal Year 2002 Conference Committee Budget Recommendation Memo that she had submitted to Council Members (attached to minutes). She stated that she was presently working with Jonathan Ablett and Ken Owens from Commerce & Labor and Jessica Nordstrom from Senator Pacheco's office and extended her appreciation to them for taking the time out of their busy schedules to attend today's meeting. She further stated that there were two means of obtaining funding for the Department that are being explored as a means to remedy the funding situation. One method is to include the necessary funds in a supplementary budget, in which case the allocation would come directly out of the General Fund of the Commonwealth.

The other solution currently being explored would be to legislate monies to be withdrawn from the special reserve fund per approval of the Advisory Council Members. She noted that the 35% retainer fund was utilized by the Council to fund the Oracle Program. It was her hope, however, that the supplementary budget would solve these issues. If this does not occur, she will inform Council Members so that the legislative route could be explored. Ms. Lucciola stated that Dr. Folich would be invited to the February meeting and that Vice Chair Corcoran would be contacting him to appear as a guest speaker.

Ms. Lucciola referred to the draft concerns and recommendation section of the Annual Report that had been included in Council Members' packets. She asked that Council Members to review the report and contact her if there were any changes to be made. She stated that she would be on vacation the week prior to the next meeting but if necessary could be reached by contacting the Council's Office. The Executive Director wished everyone a Happy Holiday. Chairman Carnes thanked the Executive Director and wished everyone a Happy Holiday. He informed Council Members that a luncheon would follow after this meeting and everyone was invited to attend.

Miscellaneous

Chairman Carnes asked if any Council Member would like to share any other information with the Council. Council Member Banks informed the Council that he had attended several meetings and mentioned his experiences on the Insurance Fraud Bureau Board. He informed the Bureau that there were a large number of uninsured employers in Massachusetts and that \$34,000 was raised in the month of October through fines on these insurers by the DIA.

It was his opinion that there was not enough knowledge regarding the number of employers who do not carry workers' compensation and that there should be a way of getting this information out to the public. He emphasized the need to make everyone aware of which companies go uninsured. He told Council Members of his meeting with members of the DIA regarding uninsured employers. Council Member Banks implied that the Department would cooperate with information regarding uninsured employers, which would be generated from the Trust Fund records. He felt the meeting was positive and that there may be a way of publishing the employer's names.

Mr. Hayes stated that at the meeting held with Council Member Banks they had agreed to setup a process to handle this issue and would inform Council Members at the January meeting of their plan.

Mr. Hayes recommended that if a supplemental budget is not approved that a budget subcommittee meeting is scheduled prior to the next Advisory Council Meeting.

Chairman Carnes agreed and asked for a motion to adjourn.

Motion made to adjourn.

MMS - passed.

Meeting adjourned 11:00 a.m.

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