

**MASSACHUSETTS WORKERS' COMPENSATION
ADVISORY COUNCIL MINUTES**

March 13, 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; Vice Chairman Edmund C. Corcoran, Jr. CM: Jeanne-Marie Boylan; Stephen Sampson; Frank Fanning; Richard Lord (Tom Jones); Joseph Tamulis; Alan S. Pierce; Carol Falcone; Department of Labor & Workforce Development (Joan Lenihan); Department of Economic Development(Thomas McCullough).

Also Present: DIA: Priscilla J. Conant, Deputy Commissioner; Jim Hayes; Senior Judge Daniel O'Shea; Bob Davis; Anthony Salido (WCRIB).

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

Absent: CM: Robert Banks; Antonio Frias; Bruce Cochrane; John Perry.

Agenda:

DIA Update

Subcommittee update on DIA Fiscal Year 2002 Budget

Action Items

- Minutes - February, 2001

Executive Director Update

Miscellaneous

Chairman Carnes conducted today's meeting.

DIA Update

Senior Judge O'Shea updated Council Members on current judicial statistics. Conference Queue: 1,168; Hearing Queue: 1,439; Reviewing Board Inventory: 227; Impartial Exams: 2,879 (41 waivers). He indicated that the new tracking system was effective.

Senior Judge O'Shea was asked as to the status of judicial appointments. He responded that he was working with the Governor's Chief Legal Counsel's Office regarding appointments, and that a nominating panel would be established soon to review prospective judges.

Chairman Carnes thanked the Senior Judge for his update.

Chairman Carnes informed those present, that the meeting would be concluding early today in order to enable members of the Council to meet with Representative Greene to discuss upcoming workers' compensation legislation.

Stop Work Orders

Mr. Hayes reviewed the statistics on stop work orders, which had been included in Council Members' packets. Total Investigations for February: 640; Total SWO's Issued: 188; Total Fines Collected: \$36,594.00; Total Fines Billed: \$15,800.00. He noted that there haven't been any re-issues of stop work orders. Members of the Council requested Mr. Hayes that he includes statistics on any multiple offenders against the Trust Fund in future reports.

Personnel Issues

Mr. Hayes updated the Council on personnel issues. He reviewed the enclosure in Council Members' packets:

Accountant II Retired Budget

Commissioner Retired Commissioners Office

Research Analyst II Resigned Legal Counsel

Investigator Resigned Investigations

Accountant III Promotion Budget

Regional Rehab Co. New Hire Voc.Rehab.

EDP Programmer IV Promotion Data Processing

Total DIA Positions as of February 28, 2001: 282.2

Chairman Carnes congratulated Commissioner Griffin and Deputy Commissioner Priscilla J. Conant upon being permanently appointed to their positions.

Vice Chairman Corcoran asked if there had been any changes in new Administration. Deputy Commissioner Priscilla J. Conant stated that they would discuss any changes at the next Advisory Council Meeting.

Mr. Hayes continued to update Council Members. He stated that an update on the Insurance Audit would be given next month since there were no reports available at this time.

Chairman Carnes thanked Mr. Hayes for his update.

Subcommittee's Update on DIA Fiscal Year 2002 Budget

Council Members Carol Falcone and Tom Jones proceeded with the subcommittee's update on DIA Fiscal Year 2002 Budget.

Council Member Falcone stated that Tom Jones, Denise Lucciola, Andrew Burton, Vinny Luca, Jim Hayes, KrisAnn O'Herron, and herself, met on February 23rd to review the Senate Ways and Means Budget Information Request for Fiscal Year 2002.

Council Member Falcone noted that members of the subcommittee were given an itemized sheet on expenditures. She stated that subcommittee members were concerned about several expenditures, and after discussion, the department was able to justify the increase in the line items that were of concern to the subcommittee.

Council Member Falcone referred to the minutes of the Budget Subcommittee that were given to Council Members (attached to minutes). Council Member Falcone noted that Council Member Jones and herself had been under the impression that the DIA was funded for 304 employees but were informed that this was no longer the case as explained in the subcommittee minutes. Council Member Falcone continued to list other issues that they felt required some explanation.

The EE Account (office supplies) increase which was explained to include Postage for Oracle;

The GG Account (rent and utilities) and the probable problem with the lease for the department which was explained in the department's minutes. Council Member Jones stated that in five years there is also the presumption that the building will be sold and put up for development. The DIA would get one more lease of five years but would have to move after that time. Council Member Falcone stated that the move itself would cost more than the increase of rent. Chairman Carnes asked as to what the amount of footage now occupied by the DIA and Council Member Falcone stated it was 63,069 square feet.

The AA Account (payroll) and was explained to be retirement, upgrade positions, projected pay increases for management and union employees.

The KK Account increase of \$25,000, which was explained that that money would be used to update, outdated equipment.

The HH Account (consultant contracts). Council Member Jones inquired as to the function of a particular consultant contract. He stated that no one could explain this person's function but felt it would be beneficial to know this information so that the monies being paid could be justified.

The EE Account (administrative expenses).

Council Member Falcone stated that the CHER contract was completely out of the budget as the five-year contract had expired. She asked that the department give the Council a list of all consultants and their function.

Council Member Jones referred to the 35% Reserve Account and explained that the only way the DIA is allowed to access this money was through legislation. He suggested that this be reviewed.

Council Member Falcone concluded by saying that the meeting lasted several hours and they were able to review the entire budget. She noted again that the department was able to justify the increases in the line items that were of concern to the subcommittee.

Chairman Carnes thanked the subcommittee for their update and suggested they keep the Council informed regarding the renewal of the DIA's lease.

Action Items

Minutes

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

Motion made to accept the minutes.

MMS - passed.

Executive Director Update

Executive Director, Denise Lucciola updated the Council Members.

The Executive Director informed Council Members that on March 1, 2001, the Workers' Compensation Rating & Inspection Bureau submitted its rate filing with the Division of Insurance, proposing a 7.7% increase in premiums. She stated that the filing would be effective on September 1, 2001, and a hearing will be held on April 5, 2001 to consider this request. She also stated that Eastern Casualty Insurance Company conducted a separate filing and their hearing will also take place on the fifth of April. She then asked Anthony Salido, of the WCRIB, if the Council had to give two testimonies. He replied that the Bureau's hearing is at 1:00 p.m. April 5, and that Eastern Casualty's is scheduled at 3:00 p.m. on that date, but thought that both hearings might be combined. Ms. Lucciola stated that she would testify on behalf of the Council and that Ann Conway of Tillinghast will be conducting the Council's analysis of the rate filing. She noted that the contract with Tillinghast remains throughout this fiscal year. She felt that in lieu of the recent rate filing, it would be too lengthy and difficult a process to put out a bid for vendors by the end of this fiscal year.

Ms. Lucciola referred to a summary of all the workers' compensation bills enclosed in Advisory Council Members' packets. She stated that she would be testifying before the Joint Committee on Commerce & Labor on March 21, 2001 on the Council's behalf. The Executive Director stated that she will draft testimony which endorses the three bills that the Council had requested to be filed this session: H.2114 (Staggering of Judicial Terms); H.2648 (Code of Judicial Conduct); and S.65 (Employer Fines Increase).

Ms. Lucciola continued her update by stating that the March 6, 2001 Oracle Steering Committee meeting was cancelled due to the inclement weather. She spoke to the Project Director, Peter Mancuso, and he stated that the project is progressing successfully and on schedule.

Ms. Lucciola then distributed the Advisory Council's Fiscal Year 2000 Annual Report to those present and wished everyone a happy St. Patrick's Day.

Chairman Carnes thanked Ms. Lucciola and wished everyone a happy St. Patrick's Day. He also stated that the Council would discuss holding the May or June meeting at the Lawrence regional office at the next meeting.

Motion made to adjourn.

MMS - passed.

Meeting adjourned 10:30 a.m.

The next regular meeting of the Advisory Council: April 11, 2001 at 9:00 AM, Division of Industrial Accidents, 7th Floor Conference Room, and 600 Washington Street, Boston, MA 02111.