

**MASSACHUSETTS WORKERS' COMPENSATION  
ADVISORY COUNCIL MINUTES**

April 14, 1999  
Department of Industrial Accidents  
600 Washington Street, 7<sup>th</sup> Floor  
Boston, MA 02111

**Chair:** William H. Carnes

**Vice Chair:** Edmund C. Corcoran, Jr.

**Present:** Chairman William H. Carnes; Vice Chair Edmund C. Corcoran, Jr.

**CM:** Jeanne-Marie Boylan; Robert Banks; Joseph Tamulis; Frank Fanning; John Gould (Donald Baldini); John Perry; Tony Frias (Inez Leonardo); Carol Falcone; Alan S. Pierce.

**Also Present:** DIA: Commissioner Campbell; Tom Griffin; Senior Judge Jennings; Vin Luca; Jim Hayes; Bob Davis; Bob Roesch (WCRIB).

**Staff:** Denise A. Lucciola; Andrew Burton; Ann Helgran.

**Absent:** Bruce Cochrane; Department of Labor & Workforce Development.

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**Agenda:**

DIA Update

Senior Judge Jennings

Stop Work Orders

Budgetary Matters

Status Report of MUTTS - Bob Davis, Executive Director, HCSB

Vendor Update - Tillinghast - Towers Perrin - Ann Conway

Action Items

Minutes - March, 1999

Executive Director Update

Miscellaneous

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Chairman Carnes conducted today's meeting. He introduced Denise Lucciola, Executive Director, to Council Members.

### **DIA Update**

Senior Judge Jennings updated the Council. He stated that the conference queue is now 1,532 and the hearing queue is 1,318. The increase in conferences has caused an increase in hearings. The Senior Judge reported that the reviewing board has an inventory of 286 cases, and the impartialists are down to 2,478 with 89 waivers. Section 37's have reached a queue of 313 and are being done on an average rate of 20 per year. Most of the Section 37's are being settled at the conciliation stage with only 5 so far going on to conference.

Senior Judge Jennings referred to his memo on "Decisions Outstanding" which was included in Council Members' packets (attached to minutes). The list reflects the number of decisions outstanding for an additional 6 month period. He noted that there were still 2 judicial vacancies and that 2 judges were currently offline. Presently, there are only 20 active judges. The average time to file decisions has risen from 100 to 120 days because of the increased caseloads. The Senior Judge explained that he has written a memo to the new Chief Legal Counsel asking that the recall judges be reinstated. He also stated that initial terms for judges should be for only two years to allow adequate time to review their performance.

Chairman Carnes thanked Senior Judge Jennings for his update.

### **Stop Work Orders**

Mr. Luca reviewed the statistics on stop work orders, which had been included in Council Members' packets. March Investigations - 686; SWO's Issued - 192; Fines Collected - \$63,099; Total Fines Owed - \$99,183; and Total Fines Billed - \$9,200.

### **Personnel Issues**

Mr. Luca updated the Council Members on recent personnel issues. A status report was included in Council Members' packets. In March there were 2 resignations and 3 new hires in Claims, 1 in Judicial, and 1 in the Advisory Council.

### Budget

Mr. Luca stated that the Commissioner would be attending a hearing with the Senate Ways & Means Committee this morning. He noted that the DIA is on target with the fiscal year 1999 budget.

Mr. Luca expressed his thanks to Dino Theodore, General Counsel, for his assistance with resolving legal clarification in the contracting process with Tillinghast for the Advisory Council's Rate Filing Analysis. Mr. Luca noted that a delay occurred due language in the contract that deviated from the Standard State Contract.

### Assessment Audit

Mr. Luca informed Council Members that the Assessment Audit RFR process had been completed. Three firms had been selected. Two firms will commence auditing next week and the third shortly thereafter. Results of the audit may be available for next month's Advisory Council meeting. Chairman Carnes thanked Mr. Luca.

### Update on Progress of MUTTS

Bob Davis, Executive Director of the Health Care Services Board, updated the Advisory Council regarding the progress of MUTTS. He stated that the DIA expects reports on Phase I and Phase II by the end of the day tomorrow. The ILC meeting was not held in April because reports have not yet been received. An ILC meeting will be held in May.

### Advisory Council Minutes - April 14, 1999

Vice Chair Corcoran noted that at the last meeting a request had been made by the Council to meet with members of CHER regarding the status of MUTTS. Mr. Davis notified Council Members that he has asked the president and programmer to make a presentation at the Advisory Council's May meeting.

Both Chairman Carnes and Vice Chair Corcoran stated that they would like to have an in depth explanation of the MUTTS program presented in a format that can be easily understood.

Chairman Carnes thanked Mr. Davis for his update.

### **Vendor Update - Tillinghast - Towers Perrin**

Ann Conway of Tillinghast came before the Council and handed out preliminary findings of the review of the 1999 Workers' Compensation Rating & Inspection Bureau's Filing (WCRIB) (attached to minutes). Ms.

Conway stated that the overall filing is very similar to past years. She requested that Council Member Baldini review with Council Members the conversation that they had regarding the focus of the analysis.

Council Member Baldini informed the Council Members that he has spoken with staff members at State Rating Bureau (SRB) regarding the rate filing. He noted that historically "trend" and "profit" are two main items that are disputed between the SRB and the WCRIB. Mr. Baldini recommended that the Advisory Council's study should focus on other items of significance so that work is not repeated. Council Members agreed.

Ms. Conway said she went through the filing and highlighted the areas of possible focus, which she discussed and outlined in her preliminary findings (attached to minutes).

Chairman Carnes thanked Ms. Conway for her review and preliminary findings.

### **Action Items**

Chairman Carnes asked for a motion to accept the March minutes.

Motion made to accept the minutes.

MMS - passed.

### **Executive Director Update**

Denise A. Lucciola, Executive Director, thanked Council Members for allowing her to serve as their Executive Director, and thanked staff members for their assistance. Ms. Lucciola explained that she has been meeting with various managers at the DIA to learn more about the functions of each department. The Executive Director noted that she had attended a half day of conciliations and will be attending both conferences and hearings in the near future. Ms. Lucciola has been reviewing past Advisory Council Annual Reports, Chapter 152, and a vast number of workers' compensation articles and publications. In the upcoming weeks she will be contacting each Council Member to arrange a time to meet with them.

Ms. Lucciola informed Council Members that Mr. Dan Cook, from American Risk Management, who represents the construction industry, had contacted her. Mr. Cook asked that he be able to come before the Council and express his views regarding the All Risk Adjustment Program (ARAP).

Chairman Carnes stated that those wishing to come before the Council should present their request in writing, allowing the Council ample time to review their request. Council Members agreed.

Council Members decided that Mr. Cook should be able to come before the Council to discuss ARAP since the construction industry is presently lobbying to diminish the program. Council Member Banks suggested that the Council also invite a guest to speak in favor of ARAP so that the Council can hear both sides to this issue. It was agreed that an invitation would be extended to a representative from the WCRIB.

Motion was made to invite Mr. Cook and a representative from the WCRIB to attend the next Council Meeting.

MMS - passed.

Ms. Lucciola continued with her update. She informed Council Members that she testified on the Council's behalf at the Division of Insurance Rate Hearing. At the Rate Hearing, she informed the Commissioner of Insurance that the Council was in the process of contracting with Tillinghast and that a report would be submitted as soon as it was completed. The Executive Director also informed Council Members that she will be reviewing the workers' compensation legislation before the Commerce & Labor Committee and would send the Council a copy of the summaries.

Motion made to adjourn.

MMS - passed.

Meeting adjourned 10:30 a.m.

**The next regular meeting of the Advisory Council will be held on May 12, 1999, 9:00 AM, at the Division of Industrial Accidents, 7th Floor Conference Room, 600 Washington Street, Boston, MA 02111.**