

**Massachusetts Workers' Compensation  
Advisory Council Minutes**

March 11, 1998  
Department of Industrial Accidents  
600 Washington Street  
Boston, MA 02111

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

**Vice Chair:** William H. Carnes

**Present:** Chairman Edmund C. Corcoran, Jr.; Vice Chair William H. Carnes. CM: Jeanne-Marie Boylan; Lawrence Morrisroe; Robert Banks; John Gould (Donald Baldini); Tony Frias (Ines Leonardo); Joseph Tamulis; Bruce Cochrane (Doug Somerville); Carol Falcone; Alan S. Pierce; Department of Labor & Workforce Development (Joan Lenihan); Department of Economic Affairs (John Melina).

**Also Present:** DIA: Commissioner Campbell; Tom Griffin; Senior Judge Jennings; Vinny Luca; Priscilla Conant; Dino Theodore; Kevin Bullock Neil Gibbons (WCRIB); Denise Attwood (Department of Mental Retardation); Diane Jacobs (Division of Health Care Finance & Policy).

**Staff:** Matthew Chafe; Andrew Burton; Ann Helgran.

**Absent:** CM: Edward Sullivan, Jr.; John Perry.

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Agenda:

Trust Fund

DIA Update

Subcommittee Report

A. MUTTS

B. Budget Fiscal Year 1999

## Action Items

### A. Minutes - February 11, 1998

#### Executive Director Update

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Chairman Corcoran conducted today's meeting and requested that Mr. Griffin address issues raised by Council Members at the last meeting.

#### **Trust Fund**

Mr. Griffin addressed the Council and referred to questions posed in a memo directed to him (attached to minutes). He stated that since January 1, 1996 there have been 1,187 open claims filed against the Trust Fund. Mr. Griffin presented the Council with a hard copy of his slide presentation (attached to minutes).

He reviewed employers with multiple workers' compensation §65 claims. He noted that there were thirty who have two or more claims submitted to the Trust Fund, and that there were two employers who had three claims. He stated that the amount of money collected since January of 1996 was \$4.1 million, and that the fund had paid \$35.9 on all open claims since that date (450-500 new claims have been filed within that time, but not all were trust fund cases).

Council Members inquired as to what the 1,187 claims reflected. Mr. Griffin explained that the number represented claims filed during the two-year period since 1996 plus active claims. When questioned about the \$35.9, Ms. Conant explained that the amount represented any open claim that was paid in the last two years. Mr. Griffin continued with his slide presentation indicating by name those employers.

Vice Chair Carnes inquired as to page 2 item 3 on money recovered. Mr. Theodore replied that that particular claim was a third party recovery and that the Trust Fund exercised its right to lien. Council Members inquired as to how companies can continue in business after being shutdown. They were told that staff was limited and it was difficult to follow-up after an employer is shutdown to see if they violate the stop work order. Contractors who do not have workers' compensation will sometimes pay the initial fine, pay the first payment of workers' compensation insurance, will reopen but will not continue to pay premiums.

Council Members agreed that stronger legislation was necessary to insure that employers carry workers' compensation insurance.

Mr. Griffin continued his presentation and noted that the audit done by the State gave the agency a grade of A+, and that the Trust Fund had done an outstanding job.

Chairman Corcoran recommended that more legal staff be hired and that staffing needs be addressed. He recognized the efforts of members of the Trust Fund and believed they should be supported. Vice Chair Carnes agreed that the staffing needs be addressed.

When asked if the trust fund should investigate those employers not carrying workers' compensation, Mr. Theodore questioned as to whether the Trust Fund should monitor employers who do not carry workers' compensation insurance. He indicated that this should be done within Investigations Department. He felt that the Trust Fund should have two functions; to pay the benefits to an employee if they have a proper claim and to seek reimbursement for the money expended from the employer. Follow-up to see if insurance is in place is not a Trust Fund obligation.

Chairman Corcoran asked Mr. Theodore if additional legal staffing would be of assistance. Mr. Theodore stated that additional legal staffing couldn't hurt and would be beneficial.

Council Members felt that since employer monies funded the agency, increasing assessments was a possibility to fulfill the needs of the agency.

Commission Campbell speaks Andrew formatting

### **DIA Update**

Senior Judge Jennings updated the Council. There are 1,000 conferences and 1,100 hearings to be scheduled. Caseloads for conferences were increased a week ago and hearings this week by 40%. The reviewing board queue, 447; and impartial are running a little higher than last year.

Senior Judge Jennings has twenty-three judges and three vacancies. There is no nominating panel in place (three positions opened) and therefore judges' candidates cannot be interviewed at this time. He is keeping judges on line and increasing caseloads.

Chairman Corcoran thanked Senior Judge Jennings.

Council Member Boylan asked to resume the discussion regarding the Trust Fund.

Council Member inquired if the staffing was adequate to recover funds owed to the trust fund by employers. It was explained that there are a number of attorneys and administrative positions that have

become vacant in the past several months that remain unfilled, as authorization to hire replacements has not been granted.

Chairman Corcoran felt that since employer monies funded the agency, increasing assessments was a possibility to fulfill the needs of the agency, employers should be given the option of deciding upon the funding of the DIA.

Chairman Corcoran thanked Mr. Griffin, the Commissioner and members of the Trust Fund for attending today's meeting.

#### Stop Work Orders

Mr. Luca reviewed the statistics on stop work orders. February Investigations, 526; SWO's issued, 185; fines collected, \$0.

#### Personnel Issues

Mr. Luca referred to the Personnel Status included in Council Members' packet (attached to minutes).

#### Subcommittee Report

Chairman Corcoran stated that on Thursday February 19th, a subcommittee of the Council met to discuss the DIA's Fiscal Year 1999 Budget. Vice Chair Carnes, Council Members Baldini, Falcone, and Joe Tamulis attended and submitted their report to Council Members (memo dated February 25th Subcommittee Review of DIA attached to minutes).

Vice Chair Carnes noted that Bill Sivert, Vin Luca and Brian Hickey attempted to give an overview of the budget. However, as a member of the sub-committee, he finds it difficult to make a recommendation to accept the DIA's budget. He suggested that further discussion is done among the entire Council and more information is obtained from the DIA. Council Members agreed with the Vice Chair.

Mr. Davis, Executive Director of the Health Care Services Board, was asked to attend the subcommittee meeting to update the members on progress of the MUTTS program and was reported in memo attached to minutes.

Mr. Davis attended today's meeting and stated that he would keep the Council updated on the MUTTS program. The subcontractor is requesting the DIA move on the pilot program by February 28, 1998, but the DIA is waiting to have all the information in place before the pilot program is operational. Therefore, a specific date has not as yet been set until the problems with the system have been resolved.

When asked the target date for the MUTTS program, Mr. Davis stated that it was a five year contract beginning July 1, 1996 and expected to be completed in 2001. Mr. Davis was also asked the number of DIA staff involved in the MUTTS program. He replied that in his department there are three, two in the MIS department, administrative and budget staff. In terms of contract management; it is Mr. Davis' department and the MIS department. This money spent is reflected in the DIA budget. Mr. Davis stated that the system is designed to anticipate the year 2000.

Chairman Corcoran requested that the Council be continually updated on the progress of MUTTS. Chairman Corcoran thanked Mr. Davis, and asked for update on the audit issue.

#### Assessment Audit

Mr. Luca stated that the process has begun with a procurement management team (PMT), which has met three times and have another meeting today. It will probably be on the Internet in three or four months. The program could start sometime next year.

Chairman Corcoran stated that the Council was not in position to vote on the acceptance of the DIA's budget at this point.

Chairman Corcoran asked about using funds from the Special Fund to upgrade the DIA's computer system and was told that would take legislation. Chairman Corcoran asked this avenue continue to be explored. Mr. Luca suggested that a meeting be held in the next couple of weeks with Mr. Sivert.

Chairman Corcoran thanked Mr. Luca for his input.

#### Executive Director Update

Mr. Chafe referred to his enclosures in Council Members' packets (attached to minutes). He also informed Council Members that the Advisory Council's Web Page was on the Internet and was of no expense to the State or to the DIA. He also referred to the articles on the 21% decrease in workers' compensation rates, and the information he had available on the various classes.

Meeting adjourned 11:20 a.m.

**The next regular meeting of the Advisory Council will be held on April 8, 1998, at the Division of Industrial Accidents, 7th Floor Conference Room at 9:00 AM, 600 Washington Street, Boston, MA 02111.**