

Workers' Compensation Board
Meeting Minutes
May 15-16, 2014

Thursday, May 15, 2014

I. Call to order

Director Monagle, acting as Chair of the Alaska Workers' Compensation Board, called the Board to order at 9:02 am on Thursday, May 15, 2014, in Anchorage, Alaska.

II. Invocation and Pledge of Allegiance

III. Roll call

Director Monagle conducted a roll call. The following Board members were present:

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|----------------|----------------|------------------|
| Stacy Allen | Brad Austin | Pamela Cline |
| Chuck Collins | Julie Duquette | Linda Hutchings |
| David Kester | Ron Nalikak | Michael O'Connor |
| Donna Phillips | Amy Steele | Mark Talbert |
| Rick Traini | Pat Vollendorf | Robert Weel |

Director Monagle noted that members Sarah Lefebvre and Zeb Woodman were excused. Lake Williams, who was just appointed to the vacant labor seat in Fairbanks on May 14th, is also excused.

Director Monagle welcomed Donna Phillips (labor) and Julie Duquette (industry) to the Board. Both Donna and Julie were appointed effective March 1, 2014.

Director Monagle introduced senior staff present and Administrative Officer Ezzell provided general housekeeping instruction.

IV. Agenda Approval

A motion to approve the agenda was made by member Hutchings, and seconded by member Collins. The agenda was approved by unanimous vote.

V. Approval of Meeting Minutes

A motion to adopt the minutes from the January 9-10, 2014 regular Board Meeting was made by member Hutchings and seconded by member Kester. The minutes were approved by unanimous vote.

VI. Director's Report

Budget - Administrative Officer Alan Ezzell provided an overview of Division staffing, the various budget components within the Division, the FY14 budget performance year-to-date, and the just released FY15 budget.

Director Monagle acknowledged the arrival of Deputy Commissioner Grey Mitchell and Special Assistant Dallas Hargrave.

Director Monagle provided a recap of the new workers' compensation case management system, Incident and Claims Expense Reporting System (ICERS).

Director Monagle recapped the outcome of the recently concluded legislative session, and reviewed those bills that passed, HB140, HB141, and HB316.

Break 10:12am-10:34am

VII. Case Summaries from the Supreme Court and the Appeals Commission

Chief of Adjudications, Janel Wright, and staff Hearing Officers reviewed recent decisions from the Alaska Supreme Court and the Alaska Workers' Compensation Appeals Commission.

VIII. Public Comment Period 11:00 am -12:00 pm

Sheila Hansen, CorVel Corporation – Ms. Hansen commented on section 23.30.097(i) of recently adopted HB141, which gives a provider 60 days to file a claim after receiving notice of denial or reduction. She recommended the Board consider adopting a dispute resolution process that would not entail the expense and time of a full hearing to resolve disputes. On the adoption of new fee schedules under HB316, Ms. Hansen recommends the Board provide instruction and training well in advance of the effective date so that parties have time to implement effectively.

Lee Ann Lewis, Coventry – Ms. Lewis added her support to the comments made by Ms. Hansen, and extended Coventry's expertise to the Medical Services Review Committee and the Workers' Compensation in implementing HB316.

IX. Case Summaries from the Supreme Court and Appeals Commission (continued)

Hearing officers discussed recent decisions by the Alaska Workers' Compensation Appeals Commission and the Alaska Supreme Court.

X. 2013 Annual Report & Performance Review

Director Monagle reviewed statistics from the Division's 2013 annual report, a compilation of statistics and benefit data obtained from insurers and self-insured employers pursuant to AS 23.30.155(m).

- A total of \$279.4 million in workers' compensation benefits was paid out in calendar year 2013, an increase of 1.2% over the previous year.
- Medical benefits totaled \$179.7 million, up 2.1% from the prior year.
- Indemnity benefits totaled \$57.9 million, down 2.7%.
- Legal costs increased 11.3%, to \$17.5 million
- Reemployment benefits decreased 9.9%, to \$11.5 million.

- Injury frequency continues to decline, with 19,140 injuries reported, down 3.0% from the previous year. The time loss rate per 100 employees declined from 2.01 in 2012 to 1.26 in 2013.
- The number of disputes continues to decline, with claims and petitions decreasing from 1,208 in 2012 to 843 in 2013.

Lunch Break 12:04 pm-1:36 p.m.

Director Monagle announced the hire of Brian Zematis as a new Workers' Compensation Officer I. Member Hutchings moved to adopt a revised list of Board designees to include Mr. Zematis. The motion was seconded by member Talbert and approved by unanimous vote.

XI. Annual Report and Performance Review (continued)

- Review of Oregon's 2012 Premium Ranking Survey
- Review of highlights from NCCI's 2013 State Advisory Forum. The annual State Advisory Forum will be held in Anchorage in mid-October. NCCI's 2015 rate filing will be filed in August.
- Rhonda Gerharz, Chief of the Special Investigations Unit (SIU), gave an overview of the SIU's 2013 performance.
- Sue Reishus-O'Brien, Workers' Compensation Officer II, reviewed SIME statistics for 2013.

Break 3:15pm-3:37pm

XII. Annual Report and Performance Review (continued)

- Velma Thomas, Program Coordinator, reviewed the funds and programs administered by the Division: the Benefits Guaranty Fund, the Fishermen's Fund, the Second Injury Fund, the Self-Insurance Program, and the Proof of Coverage Program.

Meeting Adjourned 4:17 pm

Friday, May 16, 2014

I. Call to Order

Director Monagle resumed the Alaska Workers' Compensation Board meeting at 9:04 am on Friday, January 10, 2014, in Anchorage, Alaska. The following Board members were present:

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|---------------|----------------|-----------------|
| Stacy Allen | Brad Austin | Pamela Cline |
| Chuck Collins | Julie Duquette | Linda Hutchings |
| David Kester | Ron Nalikak | Amy Steele |
| Mark Talbert | Rick Traini | Robert Weel |

Director Monagle noted that members Sarah Lefebvre, Michael O'Connor, Donna Phillips, Pat Vollendorf, Zeb Woodman, and Lake Williams were excused.

II. Annual Report and Performance Review (continued)

- Mark Kemberling, Reemployment Benefits Administrator, reviewed the 2013 performance of the Reemployment Benefits Program.

Break 10:15am-10:34am

- Janel Wright, Chief of Adjudications, reviewed the 2013 performance of the Adjudications Section.

III. Old Business

- The Board formed a workgroup subcommittee last year, which held listening sessions in Fairbanks, Anchorage, Kenai, and Juneau. The results of the work done by that subcommittee were realized in a resolution adopted by the full Board in September 2013. At the January meeting, the Board decided to hold listening sessions again in 2014, and selected members Hutchings, Lefebvre, Nalikak (alternate) as industry representatives, and members Traini, Woodman, and Allen (alternate) as labor members. Director Monagle said once he has finalized a meeting schedule for the Medical Services Review Committee, he will work with the subcommittee on a listening session schedule.
- With the passage of HB316, the Medical Services Review Committee will be making recommendations on conversion factors for new fee schedules. HB316 tasks the Board with promulgating regulations. Director Monagle envisions a joint meeting with the MSRC once the recommendations have been made, which means that the Division may call for a special meeting of the Board.
- Director Monagle said that he would like to revisit the proposed regulatory SIME changes that failed passage at the Board's January meeting. However, because the Division is in the middle of the SIME selection process, he thought it best that this be taken up at the Fall meeting.

IV. New Business

- The Board adopted a hearing calendar for 2015, with full Board meetings on January 15th and 16th, May 14th and 15th, and September 24th and 25th.

Lunch Break 12:00p.m-1:30 p.m.

V. Training Sessions

- Dr. Edward Barrington, DC, made a presentation to the Board on how permanent partial impairment (PPI) ratings are done using the *AMA Guides to the Evaluation of Permanent Impairment, 6th Edition*. Dr. Barrington is a native Alaskan, graduate of the Palmer College of Chiropractic with a specialty in

Functional Neurology. He has practiced in Alaska for 30 years, and has been performing PPI ratings since the 3rd edition came out.

Break 3:00 pm – 3:18 pm

- Ron Rice, recently retired manager of corporate security at Phillips Alaska, made a presentation to the Board on workplace violence and safety. Mr. Rice is a retired Captain from the Anchorage Police Department, and has conducted training for the Alaska Police Standards Council involving investigation of violent crimes, interviewing and constitutional law. Included in his presentation was a video production from Homeland Security entitled Run – Hide – Fight, and a PowerPoint presentation from the Alaska Police Standards Council entitled Violence in the Workplace.

The next Board meeting will be October 2nd and 3rd.

Meeting Adjourned 5:09 pm