

**Workers' Compensation Advisory Council  
December 12, 2012**

**Members attended**

Russell Hess, Andrew Kepper *for Susan Olson*,  
Shar Knutson, Gary Thaden, Robert Lux,  
Representative Tim Mahoney, David Olson, Ed  
Reynoso, Dawn Soleta, Teresa Whitcome *for  
Elaine Garry*

**Members absent**

Walter Frederickson, Glen Johnson, Senator Ken  
Kelash, Representative Andrea Kieffer, Senator  
Ted Lillie, Robert Ryan

**DLI staff members and visitors present**

Sandy Barnes, David Berry, Kate Berger,  
Danielle Bird, Dawn Carlson, Kathy Carty *via  
phone*, Carl "Buzz" Cummins, Mary Dougherty,  
Karen Clayton-Ebert, Deputy Commissioner  
Kris Eiden, Susan Giguere, James Heer, Sonja  
Herr, Mike Hill, Erin Huppert, Meg Kasting,  
Heather Keenan, May Krinkie, Carolyn  
LaViolette, Wendy Legge, Brad Lehto, Chris  
Leifeld, Dr. Bill Lohman, Micki Mathiesen,  
Mark McCrea, Phil Moosbrugger, Tom Mottaz,  
Laura Mundt, Donna Olson, Tim O'Malley,  
Commissioner Ken Peterson, John Rajkowski,  
Anna Thompson, Jim Vogel, Elizabeth Wefel,  
Lisa Wichterman, Dan Wolfe

**Call to order and roll call**

The meeting was called to order by Commissioner Ken Peterson at 9:45 a.m. Commissioner Peterson welcomed the council members. Instead of roll call, members introduced themselves. *It was noted the council was short one labor member and the meeting quorum requirement was not met. The group can approve motions as a committee.*

**Announcements**

Peterson advised members that a Department of Labor and Industry (DLI) bill is expected to be brought to the council for consideration this session.

**Approval of previous meeting minutes**

Bob Lux moved to approve the Oct. 10, 2012, meeting minutes as presented and Gary Thaden seconded. All voted in favor and the motion carried.

**Approval of agenda**

The Dec. 12, 2012 meeting agenda was approved.

**Agenda items**

- **Spinal fusion disclosure – draft**

Dr. Bill Lohman discussed the proposed draft document, which is intended to encourage discussion between medical providers, insurers, QRCs and anyone considering lumbar fusion surgery. The form will be available on DLI's website. Encouraging injured workers to ask more questions will facilitate a more informed decision. The department's

intent is not to mandate the use of the form, but rather to encourage further discussion. Members discussed the draft and were asked to forward any further comments to Dr. Lohman. An updated draft will be brought to the WCAC in February.

- **WCRA legislative proposal**

Carl “Buzz” Cummins presented a proposal that the Workers’ Compensation Reinsurance Association (WCRA) intends to bring to the Legislature this session. WCRA provides reinsurance protection for serious workers’ compensation injuries for all Minnesota employers and employees. Coverage is provided through 491 Minnesota insurers and 161 Minnesota self-insurers. The proposal is to eliminate the pre-funded limit that currently exists in Minnesota law. There are several claims that exceed the limit and the number of such claims is expected to dramatically increase. The proposal should provide significant savings and will ensure funds will be available to pay claims in the distant future. Cummins indicated the proposal is supported by the Minnesota Self-Insurers’ Association, the Insurance Federation of Minnesota and the WCRA board of directors. He requested support for the proposal from WCAC, which will consider the proposal and make a decision in February.

- **Report on Minnesota’s workers’ compensation reimbursement methodologies**

Kathy Carty, manager, Reimbursement Consulting, CGI Federal, presented a summary of CGI Federal’s Report about Minnesota’s workers’ compensation reimbursement methodologies. A copy of her PowerPoint presentation is available at [www.dli.mn.gov/PDF/Wcac/presentation\\_CGI\\_1212.pdf](http://www.dli.mn.gov/PDF/Wcac/presentation_CGI_1212.pdf).

CGI Federal conducted an analysis of the various payment methods employed by Medicare, Medicaid and workers’ compensation systems in 15 states, including Minnesota. The following subject areas were included in the study:

- inpatient hospitals;
- small hospitals ; and
- surgical implants.

Carty stated the health insurance reimbursement goal “is to pay providers for appropriately delivered services at a price level that is reasonable for the resources expended without disrupting patient access to care and the quality of care; and to incentivize providers to deliver no more than the appropriate number of services to treat the condition.” Carty then discussed the types of existing payment systems and how Minnesota compares to the other systems studied in the above subject areas. The report contains recommendations but due to time constraints, Carty was unable to review those with members. Department staff members noted CGI’s complete report will be available on the department’s website.

Tentative meeting schedule for 2013: **Feb. 3, April 10, June 12, Aug. 14, Oct. 9 and Dec. 11.**

### **Adjournment**

David Olson moved to adjourn and Lux seconded. All voted in favor and the motion carried. The meeting adjourned at 11:22 a.m.

Respectfully submitted,  
*Pamela McLaughlin*  
Executive Secretary