

Workers' Compensation Insurers' Task Force
March 16, 2011
Minutes

Members present

Gary Westman, Dept. of Administration
Mike Johns, Sedgwick
Dianne Miller for Claire McCoy, GAB Robins
Laurie Simonsen, Travelers
Margaret Kasting, SFM Mutual
Robert Farber, Berkley Risk
Stacy Kohnhofer for Charles Bierman, Mayo

Members present via telephone

Jodie Connor, Wausau

Members absent

Bruce Baker
Cindy Van Eyll
David Oertli
Dennis Ballinger
Jerry Walthour
Karen Clayton Ebert
Mary Abraham
Robert Johnson
Susan Pilon

Visitors present

Rob Rangel

Staff members present

Commissioner Ken Peterson
Deputy Commissioner Kris Eiden
Assistant Commissioner Gary Hall
Carey Demaris
David Berry
Dee Torgerson
Donna Olson
Jessica Stimac
Karen Kaske-Mienke
Melissa Parrish
Phil Moosbrugger
Ralph Hapness

The meeting was called to order at 9:15 a.m. by co-chairperson Gary Westman. Members and visitors introduced themselves and announcements were made. The agenda was accepted as presented.

Updates

Assistant Commissioner Gary Hall gave department updates. He advised that Carol Pankow has decided to work for the Minnesota Department of Employment and Economic Development. Karen Kaske-Mienke will be acting director until the vacant position is filled. An update of the recent Workers' Compensation Advisory Council meeting was given. Copies of the legislative bill were handed to all members and visitors. *It was noted Carey Demaris will send a copy of the bill to Jodie Connor.*

Hall advised of the following change.

- It prohibits Office of Administrative Hearings (OAH) to use the same judge at administrative conferences and *de novo* hearings as it is a conflict of interest.
- It prohibits use of contract judge unless there is not a workers' compensation judge available.
- It requires OAH to hold conference within 180 days from the filing of the claim petition.

- OAH has asked the department for \$600,000 to purchase an electronic calendaring system. This money will be borrowed from the Special Compensation Fund and paid back in the savings. However, this request came in late in the legislative session and may not take place this session, but will in the future.
- Gary Hall referred to the Medical Fee Review; Wholesale, Acquisition Cost Standard Bill, page 9 of the handout. He explained there will be a change about how the medical fees schedule for pharmaceuticals is calculated.

Meg Kasting asked about the electronic deposits for injured employees payments. Assistant Commissioner Hall explained the proposal requiring stakeholders to make electronic deposits has been postponed during this legislative session due to the need of more information. Some of the third-party administrators aren't capable financially. It was indicated it will be brought up again next session.

Future agenda items

Assistant Commissioner Hall advised members that future agenda items will include:

- e-billing;
- speeding up the dispute-resolution process; and
- medical implants.

New business

David Berry, DLI's Research and Statistics unit, presented *Findings from WCRI's CompScope Reports for Minnesota*. He gave a brief history of the Workers' Compensation Research Institute. The presentation analyzes workers' compensation cost-drives across the nation and over time within the states. The data collected is from insurers and self-insurers. The CompScope report features were given. Berry advised members this report and publication are available to the public; those interested in receiving copies should email him their request at david.berry@state.mn.us. There was a lot of discussion about Medicare, fee schedules, self-insurance rates, attorney fees, and other costs and calculations compared with other states given in this presentation.

DLI Commissioner Ken Peterson also indicated that during the next several months, the task-force members should work together looking for what areas should be measured to make improvements within the workers' compensation process. Westman pointed out one area to continue to look at is lowering medical costs. He asked what the departments plan is and what is being looked at. Assistant Commissioner Hall stated they are looking internally and will run ideas past members, asking members for input and suggestions.

Reports/meeting schedule

- The next WCITF meeting is on May 18.
- The February 2011 edition of *COMPACT* is online at www.dli.mn.gov/WC/Compact.asp.
- The WCITF meeting schedule, agenda and minutes are online at www.dli.mn.gov/wcitif.asp.

The meeting adjourned at 10:35 a.m.

Respectfully submitted,

Carey Demaris

Executive Secretary