

Workers' Compensation Board

Meeting Minutes

October 5-6, 2011

Wednesday, October 5, 2011

I. Call to order

Director Monagle, acting as Chair of the Alaska Workers' Compensation Board, called the Board to order at 9:26 am on Wednesday, October 5, 2011, in Anchorage, Alaska.

II. Invocation and Pledge of Allegiance

III. Roll call

The following Board members were present:

Brad Austin	Jeff Bizzarro	Chuck Collins	James Fassler
Don Gray	Linda Hutchings	David Kester	Sarah Lefebvre
Krista Lord	Arylis Scates	Amy Steele	Rick Traini
Patricia Vollendorf	Janet Waldron	Robert Weel	Zeb Woodman

IV. Agenda Approval

The agenda was amended to reflect a change in New Business for Thursday, October 6th. Member Fassler moved to approve the amended agenda. Seconded by Member Hutchings. The agenda was approved by unanimous vote.

V. Approval of Meeting Minutes

Member Weel moved to approve the minutes from the Regular Board Meeting May 12 & 13, 2011, and two Emergency Extension of Fee Schedule Meetings June 13 & 23, 2011. Seconded by Member Gray. All minutes were approved by unanimous vote.

VI. Director's Report

1. Budget FY11 YTD - Administrative Officer Alan Ezzell reviewed the FY12 YTD budget:
 - a) There is a \$100,000 short-fall in personnel services.
 - b) The WC Benefits Guaranty Fund has a \$280K balance ; to date \$132K in benefits and expenses have been paid. Based upon the current number of claims, a shortfall is expected and a funding increase will be sought.
 - c) A payroll tracking system has been implemented to assist in budgeting.
 - d) The Division is in a fiscally conservative mode and will be seeking two million out of the FY13 budget through the legislature.
2. Staffing - Lynda Gillespie, our former Workers Compensation Officer II in Juneau, resigned; Sue Reishus-O'Brien is her replacement. A vacant Anchorage Office Assistant I will remain so for a period of time to help with the budget shortfall.

3. EDI/WC Rewrite - A three million dollar multi-year contract was granted to Analyze Soft to modernize our program and permit reports of injury and compensation reports to be filed electronically. Completion of the WC System rewrite is expected by February 2012.
4. Legislation - The Governor signed HB13 Workers' Compensation Fee Schedule Bill. Pending legislation includes HB12 establishing a Workers Compensation Advisory Council; HB232 extends the fire fighter presumption to grandfather in existing firefighters, companion SB 103; SB116, known as the WC Carve Out, allows withdrawal from the Alaska Workers Compensation system and provides for process and procedure of benefit provision and adjudication of WC claims through collective bargaining agreements.
5. Medical fee schedule -HB 13, which passed, provided December 31, 2010 as the effective date for a new medical fee schedule. The Division contracted with Ingenix to produce the medical fee schedule. Pursuant to the legislation the board must, through regulation, adopt a fee schedule by reference. Ingenix will update the fee schedule in February/March for future board approval.
6. DOLWD Anchorage Lease - The Eagle Street lease expires at the end of October 2011; lease renegotiations are currently underway.

Public Comment Period 11:04 a.m. -12:00 Noon

No one appeared to provide public comment.

VII. Old Business from Previous Meeting

The Board resumed discussion of regulations previously approved in May 2011.

- Consideration of proposed amendment to 8 AAC 45.900 Definition of Previously Rehabilitated. Member Hutchings moved to adopt. Seconded by member Gray. After discussion, the motion to amend was approved 15-1, with Members Austin, Bizzarro, Collins, Fassler, Gray, Hutchings, Kester, Lafebvre, Lord, Scates, Steele, Traini, Vollendorf, Waldron and Weel voting in favor, and member Woodman voting against. The vote on the main motion to adopt was approved 15-1, with Members Austin, Bizzarro, Collins, Fassler, Gray, Hutchings, Kester, Lafebvre, Lord, Scates, Steele, Traini, Vollendorf, Waldron and Weel voting in favor, and member Woodman voting against.

Lunch Break 12:00 pm-1:32 p.m.

VIII. Old Business from Previous Meeting - Continued

- Consideration of proposed amendment to 8 AAC 45.086(a) and 8 AAC 45.086(d) Physician Reports. Member Hutchings moved to adopt. Seconded by Member Weel. The motion passed by unanimous vote.
- Consideration of 8 AAC 45.082(i), (j) and (k) Medical Fee Schedule. Member Hutchings moved to permanently adopt emergency regulation 8 AAC 45.082(i), as amended, and to adopt 8 AAC 45.082(j) and (k). Seconded by Member Weel. Motion to adopt passed by unanimous vote.
- Member Weel moved to adopt the medical fee schedule produced by Ingenix with effective date of 12/31/2010. Seconded by Member Hutchings. Motion passed by unanimous vote.

Break 3:11pm-3:29pm

- Member Hutchings moved to amend the October 6, 2011 agenda to add discussion of the medical fee schedule under New Business. Member Fassler seconded. The motion passed by unanimous vote.

Meeting Adjourned 3:34pm

Thursday, October 6, 2011

I. Call to order

The Board meeting resumed at 9:02 am on October 6, 2011, in Anchorage, Alaska. The following Board members were present:

Brad Austin	Jeff Bizzarro	Chuck Collins	James Fassler
Don Gray	Linda Hutchings	David Kester	Sarah Lefebvre
Krista Lord	Arylis Scates	Amy Steele	Rick Traini
Patricia Vollendorf	Janet Waldron	Robert Weel	Zeb Woodman

II. New Business

1. Approval of new Board designee.
 - Member Hutchings moved to approve Susan Reishus-O'Brien (WC Officer II, Juneau) as a Board Designee. Seconded by Member Kester. Motion passed by unanimous vote.
2. 2012 Hearing Calendar.
 - Member Hutchings moved to adopt the 2012 Hearing Calendar. Seconded by Member Scates. Motion passed by unanimous vote.

3. Case law review.

Break 10:00am-10:22am

4. Consideration of 8 AAC 45.071 Adjudication of Procedural, Discovery, or Stipulated Matters without a Board Panel.
 - Member Hutchings moved to approve 8 AAC 45.071. Seconded by Member Weel. After discussion, member Hutchings made a subsidiary motion to amend the main motion, which was seconded by member Weel. After discussion, the motion to amend was adopted unanimously. The main motion to approve passed 14 - 2. Members Austin, Bizzarro, Fassler, Gray, Hutchings, Kester, Lefebvre, Lord, Scates, Steele, Traini, Vollendorf, Waldron, and Weel voting in favor; Members Collins and Woodman voting against. 8 AAC 45. 071 will be sent out for public comment before the next board meeting.

Lunch 11:42am-1:04pm

5. Case Law Review Continued
6. New Business Continued
 - 8 AAC 45.138 Cost of Living Adjustments.
 - Member Hutchings moved to repeal and readopt 8 AAC 45.138. Seconded by Member Kester.
 - Member Fassler moved to table the proposed changes to repeal and adopt 8 AAC 45.138 until the January 2012 meeting. Seconded by member Gray. The motion to table was approved by unanimous vote. The motion to repeal and readopt 8 AAC 45.138 will be taken from the table at the January Board meeting.

Consideration of 8 AAC 45.195 Waiver of Procedure.

- Member Weel moved to repeal 8 AAC 45.195. Seconded by Member Hutchings. The motion to repeal 8 AAC 45.195 failed on a 14-2 vote. Members Austin, Bizzarro, Collins, Fassler, Gray, Hutchings, Lefebvre, Lord, Scates, Traini, Vollendorf, Waldron, Weel, Woodman voted against. Members Kester and Steele voting in favor of repeal.

Consideration of 8 AAC 45.082(d) Medical Coding and Payment Procedures.

- Member Hutchings moved to amend 8 AAC 45.082(d). Seconded by Member Weel. The motion was approved by unanimous vote. The proposal to amend 8 AAC 45. 082(d) will be sent out for public comment before the next board meeting.

8 AAC 45.074. Continuances and Cancellations

- Member Hutchings moved to amend 8 AAC 45.074. Seconded by Member Weel. The motion passed by unanimous vote.

Medical Fee Schedule

- Member Hutchings moved to form a committee to study the current medical fee schedule to see if it meets the Boards' obligation to provide benefits at a reasonable cost to employers and to make recommendations to the Board. The motion was seconded by member Waldron. After discussion, it was decided that the medical fee subcommittee would consist of five members, two from labor and two from industry, with member Hutchings as Chair. The labor subcommittee members are members Woodman and Bizzarro, and the industry subcommittee members are members Weel Waldron. The motion was approved by unanimous vote.

Break 3:00pm-3:18pm

7. Case Law Review Continued

Meeting Adjourned 5:00pm