Workers' Compensation Board Meeting Minutes May 15, 2025

Thursday, May 15, 2025

I. CALL TO ORDER

Director Charles Collins called the meeting to order at 9:50 a.m. in Anchorage, Alaska. Participation was available in person and via video conference.

II. ROLL CALL

The following Board Members were present, constituting a quorum:

Brad Austin Randy Beltz Pamela Cline Sara Faulkner
Bronson Frye Anthony Ladd Sarah Lefebvre Debbie White

Lake Williams Brian Zematis

Members John Corbett and Mike Dennis were excused.

III. AGENDA APPROVAL

Member Lefebvre moved to approve the agenda, seconded by Member Zematis. Member Lefebvre noted that items requested in the January 9–10, 2025, minutes—specifically the draft resolution for an ombudsman program and WSCAA funding, as well as the history of the term *previously rehabilitated*—were not included in the agenda. Member Lefebvre amended the motion to add these items to Old Business; Member Zematis seconded. The amended agenda was approved unanimously.

IV. APPROVAL OF JANUARY 9-10, 2025 MEETING MINUTES

Member Beltz moved to approve the minutes, seconded by Member Austin. The minutes were adopted without objection.

V. <u>DIRECTOR'S REPORT</u>

Director Collins provided division updates and reviewed upcoming Board Member term expirations, as well as the list of Board Designees. Two errors were identified and corrected in the designee list. He also presented the 2026 Board Calendar. Additionally, Director Collins discussed the hiring and travel freeze and its anticipated impact on the Division. He reviewed the current organizational chart, noted existing vacancies, and emphasized the Division's priority in filling those positions.

A motion to approve the designees was made by Member Austin, seconded by Member White. The motion passed unanimously.

VI. PUBLIC COMMENT PERIOD: 10:15 AM- 11:15 AM

Jeffery Holloway – Babcock, Holloway, Caldwell & Stires

• Mr. Holloway expressed support for the proposed amendment to 8 AAC 45.092, which would allow for the digitization of SIME records. He noted that preparing paper records has been costly and inefficient, citing a personal case where six sets of binders cost nearly \$1,000. Holloway recommended modifying the regulation further to improve the

organization of records: he suggested delaying the final numbering and filing of records until after the SIME appointment is set, allowing all documents to be submitted in chronological order. This, he argued, would reduce confusion from misnumbered or out-of-order records and benefit both parties and physicians.

• Board members expressed appreciation for Mr. Holloway's valuable input and asked questions about how potential additional changes could help streamline the process.

Jonathon Faulkner - President of Land's End Acquisition Corporation

- Mr. Faulkner raised concerns about Workers' Compensation Division practices that allow claims to proceed without a preliminary determination of legal merit. He argued that this leads to settlements of potentially baseless claims, harming employers through increased insurance costs and discouraging benefits like employee housing. Citing a specific claim he believes was wrongly accepted, Mr. Faulkner urged the Division to assess whether claims meet statutory requirements before allowing them to proceed.
- Board members acknowledged Mr. Faulkner's concerns but explained that the system's
 presumption of compensability is a foundational part of Alaska's workers'
 compensation structure, intended to balance protections for both workers and
 employers. Director Collins agreed to follow up with Faulkner, and members expressed
 openness to discussing related issues such as the remote site doctrine and potential
 statutory reform.

VII. <u>DIRECTOR'S REPORT, CONTINUED</u>

A motion to approve the calendars was made by Member Lefebvre, seconded by Member Zematis. Member Frye noted that the proposed August meeting coincides with the AFL-CIO's convention. Member Lefebvre amended the motion to move the Joint Meeting to August 28, 2026; Member Zematis seconded. The motion passed unanimously. Member Lefebvre requested that calendar invites be sent for all scheduled meetings.

Break 11:28am-11:44am

VIII. <u>REGULATIONS</u>

Chief Janel Wright provided an overview of the recommended amendments to SIME regulation 8 AAC 45.092.

Member Lefebvre moved to approve the 8 AAC 45.092(b); Member Frye seconded. The Board discussed the current SIME physician selection process. The motion was tabled for further discussion.

Lunch Break 12:20pm - 1:48pm

8 AAC 45.900(j) – Definition of "Previously Rehabilitated"

Member Zematis moved to approve the amendment; Member Frye seconded. The Board discussed the effective date language in the current regulation and considered whether the regulation could be repealed in favor of relying on AS 23.30.041(f)(3). The motion failed with five in favor and four opposed. Members Beltz, Cline, Frye, Williams, and Zematis voted in favor; Members Austin, Faulkner, Lefebvre, and White voted against; and Member Ladd abstained.

8 AAC 45.176(d)(3) – Assessment of Civil Penalties

Chief Investigator Michele Wall-Rood presented the proposed amendment to add the word "consecutive" before "calendar days." Motion to approve by Member Cline; seconded by Member Lefebvre. Motion passed unanimously.

8 AAC 45.180(b) – Attorney Fees

Motion to approve by Member Zematis; seconded by Member Frye. Motion passed unanimously.

8 AAC 45.092(b) – SIME Physician List (Un-tabled and Amended)

Member Lefebvre un-tabled the motion; seconded by Member Frye. She presented a revised version and amended the motion accordingly. The motion passed unanimously.

8 AAC 45.092(h) – SIME Procedures

Motion to approve by Member Lefebvre; seconded by Member Cline. Motion passed unanimously.

8 AAC 45.083 – Medical Treatment and Services Fees

Member Lefebvre moved to approve the repeal and readoption; seconded by Member Zematis. The Board discussed adding a new subsection (c) with language regarding conversion factors and coding based on CPT guidelines. Member Lefebvre amended the motion accordingly; Member Zematis seconded. The amended motion passed unanimously.

Member Zematis moved that the Board draft regulatory language in line with Mr. Holloway's recommendations for presentation at the October Board Meeting; seconded by Member Lefebvre. Motion passed unanimously.

Member Lefebvre requested that the following topics be included under Old Business on the agenda for the October meeting: the Board's ongoing financial challenges; a draft resolution addressing the establishment of an ombudsman program and the use of electronic service. Member Lefebvre also requested that the NCCI report be distributed with the August 22 Joint Meeting packet.

IX. ADJOURNMENT

Director Collins reminded the Board that the Joint Board-MSRC Meeting is scheduled for August 22, 2025, and the next regular Board Meeting is scheduled for October 2025.

Motion to adjourn by Member Frye, seconded by Member Zematis. Motion passed unanimously.

Meeting adjourned at 3:39 pm