



STATE OF OKLAHOMA

WORKERS' COMPENSATION COMMISSION

MINUTES

of the

WORKERS' COMPENSATION COMMISSION

FOR THE STATE OF OKLAHOMA

for the

April 17, 2014

Regular Public Meeting

MINUTES OF THE MEETING OF THE WORKERS' COMPENSATION COMMISSION
FOR THE STATE OF OKLAHOMA, APRIL 17, 2014

NOTICE OF THIS MEETING WAS FILED WITH THE SECRETARY OF STATE ON THURSDAY, DECEMBER 12, 2014.

The members of the Workers' Compensation Commission for the state of Oklahoma met at 1915 N. Stiles Ave., Oklahoma City, Oklahoma, on April 17, 2014.

Members present: Denise Engle and Robert Gilliland.

Absent: Troy Wilson, Chairman.

Commissioner Engle, Vice Chair of the Commission and chair of the meeting, expressed appreciation for those in attendance and announced the agenda has been posted for this meeting.

After the roll was taken, Commissioner Engle announced the presence of a quorum and affirmed that all documents had been filed. The Statement of Compliance with the Open Meetings Act was read and the meeting was called to order at approximately 1:30 p.m.

Approval of Minutes

No: None. Abstentions: None. Absent: Chairman Wilson.

Commissioner Gilliland moved to approve the minutes of the April 2, 2014 special meeting.

Those voting aye: Commissioner Engle and Commissioner Gilliland.

No: None. Abstentions: None. Absent: None. The motion carried.

Executive Director's Report

Dr. Rick Farmer

- Form received to-date: approximately 6,000 Form-2's, 271 Form-3's, and 350 Form-4's; of the 271 Form-3's, almost 100 have been scheduled for hearings.
- Senate Confirmation of the Commissioners still to be schedule by the Committee Chair.

- Preston Doerflinger, Secretary of Finance, announced there may be a budget shortfall which would amount to an estimated \$7,200 each month for the Commission – April, May and June may be our short months. There is a question about the premium tax. The new law says it is for the purpose of the WCC fund but further down it says it is put in a general revenue fund, so there are conversations with the Legislature going on about that.
- Regarding workers' compensation legislation: SB1948, which deals with the Self-Insurance Guaranty Fund, passed the House and is now on the Governor's desk for her signature. HB2994 allows the Commission and the Insurance Department to work more cohesively, but OID needs some changes to their bill for that to happen. It went to Senate Appropriations Committee, where they struck the title, so we will have to wait and see what happens to the bill through the end of Session.
- This week brought in 4,500.00 in fines – the Compliance Office led by Ray Andrews has been pursuing leads on companies that are required to have insurance coverage.
- Hiring – Tara Inhofe joined our team as a new ALJ and she starts May 1. We also welcome Dr. Jay Cannon who is a great asset to our organization. We recently hired Andrea Bair who is in charge of our Insurance Department and she is getting that up and running. We named Janelle Springer as the office manager in Tulsa and Vicky Twyman, our CPO, needed assistance so we added Juanita Mendoza to that office. We have two open positions for Counselors and we have begun those interviews.
- The State Auditor has been conducting studies for our transition and we have requested them speed up the process. They have had some recent staff turnover, so we are looking forward to receiving that report in the near future.
- The Commission's executive staff has moved from the CAP building to the third floor of the Denver Davison Building. The move was coordinated by our Deputy Director, Clif Cypert, Holly Miller, and Norma McRae, as well as several others.
- MITF assessment is due at the end of the month and that requires data from the OID and need to compile in our insurance department and then an assessment to be compiled.
- Security audit – Captain Timmons and Lieutenant Terry toured the building and provided a list of recommendations. We are developing a timeline to put those in place.
- You may not have heard that the power coming in the building enters through a power distribution unit that we think it has been sending error messages due to the backup generator that kicks on once a week. We are still trying to track that down – replacing the unit will be extremely expensive if that becomes necessary.
- EDI proposal – have engaged a consultant out of Virginia, Matt Bryant, who has experience with our WCIS system. Chris Herndon, Kim Bailey and Commissioner Engle were all involved in those discussions and we have worked on a timeline for establishing electronic data interchange and are trying to stay ahead of the needs.

Commissioners' Reports

Commissioner Gilliland

- Dr. Cannon and Dr. Young, with our PAC, have participated in a conference on the 6th Edition AMA guidelines. Dr. Cannon provided us with a report and training to keep us up to date on the requirements. He is preparing a report to the IMEs of what our guidelines and expectations will be and we have prepared a letter to the physicians which they will get in a mailing and also by email. Everyone will know what the rules are up front and there should be no excuses and the process can continue smoothly with no interruption. We also are identifying the email addresses of those IME's. I would like to thank the staff for working on that email list. I also want to thank Ray Andrews as there are stiff penalties for non-compliance with coverage and there are some mitigating circumstances. Since we do not want to hurt the small businesses so we are working to receive appropriate fines.
- It is important that these forms are coming in timely and correctly so we do not have to delay the process by correcting forms and returning them.
- The ALJs are working well with one another, as well as our General Counsel and Law Clerk and they have all done a lot of fine work.

Commissioner Engle

- I have been doing a lot of utility work and trying to plug in holes where it is needed. We are now in the same building and that is helpful. We are recruiting for various positions and have found a great person in Andrea Bair for Insurance Services Director. She brings a wealth of talent in law, business, banking, and insurance. We want to step up the quality of communication with the insurance providers and improve the self-insurance and proof of coverage which is still available and explained on our website, www.ok.gov.wcc/.
- I served on the EDI task force with the Court and under the new statute. We have been getting the information from two Oklahoma workers' compensation carriers who have been very helpful and patient to help us make that leap to the electronic filing.
- For those who don't know Ray Andrews, he came to us from ODOL. It is helpful to have in him the building to keep communication close and consistent. This will help overall rates for those who are playing by the rules. Ray has been a great addition to the team. Since March 1, I am close to 1,000 people that I have talked with from panels to forums to medical and insurance providers. I went to Lawton yesterday and it was great to be in a room full of folks that are trying to figure this out – whatever their position. The real goal for all of us is to get the injured worker back to work as soon as possible and keep it non-contentious. Our counselor division is taking calls every day and doing a great job.

Hearing Conduct Rules

Commissioner Gilliland announced that hearing conduct rules are being set for the ALJ's. Since we have had pre-hearing conferences already, we are getting this prepared before the first trial. The rules will be similar to the old court rules but less formal and not so contentious. The hearings will be audio recorded, so please keep that in mind - everyone needs to be reminded to speak up because that will be our official record.

Motion to adopt the hearing conduct rules: Commissioner Gilliland.

Those voting aye: Commissioner Engle and Commissioner Gilliland.

No: None. Abstentions: None. Absent: Chairman Wilson. The motion carried.

EDI Implementation Timeline

Dr. Rick Farmer explained that in order to have EDI there are basically three parties: the employers' insurance companies, our computers, and the WCIS data system. In most states, there is a vendor who captures the data and clears any errors among all computer data coming in. It takes all three pieces or none will work. In order to get these to talk to each other, the IAIABC has developed a standard called Release 3 (R3) which identifies a number of data in fields to be filled in and chooses the standard that allows what the insurance companies are already able to deliver, and for us to be able to receive.

Dr. Farmer handed out a chart which shows where other states are in this current standard and explained that the Commission needs to adopt R-3 as our standard. It will require some changes to our forms through this process. The insurance companies' vendors and our I.T. department must have the same information. This requires our purchasing department to develop an RFP. Three national vendors are competing for this, so we expect fair pricing. We will get bids to review then in an open meeting, we need to select one of those vendors. Then we need to start working on our forms and the data we want to collect so we can look at those right away.

The vendor needs to be involved in that conversation and we will also be required to invite public input on the forms development, so at our June public meeting, we should be ready for that and at our July meeting, be ready to adopt the forms. I believe this can all be accomplished by January 1. We have some vendors that tell us it can be done in 6 months, so we can get our part done in 2-3 months, and WCIS in 2-3 months. This will save everyone a lot of effort and money so there is an incentive to them to participate, but only if we adhere to the standards.

A mandatory timeline needs to be created and the Commission can expect the larger companies to be on board and decide what level is mandatory. Maybe by January of 2016, but an

important part of this is that the people who have to report to us are the trading partners: carriers, TPA's, and claims administrators. They need to be able to have a more unified and consistent process, but the requirement will need to be different for those who do not have to submit as much information. They will be able to enter data directly or bring it in on paper if they want – that will be small number. My proposal is that if they have more than 300 Form-2's each year they should probably be on the mandatory track. Commissioner Engle asked Rick Farmer to put the EDI information on the website.

Motion to adopt the EDI timeline: Commissioner Gilliland.

Those voting aye: Commissioner Engle and Commissioner Gilliland.

No: None. Abstentions: None. Absent: Chairman Wilson. The motion carried.

Executive Session

Motion to enter into Executive Session: Commissioner Engle.

Those voting aye: Commissioner Engle and Commissioner Gilliland.

No: None. Abstentions: None. Absent: Chairman Wilson. The motion carried.

Open Session

Motion to re-convene into Open Session: Commissioner Gilliland.

Those voting aye: Commissioner Engle and Commissioner Gilliland.

No: None. Abstentions: None. Absent: Chairman Wilson. The motion carried.

Adjournment

Commissioner Engle announced that the next Regular Public Meeting of the Commission will be May 15, 2014 at 1:30 p.m.

Motion to adjourn: Commissioner Engle.

Second: Commissioner Gilliland

Those voting aye: Commissioner Engle and Commissioner Gilliland.

No: None. Abstentions: None. Absent: Chairman Wilson. The motion carried.