

The Alliance Advisor

The Alliance Advisor June 2007

2007 Workers' Compensation Reform Package

Inside this issue:

2007 Workers' Compensation Reform Package	1
Meet Howard Bitner	2
Good Safety Practices Require Commitment	2
OSHA It's the Law	3
Web Conference WC Reform—Impact of New Legislation	5

Join Our Web Conference on WC Reform Legislation! Details on Page 5.



On March 13, 2007, Governor Elliott Spitzer signed into law a new and far reaching reform package that changes various aspects of the current Workers' Compensation system. Some of these changes will go into effect immediately; others will be introduced over time. Among the changes are:

- ◆ On July 1, 2007, the **Maximum Weekly Benefit is raised from \$400.00 per week to \$500.00 per week.** This is for accidents occurring on or after 7/1/07 and is not retroactive. The maximum rate will increase to \$550.00/wk for accidents occurring on or after 7/1/08 and to \$600.00/wk for accidents occurring on or after 7/1/09. On 7/1/10, the state will declare a NYS Average Weekly Wage, and establish the maximum weekly benefit to be 2/3 of that amount. As many of our members have salary continuation, this means that their reimbursement will grow in size. The indemnity payments made directly to an injured employee will also be higher.
- ◆ For accidents on or after 3/13/07, the board has established a limitation to most permanent partial disability cases. The "cap" is a defined number of weeks, based on the degree of disability and does not commence until the injured employee is declared as having a permanent partial disability. This means that cases will

likely undergo litigation on the issue of when an injured employee is actually a PPD, and at what rate. It is unclear if the cap is intended to be a schedule of permanency owed to the injured employee or simply used if and/or when the claimant is actually losing time from work. It also appears medical benefits will continue to be for life, unless the claim is settled. The legislation calls for carriers to pay the total amount owed on a PPD case with no outstanding issues (such as Second Injury Fund) into the Aggregate Trust Fund. There is case law to demonstrate that this does not apply to self-insured entities.

- ◆ The legislation also calls for the Section 13 authorization level to increase from \$500 to \$1,000. Hopefully, this will streamline the process of authorization requests (assuming medical providers comply with the law), and still allow us to review applicable medical bills retrospectively. Cost containment will still be maintained through the use of Independent Medical Examinations.
- ◆ The new legislation also commences to deconstruct the Second Injury Fund in New York. As of 3/13/2007, a \$250 payment is required to be sent with every C-250 filed. This form protects your rights to request reimbursement for a previous impairment that materially and substantially makes the current workers' compensation claim worse. When applicable, this has reduced your

(Continued on page 3)

Meet Howard Bitner, Account Manager



Howard Bitner is the Account Manager for the Comp Alliance, where he is responsible for supervising the daily operations of the program as well as performing file reviews and providing customer service for our clients. Howard especially enjoys meeting clients in person and working with them to solve any problems they may have regarding their claims.

Howard started with the Comp Alliance on November 3, 2003 after a 12-year career in workers' compensation management with Royal and SunAlliance. Before that, he worked in the area of workers' compensation at Travelers and Gates, McDonald.

Howard graduated from DePauw University with a B.A. in English Composition in 1976 and holds a NY Workers Compensation Hearing Representative License.

Good Safety Practices Require Commitment

The Comp Alliance staff is dedicated to providing risk management and loss control support services to members in the form of annual or bi-annual inspections, targeted safety awareness training, and consulting services where opportunities become available and upon request.

For their part, members have certain responsibilities they are expected to perform. Along with working with Comp Alliance staff to identify exposures and provide appropriate recommendations for loss control improvements, we ask members to assist us in helping them achieve a more proactive safety culture. This is done by organizing and activating a safety committee and by appointing or designating an appropriate staff member as safety coordinator.

SAFETY COMMITTEE

The primary role of the committee is to maintain a high level of awareness of safety among staff at all levels in all municipal departments. The ultimate goal is to establish a safety culture in the municipality that fosters a "safety first" attitude in all work operations and serves to reduce employee injuries/accidents.

FEATURES shared by effective safety committees include:

- ✓ Clearly stated objectives and appropriate training and availability of resources to achieve those objectives.
- ✓ A high profile keeping safety a focus with employees in all departments.
- ✓ Representation by all municipal departments including police and firefighters (paid and volunteer) who have a demonstrated interest in safety. Candidates are not necessarily management personnel, and could be selected from the rank and file. Rotation among members at periodic intervals helps to provide fresh perspectives.
- ✓ A staff member in a decision-making capacity in the municipality (village or town administrator, board member, comptroller, etc.) is either the chairperson or an active member of the committee.

(Continued on page 4)

2007 Reform Package

continued from page 1

exposure to essentially five years of benefits. This fund will no longer apply for cases with a date of accident of 7/2/2007 or later. All claims for reimbursement must be completed by 7/1/2010 or risk being barred. The intent of the legislation is to reduce or eliminate assessments associated with Second Injury Fund cases, thus saving employers money.

- ◆ Diagnostic Imaging Networks are now allowable under the new legislation, and once contracted will permit us to direct an injured employee into a particular network. This will allow for a greater degree of cost containment for MRIs and CAT Scans.
- ◆ There is a mandatory settlement provision in the law requiring that a qualifying offer be made to settle a case within two years after the claim is indexed by the Workers' Compensation Board or within six months after a permanent partial disability classification.
- ◆ There are fraud provisions for employers who understate or conceal payroll, and a new section with sanctions for frivolous claims, including the cost of proceedings. It remains to be seen what the practical application of these new regulations will be.

These are just some of the changes made by the new reform legislative package signed into law on March 13, 2007. The Comp Alliance will be developing a more comprehensive information packet for all of its clients in the near future.

Adam Strong, Claims Manager

OSHA Releases New "It's The Law" Poster

OSHA recently announced publication of its new "It's The Law" poster. The free poster, also known as the OSHA notice of employee rights, is required to be displayed in every workplace in America. Employers are not required to replace their existing poster with the new version. The poster informs employers and employees of their rights and responsibilities for a safe and healthful workplace. Copies are available in both English www.osha.gov/Publications/osha3165.pdf and Spanish: www.osha.gov/Publications/osha3167.pdf from OSHA's website. Free printed copies may be obtained from any OSHA regional or area office www.osha.gov/html/RAmap.html, or by writing to the OSHA Publications Office, Room N3101, 200 Constitution Ave. N.W., Washington, D.C. 20210; phone (202) 693-1888.

Job Safety and Health
It's the law!

OSHA
Occupational Safety and Health Administration
U.S. Department of Labor

EMPLOYEES:

- You have the right to notify your employer or OSHA about workplace hazards. You may ask OSHA to keep your name confidential.
- You have the right to request an OSHA inspection if you believe that there are unsafe and unhealthful conditions in your workplace. You or your representative may participate in that inspection.
- You can file a complaint with OSHA within 30 days of retaliation or discrimination by your employer for making safety and health complaints or for exercising your rights under the OSH Act.
- You have the right to see OSHA citations issued to your employer. Your employer must post the citations at or near the place of the alleged violations.
- Your employer must correct workplace hazards by the date indicated on the citation and must certify that these hazards have been reduced or eliminated.
- You have the right to copies of your medical records and records of your exposures to toxic and harmful substances or conditions.
- Your employer must post this notice in your workplace.
- You must comply with all occupational safety and health standards issued under the OSH Act that apply to your own actions and conduct on the job.

EMPLOYERS:

- You must furnish your employees a place of employment free from recognized hazards.
- You must comply with the occupational safety and health standards issued under the OSH Act.

Free assistance in identifying and correcting hazards or complying with standards is available to employers, without citation or penalty, through OSHA-supported consultation programs in each state.

1-800-321-OSHA
www.osha.gov

OSHA 3165-12-06F

Good Safety Practices Require Commitment continued from page 2

ACTIVITIES of the safety committee should include:

- ✓ Review employee injury/accident reports to ensure that contributing factors are identified and appropriate remedial action is determined and documented.
- ✓ Review results of facility self inspections to ensure that any physical hazards or deficiencies in the work areas such as DPW, highway garage, offices, parks facilities, justice court, etc. are corrected or remedied.
- ✓ Review and determine actions with any risk management recommendations submitted by the third party administrator, as well as any other outside consultant providing loss control services.
- ✓ Review any safety issues pertaining to any municipal department.
- ✓ Ensure that minutes are kept of each meeting, documenting what was discussed, attendance, task assignments, decisions made, etc.

NOTE: Comp Alliance Risk Management can provide safety committee training upon request for interested members.

SAFETY COORDINATOR

In tandem with a viable safety committee, the designation of a municipal safety officer or coordinator is suggested. This can be a full time position for a large, complex municipality with heavy exposures, or a part time or collateral duty for the smaller ones. The duties of this position would include, but are not limited to:

1. Review the results of or conduct employee injury accident reviews and investigations.
2. Work with department heads to develop and publish safety rules and safe work procedures that ensure safe work practices are followed.
3. Conduct safety orientations for all new hires relative to safety rules, practices to be followed, etc.
4. Monitor or participate in general safety meetings held relative to any general safety issues or topics as well as PESH-mandated safety policies; i.e., Lockout, Personal Protective Equipment, Fall Protection, Confined Space Entry, Excavations/shoring, Hazard Communication, Workplace Violence, etc,
5. Conduct periodic walkthrough self inspections of all municipal buildings and facilities to identify hazards, deficiencies and recommend remedial action.
6. Interface with PESH to coordinate their providing on-site safety training or courtesy inspections of municipal facilities.
7. Monitor and observe active job sites with highway or DPW to ensure that work zone safeguards and work practices are implemented.
8. Work with administration and department heads in establishing and integrating a "safety first" culture predicated on the view that accidents do not just happen but are caused. Adopt a low or zero tolerance for workplace accidents.

A productive rapport with key individuals throughout the municipality is critical to the effectiveness of staff members on the safety committee. They should have an adequate understanding of the operations and corresponding safe work practices in all departments and have well developed interpersonal skills as well as verbal and written skills to conduct presentations, audits, etc.

NOTE: A sample of a position description listing these and other duties can be provided for interested members.

Join Our Web Conference!

Workers' Compensation Reform – Impact of New Legislation

On March 13, 2007, Governor Elliot Spitzer signed into law.....

a new and far reaching reform package that changes various aspects of the **Workers' Compensation** system. Some of these changes go into effect immediately; others will be introduced over time.

About the Conference

We will be hosting Internet-based seminars in the month of June. These interactive seminars will provide an understanding of the new legislation and financial implications.

Who Should Participate

Individuals responsible for Workers' Compensation coverage, including decision makers, claim handlers and loss control personnel.

How Do I Participate

You will need a computer with internet access and a telephone.

Simply dial the toll free number and enter the participant code so you can be conferenced in with the other participants. Log onto the website, enter the meeting number and password, and that's it! You're now ready to view the presentation on your computer screen and interact directly with Adam Strong over the phone.



New York State
Municipal Workers'
Compensation
Alliance

www.compalliance.org

Web Conference Dates

Wednesday, June 20, 2007
10:00 a.m. – 10:45 a.m.
Friday, June 29, 2007
10:00 a.m. – 10:45 a.m.

Join the Web Conference

Toll Free Phone:
(877) 322-9648
Participant Code: 726 944

Website:
<https://my.webex.com/join>

Meeting Number:
June 20th: 610 459 140
June 29th: 618 384 768

Meeting Password:
WRM

Questions:
Contact: Liz Walker
Phone: (516) 750-9374
Fax: (516) 794-5254
Email: ewalker@wrightrisk.com

The Comp Alliance Team

Please feel free to contact our management team at any time:

Plan Management:

John Congdon 516.750.9404
jcongdon@wrihtrisk.com

Marketing and Sales:

Loren Pratt 315.699.8292
Cell: 315.727.1031
lpratt@wrihtrisk.com

Risk Management:

Roger Cuva 518.437.1171
Cell: 518.331.8958
rcuva@wrihtrisk.com

Underwriting

Maureen Gale 516.750.9485
mgale@wrihtrisk.com

Claims:

Howard Bitner 516.750.9376
hbitner@wrihtrisk.com

Adam Strong 516.750.9383
astrong@wrihtrisk.com



New York State
Municipal Workers'
Compensation
Alliance

www.compalliance.org

333 Earle Ovington Blvd.
Suite 505
Uniondale, NY 11553-3624
866.697.6922

Sponsored by:



Association of Towns

Managed by:



WRIGHT RISK MANAGEMENT

Discover Your Opportunities

We hope you found this issue of *The Alliance Advisor* informative and useful. If you wish to obtain additional copies, make comments, or suggestions for future topics, please contact:

Liz Walker
516.750.9374
ewalker@wrihtrisk.com

The Comp Alliance actively updates our client website. The site contains valuable information, news articles, printable forms and other materials of interest to our members.

Please visit us regularly at www.compalliance.org to see what's new!

Let us know if you have ideas for improvement that you wish to share. We are always grateful for your input.