

**Workers' Compensation Advisory Council
Meeting Minutes
May 27, 2008
Kneip Building Conference Room #3
Pierre, SD**

The Workers' Compensation Advisory Council met on Tuesday, May 27, 2008, at the Kneip Building Conference Room #3 in Pierre, South Dakota.

Members Present

Dennis Daugaard, Chair
Paul Aylward
Randy Stainbrook
Guy Bender
Carol Hinderaker
Connie Halverson
Jeff Haase
Chris Lien
Paul Kinsman
Pam Roberts

Members Absent

Glenn Barber

Others Present

James Marsh
Julie M. Johnson
Mike Shaw
Dick Tieszen
Mike Taylor
Shawn Lyons
Teresa Boe
Patsy Mehlhaff
Mark Anderson (SF DDN)
Larry Klaahsen (SF DDN)
Pamela McDowell (SF DDN)
Bruce McDowell (SF DDN)
Jim Larson (SF DDN)
Mark Reichelt (SF DDN)
Judy Nelson (SF DDN)
Fern Johnson (RC DDN)
Cheryl Chamberlain (RC DDN)
Doug, Carol and Katie Pavel

Chairman Daugaard called the meeting to order, and roll call was taken by Secretary, Sarah Trebesch. Randy Stainbrook MOVED approval of the minutes from the August 27, 2007, meeting. Chris Lien SECONDED. Motion Carried.

The first agenda item discussed was the overview of the 2008 Legislative Session. James Marsh gave a brief update of the bills that were passed. Two bills recommended by the Council were combined (HB 1036 and HB 1037) and enacted as SDCL 62-4-1.1 through 1.3, which establishes an employer's duties upon receipt of a medical bill, a \$500 fine for noncompliance, and release of medical records.

Next agenda item discussed was the "State of Workers' Compensation" for the annual report. James Marsh gave a brief overview. Premium rates are going down, risk is going up but not enough to make an impact, and voluntary market rates will go down slightly. The injury rate continues to go down.

Public testimony was given by Mr. Doug Pavel from Rapid City. Mr. Pavel gave testimony about the death of his son caused by a work related injury. Mr. Pavel spoke of four issues for the council's consideration. (1) The original intent of the law pertaining to compensation, particularly in a death situation, (2) Training for workers' compensation representatives, (3) Consideration for reasonable and necessary compensation to a family and (4) A provision in the legislation for regular review of funeral expenses. The Council agreed to have the Department of Labor further research these issues, bring back more information at the next meeting, and have the items placed on the website for other interested parties to bring forth ideas.

Public testimony was given by Mr. Mark Anderson with the South Dakota State Federation of Labor AFL-CIO. Mr. Anderson brought forth two issues related to workers' compensation insurance fraud. (1) How often employees are misclassified as independent contractors to avoid a higher premium when they should be classified as employees, (2) How often employers who under the law should have insurance but do not versus those who are self-insured. The Council agreed to have the Department of Labor further research these issues and have the Division of Insurance, Fraud Unit give a presentation at the next meeting.

Public Testimony was given by Ms. Fern Johnson from Rapid City. Ms. Johnson brought forth four issues. (1) The administrative rule and posting requirements in regards to House Bill 1037, (2) Converting a newer edition of the AMA guidelines, (3) Advisory Council term limits, (4) Administration and enforcement of the claims process at the administrative and managed care level.

Chairman Daugaard suggested the Department of Labor look into adding an RSS feed on the Internet for interested parties to alert of new posting. Secretary Roberts advised the Department would do further research to see if that would be an option.

The Council discussed having meetings in different locations and agreed to keep them in Pierre as it is the most central location. They agreed having the two DDN sites worked very well and will continue to do that at future meetings.

The next meeting date was previously scheduled for August 21, 2008 at 1:00 p.m.

No other items brought forth by council or public testimony.

Chairman DAUGAARD declared the meeting adjourned and all were in favor.