

Workers' Compensation Advisory Council
Meeting Minutes
July 11, 2013
Kneip Building Conference Room #3
Pierre, SD

The Workers' Compensation Advisory Council (WCAC) met on Thursday, July 11, 2013, at the Kneip Building Conference Room #3 in Pierre, South Dakota.

Members Present: Paul Aylward, Carol Hinderaker, Glenn Barber, Jeff Haase, Tom Huegel, Pam Roberts, Matt Michels

Members Absent: Guy Bender, Connie Halverson, Randy Stainbrook

Others Present: James Marsh, Amber Mulder, Bob Mercer, Larry Deiter, Dan Nelson, Lynn Job, Shawn Lyons, Suzie Jones, Patsy Mehlhaff, Debra Owen, Doug Abraham, Darci Sauer, Darren Smith, Mark Anderson, Jerry Blow, Larry Klaahsen, David Owen, Eric Ollila, Brad Wilson, Charlie Larson, John Fleck, Dan Thielsen

The meeting was called to order by Chairman Michels, and roll call was taken by secretary Monica Harding. Paul Aylward MOVED approval of the minutes from the September 6, 2012, and October 11, 2012, meeting. Glenn Barber SECONDED. Motion Carried.

Chairman Michels introduced new Council member Tom Huegel. Tom replaces Chris Lien who resigned in 2012.

The first agenda item discussed was the 2013 Division Report on the state of the workers' compensation system. James Marsh gave an overview of the report.

Premium rates are stable and/or decreasing and competitive with other states; litigation rate is among the lowest in the nation (one hearing for every 800 claims); medical claims and disability costs are decreasing.

The 2013 legislature passed two Council proposals, which went into effect July 1, 2013. SB 75 changed the impairment guide reference from the AMA 4th Edition to the 6th Edition. HB 1097 allows for other insurance to cover claims if workers' compensation coverage is denied. These laws help permanent partial disability claims get processed more efficiently and resolve some of the difficult coverage disputes. HB 1097 was rejected in 2012 but passed almost unanimously in 2013.

The medical fee schedule has been updated and is now available online for purchase at www.rvsdata.com/ps2.html.

The National Council of Compensation Insurers (NCCI) released its "South Dakota Medical Data Report" in February 2013. This is a new service and provides a basic picture of medical care delivery and cost for South Dakota workers.

James Marsh also introduced the Department of Labor and Regulation's (DLR) Administrative Law Judges (ALJ), Catherine Duenwald, Taya Runyan, and Don Hageman. Ms. Duenwald provided a brief report on ALJ case load. At the request of Secretary Pam Roberts, the ALJ will provide a detailed report at the next WCAC meeting.

James Marsh informed the Council DLR does not have any proposals for the 2014 legislature.

Chairman Michels opened the public meeting for discussion and asked for public input on issues for the 2013 WCAC report to the governor and the legislature.

Mark Anderson, SD AFL-CIO, asked the Council to look into statistics of work-related injury deaths in South Dakota. Statistics supplied by the Bureau of Labor Statistics (BLS) reports the average work-related deaths in South Dakota at 30 deaths per year. This has been the average since 2005. James Marsh addressed fatality stats and discrepancies of workers' compensation related deaths and number of deaths report by the BLS. South Dakota's work-related deaths remain at single digits to low teens. James Marsh will provide an informational update at the next WCAC meeting.

Larry Klaahsen, Risk Administration Service (RAS), asked the Council to look into medical costs of orthopedic/fusion/instrumentation implants within hospitals. In some instances, hospitals are charging as much as 500 percent above invoice cost. Larry Klaahsen will provide James Marsh with data to review. In addition, Chairman Michels would like a report on comparison of cost for Oklahoma, Kansas, Texas, and Nebraska.

Chairman Michels opened discussion to Council members for suggestions or proposals for the 2013 WCAC report or items for the next meeting. Secretary Roberts stated DLR has no proposals for the council or legislature.

Paul Aylward submitted his resignation from the WCAC to Governor Daugaard and Council members. The July 11 meeting is his last meeting serving as a member of the WCAC. He leaves the Council to pursue his mayoral duties for the City of Huron. He will be greatly missed by the Council.

Suggested dates for the next council meeting were September 9, 11, or 12.

Paul Aylward MOVED to Adjourn. Jeff Haase SECONDED. Motion Carried.