

**Workers' Compensation Advisory Council
Meeting Minutes
August 23, 2010
Kneip Building Conference Room #3
Pierre, SD**

The Workers' Compensation Advisory Council met on Monday, August 23, 2010, at the Kneip Building Conference Room #3 in Pierre, South Dakota.

Members Present

Paul Aylward
Randy Stainbrook
Guy Bender (RC DDN)
Carol Hinderaker
Connie Halverson
Chris Lien
Glenn Barber
Paul Kinsman
Pam Roberts

Members Absent

Dennis Daugaard
Jeff Haase

Others Present

James Marsh
Mary Weischedel
Josh Andersen
Merle Scheiber
Mike Shaw
Aaron Arnold
Brian Bowker
Teresa Boe
Deb Mortenson
Bob Mercer
Dick Tieszen
Patsy Mehlhaff
Shawn Lyons
Dawn Dovre
Doug Pavel (RC DDN)
Carol Pavel (RC DDN)
Donna Boysen (SF DDN)
Guy Bender (SF DDN)
Jenn Bender (SF DDN)
Mary Soukup (SF DDN)
Jeff Shultz (SF DDN)
Bob O'Connell (SF DDN)

Vice-chairman Lien called the meeting to order, and roll call was taken by secretary, Rachel Comes. Connie Halverson MOVED approval of the minutes from the September 29, 2009, meeting. Glenn Barber SECONDED. Motion Carried.

The first agenda item discussed was an overview of the 2010 Legislative Session. James Marsh, Director for South Dakota's Workers' Compensation, provided a brief summary noting the two items recommended for legislative consideration. These items were amendments to SDCL 62-7-8 and SDCL 62-4-16. SDCL 62-7-8 makes fee schedule reimbursements subject to approval when an employee receives treatment outside of South Dakota's borders and the other states fee schedule is used for determining reimbursement. Any balance generated by the provider would be prohibited by law as the provider is not allowed to charge in excess of the fee schedule

against the employee. SDCL 62-4-16 increased burial expense reimbursement from \$7,500 to \$10,000. The two items were combined into HB1118 and passed as originally proposed by the department of labor.

The second agenda item discussed was the state of workers' compensation for the annual report to the Governor. James Marsh gave the council an overview of his proposed division report. He noted that average base rates for the voluntary insurance market have increased by 4.4 percent for 2010-2011 with a 15 point swing and assigned-risk rates increased by 5.8 percent. This increase is due to an increase in claims costs. The frequency of claims continues to decrease, but the severity has continued to increase due to medical costs. NCCI attributes the increase in medical cost to general medical inflation. Pam Roberts MOVED that the council accept the report as written and read by James Marsh. SECONDED by Paul Kinsman. It was discussed that this will be the basis for the annual report to the Governor and legislature. Motion carried unanimously.

The last agenda item discussed was a report by Merle Scheiber, Director for the South Dakota Division of Insurance, regarding the division's investigation of the work related death of Brian Pavel.

Public testimony was given by Mr. Doug Pavel and Mrs. Carol Pavel from Rapid City about the death of their son. The Pavel's restated four issues which have been ongoing discussion items with the council. (1) Compensation for funeral expenses being increased. (2) Improve the accountability, communication and information process for insurance representatives' consulting with victims of workers' compensation by requiring training. (3) Provide appropriate information or hand-outs that would be available during the consultation process for family members of severely injured or deceased workers. (4) Provide monetary benefits to non-dependent family members of employees who suffer from a severe or fatal work injury.

There was no further public testimony, suggestions or comments on any other aspects of the workers' compensation system. The Council scheduled the next meeting for October 5, 2010, at 1:00 p.m. CDT at the Kneip Building, Kneip Conference room 3, Pierre, SD.

Paul Aylward MOVED to adjourn. Glenn Barber SECONDED. Motion Carried.