

Workers' Compensation Advisory Council (WCAC) Meeting Minutes
September 9, 2013
Kneip Building, Kneip Conference Room 3
700 Governors Drive, Pierre, SD

Members Present: Chairman Matt Michels, Pam Roberts, Carol Hinderaker, Connie Halverson, Tom Huegel, Guy Bender

Members Absent: Jeff Haase, Randy Stainbrook, Glenn Barber

Others Present: James Marsh, Monica Harding, Amber Mulder, Larry Deiter, Mike Shue, David Owen, Julie McClelland, Tyler Strenberg, Dawn Dovre, Pasty Mehlhaff, Lynn Job

Chairman Michels called the meeting to order, and roll call was taken by Julie McClelland. A quorum was present.

Michels welcomed Secretary Pam Roberts to her last council meeting. A gift was presented to Roberts on behalf of the council.

Carol Hinderaker MOVED to approve July 11, 2013, meeting minutes. Tom Huegal SECONDED. Motion Carried.

The first agenda item discussed was the 2012/2013 Workers' Compensation Administrative Law Judge Report, presented by James Marsh.

In 2012/2013 the department issued 55 decisions and 540 orders, held 252 telephonic conferences, and approved 252 compromise and settlement agreements.

Marsh continued on with the next item, Fatal Occupational Injuries in South Dakota 2011. There were nine total deaths reported under workers' compensation in 2011. Two deaths were determined not to be work related and one death report was misfiled not being a death. He went on to explain why this report only accounted for six deaths and 31 deaths were listed under the United States Bureau of Labor Statistics. Seven deaths reported by the Bureau of Labor were listed as self-employed and eight listed under agriculture, therefore would not be covered under workers' compensation. Federal employees and military deaths are listed with the Bureau of Labor, but not under workers' compensation.

Larry Klaahsen, from Dakota Truck Underwriters, presented costs associated with medical implants from the Sioux Falls site. Typically when workers' compensation asks for cost of an implant, it has a mark-up between four and 600 percent of the invoice cost. Some states have statutes in place to restrict the cost of implants paid by workers' compensation. Some states insurance companies go off of invoice costs for provider

placement which may have a warranty for the implant, other insurance companies may provide a rebate for purchasing several implants at once.

Medicare has a flat percent on top of the bill; the percentage for this varies from state to state: Kansas 20 percent, Oklahoma five percent, and Wyoming 30 percent.

The definition of implant varies from regulation to regulation. Placing any object into the body intending for it to stay for the life of the implant or recipient, defines an implant. To further the definition of implant, the following may be defined as an implant: joint replacements, screws, plates, hearing aids, and heart stints.

Prescription drug expenses associated with implants was also discussed.

Chris Specht spoke on behalf of Avera Heath, asking Precision Bill Review how South Dakota's costs of implants compare with Minnesota's. The information Specht requested was unavailable at time. Klaahsen will look into the comparison further and provide the information to council.

The council will be adding a paragraph to the WCAC Draft Report to reflect what was talked about today regarding the implant issue. It was recommended to have a conference call to follow up and approve the Report which is due October 1, 2013.

Matt Michels MOVED to Adjourn. Pam Roberts SECONDED. Motion Carried.