

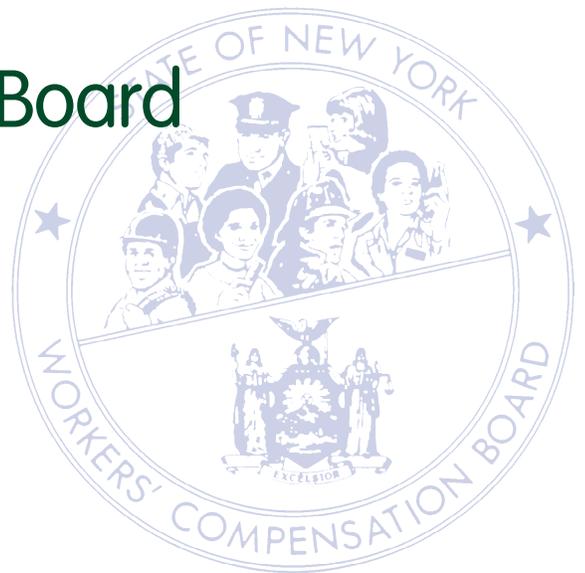


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# 2003

New York State

# Workers' Compensation Board



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George E. Pataki, Governor  
David P. Wehner, Chairman

June 2004

TO: THE HONORABLE GEORGE E. PATAKI  
GOVERNOR, STATE OF NEW YORK

And

THE LEGISLATURE OF  
THE STATE OF NEW YORK

The Annual Report of the New York State Workers' Compensation Board, recounting the activities and accomplishments of the Board in 2003, is transmitted herewith.

Respectfully submitted by,

David P. Wehner  
Chairman  
NYS Workers' Compensation Board

## MESSAGE FROM GOVERNOR GEORGE E. PATAKI

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Governor George E. Pataki

When I first became Governor, one of my highest priorities was to address the woeful inadequacies of our workers' compensation system. In the decades preceding the mid 1990's, the Board was simply not accomplishing its mission. Premium rates were high, and services were exceedingly poor. Clearly, this was no way to run a state agency upon which so many New Yorkers rely.

That is why I fought for reforms. In 1996, our Employment Safety and Security Act paved the way for what the Board has become today; a state-of-the-art service provider.

Today, almost every aspect of the Board is different. Premium rates have been reduced, technology has become the norm and services are better than anyone could have perceived. In fact, in the past three years, the hard working men and women at the Board have resolved more than 300,000 claims annually. In real terms, that means that thousands of families have been spared the hardships that existed a decade ago. It means that benefits are put in the hands of injured workers faster than ever before.

In addition to improvements in services, we have also set new standards for preserving the integrity of this vital system by cracking down on those who would commit fraud. The Office of Fraud Inspector General, created through the 1996 reforms, recently announced their 500th arrest since 1997 and that their investigations have resulted in millions of dollars in savings.

The Workers' Compensation Board has seen its share of challenges over the past nine years. It withstood the terrible aftermath of the September 11th terror attacks which produced 10,000 new claims and the equivalent to more than four years worth of claims for death benefits. The Board has not only weathered this challenge, it has proven time and time again why it is considered one of our most efficient agencies.

As we look to the coming years it is my pledge that the workers' compensation system will remain a top priority because the injured workers and the employers who finance this important system deserve nothing less.

## MISSION STATEMENT

“The mission of the Workers’ Compensation Board is to equitably and fairly administer the provisions of the New York State Workers’ Compensation Law, including Workers’ Compensation Benefits, Disability Benefits, Volunteer Firefighters’ Benefits, Volunteer Ambulance Workers’ Benefits & Volunteer Civil Defense Workers’ Benefits Law on behalf of our customers, New York’s injured workers and their employers.”

## COMMISSIONERS OF THE NEW YORK STATE WORKERS' COMPENSATION BOARD



*Robert R. Snashall  
Chairman - 1995-2003*

Governor George E. Pataki nominated **Robert R. Snashall** to become Chairman of the New York State Workers' Compensation Board in 1995. The Senate confirmed this nomination on May 1 of that year. He left state service in September of 2003.

In 1996, Mr. Snashall was appointed by Governor Pataki to serve on his task force on workers' compensation reform. During the 1996 legislative session Mr. Snashall worked with the Governor and members of the task force to identify legislative changes that would improve the workers' compensation system and foster economic growth in New York state. The result was the enactment of the New York Employment, Safety and Security Act of 1996 which brought landmark changes to the workers' compensation system.

Mr. Snashall left the Board in September of 2003 to pursue personal options.



*Chairman  
David P. Wehner*

David P. Wehner was nominated by Governor George E. Pataki to serve as Chairman of the Workers' Compensation Board. He was confirmed by the New York State Senate on March 9, 2004. The overall mission of the Board is to equitably and fairly administer the provisions of the New York State Workers' Compensation Law on behalf of its customers, New York's injured workers and their employers. Because of its broad mission, the Board is responsible for implementing many of the reforms included in the Governor's New York Employment, Safety and Security Act that made historic reforms in the work-

ers' compensation system. The Act improved board efficiency and helped the reduced average manual workers' compensation rates by approximately 30 percent.

Prior to becoming Chairman, Mr. Wehner served as Executive Deputy Commissioner of the New York State Department of Labor for more than three years. His responsibilities included overseeing the daily operations of a \$6.5 billion agency, comprising 60 local offices across the state and more than 4,500 employees. Chairman Wehner administered several programs including the unemployment insurance; employment service; welfare to work; job training; Workforce Investment Act; public safety and health; and worker protection programs in New York State. He also served as department liaison to the labor and business communities.

Prior to being named Executive Deputy Commissioner, Mr. Wehner served more than three and a half years as Deputy Commissioner for Administration and Public Affairs. He also served as Chief Special Assistant to the Commissioner of Labor and Director of Communications. In that capacity, he was responsible for policy oversight, intergovernmental relations and the communications functions of the department.

Mr. Wehner is a member of the Board of Directors for the National Association of State Workforce Agencies (NASWA), and past President of the National Association of Government Labor Officials (NAGLO). He previously served as State Media Director for United States Senator Alfonse M. D'Amato where he worked for 10 years in both his Washington, D.C. and Albany offices. Chairman Wehner is a native of Rochester, NY, and holds a Bachelor's and Master's Degree in Communications from the State University of New York at Albany. Active in youth soccer, he and his wife Diane live in Guilderland with their two sons, Paul and Kevin, and daughter Allison.



*Vice Chairman  
Jeffrey R. Sweet*

**Jeffrey R. Sweet** was appointed Vice Chairman of the Workers' Compensation Board by Governor George E. Pataki, and confirmed by the Senate on April 11, 1995.

Upon graduation from Utica College of Syracuse University in 1970, Mr. Sweet began government service as the Assistant Personnel Director at the Westchester County Medical Center, where he administered the Workers' Compensation and Labor Relations programs for the 3,500 employee teaching hospital.

Mr. Sweet is an officer of the Boards of Directors of the Hudson Valley Hospital Center and the Julia L. Butterfield Memorial Hospital, as well as a Member of the Board of Visitors of Helen Hayes Hospital. He is Vice President of The Associated Charities of Peekskill. He formerly served as member and chairman of the Zoning Board of Appeals of the City of Peekskill, the Foundation of Hudson Valley Hospital Center and Field Home/Holy Comforter skilled nursing facility.

Mr. Sweet served as interim Chairman from September 2003 until March 2004.



*Commissioner  
Mona A. Bargnesi*

Mona A. Bargnesi was appointed Commissioner of the Workers' Compensation Board in 2001.

Bargnesi, a graduate of Brown University and the University of Pittsburgh School of Law, was appointed to the Board by Governor George E. Pataki.

Ms. Bargnesi has previously worked with the firm of Gibson, McAskill & Crosby, LLP of Buffalo, where she practiced in the areas of medical malpractice and insurance issues. Prior to that, she held the position of

Assistant Attorney General in the New York State Attorney General's Office from 1996 to 1999.

Bargnesi is fluent in both Spanish and French. In addition, she has extensive volunteer experience including working for the Buffalo Public Schools in bilingual education and the Blind Association of Western New York.



*Commissioner  
Candace K. Finnegan*

Candace K. Finnegan was appointed to a seven-year term as Commissioner of the Workers' Compensation Board by Governor Pataki and confirmed by the Senate on June 15, 1998. Mrs. Finnegan brings a wealth of experience in human resources management to the Board.

She began state service in 1977 and has served as Personnel Administrator and Deputy Director of Labor Relations for the Labor Department, Higher Education Services Corp., and the Office of Mental Health at the Rockland

Children's Psychiatric Center where she conducted special investigations, mediated employee grievances and served as the State's advocate in employee disciplinary arbitrations.

Mrs. Finnegan is a graduate of Skidmore College and attended SUNY Albany's MBA program in Human Resources Administration.



*Commissioner  
Michael T. Berns*

Michael T. Berns was appointed Commissioner of the Workers' Compensation Board by Governor Pataki in December 1996. Before being appointed to the Board, Commissioner Berns accumulated more than 25 years of management experience in the private sector. He served as Chief Operating Officer for a number of companies and as director of community based organizations. He also served as Vice President of Operations for BLR Electronics, Inc., an import distributor of electronics. Commissioner Berns is a graduate of the Wharton School,

University of Pennsylvania.



*Commissioner  
Scott C. Firestone*

Scott C. Firestone was appointed by Governor George E. Pataki in March of 2000.

Mr. Firestone resides in Suffolk County where prior to his appointment to the Board, he practiced law and served as Deputy Supervisor of the Town of Huntington.

He was admitted to the New York State Bar in 1989 and is also licensed to practice law in the states of Connecticut and Florida.

Scott Firestone is a graduate of the Bridgeport School of Law in Connecticut. He resides in the Town of Northport.



*Commissioner  
Leslie J. Botta*

Dr. Leslie J. Botta was appointed to a seven-year term as Commissioner of the Workers' Compensation Board by Governor Pataki in 1999. As a medical provider, Botta brings a unique perspective to the 13 member Board.

Prior to her appointment, Botta, a licensed chiropractor, owned a small chiropractic business in Schenectady, NY. She is certified by the National Board of Chiropractic Examiners and is licensed by the State of New York.

Botta is a graduate of the University of Illinois as well as the National College of Chiropractic in Lombard, Illinois where she received her Doctorate of Chiropractic.



*Commissioner  
Agatha Edel Groski*

Agatha Edel Groski was appointed as a Commissioner of the Workers' Compensation Board by Governor Pataki, and confirmed on June 18, 1998. Prior to her appointment, she worked for the New York State Department of Labor as an Administrative Law Judge for Unemployment Insurance and as a reviewer at the Appeals Board.

Mrs. Groski has also worked in private law practice gaining experience in personal injury and family law.

In addition to her legal experience, Mrs. Groski has a strong background in health. She worked as Nursing Home Administrator for Eden Park Nursing Home in Cobleskill. She also has an R.N. degree and served as the Director of Nurses.

Mrs. Groski is a graduate of Western New England School of Law, Russell Sage, and Marymount Colleges. She resides with her family in Cobleskill.



*Commissioner  
Karl A. Henry*

**Karl A. Henry** was appointed Commissioner of the Workers' Compensation Board by Governor Pataki in April of 1995. Prior to his appointment, he was a national sales and account manager for contract physician staffing and placement for Durham Medical Search in Buffalo. During his 10 years with the company, he negotiated contracts with private and public hospitals, clinics and urgent care centers to provide physician coverage.

Commissioner Henry's vast experience in the health care industry includes service as a hospital specialist for Organon Pharmaceuticals in New Jersey, where he was responsible for promoting products used in emergency rooms, intensive care units and other critical care areas.

Mr. Henry's prior public service includes 10 years as a trustee and Mayor of the Village of Hamburg and three terms as an Erie County Legislator. A graduate of Monroe Community College, Mr. Henry served his country in Korea from 1960 to 1963 in the United States Army.



*Commissioner  
Frances M. Libous*

**Frances M. Libous, R.N., B.S.**, was appointed by Governor Pataki in 2001 to serve a seven-year term as a Commissioner of the Workers' Compensation Board.

She brings a valuable health care background to the Board. Libous has held a Registered Nurse's license since 1983. As a public health nurse at the Broome County Health Department, she helped seniors, children, people with AIDS, people with disabilities and many others to avoid institutional placements by providing direct clinical care to them at home. And as a Manager at the Susquehanna Nursing Center, she helped more seniors by creating and directing home health care and outpatient medical day care programs.

She also brings a commitment to fair and efficient case handling for injured workers to the Board. As the Board's District Administrator in Binghamton for more than five years, she led efforts in a ten-county region to improve the quality and speed of customer service to injured workers through pilot programs involving improved case management and experimental video conference conciliation.



*Commissioner  
Carol G. McManus*

**Carol G. McManus** was appointed Commissioner of the Workers' Compensation Board in June 1996 by Governor George E. Pataki, and confirmed by the State Senate.

Prior to her appointment, Ms. McManus was the Legal Administrator for the Rochester-based law firm of Underberg & Kessler, LLP, a position she held for over eight years. Her responsibilities included personnel administration, financial management and the automated services and general operations of the firm. Her continued administrative career includes operating a small-business consulting firm.

Ms. McManus' was the Personnel and Contract Administrator with the Monroe County MediCap Plan, Inc., and a liaison with area health care providers, including HMO's and hospitals. She also served as Office Manager at a mental health center, responsible for the operation of four patient units.

McManus serves as a mentor for residents of Wilson Commencement Park, providing resources and services to low-income parents and children. She volunteers with the Italian Women's Civic Club of Rochester, which provides scholarships to area youth; and as a Lector and Eucharistic Minister at St. Louis Church.

In addition, Ms. McManus has served as an elected official spanning some 15 years including positions as a School Board Member, Town Council member and Monroe County Legislator.

She is a graduate of Nazareth College of Rochester with postgraduate work at St. John Fisher College.



*Commissioner  
Ellen O. Paprocki*

Ellen O. Paprocki was appointed by Governor George E. Pataki in March of 2001.

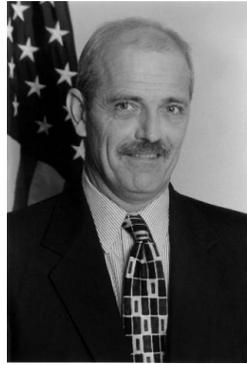
Paprocki's past experiences include time spent as an Assistant Director of the New York State Fair in Syracuse where she was responsible for all aspects of management and planning of the annual State Fair and more than 200 events throughout the year.

She also boasts experience as a field office coordinator and labor management liaison for the U.S.

Department of Labor.

Paprocki also worked as a congressional liaison officer for the Agency for International Development where she assisted members of Congress with their concerns in order to develop recommendations on proposed programs and legislation.

Paprocki spent time volunteering with the Peace Corps in the early 1980's. She is a graduate of St. Bonaventure University with a Bachelor of Arts degree.



*Commissioner  
Robert Zinck*

Robert M. Zinck was appointed by Governor George E. Pataki as Commissioner of the Workers' Compensation Board in April 2001.

Mr. Zinck brings over 20 years of experience to the Board. In the public realm, Mr. Zinck served as a Monroe County Legislator, representing Henrietta, New York. He was Chairman of the Recreation and Education Committee and Vice Chairman of both the Planning and Economic Development Committee and the Public Safety Committee.

Mr. Zinck's experiences in the private sector as a business leader and his strong commitment to public service brings a valuable perspective to the Board.

Mr. Zinck is a graduate of St. John Fisher College in Rochester, New York, where he received a Bachelor of Science degree. He also attended the State University of New York at Brockport where he completed courses in Alcohol and Substance Abuse Counseling.



*Executive Director  
Richard A. Bell*

## DEPUTY EXECUTIVE DIRECTORS



*Deputy Director  
of Reg. Affairs  
Marsha Orndorff*



*Deputy Director of  
Information &  
Management Services  
Nancy Mulholland*



*Deputy Director  
of Administration  
Glenn Warren*

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## INTRODUCTION BY CHAIRMAN DAVID P. WEHNER



Chairman David P. Wehner

Created in 1914 as a result of an historic agreement between workers and employers, the Workers' Compensation Board assures that in exchange for guaranteed medical coverage and compensation for lost earnings, employees would not sue their employers in the event of an injury on the job. This "no-fault" system is designed to eliminate the uncertainty of litigation associated with the courts.

With few statutory exceptions, all employers in New York State are required to carry workers' compensation and disability insurance to protect employees. Employers who fail to meet this requirement are subject to penalties assessed by the Workers' Compensation Board.

The Workers' Compensation Board administers the programs and laws of New York State in a fair and equitable fashion. The Board receives and processes claims and initially seeks to facilitate expedient agreements between injured workers and employers. When a consensus cannot be reached through administrative measures, it becomes necessary for the Board to conduct hearings before a Workers' Compensation Law Judge. Evidence and testimony are gathered and analyzed prior to the rendering of a decision by the Judge. Decisions by Law Judges are binding. Parties may appeal the Judge's decision to the Appeals Unit. In such a case, a panel of three Board commissioners will rule on the validity of the Judge's decision. Failing a unanimous decision by the panel, a full Board review may be requested. The decision of the full Board may be further appealed to the State Appellate Division, Third Department.

In 2003, the Board was faced with significant challenges and came through on behalf of our customers. Major achievements include:

- Resolving 315,000 claims – the third consecutive year of resolving more than 300,000 claims,
- Processing more than 12,000 appeals,
- Fully resolving 1,931 World Trade Center claims,
- Reducing our inventory of open claims by more than 10,600 cases, and
- Receiving honors from several state and national organizations for our advancements in technology, including Computerworld's Search For New Heroes Program, Aspect Communication's Customer Excellence Award, and Network World's 2003 User Excellence Award.

Over the past several years, it has been the Board's mission to provide the most efficient services possible for the injured workers and employers of New York State. In 2003 we focused on preserving and enhancing the many improvements that we have enacted and the results have been tremendous. Today, we have become a state-of-the-art service provider; a far sight from when we were an antiquated bureaucracy just nine years ago.

We have made the commitment to our staff by enabling all employees, from Law Judges to Claims Examiners, the opportunity to produce results directly related to resolving a claim and they have responded favorably. In fact, in 2003, more than 74,000 claims were resolved by Claims Examiners and another 67,000 were resolved outside of the hearing process. This team approach has created a situation where our Law Judges' calendars are freed, enabling Judges to resolve the most challenging cases. It has also provide more immediate answers for our parties of interest, and, more importantly, more timely benefits for those workers who were injured on the job.

Looking toward the future, it is my fervent desire and our mission to continue upon the successes of the past. The groundwork has been laid down before us, it is vital that we continue to serve the people in the highly effective way in which New Yorkers have become accustomed.



# OFFICE OF OPERATIONS



David Donohue  
Director of  
Operations

The Office of Operations, through the Board’s eleven district offices, processes and manages injured workers’ cases through the workers’ compensation system. The district staff establish claimants’ cases, perform case maintenance and assemble needed documentation of the facts. In addition, claims examiners resolve uncontroverted issues relating to a case, prepare and execute a calendar for holding conciliation meetings and workers’ compensation hearings, and provide customer service to the injured workers and the Board’s external constituents. The Board has district offices in Albany-Menands, Binghamton, Brooklyn, Buffalo, Hauppauge, Hempstead, Manhattan, Peekskill, Queens, Rochester and Syracuse. In addition, the Board maintains 30 full-time customer service centers throughout the state, where claimants may appear before the Board or review their case files. The Office of Operations oversees the district office operations and maintains the consistency and quality of service they provide.

## Background

The Office of Operations continued its multi-year program to realize an increasing number of efficiencies possible through the Electronic Case Folder initiative. Being able to distribute work electronically around the state, and more effectively utilize and supervise staff in various geographic locations, continues to be a wonderful success story enabling the Office of Operations to constantly enhance and improve service to injured workers and employers.

## 2003 Initiatives

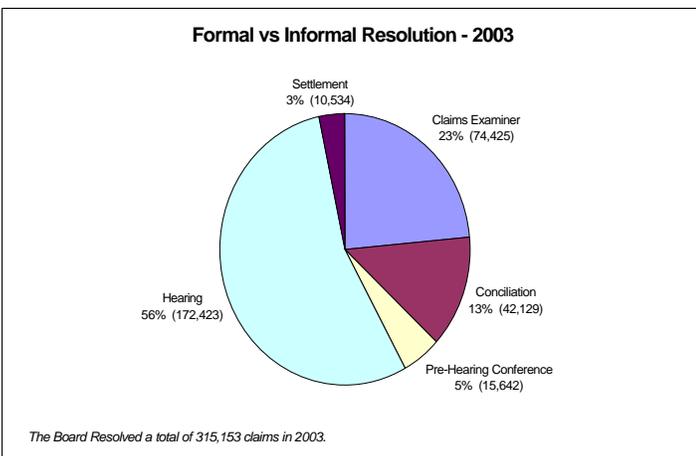
■ Throughout the state, Office of Operations staff continued to answer many inquiries and process new and existing claims related to the September 11<sup>th</sup> terrorist attacks and the ensuing recovery and clean up operations. To date, 2,201 death claims and 7,846 injury/exposure claims have been received for resolution. Ninety-seven percent of death claims and 83 percent of injury claims have been resolved. Major changes and streamlining of death claim processing, first enabled by

emergency changes in Board procedures mandated by the Governor and the Board, were permanently adopted in 2003, to avoid a lengthy administrative hearing process, and allow widow/widower/survivor’s benefits in uncontested claims to be quickly resolved and paid.

■ In October 2003, after much planning, the Board opened it’s first Document Control Center (DCC) in Binghamton, New York. On a daily basis, this facility processes all mail related to claims handled by the Binghamton, Peekskill, Manhattan, Brooklyn, Queens, Hempstead, and Hauppauge District offices. With the advent of the Electronic Case Folder concept, and the converting of received documents into electronic images, the Board recognized how complex mail handling and the preparation of documents for scanning had become. While each District Office handled and prepared mail, it became obvious that the centralization and staffing of a mail facility for all downstate mail, located near the Board’s scanning vendor, would be an optimal approach.

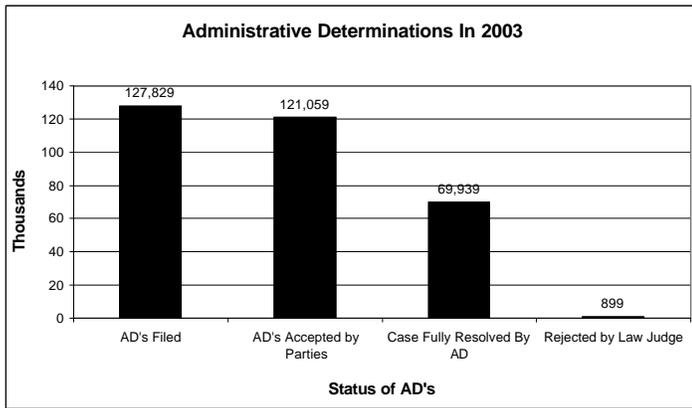
■ The Office expanded the newly created MD-1 program, which allows the Board to approve medical-surgical procedures in instances where an insurance carrier is not making and communicating timely decisions for medical providers’ requests. The Board incorporated many changes recommended by our stakeholders and expanded the process to include controverted claims.

■ The Office of Operations was directly involved in a number of internal administrative improvements related to the Section 32 waiver agreement process. Workgroups were formed composed of both District claims processing personnel and Board members, and their recommendations were implemented late in 2003.



*In 2003 the Board resolved 45 percent of claims informally, outside of the potentially lengthy hearing process.*

**OFFICE OF OPERATIONS** (continued)



*In 2003, nearly 70,000 claims were fully resolved through administrative determinations.*

■ The Office of Operations expanded and improved its use of the Board’s virtual call center, and District Office personnel responsible for handling calls from around the state were trained to multi-task and handle not only claims related calls, but also calls pertaining to other important programs. The volume of calls answered or referred to individual districts increased substantially during this period, enhancing our customer service to our parties of interest and stakeholders.

■ The office undertook major training in every district regarding all claims processing operations to ensure consistency and compliance with the application of changes in the confidentiality laws regarding workers’ compensation claims (Section 110-a). This required the Office of Operations to enhance many claims handling and customer service protocols during 2003, in order to prevent unauthorized parties from accessing information related to claims.

■ The Office of Operations coordinated with the Office of General Counsel and the Office of Compliance to create special claims handling procedures needed to meet the requirements of the WTC Volunteer program, regarding individuals specifically involved in the rescue/recovery effort on a voluntary (non-employment) basis.



*New York State Workers' Compensation Board District Administrators.  
Seated left to right: Linda Spano, George Park, Janet Burman  
Standing left to right: Anthony Capozzi, Wayne Allen, Edward Joyce, Frank Vernuccio, Alida Carey, Jeffrey Quinn  
Not pictured: Alan Landman & Karen Dawidziak*

## World Trade Center Claims

The Following is a break down of the 10,047 World Trade Center Related Claims indexed:

Death/Missing	2,201
Lost Time Claims	4,294
Medical Only Claims	3,156
Occupational Disease	396

*All Information updated April 8, 2004*

## WORKERS' COMPENSATION DISTRICT OFFICES AND CUSTOMER SERVICE CENTERS

### PRINCIPAL OFFICES

20 Park Street • Albany, NY 12207

### ALBANY DISTRICT

**Linda Spano, District Administrator**

Patricia Wright, District Manager

**Counties Served:** Albany, Clinton, Columbia, Dutchess, Essex, Franklin, Fulton, Greene, Hamilton, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Ulster, Warren, Washington

Albany District Office

100 Broadway - Menands • Albany, NY 12241

with Customer Service Center locations in ~

**Hudson • Kingston • Plattsburgh**

**Poughkeepsie • Queensbury • Saranac Lake • Schenectady**

### BINGHAMTON DISTRICT

**Anthony Capozzi, District Administrator**

David Wiktorek, District Manager

**Counties Served:** Broome, Chemung, Chenango, Cortland, Delaware, Otsego, Schuyler, Sullivan, Tioga, Tompkins

Binghamton District Office

State Office Building • 44 Hawley Street • Binghamton, NY 13901

with Customer Service Center locations in ~

**Elmira • Ithaca • Monticello • Norwich • Oneonta**

### BROOKLYN DISTRICT

**Edward Joyce, District Administrator**

Tom Agostino, District Manager

**Counties Served:** Kings, Richmond

Brooklyn District Office

111 Livingston Street • Brooklyn, NY 11201

with Customer Service Center location in **Staten Island**

### BUFFALO DISTRICT

**Jeffrey Quinn, District Administrator**

Barbara Townsend, District Manager

**Counties Served:** Cattaraugus, Chautauqua, Erie, Niagara

Buffalo District Office

Statler Towers, Third Floor • 107 Delaware Avenue  
Buffalo, NY 14202-2898

with Customer Service Center locations in ~

**Jamestown • Lockport • Olean**

### HAUPPAUGE DISTRICT

**Karen Dawidziak, District Administrator**

Robert F. Williams, District Manager

**Counties Served:** Suffolk

Hauppauge District Office

220 Rabro Drive, Suite 100 • Hauppauge, NY 11788-4230

with Customer Service Center locations in ~

**Patchogue • Riverhead**

### HEMPSTEAD DISTRICT

**Alan Landman, District Administrator**

Alan Gotlinsky, District Manager

**Counties Served:** Nassau

Hempstead District Office

175 Fulton Avenue • Hempstead, NY 11550

### MANHATTAN DISTRICT

**Frank Vernuccio, District Administrator**

Joann Shelton, District Manager

**Counties Served:** Bronx, New York

Manhattan District Office

215 W. 125th Street • New York, NY 10027

### PEEKSKILL DISTRICT

**Alida Carey, District Administrator**

Luis Torres, District Manager

**Counties Served:** Orange, Putnam, Rockland, Westchester

Peekskill District Office

41 North Division Street • Peekskill, NY 10566

with Customer Service Center locations in ~

**Newburgh • New City • White Plains • Yonkers**

### QUEENS DISTRICT

**Wayne D. Allen, District Administrator**

Carl Gabbidon, District Manager

**Counties Served:** Queens

Queens District Office

168-46 91st Avenue • Jamaica, NY 11432

### ROCHESTER DISTRICT

**George A. Park, Jr., District Administrator**

MaryBeth Goodsell, District Manager

**Counties Served:** Allegany, Genesee, Livingston, Monroe, Ontario, Orleans, Seneca, Steuben, Wayne, Wyoming, Yates

Rochester District Office

130 Main Street West • Rochester, NY 14614

with Customer Service Center locations in ~

**Batavia • Geneva • Hornell**

### SYRACUSE DISTRICT

**Janet Burman, District Administrator**

Marc Johnson, District Manager

**Counties Served:** Cayuga, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, St. Lawrence

Syracuse District Office

935 James Street • Syracuse, NY 13203

with Customer Service Center locations in ~

**Auburn • Canton • Oswego • Utica • Watertown**



## OFFICE OF GENERAL COUNSEL



*William L. Busler*  
General Counsel

The Office of General Counsel is the legal department of the Workers' Compensation Board. Its duties and functions range from the dispensing of legal advice to the Chair, the Board, and the various departments of the Board, to the adjudication of claims brought pursuant to the Workers' Compensation Law.

### Background

Effective September 2, 2003, William L. Busler was named General Counsel of the Board, a position which had been vacant since April 2002. As General Counsel, Mr. Busler is in charge of the 16 person office.

The Office of General Counsel is the legal department of the Workers' Compensation Board. Its duties and functions range from the dispensing of legal advice to the Chair, the Board, and the various departments of the Board, to the review of matters in which an application for full Board review or a Notice of Appeal to the Appellate Division has been filed from a Board Panel decision.

The daily responsibilities of the General Counsel's Office include providing policy and technical assistance on trial litigation in the Federal and State Courts; drafting and promulgating proposed rules and regulations with the appropriate program staff; corresponding with the Secretary of State, Governor's Office of Regulatory Reform and other agencies relative to the promulgation and publication of Board Rules and Regulations; serving as legal advisor to the Chair, the Board, Bureau Directors and District Administrators; providing legal counsel to Board commissioners; and, conducting training/informational lecture programs.

Legal advice as "in-house" counsel is provided to all Board bureaus and district offices. In addition, guidance is provided concerning legal process served on the Board or Board employees as a party in litigation; investigations of conduct of licensed representatives, self-insureds and third-party administrators are undertaken and recommendations for discipline made; written examinations for licensed representatives are drafted and graded; Orders of the Chair and Board resolutions are prepared; and, counsel is provided concerning matters relating to licensed representatives.

Further, legal advice and representation are provided the Board in arbitration proceedings concerning employee disciplinary actions, collective bargaining, ethics, and other personnel issues.

Complaints filed against the Board with the Human Rights Commission are reviewed and, when necessary, legal representation of the Board in administrative hearings and proceedings before the Commission is provided. This office also liaisons with the Affirmative Action Officer on human rights complaints filed against the Board by Board employees. In addition, this office evaluates and processes complaints lodged by parties to workers' compensation proceedings against attorneys and carriers.

In addition to the above, the Office of General Counsel has primary responsibility for reviewing matters in which an application for full Board review (the last internal administrative review a matter receives) or a Notice of Appeal to the Appellate Division, Third Department has been filed from a Board Panel decision, and to make appropriate recommendations to the Board. It also acts as a liaison with the Labor Bureau of the Office of the Attorney General with regard to cases on appeal from the Board to the Appellate Division. The goal of the Office is to assure the overall consistency and quality of decisions issued by the Board.

### 2003 Initiatives

#### Legal Advice

■ Legal advice as "in-house" counsel is provided to all Board bureaus and district offices, including the preparation of written responses to inquiries of other governmental agencies and miscellaneous correspondence from the public. In 2003 the Office of General Counsel completed over 352 written responses as either correspondence or legal memoranda.

#### Full Board Review

■ The Office of General Counsel, in conjunction with the Office of Appeals, assists the full Board with the full Board review process. The process involves the Office of General Counsel receiving all requests, reviewing them and forwarding some requests to the Office of Appeals. For the Office of General Counsel, a Supervising Attorney and six Senior Attorneys from the Office of General Counsel provide this assistance. At the

## OFFICE OF GENERAL COUNSEL (continued)

start of 2003 the Office had 139 cases pending for its review. A total of 1603 full Board review requests were received during the year. In 2003, the Office of General Counsel processed 420 requests and forwarded 1071 to the Office of Appeals.

### Litigation

■ During 2003, the Board referred and/or provided supportive information and documentation to the Attorney General on twenty-two (22) matters.

### Board Rules and Regulations

■ In accordance with Section 202-d of the State Administrative Procedures Act, the Office prepared the Board's Regulatory Agenda for 2003, which was published in the January 8, 2003, issue of the State Register. The Board is required to submit a Regulatory Agenda for publication in the first issue of the State Register each year.

In January 2003 the Board proposed a consensus rule to repeal 12 NYCRR Subpart 325-7 regarding the Board's Managed Health Care Pilot Program.

In 2003, the Office of General Counsel continued its project to review all Board rules and regulations, which will involve all bureaus and offices of the Board. This multi-year project will pair attorneys in the Office with appropriate program staff to review the rules and regulations to determine if they are necessary, understandable and accurate.

### Employee Discipline

■ The Office of General Counsel assists Human Resource Management in the investigation, interrogation, and drafting of Notices of Discipline (NOD) in personnel matters, as well as the settlement of these matters. An attorney from the Office represents the Board, along with a representative from Human Resource Management, at all employee discipline arbitrations and Civil Service Law §72 hearings. Additionally, the Office of General Counsel serves as the Board's liaison with the Attorney General's Office in discrimination cases brought against the Board, and represents the Board before other administrative tribunals including the Equal Employment Opportunity Commission (EEOC), the State Division of Human Rights, as well as the Unemployment Insurance Appeals Board.

### Freedom of Information

■ Two Records Access Officers in the General Counsel's Office review, opine and respond to Freedom of Information Law requests and Personal Privacy Law inquiries and/or issues. Throughout 2003, there were 55 FOIL requests for records filed

with and considered by the Board's Records Access Officers. Additionally, there were 48 non-FOIL requests for documents from the Board. The Records Access Officers also fielded numerous telephone inquiries from Board employees and the public regarding whether certain records were available.

■ The Records Access Officers handled 35 subpoenas served on the Board, and assisted the Office of the Secretary with numerous others. In addition, they provided training on the handling of subpoenas to new staff in the Office of the Secretary, as well as answering questions from practitioners and staff pertaining to the handling and service of subpoenas.

### WCL §110-a Compliance

In order to protect the privacy of injured workers, WCL §110-a limits information contained in each individual workers' compensation file to only those individuals authorized to view the file. In 2003, the Board continued the project begun in 2002 of reviewing all procedures and forms and developing formalized training for all Board employees. Privacy and confidentiality information was added to Board forms as necessary. Training was provided to all employees statewide. After the initial training was complete, a review was held eight weeks after training was complete to determine if modifications to policies, forms and procedures were necessary, as well as to determine if additional training was needed. Based upon this review, changes were made to some forms and procedures, and additional training was provided. To inform the public of the forms and procedures, the Board issued Subject Numbers 046-110 and 046-113. An important aspect of this project was establishing set procedures and policies for interactions with the public in areas such as identification of callers, acceptable authorizations for release to third-parties and requests for information.

### Board E-Business

■ The Office of General Counsel provided legal support as the Board continues to increase the number and types of electronic transactions available to constituents. Among other things, General Counsel attorneys finalized agreements for those with eCase access, answered legal questions that arose, and approved electronic versions of certain Board forms.

### Section 32 Agreements

■ WCL §32 authorizes a claimant to waive his right to compensation by entering into an agreement with his/her employer that must be approved by a Board Commissioner. When a legal issue or concern is raised about a specific agreement, a request is made to the Office of General Counsel

## OFFICE OF GENERAL COUNSEL *(continued)*

for advice. In 2003, the Office received over 400 requests for advice regarding Section 32 agreements.

### Judgements

■ WCL §26 authorizes the Chairman to grant consent to a party to file a judgment with the appropriate County Clerk against an employer when there has been a failure to pay an award. The Office of General Counsel processes all such requests. In 2003, the Office processed over 23 such requests, 11 of which were granted.

### Health Insurance Portability and Accountability Act (HIPAA)

■ On April 14, 2003, the regulations regarding privacy enacted pursuant to HIPAA became effective. While workers' compensation carriers and the Workers' Compensation Board are not covered under the law and the regulations, the medical providers who treat injured workers are covered. The Office researched this issue and worked with the Health Provider Administration to prepare guidelines regarding HIPAA regulations, which are posted on the Board's website.

### Employee Claims Resolution

■ Workers' Compensation Law § 20(2)(a) requires the claims of certain designated WCB and SIF M/C and other employees to be determined by outside arbitrators. This program is known as the Employee Claim Resolution (ECR) Program.

■ Three (3) new arbitrators were appointed in 2003 and one (1) new arbitrator were appointed in January 2004, bringing the total number of ECR arbitrators to thirteen (13). One of the new arbitrators was nominated by the Public Employees Federation as required by WCL § 20(2)(d), thereby filling a particular ECR review panel requirement.

■ In 2003, ECR arbitrators processed sixteen (16) different ECR cases, seven (7) of which involved administrative appeal review by three member arbitrator panels.

■ An ECR arbitrator training and CLE program was held via video conference on January 27, 2004. Seven ECR arbitrators were able to participate in this conference.

### Alternative Dispute Resolution (ADR)

■ Work continued on two major ADR initiatives begun in 2001, the proposed regulatory amendments to 12 NYCRR Part 314 and the ADR Employer Master List. The proposed amendment to 12 NYCRR §314.2(d)(v) would reduce the ADR-1 filing period from 30 days after the date of accident to 10 days in order to create parity with the C-2 filing requirement of WCL §110(d), and the

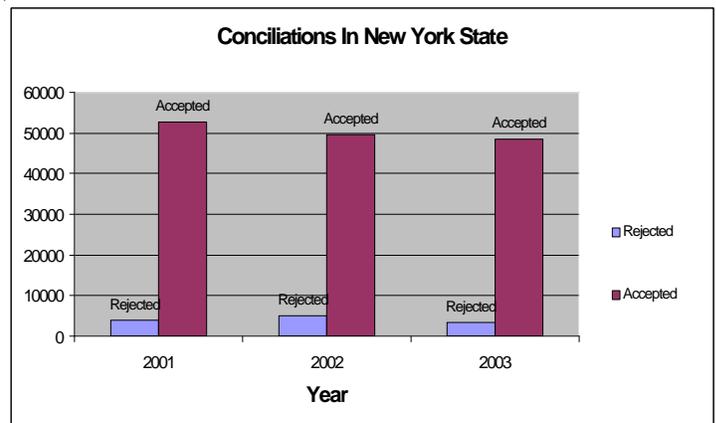
addition of §314.8 to 12 NYCRR Part 314 would create a regulatory procedure to return ADR cases involving non-ADR entities to Board jurisdiction for approval of stipulated agreements or the adjudication of contested issues. Further, new improved versions of both the ADR-1 and the ADR-2 were created. These new versions were finalized and issued in August 2003.

■ In addition, the 2002 initiative to audit program operation and compliance was continued and intensified. As a result, all four operating ADR programs received audit reports which outlined areas in need of improvement. Further, one program paid a negotiated penalty of \$8,500 due to document filing deficiencies.

### Continued September 11<sup>th</sup> Response

In 2003, the Office of General Counsel continued to handle issues arising from the horrific events of September 11, 2001. Among other things, the Office:

■ Provided advice and counsel to the mentors on WTC claim teams.



*Since January 2001, 150,839 proposed conciliation agreements were accepted by parties of interest. 92.5% of all proposals are accepted.*

■ Researched issues and provided counsel to the Office of Adjudication.

■ Provided information and counsel to the Chair, Board, and Office of Adjudication regarding the September 11<sup>th</sup> Victim and Families Relief Act, Chapter 73 of the Laws of 2002, which amended WCL §29 to clarify there were no lien or offset rights with respect to awards from the Federal September 11<sup>th</sup> Victims Compensation Fund of 2001.

■ Provided information and counsel to the Chair, Board, and Office of Adjudication regarding Chapter 467 of the Laws of 2002

## OFFICE OF GENERAL COUNSEL (continued)

that enacted a new Section 4 of the WCL to provide spousal death benefits to domestic partners of the September 11th attacks.

■ Responded to numerous telephone, e-mail and written requests from constituents regarding claims related to the attacks.

In addition, in 2003 the Chairman of the Board issued an Order of the Chair regarding compensating individuals from federally appropriated monies who were injured while volunteering at the World Trade Center site and the Fresh Kills Landfill in Staten Island. The Office assisted in the drafting of the Order, the creation of the definition of volunteer and provided legal advice on the process and distribution of the Federal Funds.

## OFFICE OF APPEALS



*Carl Copps  
Director  
Office of Appeals*

The primary function of the Office of Appeals (OOA) is to assist the Board Commissioners in producing readable, understandable, consistent and legally-sustainable decisions. The office was created in 1998 to restructure the Board's antiquated Review Bureau. The underlying goal was to increase the professionalism of the research and writing staff assigned to the 12 Workers' Compensation Board Commissioners who are responsible for reviewing and issuing decisions on Applications for Review to the Board. In essence, the OOA provides the Board Commissioners with an administrative agency's version of an appellate clerk pool.

### 2003 Initiatives

The Office of Appeals (OAA) took on additional projects in 2003 while continuing to enhance its technological tools to better manage its workload.

#### Work Load Management

■ OOA was able to reduce the overall inventory of pending cases awaiting decision by three-Member Board Panels by 787 cases in 2003, by utilizing its Triage System and effectively prioritizing its workload, OOA managed to reduce the number of its oldest pending cases by 61.1% in addition to reducing the number of cases in the most urgent triage category by 11.5%. (That category involves cases in which the claimant prevails before the WCLJ, but the carrier appeals; resulting in no payment of benefits during the pendency of the appeal by virtue of the mandatory stay provided by WCL §23).

■ Parties filed 13,092 Applications for Review in 2003; a decrease of 10.6% from the 14,643 Applications for Review filed in 2002. The 13,092 Applications for Review filed in 2003 was 3.2% less than the average annual figure of 13,524 compiled during the past four and one-half years.

■ OOA's Triage procedures have increased in efficiency. At the end of 2001, 14.3% of OOA's inventory had not been triaged. That figure was reduced to 1.2% by the end of 2003. This means that virtually every case is reviewed and triaged in OOA within 1-2 days of receipt of the file. Approximately 15% of cases received by OOA are returned to the District Offices for proper handling, as no OOA jurisdiction exists. Therefore, OOA's immediate initial review of incoming cases assures that all cases are placed on the proper adjudication track within 24-48 hours of receipt by OOA. The result is a far more efficient processing of claims and swifter service for the injured workers of New York State.

#### Technological Initiatives

■ In addition, OOA worked with EDP to produce additional Performance Measures Reports during 2003. These reports allow OOA executive staff to better evaluate workload and workflow so that procedures and processes can be improved.

■ OOA also enhanced its internal database during 2003, thus permitting more effective review of Board Panel precedent. These advancements help OOA to reduce the time needed to perform necessary legal research and assist OOA in producing consistent and legally sustainable decisions within acceptable time frames.

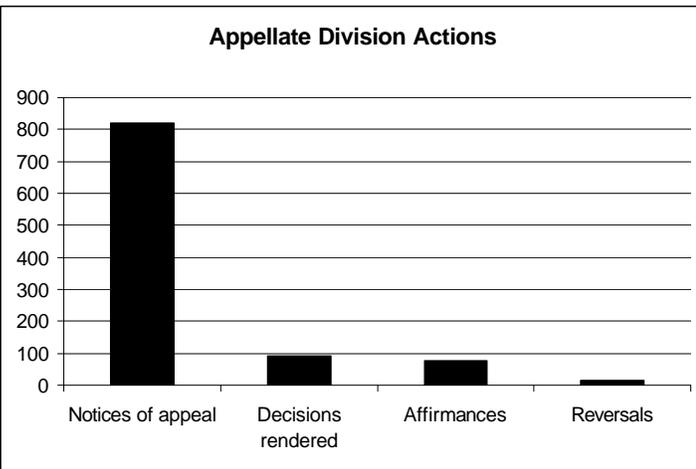
■ The Multi-site Video Panel (MVP) Calendar pilot project of 2001 proved to be very popular and effective and has therefore been made a permanent aspect of appellate procedure by the Board. Under this initiative, a Board Panel convenes in one location and, via video conference technology, hears cases from around the state. The Board further expanded its utilization of video conference technology in the area of Board Panel hearings. Traditionally, "live" Board Panel calendars were not convened in smaller districts every month. Rather, the Board would wait until enough cases were ready for oral argument to justify the expenses associated with a 3-Member Board Panel traveling to a remote district office for a full calendar. This resulted in the resolution of some cases being artificially delayed. Now, cases from the lower volume districts are scheduled each month for the MVP Calendar. This increased use of video technology has helped the Board reduce the turnaround time on oral argument cases; while simultaneously reducing the amount of travel by the Commissioners; thus saving both time and money.

## OFFICE OF APPEALS (continued)

### World Trade Center

Thanks to the efficiency of the Operations and Adjudication Divisions, the litigation and resolution of the Work Trade Center claims has been rapid. Accordingly, a substantial number of WTC cases were fully developed before the WCLJ's. Parties who disagreed with the WCLJ's decisions were filing Applications for review throughout 2002 and 2003. In cooperation with EDP, OOA further enhanced its electronic workflow system to enable prompt identification and assignment of WTC cases under appeal.

- The Board Panels issued 217 decisions in WTC cases in 2003.
  - The WCLJ's decisions were affirmed in 91 cases (41.9%) and modified in 74 cases (34.1%).
  - The WCLJ's decisions were reversed in 21 cases (9.7%).
  - The Board Panels returned the remaining 31 cases (14.3%) to the Trial Calendar for further development of the record.



The Appeals Unit enjoyed a solid 83 percent affirmance rate for cases that were decided by the State Appellate Division.

The Appellate Division rendered its first decision in a WTC case in 2003, affirming the Board's finding of compensability for an employee who was injured by falling debris while approaching the WTC complex. WTC cases are given thorough review and consideration; and they are prioritized within OOA to permit final resolution in an average of less than 3 months from the filing of the Application for Review. (NOTE: As the non-appealing party is allowed 30 days pursuant to WCL §23 in which to file a Rebuttal, OOA cannot begin working on a case for the first month after an appeal is filed).

The statistics show:

- 50.7% of WTC appeals were resolved in less than 3 months;
- 65.1% were resolved in less than 4 months;
- 84.7% were resolved in less than 6 months; and
- 90% were resolved in less than 8 months.

In addition, OOA continues to be involved in other WTC-related matters, including research on emerging legal issues.

### Full Board Review

Due in no small part to the large volume of Board Panel Memoranda of Decision (MOD's) produced by OOA and the Commissioners from 2000-2003, the volume of Applications for Full Board Review has expanded greatly in the past few years.

In order to better serve the litigants at the FBR level, it was decided in April, 2002 that OOA and OGC should work jointly to process FBR cases in a more timely fashion. This project proved to be very successful, as:

- The average turnaround time on FBR cases was shortened from approximately 14 months in April 2002 to approximately 4 months by the end of 2002. This procedure continued throughout 2003 and the turnaround time of FBR cases had dropped to approximately two months by the end of the year.

### Upon Further Review

- Parties seeking further appeal after the rendering of a Board Panel decision filed 1,030 Notices of Appeal to the Appellate Division, Third Department in 2003. The Appellate Division rendered 161 decisions in WCB cases in 2003. The Board was affirmed in 134 of those cases and reversed in 27 cases. Thus, the Board's affirmance rate was over 83%. The Board's affirmance rate was virtually identical regardless of whether the appeal to the Appellate Division was taken by the claimant or by the employer/carrier.

## SECRETARY TO THE BOARD



*Audra Viscusi  
Secretary to the  
Board*

The Secretary's Office performs all duties in preparation for the monthly meeting of the 13 member Workers' Compensation Board of Commissioners, and other duties assigned by the Board. By law, the Chair may delegate certain administrative powers and duties to the Secretary. Upon this statutory framework, the Secretary's Office has accrued a set of wide and diverse functions, which, in addition to the Board meetings, relate to a number of the Board's responsibilities, including the following:

### Administrative Powers and Duties Delegated to the Secretary

#### 2003 Initiatives

##### Licensing/Orientation

■ Pursuant to sections 24-a, 50(3-b) and 50(3-d) of the Workers' Compensation Law, during the year 2003 the Secretary's Office granted licenses to 34 claimant representatives and 97 third-party administrators.

##### Executive Correspondence

■ Throughout the year, the Chairman of the Board receives a large volume of correspondence from elected officials, claimants, doctors, attorneys and businesses. The subject matter varies greatly and may include status inquiries, requests for advocate services, compliance and licensing questions. All such correspondence is processed and assigned through the Secretary's Office. In the year 2003, 725 such inquiries were processed by the Secretary's Office.



*NYSIF Director Ken Ross stopped by the Board's monthly meeting in July to report the latest activities at the State Insurance Fund.*

##### Board Resolutions

■ Following each monthly full-board meeting, it is the responsibility of the Secretary's Office to notify all parties-of-interest of the Board's resolution to rescind prior Memorandums of Decision. In the year 2003, the Secretary's Office issued 120 Board Resolutions.

##### Agent for Service Process

##### Non-Resident, Non-Insured Employers

■ Under the provisions of Section 150-a of the Workers' Compensation Law, the Secretary's Office functions as the agent for acceptance of process of all non-insured, non-resident employer claims.

##### Subpoenas Duces Tecum (Subpoenas for Board Records)

■ Article 6 of the Public Officers Law (commonly referred to as the Freedom of Information Law or FOIL) provides public access to State and local government agency records. The Secretary's Office is responsible for the Board's compliance with all such subpoenas served upon the Board. In the year 2003, 2,212 subpoenas duces tecum were served upon the Board.

##### Notices of Appeal to the NYS Supreme Court Appellate Division, Third Department

■ Under the Workers' Compensation Law Section 150-a, the original Notice of Appeal is to be served upon the Office of the Secretary to the Board. In the year 2003, 653 notices were served and processed.

### Official Custodian of Board Legal Documents

#### Original Board Decisions

■ The Secretary's Office is the official custodian of the Workers' Compensation Board decisions. These include Board panel and mandatory full Board decisions. In the year 2003, approximately 12,495 decisions were filed.



## OFFICE OF COMPLIANCE & REGULATORY AFFAIRS



Marsha Orndorff  
Dty. Executive Dir. Reg.  
Affairs

The Division of Regulatory Affairs provides oversight of the workers' compensation system to ensure that all parties are in compliance with the workers' compensation and disability benefits laws.

The Division monitors compliance on an ongoing basis, penalizing those parties who are not in compliance and referring cases for fraud investigation when deemed necessary. The Division authorizes workers' compensation medical providers, registers independent medical examination entities and licenses medical facilities. It oversees the disputed medical bill and arbitration processes and the workers' compensation preferred provider organization program.

### Office of Compliance

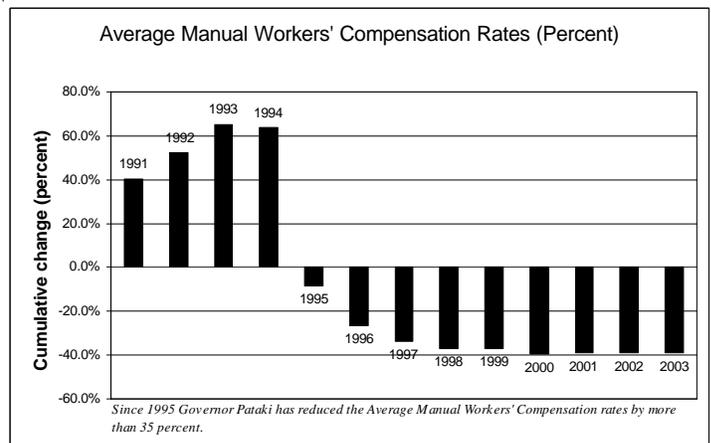
The first of three major functions within the Office of Compliance is to ensure that all workers employed in the state are properly covered for workers' compensation. The Employer Coverage Unit monitors over 650,000 employers to ensure that they obtain and maintain statutory insurance benefits for their employees and penalizes employers who are out of compliance. This employer coverage compliance process is accomplished through the use of a complex computerized data system that receives data regarding legitimate businesses from the New York State Department of Labor and from insurance carriers who are licensed in New York State to sell workers' compensation and disability benefits insurance.

The Office includes a centralized Penalty Collection Unit for penalties, which arise out of employer noncompliance and uninsured claims. In conjunction with the Office of Finance, it assists with the processing of administrative and disputed medical bill penalties. The unit is the primary liaison to contracted collection agencies.

In addition, the Office operates a centralized Judgment Unit, which prepares all legal document for proper filing of judgment liens against entities that have not paid their legitimate penalties.

The Enforcement Unit within the Office of Compliance consists of a staff of investigators, located in each of the Board's 11 district offices. They investigate employers who may be out of compliance, collect evidence for criminal prosecution, serve subpoenas on business owners for appearances before the Board, and investigate all aspects of claims filed by employees whose employers did not have proper insurance.

Finally, the Office of Compliance is responsible for overseeing injured worker's claims arising out of the Uninsured Employers Fund (UEF). The UEF is the funding mechanism for compensation and medical payments to injured employees whose employer was not properly insured at the time of the accident. These claims are processed by staff in the No-Insurance Unit that collect all



evidence, prepare the claim for hearings, and administer the payment of all compensation and medical benefits. The Office also has a team of lawyers who maintain the integrity of the UEF by representing the Fund at Board hearings to ensure that only valid claims are compensated.

Taking a page from OPTICS, the Office of Compliance began its own re-engineering effort in 1999. Each unit identified critical processes. Ideas were generated to improve these processes and action was taken. Today the Office continues to improve upon the 1999 foundation.

### 2003 Initiatives

- In 2003, the Enforcement Unit submitted a record 65 cases for prosecution.
- Created and implemented a new procedure for processing 509 Volunteer WTC cases.
- Created and implemented a new affidavit process, replacing the C-105.21 process. This new process also included a mailing to over 6,000 governmental entities advising them of the requirements of Sec. 57.

## OFFICE OF COMPLIANCE & REGULATORY AFFAIRS (continued)

- Produced initial performance measures reports for the Uninsured Employers Fund.

### Office of Disability Benefits

New York State is one of only seven states that mandates all employers to provide basic disability benefits insurance for their employees. This insurance provides lost wage protection for illnesses or injuries that are not job-related. In New York, employers must provide a minimum of 26 weeks of lost wage benefits at the rate of 50% of average weekly wages up to a maximum of \$170.00 per week. Medical payments are the responsibility of the claimant.

The Office of Disability Benefits has two major functions:

#### 1. Claims Processing:

a. The Review Examining Unit - This unit processes claims only when there is a dispute between the claimant and the insurance carrier or self-insured employer. Most of these disputes are resolved administratively, with less than 19% requiring a formal hearing before a WC Law Judge. In 2003, the Review Examining Unit processed and closed 9,250 claims, over 7,500 administratively.

#### 2. Insurance Compliance:

a. The Insurance Examining Unit - This unit monitors employers' compliance with the DB Law and penalizes those employers who are not compliant, using the new Insurance Compliance System (IC2). During 2003, this Unit received over 300,000 coverage submissions (Certificates of Insurance and Notices of Cancellation). Additionally, the Insurance Examining Unit receives approximately 75,000 responses to system-generated inquiry letters.

b. Determinations Unit - The Determinations Unit handles all correspondence and telephone inquiries related to penalties issued for noncompliance with the DB Law. During the past year, this unit has processed over 8000 penalty-related correspondences, 230 penalty appeals and 21,000 telephone calls.

c. Plans Acceptance Unit - While the DB Law states the minimum coverage that employers must provide, many employers provide coverage and benefits that greatly exceed the statutory requirements. Any contracts that provide coverage over the statutory minimum must be filed with and approved by the Plans Acceptance Unit. There are 146 association, union and trustee plans on hand, covering about 10,000 employers. Additionally, this Unit approves and maintains voluntary coverage

applications submitted by employers that are not required to provide Disability benefits coverage for all or part of their workforce.

During 2003, Unit staff approved 641 voluntary coverage applications.

### 2003 Initiatives

- Production and refinement of the initial phase of the new Insurance Compliance System (IC2), including the issuance of inquiry letters and FMIS account statements.
- Identification and development of the 2004 enhancements to IC2, including issuing penalties and the referral of DB penalties to collection and judgment.
- Introduction of a call center-type environment with the installation of Winset technology.

### Bureau of Health Management

The Bureau of Health Management's mission is to integrate an emphasis on research evaluation, education and customer interaction for the improvement of traditional as well as new alternatives to the delivery of health care programs in the state's workers' compensation system. The Bureau also authorizes licensed physicians, chiropractors, podiatrists and psychologists to provide treatment to workers' compensation claimants. In addition, licenses are granted to medical bureaus, medical centers, x-ray bureaus and laboratories treating injured workers. Recourse to unpaid medical bills is provided to authorized providers as well.

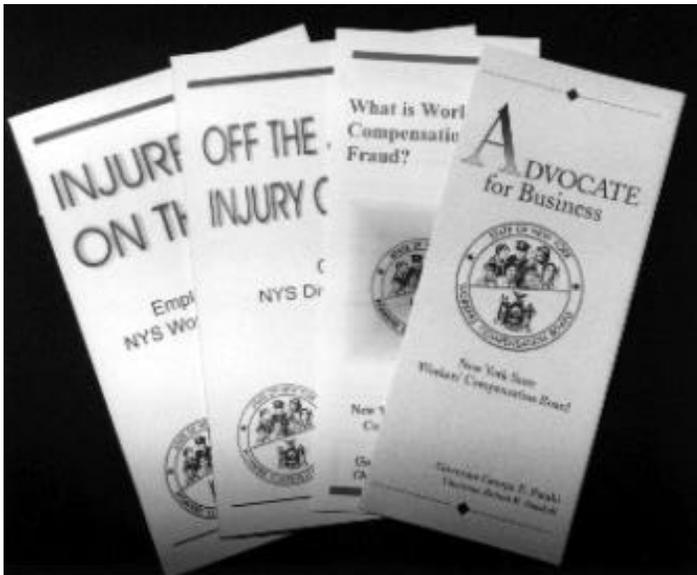
### 2003 Initiatives

- In 2003, an updated Workers' Compensation Medical Fee Schedule was developed and released. This update provides a comprehensive billing tool and reflects the inclusion of many new procedures and coding changes including codes for emerging technology, services and procedures.
- In an effort to provide continued outreach and support to the health provider, business and carrier community, in 2003, presentations and/or meetings were conducted or attended at various Medical Society of the State of New York (MSSNY) offices numerous times throughout the year.
- A presentation was made at the Business Council of New York State sponsored Workers' Compensation Conference. The presentation included a comprehensive overview of the inner

## OFFICE OF COMPLIANCE & REGULATORY AFFAIRS *(continued)*

workings and responsibilities of the Bureau of Health Management. Specific topics covered and discussed include: Preferred Provider Organizations, Alternative Dispute Resolution, Recommendation of Care, Authorization of Special Services and the Medical Billing Process.

■ Inspections were conducted at a variety of licensed medical bureaus and reported unlicensed medical bureaus. These bureaus are operated to render medical care and diagnosis of industrial injuries or illnesses and must be authorized and licensed by the Workers' Compensation Board.



*These and other informative brochures are available by contacting the Workers' Compensation Board.*

### Office of Directed Care

Since January 1994, the Department of Health, in conjunction with the Workers' Compensation Board, has been directly responsible for the development, implementation and administration of a process for the certification and monitoring of Workers' Compensation Preferred Provider Organizations (PPOs).

An alternative to traditional health care delivery is represented by the institution of "Voluntary Programs." The program was codified by means of an amendment to the rules regarding selection of a provider by an injured worker. These rules, called "Recommendation of Care," describes the process of endorsing or promoting the utilization of a particular network or provider for the treatment of injured employees.

In any instance where an employer or carrier recommends a particular network or provider for the treatment of injured employees, any employee handouts, postings, or other written materials communicating such recommendation must clearly indicate that utilization of such network or provider is purely voluntary and injured workers agree to participate in writing at the time of each injury with the understanding that employees may select or change their provider at any time without jeopardizing their medical or indemnity benefits.

### 2003 Initiatives

■ Concluded the biannual survey cycle for certified PPO's. The surveys were conducted to ensure compliance with the programs rules and regulations with a focus on the "Recommendation of Care" Program. During 2003 it was determined that there was an increase in the number of PPO's offering discounts from the medical fee schedule outside the purview of the PPO program. The Bureau worked to insure that the contract providers entered into for the PPO program were not being utilized for the "Recommendation of Care Program". The surveys continue to differentiate between the certified PPO program and the Recommendation of Care program.

■ All certified PPO's are currently in compliance with the program's rules and regulations and are operated in an appropriate environment to ensure the provision of quality care to injured workers.

■ Currently approximately 400,000-500,000 employees are covered through the PPO program; this number represents about 3,000 employers.

■ In conjunction with the Department of Health, 10 new PPO business contracts were approved and nine contracts were renewed. There are 17 certified PPO's operating in New York State offering coverage in 34 of the State's 62 counties.

■ The PPO database reconciliation efforts continue and outreach efforts to employers have contributed significantly to a more accurate, up-to-date database.

### Treatment Utilization Pilot Program

In an effort to study treatment utilization in 2003, the Workers' Compensation Board continued activities associated with the Treatment Utilization Pilot Program. The Treatment Utilization Pilot Program authorized for accidents occurring on or after December 1, 2000, that participating providers were reimbursed in accordance with the Zone 4 (New York City area) rates for a period of three years, or as long as the participants continue to

## OFFICE OF COMPLIANCE & REGULATORY SERVICES (continued)

participate in the pilot program and meet the data reporting requirements as defined by the Workers' Compensation Board.

The Workers' Compensation Board is conducting this study to determine whether higher reimbursement rates have an effect on reducing utilization. The Workers' Compensation Board is working to establish an evaluative methodology to design, review and evaluate the treatment patterns of the treating physician during the pilot project. A report will be published at the conclusion of the study.

In 2003, extensive staff time was devoted to the review of electronic submissions for adherence to program requirements and to verify data completeness and applicability for utilization review.

### 2003 Initiatives

- The TUPP program was extended as of December 1, 2003 for a period of three years.

- Received 77,293 electronically submitted EC-4's. This number represents 20,008 accidents. There are currently 66 provider participants in the program.

- Initial review and testing of project data has begun. The initial methodology phase will focus on five frequently injured body parts (shoulder, leg, hand, back and arm). To date, extensive case review of 492 CIS cases were completed. A database containing 65 viable case folders were created to capture the relevant medical and indemnity information. The database also included detailed medical information from 1,567 C4s, EC4s, HCFA1500s, OT/PT-4s and other medical treatment statements. This database will then be reviewed by an independent consultant to produce an analytical design methodology that will be used in the evaluation of the TUPP program. This data will also determine the necessity to expand the project to include other treating specialties.

- Insurance Carriers, Self-Insurers and Payors continue to submit control group data on a semiannual basis. Efforts also continue to identify and request the required data from non-compliant parties.

### Health Provider Administration - HPA

The Health Provider Administration Information System (HPAIS) fully automates and integrates all processes and provides more efficient service to our customers. The system also provides management reporting and performance measures and comprehensive historical statistics and information.

Phase two of the recently implemented Health Provider Administration Information System has begun relative to the development of a Provider Compliance System. The Provider Compliance System will provide an important tool to the Board to ensure that all complaints, infractions, fraud and/or illegal activity is documented, tracked, investigated and if required, appropriate steps are taken to temporarily suspend or revoke the provider's authorization to treat workers' compensation claimants. The system will automate and store for historical purposes all information related to providers' complaints, suspensions and revocations. Correspondence will be generated to ensure timely follow-ups and the information captured and stored will enable the generation of timely and accurate management reports.

### Independent Medical Examiner (IME) Regulations

As per the IME regulations and law effective March 20, 2001, physicians, podiatrists, chiropractors and psychologists who conduct independent medical examinations of workers' compensation claimants must meet certain professional criteria, and must be authorized to perform these examinations by the Chair of the Workers' Compensation Board.

### 2003 Initiatives

- Authorized 595 IME providers.

- Registered 22 IME entities.

- In an effort to monitor Workers' Compensation Board authorized IME providers, the Office of Health Provider Administration developed a procedure and associated database to track complaints made against IME providers. Complaints are received, accounted for and responded to in a timely manner. In 2003 there were 37 complaints received, investigated, resolved or referred for further action. It is anticipated that this database will be migrated to the Provider Compliance system upon completion.

### Health Provider Administration Performance Measures

The Health Provider Administration Unit is working with the Bureau of Information and Management Services Research Office to develop performance measures for the unit's processes and functions. In 2003, we began efforts on the development of work definitions, critical success factors and associated potential performance measures.

## OFFICE OF COMPLIANCE & REGULATORY SERVICES (continued)

### 2003 Initiatives

■ Updated and released the Inpatient Hospital Fee Schedule. The formula on which these rates are based was promulgated in accordance with Article 28 of the Public Health Law and reflects provisions of the Health Care Reform Act of 1996 (HCRA) as set forth in Chapter 669 of the Laws of 1996. The update is effective 7/01/03 – 12/31/03.

■ Updated and released the Outpatient Hospital Fee Schedule. The schedule was adopted pursuant to Section 13, subdivision (a) of the Workers' Compensation Law, and covers ambulatory surgery charges rendered on or after January 1, 2002.

### Licensing Office

The Licensing Office is responsible for overseeing the State's Workers' Compensation and Disability Benefits Self-Insurance Programs. In addition, it manages the licensing functions for the Third Party Administrators (TPAs) and Claimant Representatives.

The Workers' Compensation Law requires employers to provide workers' compensation and disability benefits coverage for their employees in one of three ways: obtaining a policy from an insurance carrier; obtaining a policy from the State Insurance Fund; or qualifying to become self-insured.

Employers who wish to self-insure for either workers' compensation or disability benefits must apply to and be approved by the Licensing Office. An important aspect of the application and approval process is ensuring the financial strength of the employer/group. Each approved self-insurer must post with the Board a security deposit (cash, securities, letters of credit and/or surety bonds) which will be liquidated in the event a self insurer defaults on its obligation to provide benefits to their employees. There are currently over 425 individual self-insurers, 80 group self insurers, 2280 political subdivisions approved to self-insure for workers' compensation and more than 1000 approved for Disability Benefits.

The self-insurance program in New York State has experienced significant growth in the past decade, with estimates indicating self-insurance represents 20 percent of the total workers' compensation insurance market. The majority of the growth has occurred in the Group Self-Insurance (GSI) Program, which enables smaller employers to take advantage of the financial benefits of self-insurance.

Finally, the law further states that no one other than attorneys, employees of an insurance carrier, or a self-insured employer may represent an employer or carrier before the Board unless they have been licensed by the Board to do so. Therefore, the Licensing Unit is also responsible for regulating the Third Party Administrators (TPAs) and Licensed Claimants Representatives to ensure compliance with the various laws and rules and regulations.

### 2003 Initiatives

#### Individual Self-Insurance Program

Under the WCL, if a self-insurer defaults, claimants remain eligible for benefits. Therefore, the Board holds a security deposit for each self-insured employer in sufficient amount to ensure that outstanding claims are paid if an employer defaults. The Board calculates the security deposit needed for each self-insured on an annual basis. During 2003, the Self-Insurance Unit:

■ Revaluated and updated the security deposit program to reflect current industry trends and continued the 2002 initiative to add significant surcharges for companies in questionable financial condition. As a result, security deposits held by the Board have increased significantly. Total deposits exceed \$2 billion.

#### Group Self-Insurance Program

New Group Rules and Regulations (R&R) enacted on January 31, 2001, place strong fiscal requirements on Group Self Insured Trusts (GSITs) and greatly expands reporting requirements. GSITs are now required to send independent actuarial reports to support their audited annual financial statements submitted to the Board. These enhanced reports provide more detailed information enabling more accurate determinations regarding the viability and overall financial integrity of these GSITs. During 2003, the Unit:

■ Continued the prior year initiative of targeting audits ranging from a rate analysis review to full financial and actuarial reviews. These final audit reports establish the "official" regulatory funding position of the Trust, used to create a "remediation" program to ensure full compliance with the rules and regulations. The Board conducted 21 audits in 2003.

■ Established a comprehensive annual review process enabling consistent and timely reviews of each GSIT's financial information. These audits will help identify GSITs in need of immediate intervention and/or independent audits.

#### Third Party Administrators/Claimant Representatives

The Licensing Office ensures that authorized Claimant Representatives and TPAs are adhering to all aspects of the WCL and determines if current licensees ought to be renewed. In addition, the Board has adopted a policy in which claims attributable to defaulted self insurers are administered by a TPA on our behalf. Finally, the office investigates allegations against license holders. In 2003 the Licensing Office:

■ In conjunction with a licensed TPA, the Board facilitated benefit payments to more than 1,000 claimants, on behalf of defaulted self-insurers.

## OFFICE OF COMPLIANCE & REGULATORY SERVICES (continued)

- Administered the annual Licensed Representative/TPA exam for 29 candidates.
  
- Renewed 26 Claimant Representatives licenses and 88 TPA licenses and granted 17 original licenses.
  
- Opened 14 new investigations in 2003 and closed 16.

## OFFICE OF ADVOCATE FOR BUSINESS



David Austin  
Advocate for Business

The Office of Advocate for Business was created in 1993 as the primary interface between New York’s business community and the Workers’ Compensation Board. The office was created in response to employers’ need for a centralized location to obtain answers to workers’ compensation questions and assistance with navigating the workers’ compensation system. The major functions of the Office of Advocate for Business include:

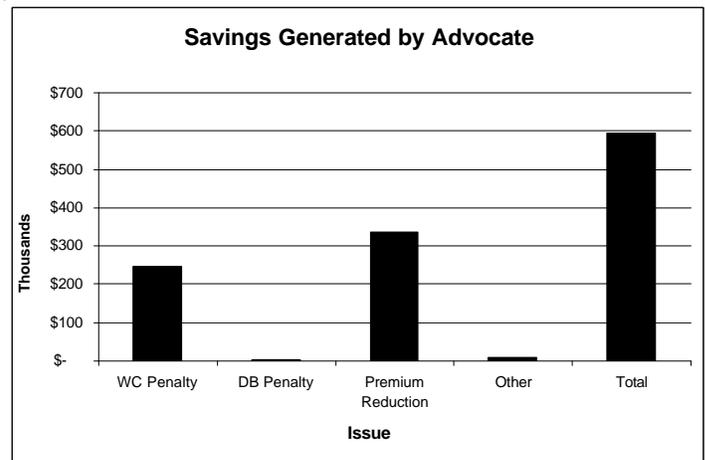
- Assisting individual businesses with problems they may have with their insurance coverage, understanding their experience modification and classifications, and complying with the Workers’ Compensation Law;
- Educating business owners and government officials about the policies associated with the workers’ compensation system and the role that each participant in the system plays; and
- Meeting with business associations and groups to identify concerns they have regarding workers’ compensation, report findings to the Chairman and offer potential solutions.

### 2003 Initiatives

■ In 2003, the Advocate for Business assisted more than 780 businesses. The office handled 366 cases, primarily dealing with insurance coverage issues involving employees. The office also received 421 inquiries from business owners requesting advice regarding complex issues.



Business Council President Daniel J. Walsh addressed the October meeting of the Board, telling members that New York’s system is “truly a system you can be proud of...”



Savings for employers generated by Advocate for Business in 2003

- The office assisted employers in saving more than \$590,000 in workers’ compensation costs.
- The Advocate met with multiple chambers of commerce and business associations throughout New York State and participated in three trade shows for small business.
- Coordinated with the Office of Regulatory Affairs to improve policies and Board regulations that will help businesses adhere to the Workers’ Compensation Law at the lowest possible cost.
- Participated as a member of the Interagency Small Business Task Force.

The inquiries that the Advocate receives from the business community range from simple questions to complex issues that may take weeks of investigation, or require coordination with other state agencies or private entities. The Advocate works closely with the Governor’s staff, the Legislature, the State Insurance Fund, the New York Compensation Insurance Rating Board and the Governor’s Office of Regulatory Reform to assist their constituents with various workers’ compensation-related problems. [Contact the Advocate for Business at \(800\) 628-3331.](tel:8006283331)



# OFFICE OF ADVOCATE FOR INJURED WORKERS



*Edwin Ruff  
Advocate for  
Injured Workers*

The Office of Advocate for Injured Workers provides guidance for claimants with regard to their workers' compensation claims and assists them in navigating the unique legal system. Working closely with the Social Service and Rehabilitation Bureau, the Advocate for Injured Workers advises injured workers who need help acquiring medical treatment, returning to the work force, or when they face financial difficulties because of lost earnings as a result of an occupational injury or disease. The office also conducts outreach to promote occupational illness and injury prevention.

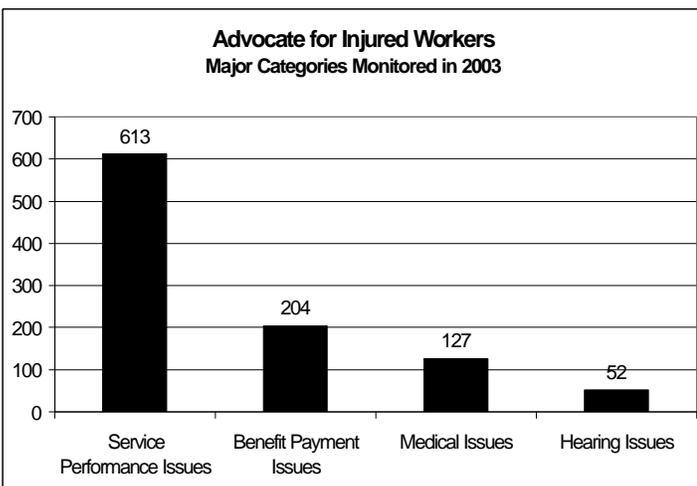
## 2003 Initiatives

- Responded to 1,657 claimant inquiries, providing advice and services targeted at resolving claims and explaining processes.
- During the first nine months of 2003 the Office of Advocate for Injured Workers coordinated with the Insurance Department's Liquidation Bureau to ensure that claimants whose benefits were being paid through the accounts of three insurance companies that entered into bankruptcy in 2003 were paid. The office tracked the bi-weekly checks to assure continuity. The Office continues to monitor the Third Party Administrator account to adjust and monitor the situation.
- In conjunction with the Public Employees Federation and the Governor's Office of Employee Relations, the Office conducted 1,788 hours of educational training regarding workers' compensation claims handling for representatives from the Employee Assistance Program.



*NYS AFL-CIO President Denis Hughes addresses the Board at the May 2003 monthly meeting.*

- Performed 1,177 service hours of outreach to organizations throughout the State of New York, offering information on the latest changes and innovations affecting the workers' compensation system.
- Provided 2,454 person hours of education training for the labor community as part of the workers' compensation navigator program. This program helps train union leaders on matters enabling them to assist and educate injured workers with regard to workers' compensation.
- Continued to monitor claims related to the World Trade Center workers and volunteers.
- To contact the Advocate for Injured Workers, call (800) 580-6665.



*Major Issue categories monitored are depicted in the table above.*



## OFFICE OF INFORMATION AND MANAGEMENT SERVICES



*Nancy Mulholland  
Dty. Executive Dir.  
Info & Management  
Services*

The mission of the Information and Management Services Division (IMS) is to support Project OPTICS (Organization, Process, Technology Innovations in Customer Service), and the ongoing operations, through technical innovations, process improvement, training, policy analysis and research, and organizational performance measurement analysis. The Division provides support to all other operational divisions at the Board by monitoring progress against objectives, working cooperatively to develop strategies for maintaining momentum and for improving services in the internal and external operations of the Board.

### Background

Since 1995, the Board has moved from being dominated by paper-bound manual processes to being a state-of-the-art, paperless, computer-based organization. This was accomplished through the introduction of a sophisticated infrastructure of computer hardware, software, and networks. The Board has more than 200 servers located throughout the State with nearly 3000 PCs connected to the networks. The OPTICS program has received recognition from both governmental and private organizations as an example of using technology to further the goals of an agency and enhance customer service. The Board relies on its computer systems to accomplish its day-to-day business. Therefore, IMS has focused on keeping its systems operating efficiently, enhancing the systems to better serve the users and to support new business initiatives, and ensuring that the technical infrastructure is updated according to standards and requirements set by the computer industry.

Within the IMS, the Office of Continuous Improvement (OCI) collaborates with management of the Board's Division of Operations in order to plan the priority projects and ongoing support tasks. Additionally, OCI provides services for policy and procedure development / publication, and Staff Development and Training. The Office of Continuous Improvement works closely with division managers and staff in all major departments to analyze operational activity and research ways to improve productivity and efficiency. OCI maintains an agency-wide repository of procedures and reference documents to assist WCB employees in their day-to-day work. Staff Development trains employees in new procedures and functions that may result from process or system (technology) improvements introduced as part the various OPTICS initiatives.

In addition to the Office of Continuous Improvement, the Division continues to provide support for the technology infrastructure, and for the development and improvement of the computer application systems supporting the Board's operational divisions. Lastly, the Division's MIS Research bureau issues the "scorecard" for the agency, providing performance measurement reports that

demonstrate the volume, quality, and timeliness of the agency's activities, as well as collecting and publishing research data about the workers' compensation system in New York.

The Board also continued projects in support of the Governor's e-Government initiative. In addition, by strengthening its MIS/Research Office, IMS is committed to developing the comprehensive databases necessary to support ongoing agency internal performance monitoring and the agency efforts in the area of workers' compensation research, analysis and fraud detection.

### 2003 Initiatives

In 2003, the Office of Information and Management Services:

- Expanded the Board's Virtual Call Center pilot program, initiated in 2001 in response to the World Trade Center disaster, to include the Board's Disability Benefits program, the Office of Appeals, and other departments dealing with customer calls. Bringing additional units into the Call Center allows the Board to measure incoming call volumes, redistribute calls as needed,



*Tom Wegener (l), Director of the Bureau of MIS/Research, accepts Computerworld's "Search for New Heroes" award on behalf of the board. The MIRROR program was recognized for its exceptional use of IT.*

## OFFICE OF INFORMATION AND MANAGEMENT SERVICES *(continued)*

and gather statistical information on incoming calls. In recognition of this innovative implementation, the Board was selected by Aspect Communications to receive its 2003 Customer Excellence Award and was also named as the runner-up for Network World's 2003 User Excellence Award.

■ Continued expansion of the Performance Measurement program and the MIRROR, the Board's on-line system for delivering performance data to Claims Managers, into other operational areas. The data enables the Board to focus on a balanced set of measures which look at volumetric, interval, and quality measures.

■ In 2003, the Board received a Medal of Achievement from the Computerworld Honors Program in recognition of having achieved laureate status as part of their "Search for New Heroes" program. The MIRROR was selected as an example of exceptional use of information technology. As a result of achieving laureate status, the MIRROR program will be made available in libraries, museums and academic research institutions around the world.

■ Recognized by the Council of State Governments as a winner alternate in the "Eastern Region Innovation Award 2003". CSG's Innovations Awards Program was established in 1986 to bring greater visibility to exemplary state programs and policies and to facilitate the transfer of those successful experiences to other states. The program is the only comprehensive, national awards program that focuses exclusively on state programs and policies and selects winners based on evaluations by state government leaders.

■ Continued expansion of the Board's electronic commerce program, e-bizWCB. This program includes providing opportunities for participants in the workers' compensation system to send forms electronically, receive notices electronically, and ultimately, through our eCase system, to view Board case files via the Web. As of this year, the Board has more than 5,000 registered users of eCase.

■ Continued enhancement of the Board's Claims Information System (CIS) and Electronic Case Folder (ECF) which support the claims, adjudication, and appeals processes for workers' compensation cases. A major enhancement was the implementation of an online judges worksheet, which allows the judge to record the hearing outcomes directly into the CIS/ECF system instead of using paper. This eliminates scanning costs for the Board, speeds the production of the official decision notices, and reduces the cycle time for initiating payments to claimants. Statewide implementation will continue through 2004.

■ Continued implementation of the new Insurance Compliance system to support the Board's responsibility to ensure that all covered employers provide workers' compensation and disability benefits insurance for their employees.

■ Completed implementation of the remaining modules of the Financial Management Information System using PeopleSoft Financial, enabling the Board to retire its last remaining legacy computer system. A major upgrade to the new release of PeopleSoft Financial was also initiated.

■ Initiated a major enhancement to the Health Provider Administration system to facilitate the responsibility to ensure health provider compliance with Board rules and regulations.

*In a December 2003 article in Network World magazine, the Board was honored as runner up in the User Excellence Award for enhancing customer service.*

*The User Excellence Award, in its 19th year, honors user organizations that demonstrate exceptional use of network technology to empower the enterprise.*

*Winning projects show how mainstream technologies can be applied creatively or how newer infrastructure*

*technologies can solve pressing business problems. They create great business cases, showing how technology leads to big savings, new opportunities or demonstrable productivity gains.*



A virtual call center saved customer service at the New York State Worker's Compensation Board. Clockwise from far right: John McDermott, Joanne Conrad, Rich Bell and Nancy Mulholland.

FOREST MCMULLIN

■ Completed installation of video conferencing capabilities in all of the Board's Customer Service Centers. The expanded use of video conferencing speeds up the resolution of Workers' Compensation cases by removing geographical barriers.

■ FrAUD-IT: The division continued to support the Board's fraud detection activities in 2003 and formalized several pilot activities into regular monthly data matching programs. The Board expanded these data-driven fraud detection activities by developing new data sharing agreements with other New York

## OFFICE OF INFORMATION AND MANAGEMENT SERVICES (continued)

state agencies. In addition to piloting these new programs in 2004, the division continues to support the Board's ability to leverage data in fraud detection on an individual case basis.

A single repository of claim data powerfully enables data-driven fraud detection activities. In support of these fraud detection activities, the Board continued building a data warehouse and in 2003 completed the development of the necessary data architecture and data cleansing and migration programs for loading its data warehouse. This represents the completion of a significant phase of the data warehouse development and the first production data marts are expected to be online in 2004.

■ **On Line Digesting:** The IMS division maintains a data acquisition program where knowledge workers, or 'Digesters', read the narrative descriptions of injuries and events contained in the Electronic Case Folder and translate (digest) that data into coded values making them useful for workplace safety and policy analysis. In 2003, the Board's digesting process was re-engineered to utilize the current ANSI standard "Occupation Injury & Illness Classification System" (OIICS) which was developed by the US Department of Labor's Bureau of Labor Statistics in the 1990s. A software system and underlying data architecture were designed, developed and implemented in 2003 to provide the Board's Digesters with an online coding system that supports OIICS coding. This system provides real-time editing of the coded values and immediate feedback to the digester. In addition, the system provides numerous look-up facilities and online help to provide continuous guidance to the digester as they code the case. It includes a sampled quality control process, either by statistical sample or by targeting a specific subset of work, which is automatically submitted for review by a Team Leader. The system also provides for an on-demand "second opinion" system that gives the individual digester the opportunity to request, online, a review by a Team Leader of their work on a specific case. Supported by a set of performance measures that monitor the volume, quality, consistency and timeliness of the work produced, this full-featured system represents the state of the art in systems supporting the acquisition of occupational injury and illness data.

■ **Initiated a comprehensive program aimed at ensuring Business Continuity** in the event of a disaster. The Board, and its customers, are heavily dependent on the availability of the Board's computer systems and data. It is imperative that the Board put contingency plans in place to ensure continued availability of these systems. In recognition of this, IMS has created a security and business continuity unit to implement appropriate safeguards.

■ **Initiated a comprehensive re-engineering project aimed at optimizing our customer service programs.** Entitled "Contact Relationship Management", this initiative seeks innovative ways to improve the Board's interactions with those it serves. The

project team has compiled extensive data on current customer interactions, as well as researching CRM "best practices". Envisioning the "re-engineered" customer service oriented Board of the future is underway now.

■ **Completed several significant upgrades to the Board's technical infrastructure.** Network hubs and routers have been upgraded, database and application servers were upgraded, and a new enterprise storage subsystem was installed. All of these improvements enhance the performance of the Board's application systems for our 1,500 internal and over 5,000 external users.



## OFFICE OF ADMINISTRATION



Glenn Warren  
Deputy Executive Dir.  
Administration

The Division of Administration is composed of three major components: The Bureau of Human Resources Management, Bureau of Finance, and Bureau of Administrative Services. The mission of the Division of Administration consists of the following:

- Meet the staffing needs of the Board;
- Administer the programs applicable to Board employees;
- Ensure the integrity of NY State Civil Service Laws;
- Administer the Board's budget process;
- Process payroll, vouchers, penalties and miscellaneous revenues; and
- Provide administrative support to the Board.

### Bureau of Human Resources Management (HRM)

The primary functions of the Bureau of Human Resources Management are to:

- Meet the staffing needs of the Board's programs through staffing plan development and resulting classification actions, examination planning, recruitment and selection.
- Promote effective labor/management relations that support management and staff working together cooperatively toward accomplishing the Board's mission, including promoting the use of coaching, counseling and progressive discipline in effectively and fairly dealing with employees.
- Administer the programs applicable to Board employees to ensure that employees receive the benefits to which they are entitled, while ensuring that the NYS Civil Service Laws, Rules and Regulations, State negotiated agreements, and federal and State labor and disability laws are followed as they relate to Board employees.

#### Functional Organization

To accomplish these activities, HRM is organized into functional units in two geographic locations. The labor/management and employee relations efforts are directed by an Agency Labor Relations Representative in the Queens Office assisted by an Albany staff person. They conduct negotiations, administer the contracts, administer the discipline and grievance procedures and conduct an organized program of dialogue with employee representatives, including participation in labor/management committees.

Personnel groups located in both HRM Offices and led by a Director of Personnel in Albany handle the personnel activities. They are responsible for statewide benefits programs including employee orientation, probation and performance evaluation systems, retirement processing, time records management, workers' compensation for Board employees, health benefits,

and other insurance management. Others are responsible for providing personnel assistance to program managers through recruiting and hiring, processing of payroll transactions, position classification, examination planning and management, and organizational and staffing analysis.

### 2003 Initiatives

- Completed the agency-wide initiative to train all managers and supervisors in labor relations matters in the first quarter of 2003. The areas of training included the following: an overview of the standard for labor/management cooperation in New York State, counseling, time and attendance, performance evaluation, employee behavior, discipline, and grievances.
- Responded to and appropriately resolved requests from program managers for administrative actions concerning Board employees.
- Increased the number of labor-management meetings statewide, especially at the district office level.
- Negotiated labor-management agreements with two unions for electronic bulletin boards and use of e-mail for certain labor-management activities; one of the bulletin boards is fully operational.
- Assisted the NYS Assistant Attorney General in successfully defending the Board in a federal civil rights lawsuit brought by a former employee.
- Completed the planning and preparation for civil service exams in several titles.
- Conducted a study of the assignments of Data Entry Machine Operator (DEMO) positions in the agency and completed the reclassifications necessary to move staff into titles

## OFFICE OF ADMINISTRATION (continued)

reflective of their current assignments.

- Processed an average of 70 transactions per period with all the associated paper work and authorizations to ensure that employees are in the correct status and receiving the correct salary and benefits. This work included all of the preparatory and processing work for the 103 Board employees who participated in the retirement incentive program at the end of fiscal year 2002-2003.

- Implemented the electronic time sheet (LATS) system for over half of the agency by the end of 2003. The remaining staff will be converted by April 2004.

- Reorganized probation evaluation procedures, reorganized and enhanced Attendance and Leave procedures, a new EAP section, a greatly enhanced Ergonomic Section including all the training materials for the volunteer trainers, new parking procedures, an electronic distribution system for examination announcements, a complete orientation guide for new employees and staff who conduct the program, and the conversion of numerous forms to on-line formats.

### Finance Office

The Finance Office's primary functional areas include: budget analysis; assessment and collection of the Board's Administrative and Special Funds; claims processing for the Special Funds; maintenance of security deposits for self-insured employers and supervised accounts, including interest payments; fund accounting; processing of payroll and vouchers; processing of compliance penalties; and processing of procedural penalties and miscellaneous revenues.

### 2003 Initiatives

- Issuance of Administrative and Special Fund Assessments of more than \$726.4 million in Workers' Compensation Program and \$8 million in Disability Benefits Program. In 2003, due to the fund balance for the Special Fund for Disability Benefits, no assessment was required.

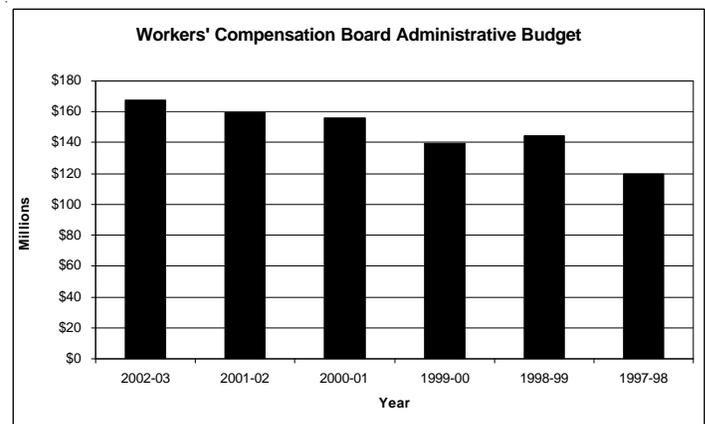
- For the Fund for Reopened Cases, the Office processes more than 288,000 payments totaling more than \$74 million; this includes over 5,500 checks on a biweekly basis primarily to claimants. An additional \$36 million is also disbursed from that Fund to Carriers and Self-Insured employers as reimbursement of Supplemental Benefits payments.

- For the Special Disability Fund, more than 72,000 payments, totaling over \$394.7 million were paid as a reimbursement to the carriers and self-insured employers.

- For the Special Fund for Disability Benefits, just under \$3.5 million in benefits were paid to claimants who became disabled while receiving unemployment benefits or who became disabled while employed by an uninsured employer.

- For the Uninsured Employer Fund, just under \$15.0 million was disbursed from the fund. This included benefits and medical payments to claimants who are injured on the job while employed by an uninsured employer.

- Processed vouchers for personal services and other than



personal services, including travel for the agency in excess of \$154 million; this includes the payroll for over 1,500 employees (this includes part time and per diem employees).

- For the Workers' Compensation Program, more than \$7.9 million is received for the Uninsured Employer Fund. The majority of the non-assessment receipts are from employers who were out of compliance with maintaining coverage for employees in accordance with the Workers' Compensation Law.

- For the Disability Benefits Program, slightly more than \$2.6 million was received and processed from employers who were out of compliance with maintaining coverage for employees in accordance with the Disability Benefits Law.

- Processed receipts from procedural penalties and other miscellaneous revenue exceeding \$1 million. The other miscellaneous revenue receipts include the revenue from the Board publications available for sale to the public.

- Continued working with consultants to implement a computer system which will automate many of the manual processes and replace older computer systems within the Finance and Administration areas. The module that facilitates

## OFFICE OF ADMINISTRATION (continued)

the processing of the Board's administrative expenses, and some of the claims disbursements and assessment receipts, have been implemented. Development continues on the other modules that will impact the remaining accounts receivable areas.

### Bureau of Administrative Services

The primary function of the Bureau of Administrative Services is to provide administrative support services to every unit within the Board. These services include mail and messenger services, a centralized office supply stock room serving all Board locations, printing services, telephones, archives, purchasing, contractual services, vehicles, facility management, space design, leasing, surplus property disposition, records management and staff and building relocations.

### 2003 Initiatives

- Worked with OGS and other Board staff to implement the provisions of Executive Order 127, which provides for increased disclosure in the public procurement process.

- Supervised the relocation of the Schenectady Customer Service Center, the relocation of staff and equipment from Penn Plaza to Brooklyn and Manhattan, and a reorganization of the Hempstead District Office.

- The Board's Health and Safety Director analyzed the results of the ergonomics program implemented by the Board three years ago. This analysis shows a significant reduction in all ergonomically related incidents and complaints since the program's inception, and has been recognized by the statewide labor-management committee as a significant achievement.

- Inspected all Board facilities for compliance with OSHA, State and Local Rules, Regulations and Codes. Any identified violations or deficiencies were reported and corrective actions were actively sought with landlords and facilities managers.

- The Central Archives unit in Norwich received recognition for timely and accurate retrieval and refiling of cases. During the year, over 23,000 cases were requested, sent out to requesters and returned for refiling.

- Nearly half of Central Archives' staff assisted the Binghamton Document Control Center for more than six months. Staff remaining in Norwich also rose to the challenge and were able to continue processing all archival requests, maintained activities for the case copy project and the pre-indexing for downstate districts without any interruption of service.

- Central Archives continued to respond to special cases requests for both the HIMP project and the Social Security Administration on an as-needed basis.

### Managing Facilities

- Binghamton

Planned for and renovated space at the State Office Building to house a centralized mailroom for the Board.

- Schenectady

Relocated our customer service center from cramped quarters at 136 State Street to a newly remodeled state of the art building at 328 State Street.

- Queens

Making preparations to install a generator for a backup disaster recovery plan in the event of an extended emergency situation at our main computer center at 100 Broadway, Menands location.

- Menands

Finalizing plans to start renovation of the remaining 66,000 square feet of space which houses EDP, Compliance, Operations and Administration staff.

### Office of Security

The Office of Security provides security for 44 offices throughout the state where 1,700 state employees perform the agency's business. It is the responsibility of the Office of Security to maintain order and safety for the thousands of employees and the public who access these facilities on a daily basis.

### 2003 Initiatives

- Initiated the process of installing electronic proximity readers at offices across the state to improve security, in concert with the recent OGS implementation of this system.

Routinely visited all District Offices to ensure security equipment and personnel are functioning properly.

- Initiated the WCB Crisis Management Team in conjunction with the State Emergency Management Office.

- Visited with local law enforcement agencies, which serve WCB District Offices/Service Centers to coordinate services in

## OFFICE OF ADMINISTRATION (continued)

the event of an emergency.

- Conducted quarterly meetings with statewide security managers.
- Responded to 269 security issues in 2003.
- Arranged special security coverage for 650 hearings or procedures deemed as special security cases
- Completed in-depth investigation and presented recommendations for conducting background checks for SSA 1, 2 & 3's, WCB Judges and WCB Investigators. Material presented to personnel.

# OFFICE OF WORKERS' COMPENSATION FRAUD INSPECTOR GENERAL



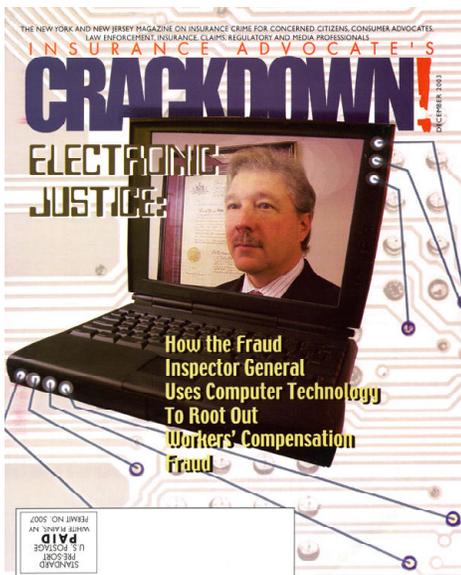
John H. Burgher, Jr.  
Fraud Inspector  
General

Governor George E. Pataki's September 10, 1996 enactment of the New York Employment Safety and Security Act created the Office of the Workers' Compensation Fraud Inspector (OFIG) to implement the Governor's workers' compensation (WC) fraud fighting program. OFIG's mission is to: detect potential cases of criminal and civil fraud, abuse and misconduct within the NYS WC System; vigorously, fairly and thoroughly investigate them; develop evidence to refer viable WC criminal fraud cases to state or local prosecutors for prosecution; and seek payment of victim restitution upon conviction.

## Background

On June 8, 2000, Governor George E. Pataki appointed John H. Burgher, Jr., as the Fraud Inspector General. Since his appointment, Mr. Burgher has overseen a significant expansion of the Office of Fraud Inspector General's program to combat WC fraud in accordance with the Governor's anti-fraud policies.

This program expansion has centered on: increasing the efficiency and effectiveness of OFIG's existing efforts to investigate fraud through improved case intake screening and investigatory processes; combining the Board's award winning computer technology with OFIG's data mining programs to proactively identify significant numbers of additional potential fraud cases for investigation; and broadening the scope of OFIG's fraud fighting efforts through the establishment of an Audit unit whose forensic auditors analyze complex employer premium and provider billing fraud schemes to maximize the amount of victim restitution obtained.



Insurance Advocate's magazine highlighted the efforts of the Office of Fraud Inspector General in their Dec. 2003 issue

OFIG's growing success in combating WC fraud was highlighted on January 22, 2004 when WCB announced that OFIG investigations conducted since it began operations in 1997 have resulted in more than 500 arrests and saved the WC system more than \$16 million consisting of \$10 million in restitution for victims of fraud and \$6 million in fines and

released insurance reserves.

## 2003 Initiatives

■ OFIG's ground breaking computerized data mining initiative was recognized in the cover story of the December 2003 issue of the Insurance Advocate's Crackdown for its effectiveness in "the usage of the Workers' Compensation Board's vast database to find and prosecute claimants, doctors and lawyers who attempt to cheat the workers' compensation system."

### Cases Received

■ In 2003, OFIG received 3,853 fraud cases which included 1,330 complaints to the 24 hour WC fraud telephone hotline.

### Cases Resolved

In 2003, OFIG reached several new highs in its case resolution statistics by:

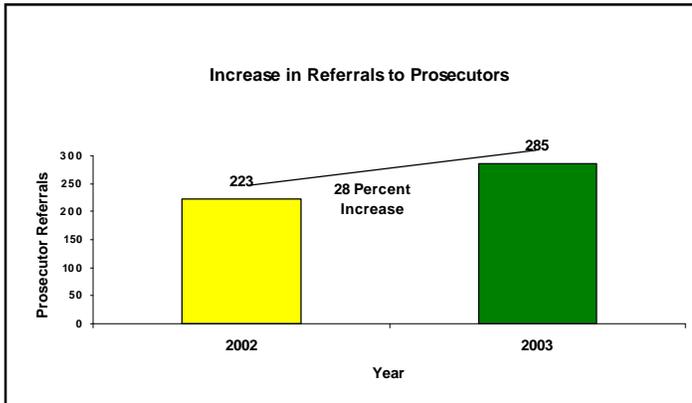
- Doubling the number of fraud cases closed to 6,445.
- Increasing the number of fraud cases referred for criminal prosecution by 28 percent to 285.
- Growing the number of cases referred after investigation to other state or federal agencies for appropriate action upon discovery of possible other law or regulatory violations by 52 percent to 2,509.
- Increasing the number of arrests and prosecutions resulting from OFIG investigations by 12 percent to 119.
- Increasing the amount of money returned to defrauded victims to \$4,661,091.

## OFFICE OF FRAUD INSPECTOR GENERAL *(continued)*

### Office of Special Projects

During 2003 OFIG continued to use its data mining program to combat WC fraud resulting in the:

- Production of 1,903 fraud case leads for investigation.
- The Employer Fraud Task Force Initiated 990 investigations of businesses that had violated WCL Section 50 by not having WC insurance coverage at the time of employee injury.
- The Fraud I.T. Project generated of 873 investigations of claimants allegedly receiving WC benefits while working. OFIG referred 378 to the 12 participating carriers and self-insurers for further investigation.



*The OFIG increased fraud referrals to prosecutors by 28 percent in 2003.*

- Forwarded data to insurers on 40 individuals who were incarcerated while receiving workers' compensation benefits. State case law entitles an insurer to cancel benefits upon claimant incarceration and conviction.
- In September 2003, OFIG signed an agreement with the State Department of Labor granting OFIG access to its employer wage reporting data base. OFIG will begin using this data in 2004 to expand its WC claimant and employer premium fraud detection efforts.

### Fraud Sweeps

- On March 19, 2003, the Queens County District Attorney's Office, OFIG and State Insurance Department announced the arrest of four persons for committing \$68,765 in WC fraud.

- On May 20, 2003, the Nassau County District Attorney's Office, OFIG, State Insurance Department and State Insurance Fund announced the arrest of four individuals for committing \$58,700 in WC fraud.

- On June 17, 2003, the Suffolk County District Attorney's Office, OFIG, State Insurance Department and State Insurance Fund announced the arrest of 10 persons for committing \$223,307 in WC fraud.

- On November 3, 2003, the Albany County DA's Office, OFIG and State Insurance Fund announced the arrest of 8 individuals for committing \$215,401 in WC fraud.

- 40 cases were referred to the Inspector General involving possibly incarcerated claimants.

### FrAUD-I.T.

The FrAUD-I.T. program detects claimants who are classified as totally disabled and working concurrently by measuring Board records with those provided by the Department of Labor's New Hires Registry. At present:

- Ten insurance carriers and two self insured counties are enrolled in the program.
- 873 FrAUD I.T. referrals were provided to the Inspector General.

### Employer Fraud Task Force

- The Employer Fraud Task Force utilizes information stored in the Board's electronic files to locate non-compliant employers. In 2003, the EFTF referred 990 cases for legal action.

### Fraud Hotline

Anyone wishing to report a suspected fraudulent workers' compensation matter may consult, confidentially, with a staff member or seek information during regular business hours by calling toll free 1-888-363-6001. After business hours these telephone complaints are recorded and then retrieved by the staff on the next business day.





## APPENDICES

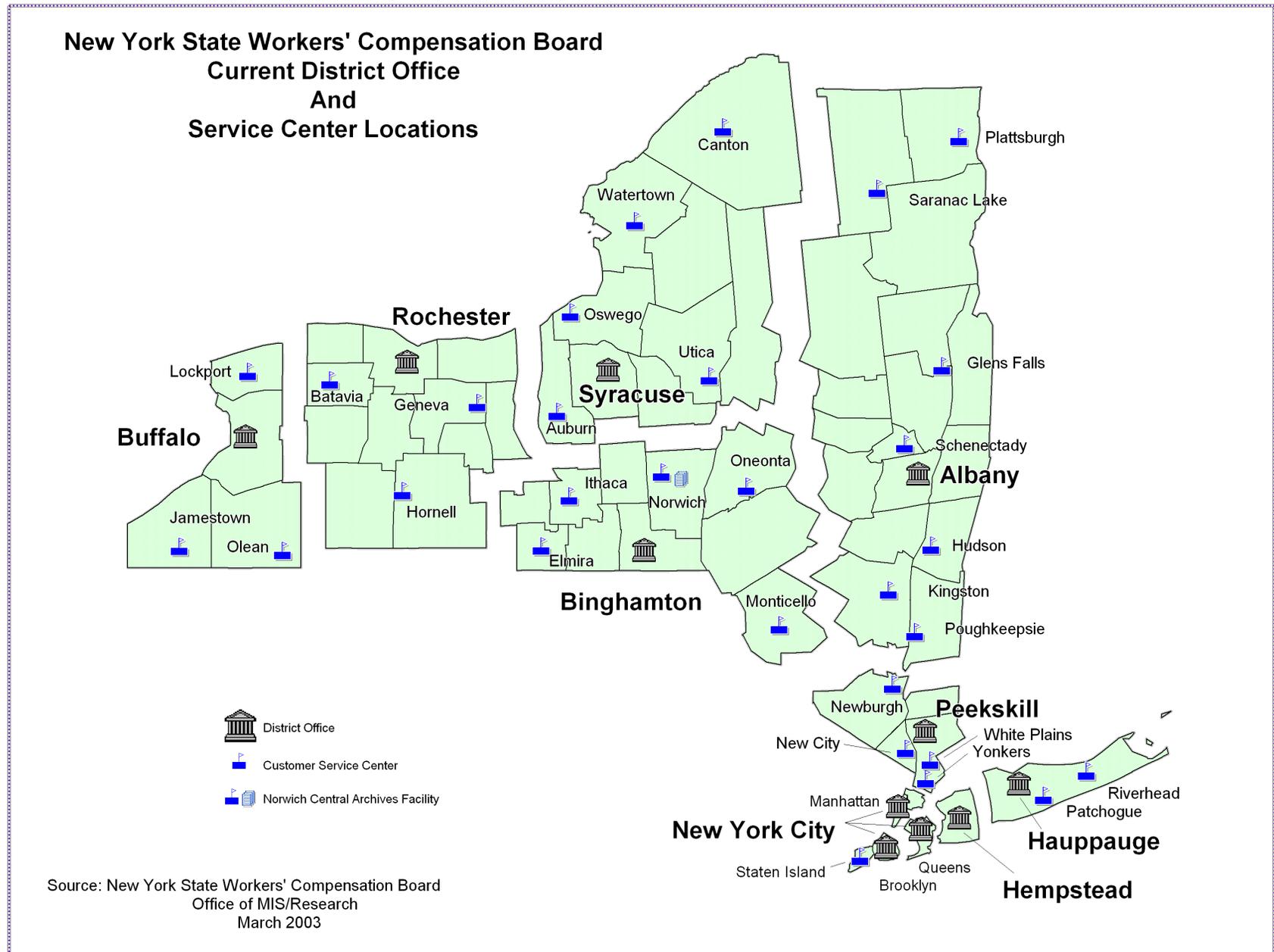
Appendix I	District Office and Service Center Locations
Appendix II	Injuries by County For Cases Indexed in 2003
Appendix III	Cases Indexed In 2003 by District Office
Appendix IV	Cases Controverted in 2003 by District Office
Appendix V	Number of Hearings Held by District Office
Appendix VI	Percentage of Claims Accepted in 2003 by District Office
Appendix VII	Claims Accepted in 2003 by Month
Appendix VIII	Most Frequently Occurring Injuries
Appendix IX	Parts of Body Most Frequently Injured
Appendix X	Most Frequent Types of Accidents
Appendix XI	Types of Occupational Disease
Appendix XII	Nature of Most Frequent Injuries
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Appendix XV	Claim Liability for Cases Accepted in 2003
Appendix XVI	Administrative Assessment - Section 151
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Appendix XXII	Special Fund Assessment - Section 25-A
Appendix XXIII	Special Fund Assessment - Section 15-8
Appendix XXIV	Special Fund Assessment - Section 214

### Injury/Exposure Coding in 2003

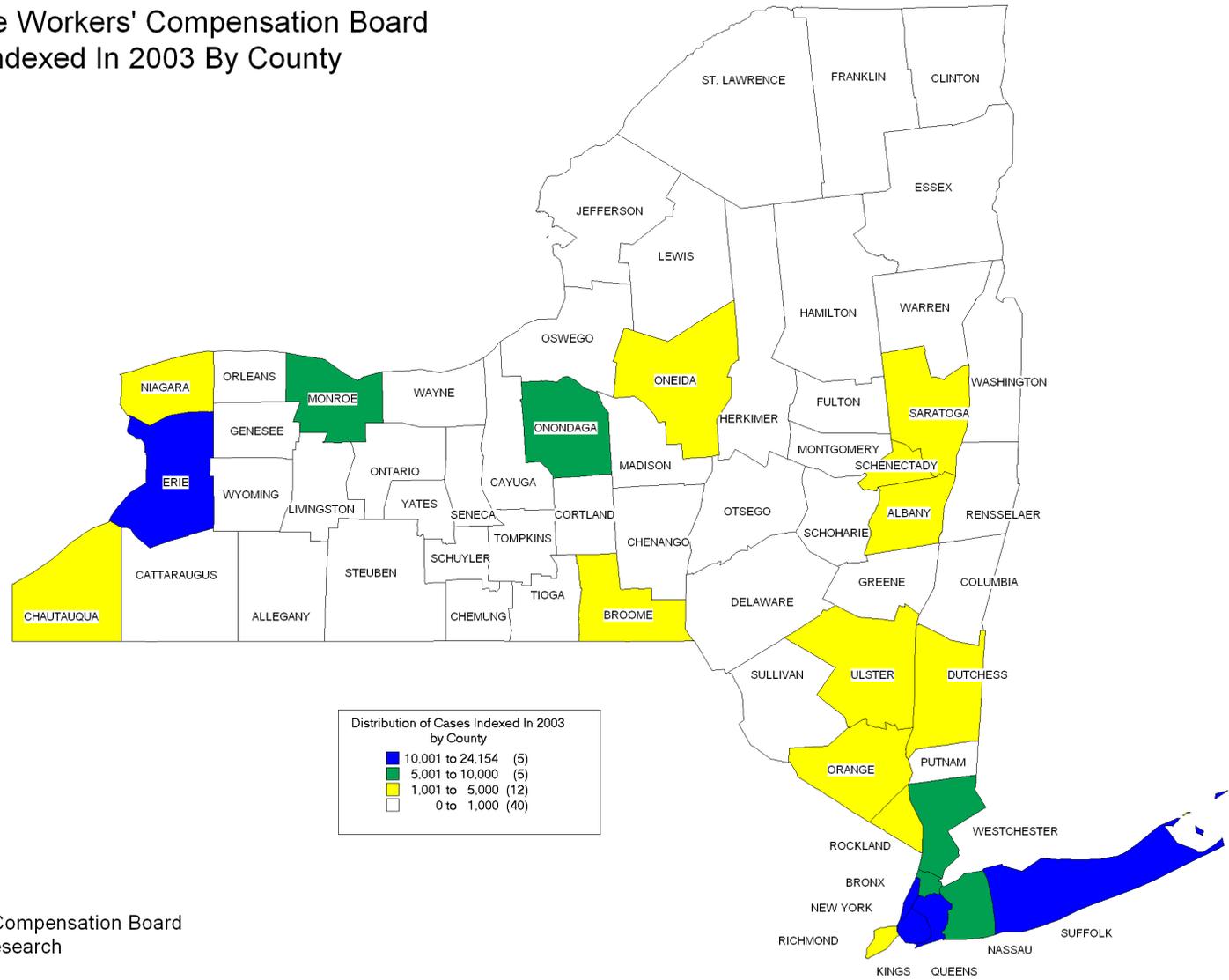
The data reported about injuries that result in workers' compensation claims in New York is produced by the manual process of reading narrative descriptions of injuries or exposures as well as the surrounding events that occurred at the workplace. Board staff, called digesters, are assigned the task of reading case folders and converting narrative information into coded data using a standard classification system. Two events occurred in 2003 which impacted the collection of this data; a significant number of digester retirees and a conversion to the ANSI standard "Occupation Injury & Illness Classification System (OIICS)."

OIICS was developed by the US Department of Labor's Bureau of Labor Statistics in the 1990s. With many more codes and defined coding rules, OIICS allows for improved precision in capturing workplace injury characteristics. The transition to OIICS coding requires retraining of digesters and updated information technology. In 2003, the Board undertook the training and IT development necessary to digest cases using OIICS. As a result, the Board is able to produce more accurate, consistent and timely data.

In 2003, the Board did not digest "medical only" claims and has prepared the injury/exposure and workplace event characteristics on accepted claims which resulted in the injured worker receiving paid indemnity benefits within 60 days of claims acceptance.



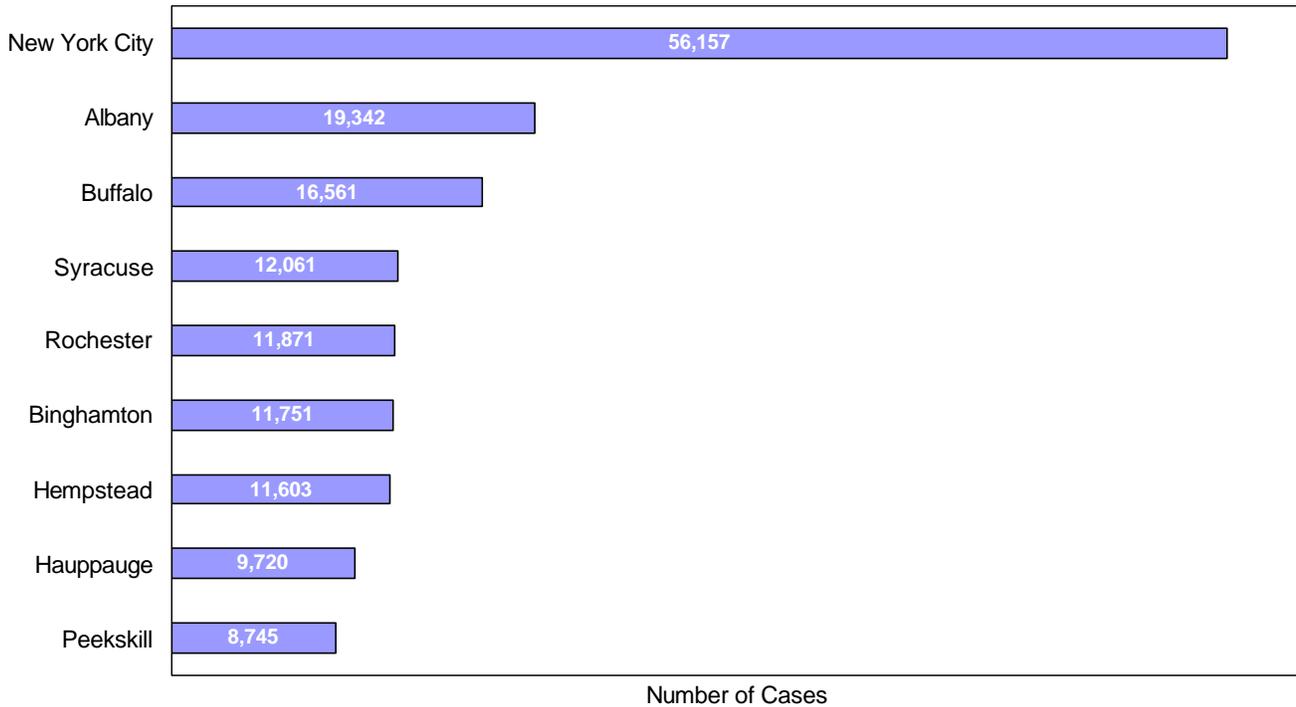
### New York State Workers' Compensation Board Cases Indexed In 2003 By County



Source: NYS Workers' Compensation Board  
Office of MIS/Research

Appendix III

**Cases Indexed in 2003  
By District Office**

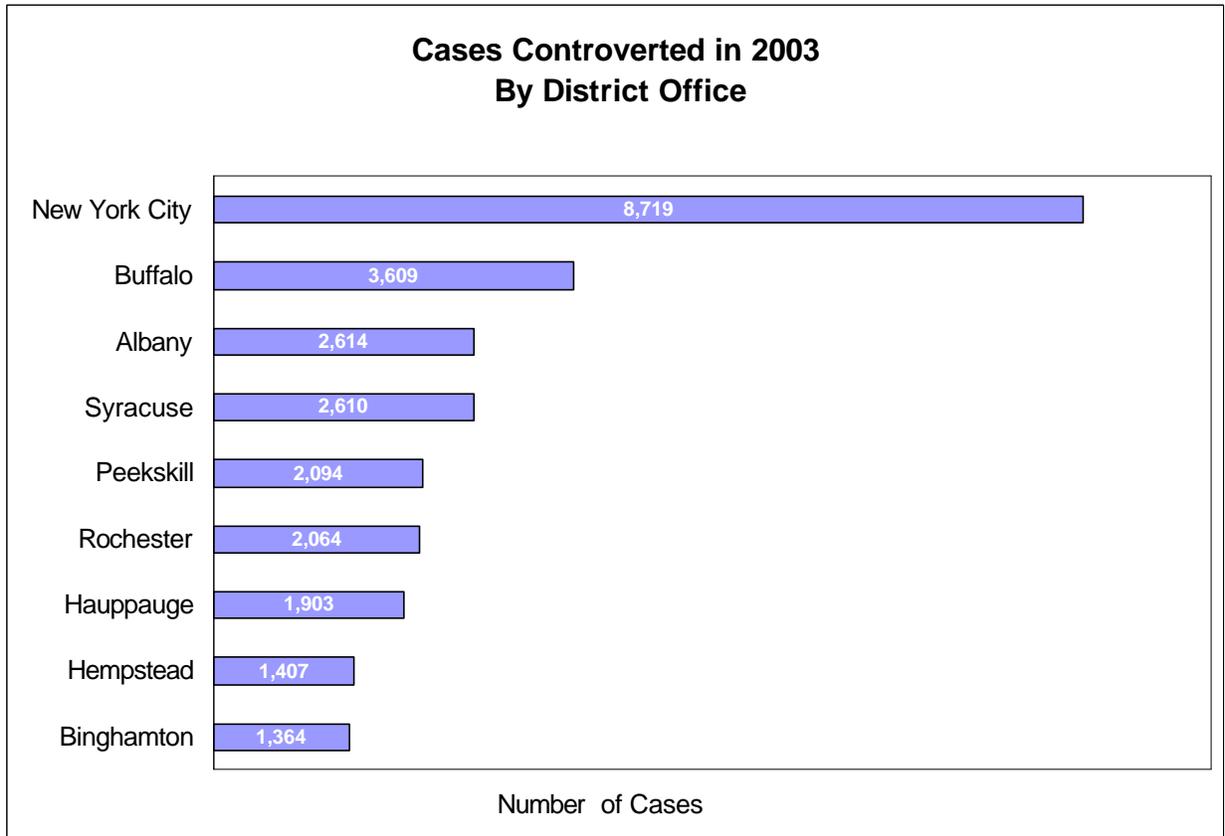


**Cases Indexed and Cases Reopened in 2003  
By District Office**

District Office	Cases Indexed	Cases Reopened		
		Archived	Unarchived	Total
New York City	56,157	2,022	45,557	47,579
Albany	19,342	830	15,489	16,319
Buffalo	16,561	679	15,196	15,875
Syracuse	12,061	974	18,374	19,348
Rochester	11,871	524	12,747	13,271
Binghamton	11,751	546	7,981	8,527
Hempstead	11,603	596	11,766	12,362
Hauppauge	9,720	1,033	15,084	16,117
Peekskill	8,745	404	16,919	17,323
<b>Total</b>	<b>157,811</b>	<b>7,608</b>	<b>159,113</b>	<b>166,721</b>

Source: NYS Workers' Compensation Board  
Office of MIS/Research

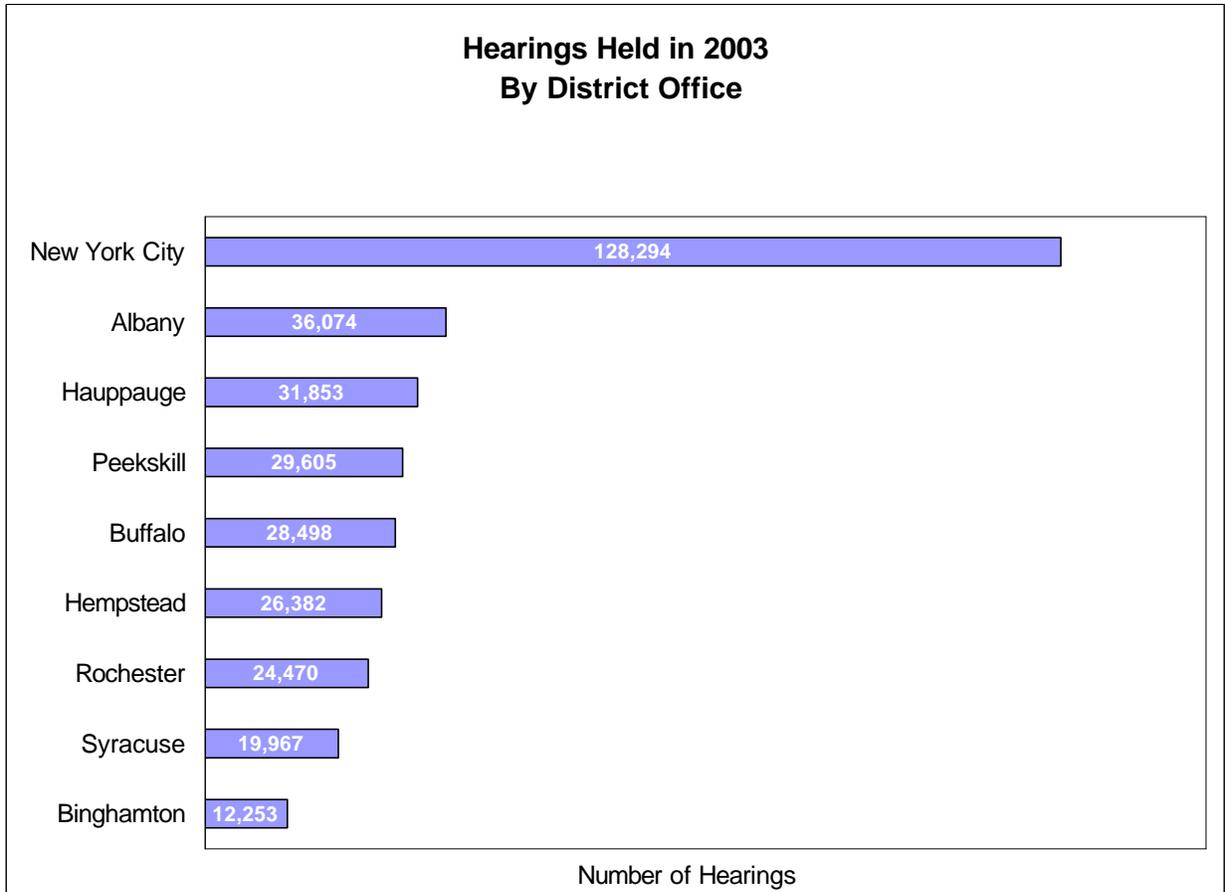
Appendix IV



District Office	Number of Cases Controverted
New York City	8,719
Buffalo	3,609
Albany	2,614
Syracuse	2,610
Peekskill	2,094
Rochester	2,064
Hauppauge	1,903
Hempstead	1,407
Binghamton	1,364
<b>Total</b>	<b>26,384</b>

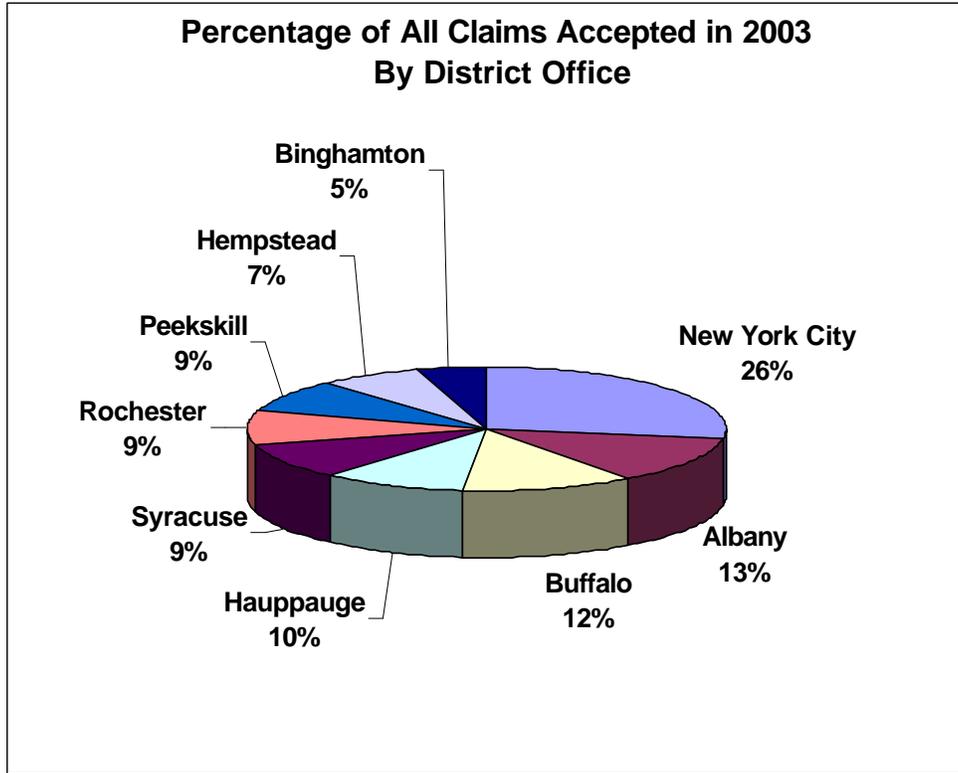
Source: NYS Workers' Compensation Board  
Office of MIS/Research

Appendix V



District Office	Number of Hearings
New York City	128,294
Albany	36,074
Hauppauge	31,853
Peekskill	29,605
Buffalo	28,498
Hempstead	26,382
Rochester	24,470
Syracuse	19,967
Binghamton	12,253
<b>Total</b>	<b>337,396</b>

Source: NYS Workers' Compensation Board  
Office of MIS/Research



**Claims Accepted in 2003  
By District Office**

District Office	Claims Accepted
New York City	34,147
Albany	15,574
Buffalo	14,704
Hauppauge	11,998
Syracuse	11,619
Rochester	11,279
Peekskill	10,642
Hempstead	8,678
Binghamton	5,808
<b>Total</b>	<b>124,449</b>

Source: NYS Workers' Compensation Board  
Office of MIS/Research

Appendix VII

**Claims Accepted in 2003- by Month**

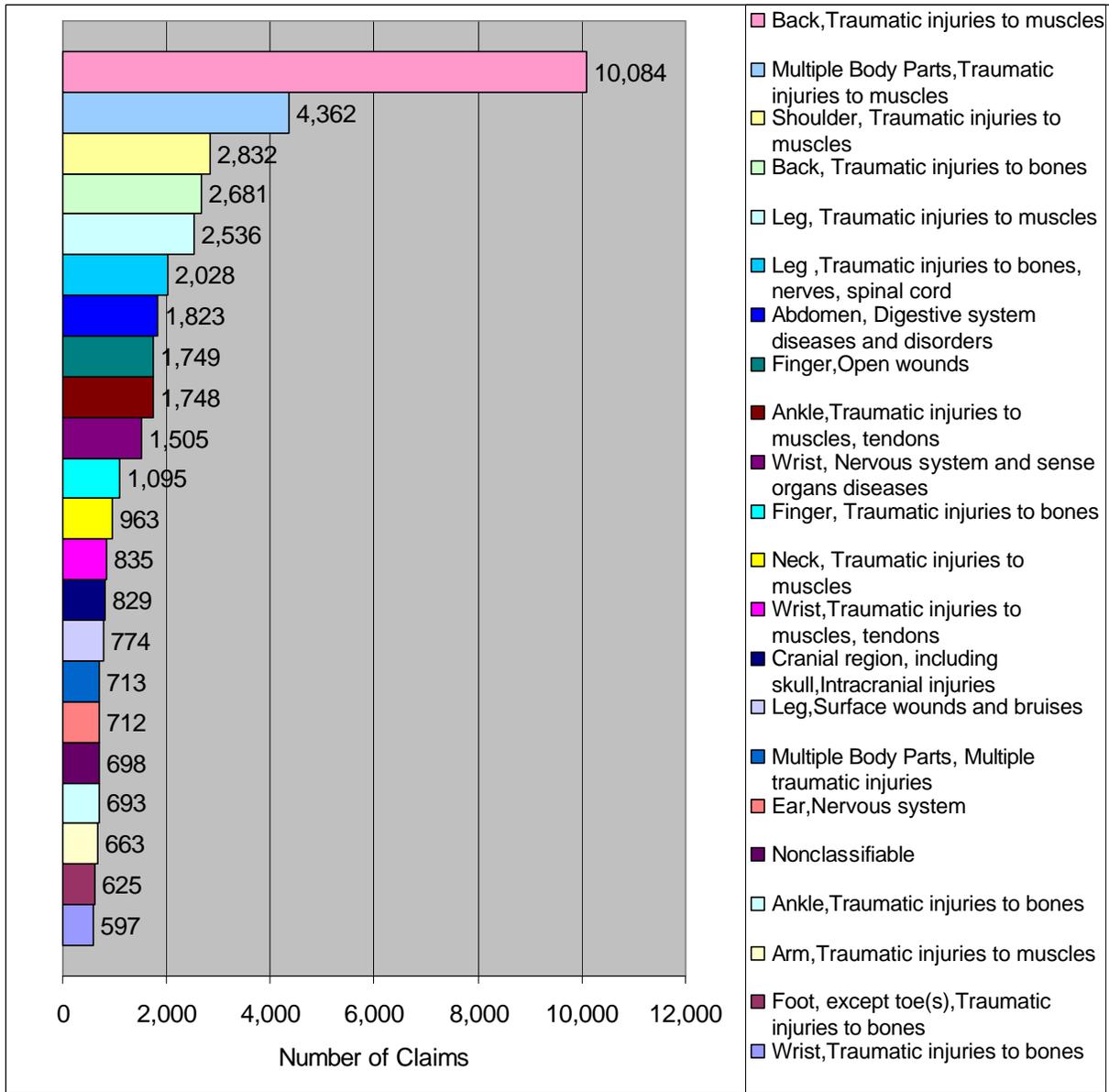
<b>Month Accepted</b>	<b>Total Claims Accepted</b>	<b>WCL Claims (a)</b>	<b>VFBL Claims (b)</b>	<b>VAWBL Claims (c)</b>
January 2003	11,414	11,327	83	4
February	10,004	9,927	69	8
March	11,122	11,041	72	9
April	10,874	10,783	81	10
May	11,132	11,045	79	8
June	10,455	10,364	82	9
July	10,219	10,137	73	9
August	9,422	9,346	68	8
September	9,820	9,745	73	2
October	10,639	10,543	86	10
November	9,090	9,001	81	8
December	10,258	10,165	87	6
<b>Total</b>	<b>124,449</b>	<b>123,424</b>	<b>934</b>	<b>91</b>

- (a) Claims under the Workers' Compensation Law
- (b) Claims under the Volunteer Firefighters' Benefit Law
- (c) Claims under the Volunteer Ambulance Workers' Benefit Law

Claims Accepted in 2003: Claims for which there was a finding made by the Board during calendar year 2003 that (1) the claimant sustained an injury arising out of and in the course of employment; (2) timely notice thereof was given to the employer; and (3) there is a causal relationship between the work injury and a consequent disability.

(The claims accepted data for 2003 include some previously established claims for which a Board finding during calendar year 2003 amended or reaffirmed the claim's status; it is estimated that these affirmations account for less than 5% of the total).

### Most Frequently Occurring Injury Types For Claims Accepted With Paid Benefits in 2003



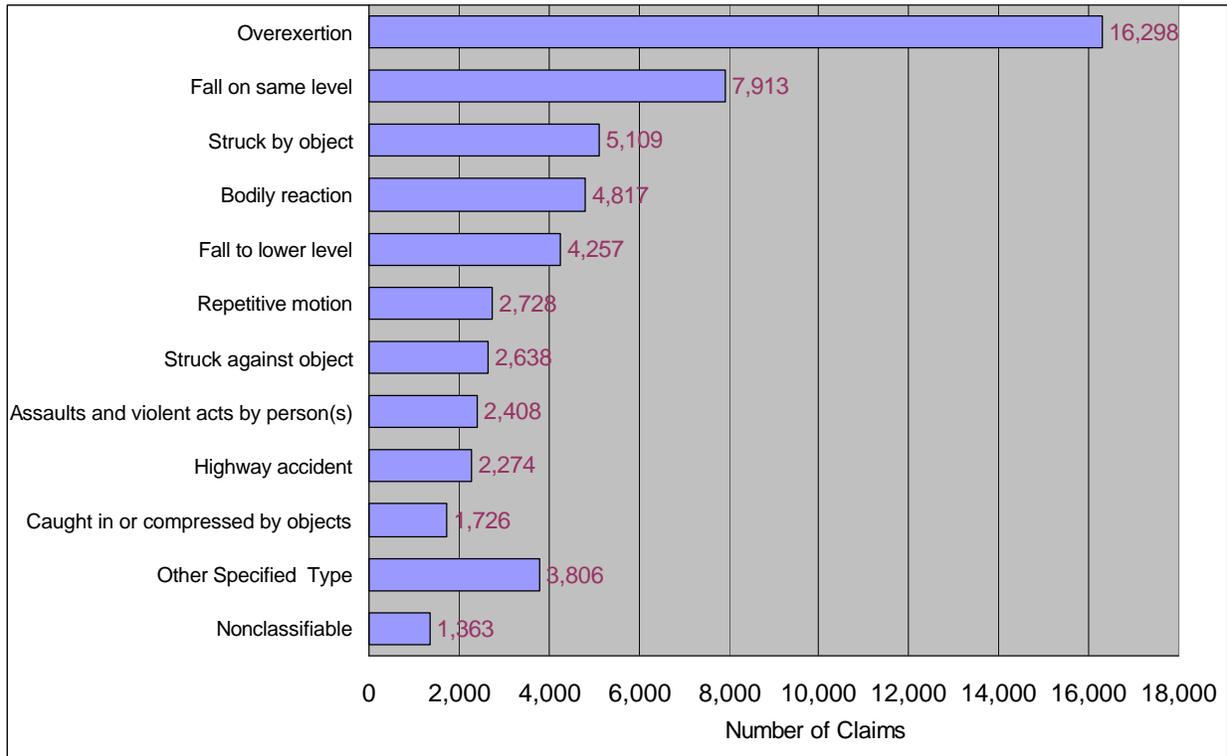
## Appendix IX

**Part of Body Injured Summary  
For Claims Accepted With Paid Benefits in 2003**

<b>PART OF BODY AREA Body Sub-Area</b>	<b>All Claims</b>	<b>Male Worker</b>	<b>Female Worker</b>	<b>Sex Not Indicated</b>
<b>HEAD</b>	<b>2,632</b>	<b>1,979</b>	<b>614</b>	<b>39</b>
<b>NECK</b>	<b>1,581</b>	<b>819</b>	<b>752</b>	<b>10</b>
<b>UPPER EXTREMITIES</b>	<b>11,080</b>	<b>6,924</b>	<b>4,037</b>	<b>119</b>
Finger	3,768	2,820	899	49
Wrist	3,393	1,530	1,827	36
Hand	1,345	981	347	17
Arm	1,963	1,248	701	14
Multiple Upper Ex.	605	344	258	3
All Other	6	1	5	0
<b>TRUNK</b>	<b>21,145</b>	<b>13,794</b>	<b>7,164</b>	<b>187</b>
Back	13,258	8,161	4,962	135
Shoulder	3,667	2,298	1,350	19
Abdomen	1,957	1,775	169	13
Chest	1,139	841	288	10
Pelvic Region	582	398	178	6
Multiple Trunk Locations	529	311	214	4
All Other	13	10	3	0
<b>LOWER EXTREMITIES</b>	<b>10,917</b>	<b>7,186</b>	<b>3,632</b>	<b>99</b>
Leg	5,938	4,040	1,865	33
Ankle	2,606	1,632	943	31
Foot	1,421	900	499	22
Toe	465	324	137	4
Multiple Lower Ex.	483	287	187	9
All Other	4	3	1	0
<b>BODY SYSTEMS</b>	<b>450</b>	<b>237</b>	<b>209</b>	<b>4</b>
<b>MULTIPLE BODY AREAS</b>	<b>6,792</b>	<b>3,770</b>	<b>2,957</b>	<b>65</b>
<b>OTHER OR UNSPECIFIED</b>	<b>740</b>	<b>518</b>	<b>217</b>	<b>5</b>
<b>Totals</b>	<b>55,337</b>	<b>35,227</b>	<b>19,582</b>	<b>528</b>

Appendix X

**Type of Accident or Exposure  
For Claims Accepted With Paid Benefits in 2003**

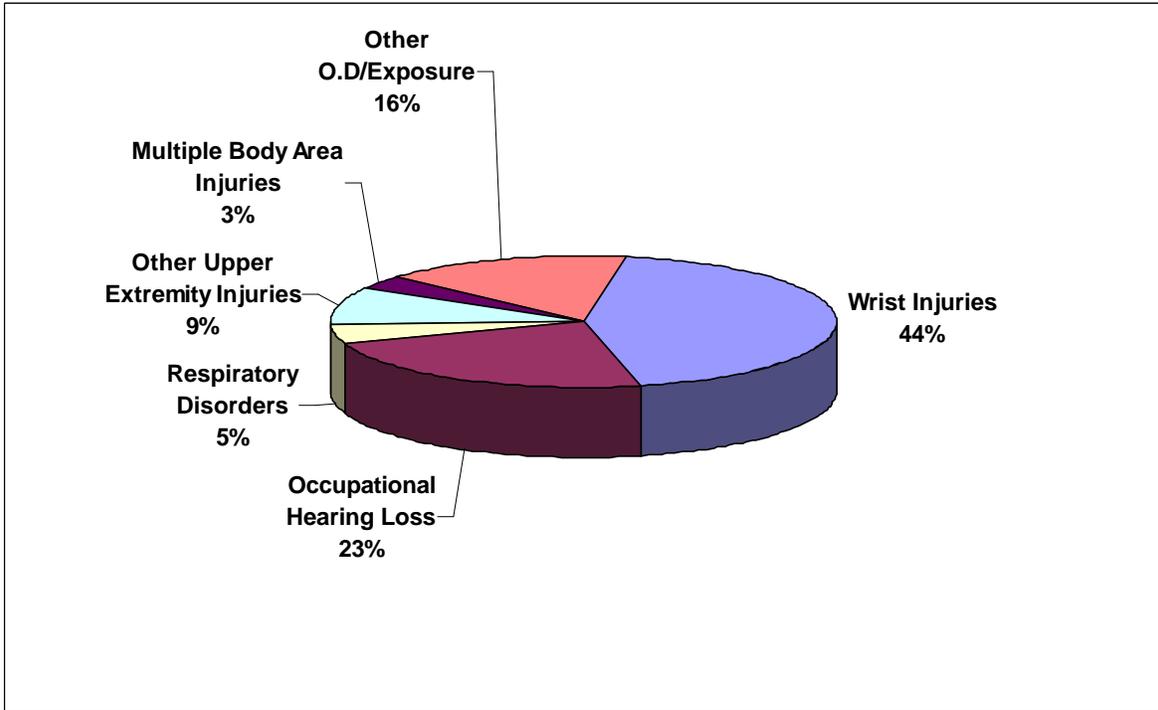


**Sex of Worker and Type of Accident or Exposure  
For Claims Accepted With Paid Benefits in 2003**

Type of Accident or Exposure	All Claims	Male Worker	Female Worker	Sex Not Indicated
Overexertion	16,298	10,379	5,786	133
Fall on same level	7,913	3,828	4,007	78
Struck by object	5,109	3,688	1,357	64
Bodily reaction	4,817	3,199	1,586	32
Fall to lower level	4,257	3,178	1,042	37
Repetitive motion	2,728	1,027	1,682	19
Struck against object	2,638	1,852	760	26
Assaults and violent acts by person(s)	2,408	1,207	1,181	20
Highway accident	2,274	1,653	594	27
Caught in or compressed by objects	1,726	1,343	364	19
Other Specified Type	3,806	2,932	834	40
Nonclassifiable	1,363	941	389	33
<b>TOTAL</b>	<b>55,337</b>	<b>35,227</b>	<b>19,582</b>	<b>528</b>

Appendix XI

**Types of Occupational Disease or Exposure Injuries  
For Claims Accepted With Paid Benefits in 2003**



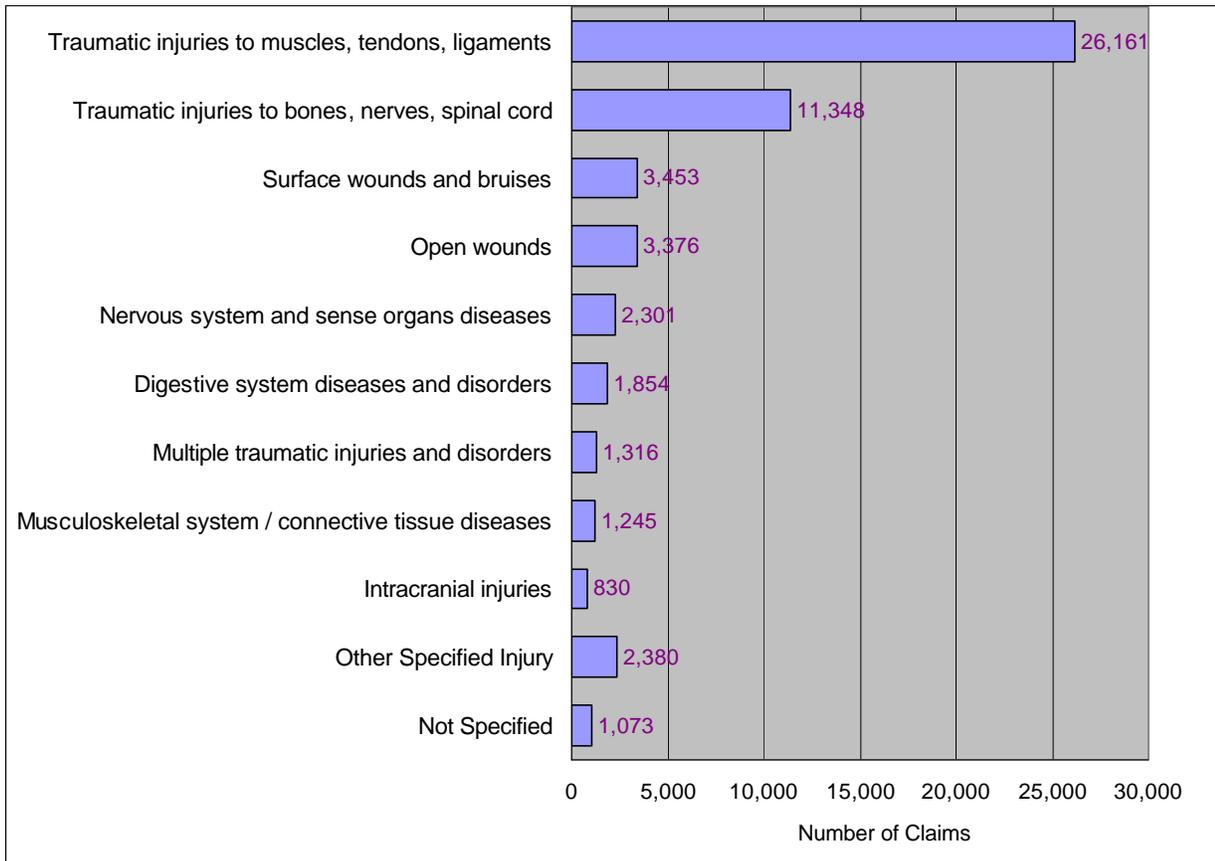
**Gender of Worker and Occupational Disease or Exposure  
For Claims Accepted With Paid Benefits in 2003**

Type of Occupational Disease or Exposure	Accepted Claims	Male Worker	Female Worker	Sex Not Indicated
Wrist Injuries	1,287	460	819	8
Occupational Hearing Loss	675	661	13	1
Respiratory Disorders	144	136	7	1
Other Upper Extremity Injuries	264	90	171	3
Multiple Body Area Injuries	101	33	67	1
Other Occup.Disease/Exposure	473	255	217	1
<b>TOTAL</b>	<b>2,944</b>	<b>1,635</b>	<b>1,294</b>	<b>15</b>

Source: NYS Workers' Compensation Board  
Office of MIS/Research

Appendix XII

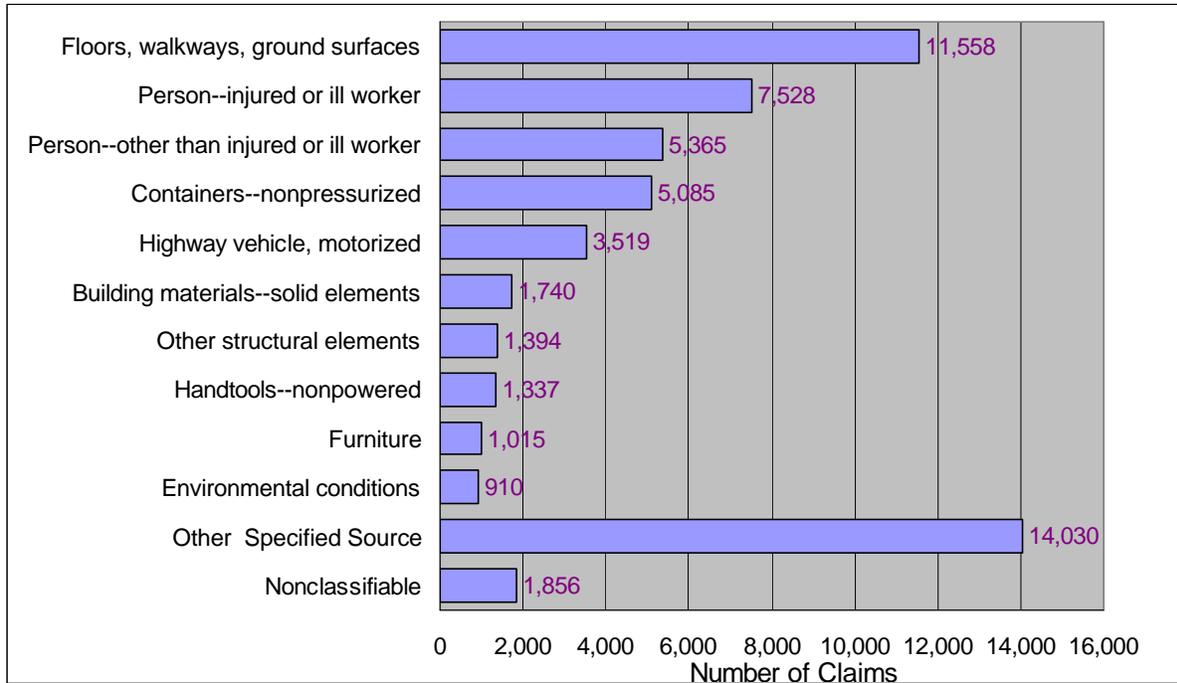
**Nature of Injury For Claims Accepted With Paid Benefits in 2003**



**Sex of Worker and Nature of Injury  
For Claims Accepted With Paid Benefits in 2003**

Nature of Injury	All Claims	Male Worker	Female Worker	Sex Not Indicated
Traumatic injuries to muscles, tendons, ligaments	26,161	15,606	10,319	236
Traumatic injuries to bones, nerves, spinal cord	11,348	7,649	3,607	92
Surface wounds and bruises	3,453	2,096	1,301	56
Open wounds	3,376	2,685	646	45
Nervous system and sense organs diseases	2,301	1,269	1,023	9
Digestive system diseases and disorders	1,854	1,721	122	11
Multiple traumatic injuries and disorders	1,316	842	464	10
Musculoskeletal system and connective tissue diseases	1,245	554	681	10
Intracranial injuries	830	511	302	17
Other Specified Injury	2,380	1,563	793	24
Not Specified	1,073	731	324	18
<b>TOTAL</b>	<b>55,337</b>	<b>35,227</b>	<b>19,582</b>	<b>528</b>

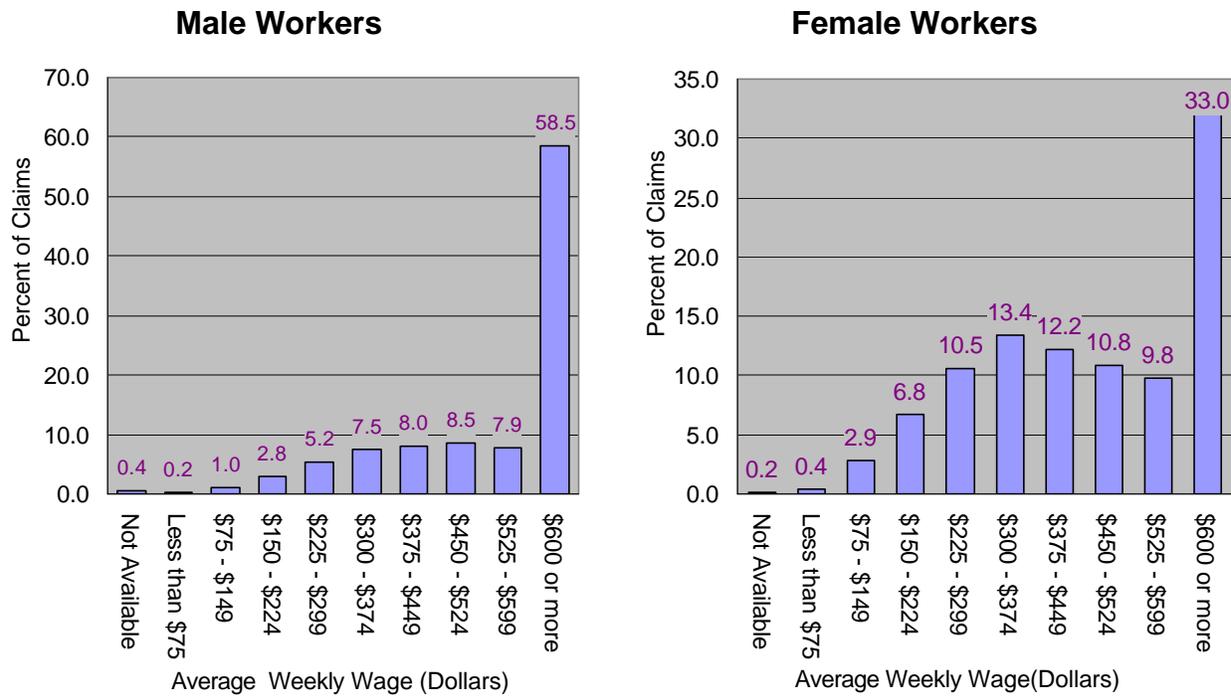
### Source Producing Injury For Claims Accepted With Paid Benefits in 2003



### Sex of Worker and Source Producing Injury For Claims Accepted With Paid Benefits in 2003

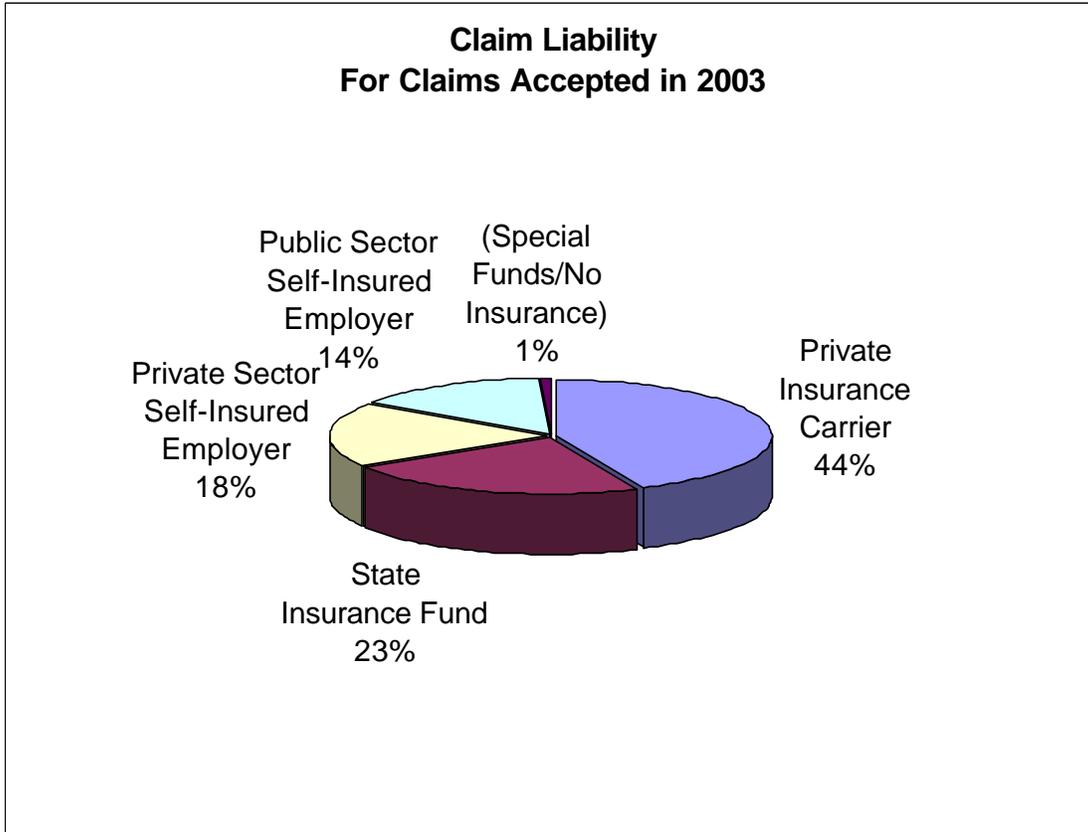
Source of Injury	All Claims	Male Worker	Female Worker	Sex Not Indicated
Floors, walkways, ground surfaces	11,558	6,601	4,843	114
Person--injured or ill worker	7,528	4,206	3,274	48
Person--other than injured or ill worker	5,365	1,555	3,761	49
Containers--nonpressurized	5,085	3,415	1,618	52
Highway vehicle, motorized	3,519	2,647	842	30
Building materials--solid elements	1,740	1,584	147	9
Other structural elements	1,394	893	479	22
Handtools--nonpowered	1,337	1,098	219	20
Furniture	1,015	530	473	12
Atmospheric and environmental conditions	910	839	65	6
Other Specified Source	14,030	10,573	3,323	134
Nonclassifiable	1,856	1,286	538	32
<b>TOTAL</b>	<b>55,337</b>	<b>35,227</b>	<b>19,582</b>	<b>528</b>

### Sex of Worker and Average Weekly Wage For Claims Accepted with Paid Benefits in 2003



Average Weekly Wage	All Claimants	Male Workers	Female Workers	Sex Not Indicated
Not Available	187	148	38	1
Less than \$75	159	73	86	0
\$75 - \$149	931	364	561	6
\$150 - \$224	2,340	1,000	1,323	17
\$225 - \$299	3,951	1,839	2,062	50
\$300 - \$374	5,310	2,631	2,620	59
\$375 - \$449	5,258	2,818	2,393	47
\$450 - \$524	5,176	2,986	2,118	72
\$525 - \$599	4,744	2,771	1,925	48
\$600 or more	27,281	20,597	6,456	228
<b>Total</b>	<b>55,337</b>	<b>35,227</b>	<b>19,582</b>	<b>528</b>

Source: NYS Workers' Compensation Board  
Office of MIS/Research



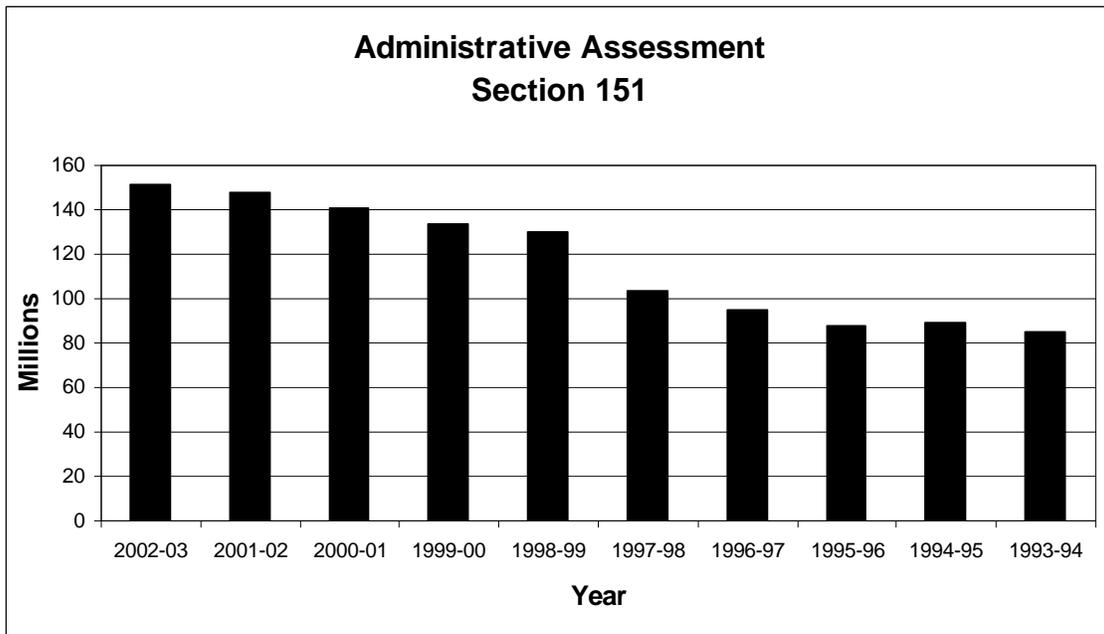
Type of Liability Coverage	Number of Claims
Private Insurance Carrier	53,921
State Insurance Fund	28,502
Private Sector Self-Insured Employer	22,923
Public Sector Self-Insured Employer	17,996
(Special Funds/No Insurance)	1,107
<b>Total</b>	<b>124,449</b>

## ASSESSMENT CALCULATION

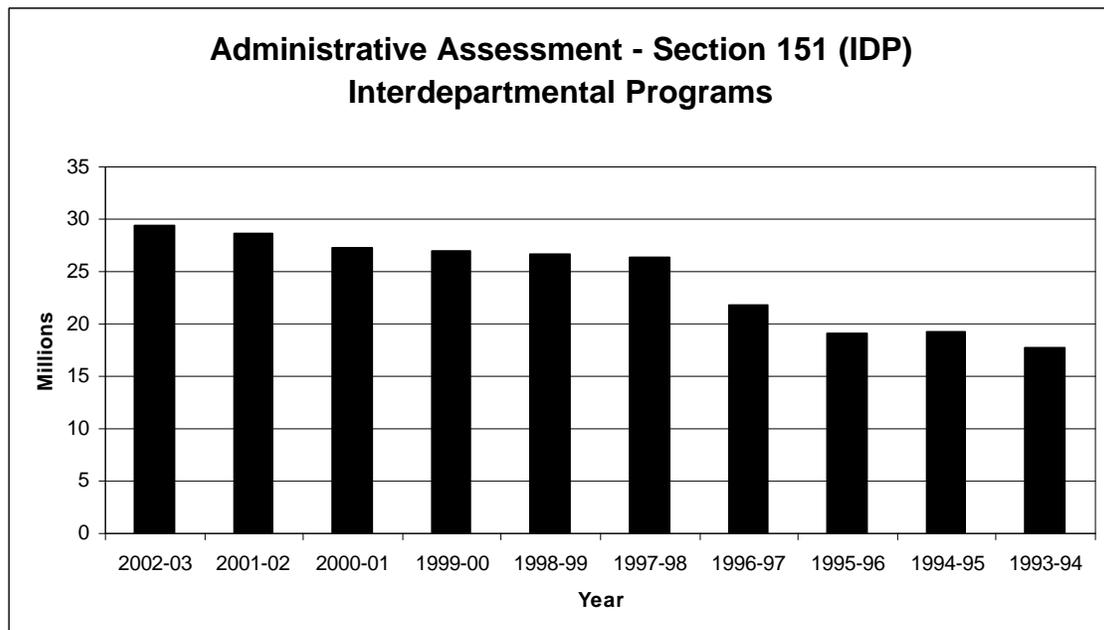
Through the normal budget process, the Board calculates the funding level needed to support its workers' compensation and disability benefits operations. The State Departments of Labor and Health also calculate their funding needs for the interdepartmental programs. When added together, these funding requirements become the basis for the Administrative Assessment. The Administrative Assessment is managed on a fiscal year basis.

**Section 151 and IDP** — the rate for the cost associated with the administration of the workers' compensation program is calculated by dividing the cost of the program by the total annual workers' compensation payments (indemnity only) paid by all entities. This rate is then multiplied by the total annual workers' compensation payments paid by the individual entity to determine that entity's assessment.

### Appendix XVI

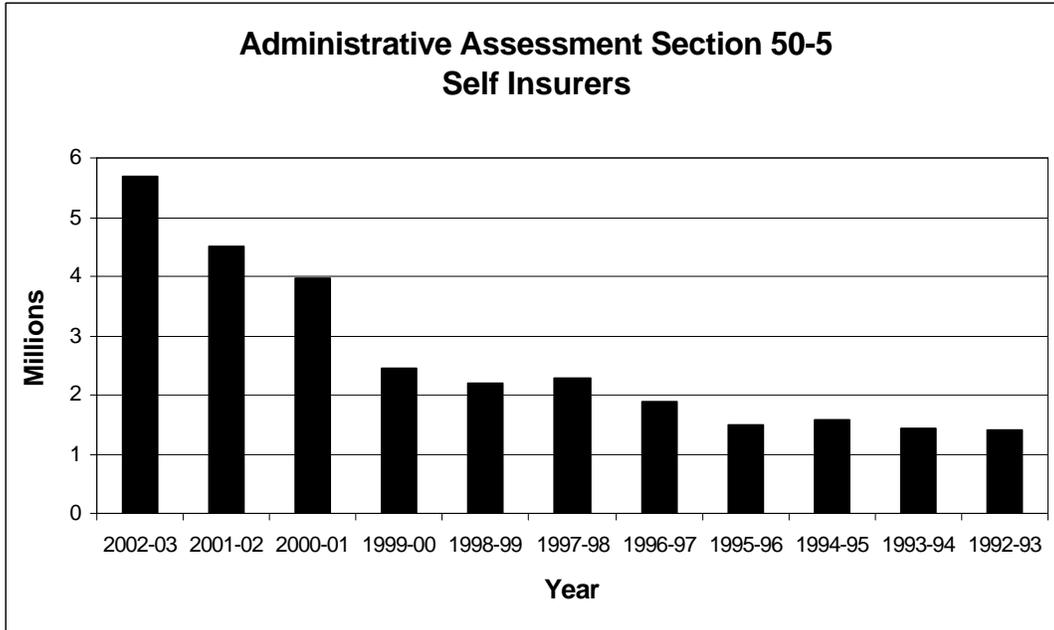


### Appendix XVII



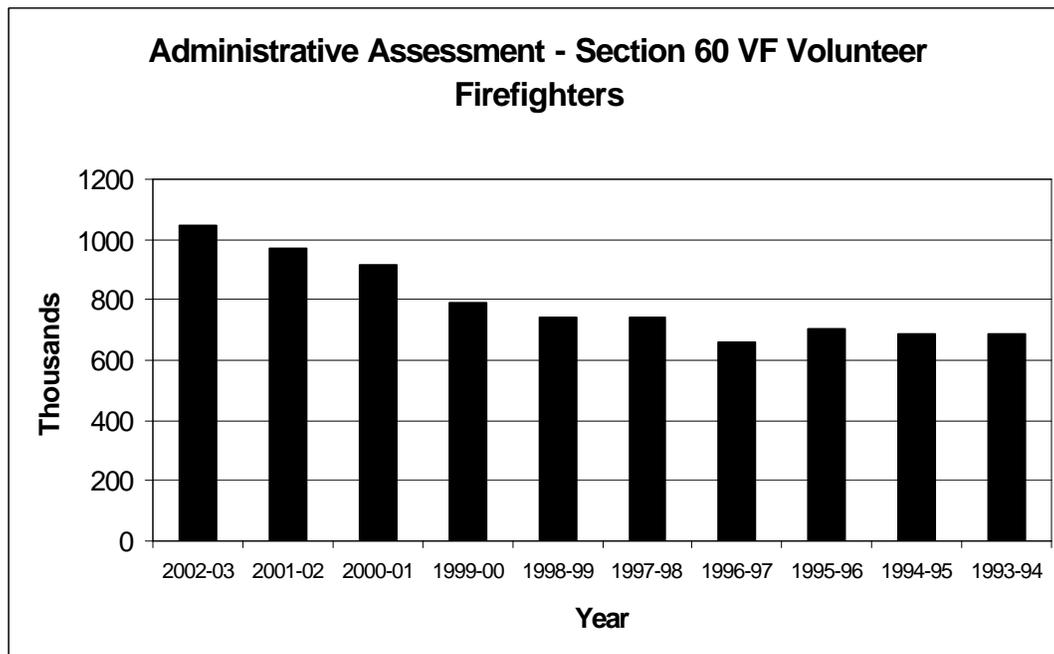
Section 50-5 — Corporate self-insurers are assessed their portion of the cost associated with the administration of the self-insured program. The rate for the cost associated with this program is calculated by dividing the cost by the total of all security accounts held by the Board for all corporate self-insured entities. This rate is then multiplied by the total of the security account held for an individual self-insurer to determine that self-insurer’s assessment.

Appendix XVIII



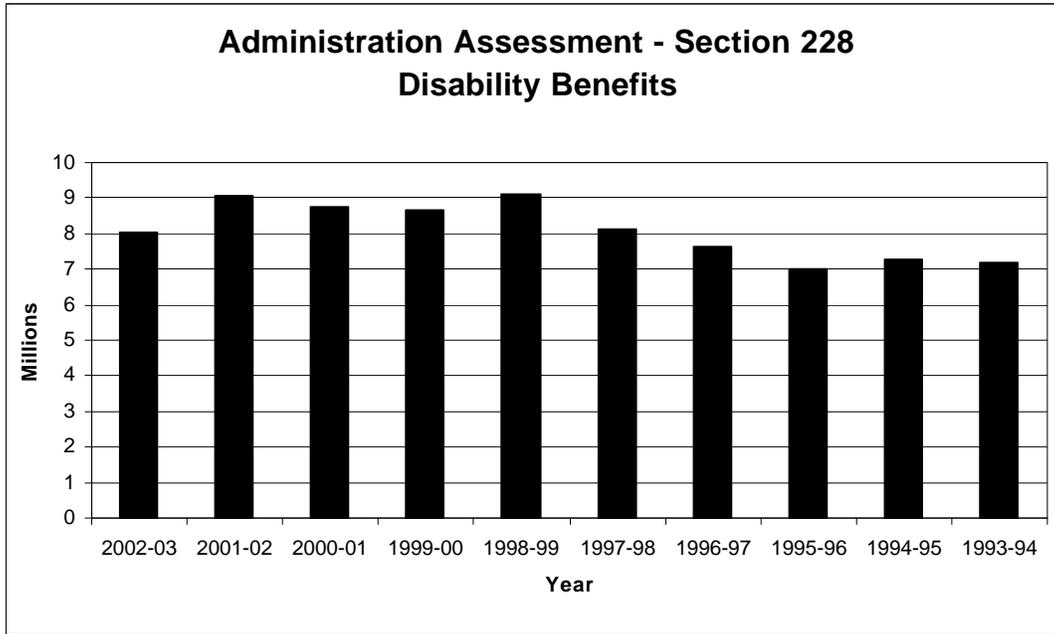
V60 — the rate for the cost associated with the administration of the volunteer fire fighter program is calculated by dividing the cost of the program by the total annual volunteer fire fighter payments (indemnity only) paid by all entities. This rate is then multiplied by the total annual volunteer fire fighter payments paid by the individual entity to determine that entity’s assessment.

Appendix XIX



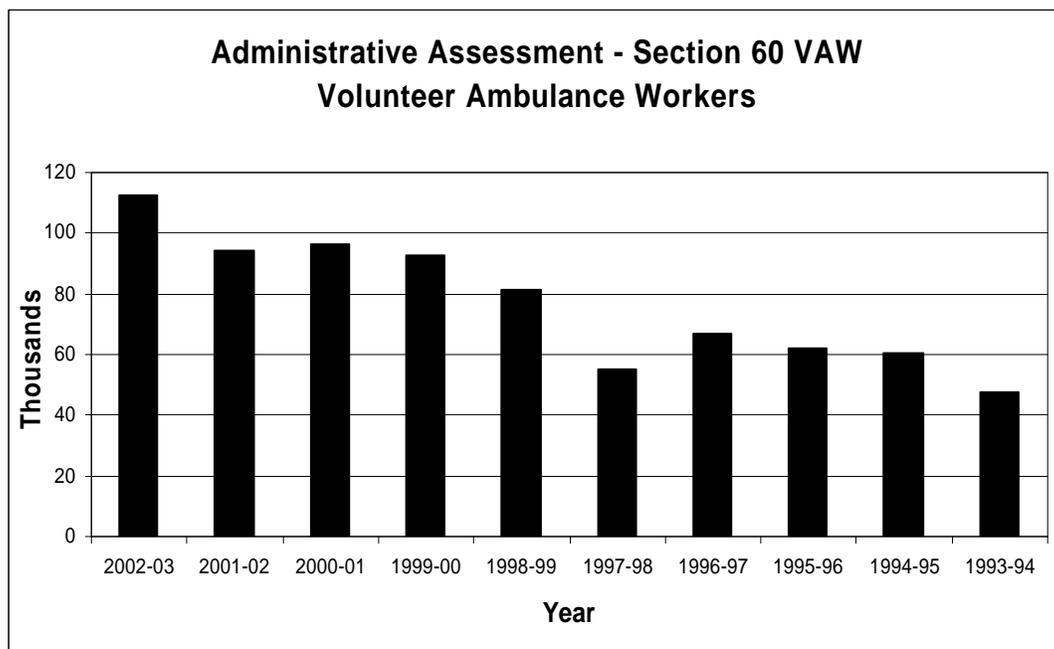
Section 228 — the rate for the cost associated with the administration of the disability benefits program is calculated by dividing the cost of the program by the total annual payroll covered by all entities. This rate is then multiplied by the total annual payroll covered by the individual entity to determine that entity’s assessment. Under current law entities need only report the first \$7,000 of an employee’s payroll.

Appendix XX



A60 — the rate for the cost associated with the administration of the volunteer ambulance worker program is calculated by dividing the cost of the program by the total annual ambulance worker payments (indemnity only) paid by all entities. This rate is then multiplied by the total annual volunteer ambulance worker payments paid by the individual entity to determine that entity’s assessment.

Appendix XXI



# SPECIAL FUNDS ASSESSMENTS

Three Special Funds assessments are billed once a year and are levied to finance:

**Section 25a** — direct payment to claimants and health providers for certain reopened cases and reimbursement to carriers for supplemental benefit cases.

**Section 15.8** — reimbursement to insurance carriers and self-insured employers/groups for claims involving second injuries, concurrent employment, and occupational disease.

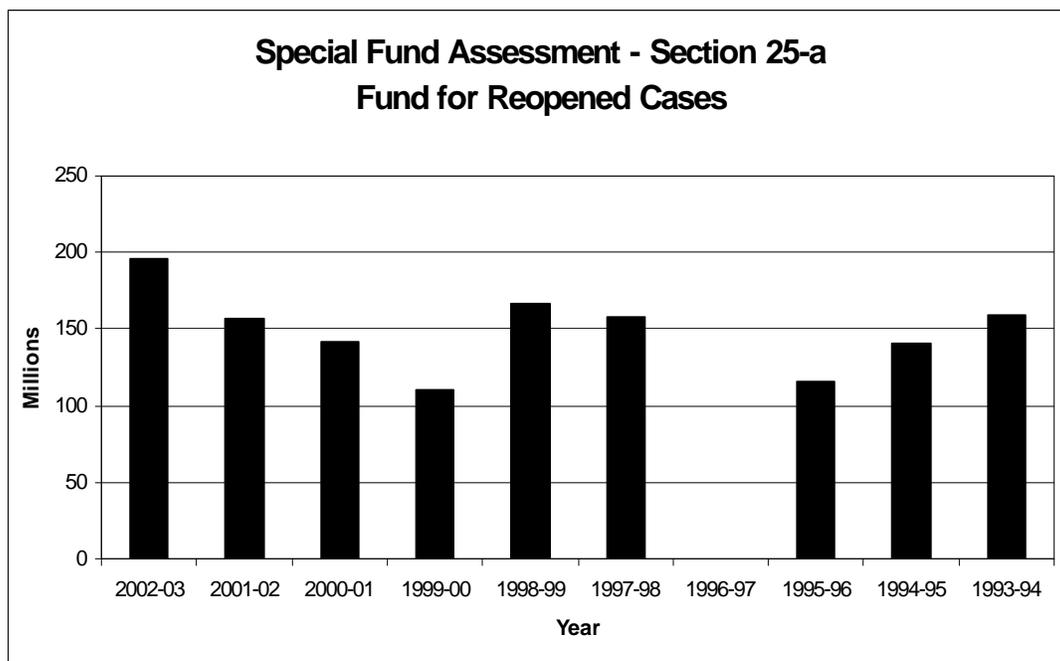
**Section 214** — direct benefit payments to individuals who become disabled while receiving unemployment benefits or individuals who become disabled while employed by an uninsured employer.

**Section 25a** covers two basic programs: Reopened Cases and Supplemental Benefits. The fund for Reopened Cases provides payments directly to claimants and health providers when the claimant's case is reopened under the following circumstances:

- The case was previously disallowed or closed without compensation and is reopened after a lapse of seven years from the date of the accident.
- The case is reopened seven years after the date of accident and at least three years after the last compensation payment.
- Death occurs after seven years from the accident in non-compensated cases or after seven years from the date of the accident and at least three years after the last compensation payment.

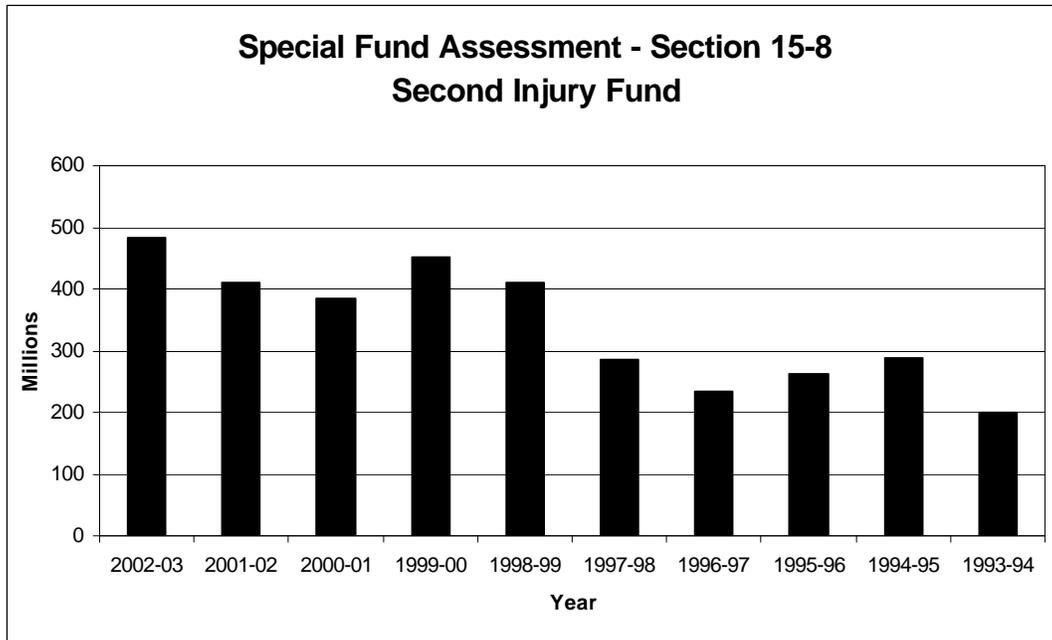
**Section 25a** — The Special Fund Conservation Committee calculates the reserves needed by the Board to secure the Fund for Reopened Cases. The Board takes this reserve information and adds a 10 percent contingency. The Board then adds the amount paid out in the previous year for the Supplemental Benefit program. From this amount, the Board subtracts funds it has on hand. These calculations provide the total amount that must be assessed for the 25a program.

Appendix XXII



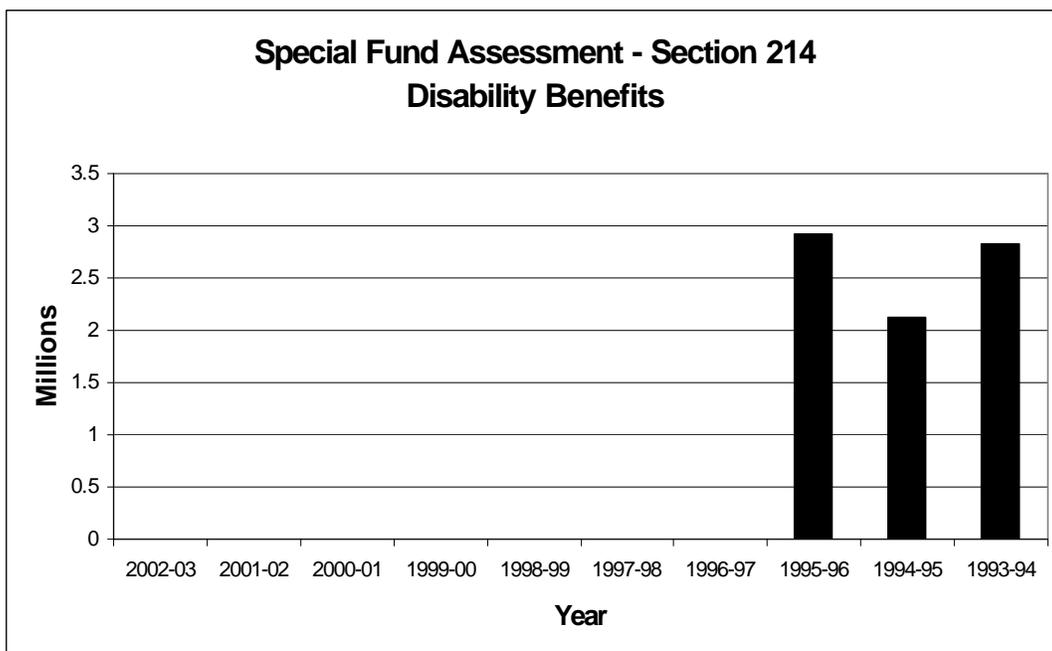
The Board calculates the total disbursements made from the Special Disability Fund during the preceding calendar year and multiplies that amount by 150 percent. From this amount, the Board subtracts any funds it has on hand. These calculations provide the total amount that must be assessed for the 15-8 program.

Appendix XXIII



The Special Fund for Disability Benefits must maintain a balance of \$12 million. At the end of the fiscal year, the Board calculates the amount needed to restore the fund to the \$12 million level. This calculation provides the total amount that must be assessed for the 214 program. Any penalties collected from employers who are not in compliance with the disability benefits law are deposited in the Special Fund for Disability Benefits to help offset the assessment.

Appendix XXIV





This report was prepared by the Office of the Chairman, Workers' Compensation Board  
Jon Sullivan, Director of Public Information • Judith Ann Smith, Production Management  
Statistical data provided by the Bureau of MIS/Research - Tom Wegener, Director