

GOVERNANCE COMMITTEE

Thursday, March 19, 2009, 8:00 A.M.

William Green Building

30 West Spring Street, 2nd Floor (Mezzanine)

Columbus, Ohio 43215

Members Present: Alison Falls, Chair
Larry Price
James Hummel
William Lhota
Thomas Pitts

Other Members Present: David Caldwell
James Harris
Charles Bryan
James Matesich
Kenneth Haffey
Robert Smith

Members Absent: None

CALL TO ORDER

Alison Falls called the meeting to order at 8:00 am.

ROLL CALL

Roll call was taken. All committee members were present. Mr. Pitts joined the meeting at 8:20 am.

APPROVE MINUTES OF THE FEBRUARY 19 MEETING

Upon motion of Larry Price, seconded by William Lhota, the minutes of February 19, 2009 were approved, 4-0. Mr. Pitts was absent from the voting.

AGENDA

Upon motion of Mr. Lhota, seconded by Mr. Price, the agenda was approved as presented. Roll call was taken and the motion passed 4-0. Mr. Pitts was absent from the voting

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NEW BUSINESS / ACTION ITEMS

DISPUTE RESOLUTION FOR HPP MEDICAL ISSUES, RULE 4123-6-16 (SECOND READING)

Presentation was made by Bob Coury, Chief Medical Services and Compliance, and Freddie Johnson, Director of Managed Care Services. A power point presentation and executive summary are incorporated by reference into the minutes. Authority for the alternative dispute resolution (ADR) process is found under RC 4121.441(A)(1). The purpose of the ADR is to ensure quality medical decisions are made as well as to provide transparency in business processes and workflow. The proposed rule changes are intended to improve the efficiency of the dispute resolution process, more specifically, by eliminating the second tier of the process. Removing the second tier appeal will eliminate redundancy, while maintaining due process and control. Mr. Johnson led discussion of the entire ADR process with the Board. There was input from all stakeholder groups in the development of the rules. David Caldwell inquired as to data on cases resolved at the second tier appeal. According to Mr. Coury, of the 13,774 cases that were appealed to the second level, 10,600 were not resolved and appealed to the Industrial Commission for resolution.

Mr. Harris inquired as to who pays for independent medical examinations. According to Mr. Coury the longstanding policy is for the Bureau to pay for the examinations. The managed care organizations pay for file reviews. There needs to be thorough evaluation of policy ramifications prior to consideration of any changes to the examination payment policy. The Board may consider a change in the policy with regard to payment of examination expenses at some future point.

Ms. Falls inquired as to the effective date of the rule. According to Mr. Coury, the Information Technology Department must complete interfaces first, which may lead to an effective date in May or June of this year. The target effective date is July 1, 2009, but if the network interfaces are not completed, the Bureau will ask the Board to approve a new effective date. There was consideration as to how the effect of the rule may impact the Bureau as an organization. Mr. Johnson noted this issue is being evaluated, and he is working with human resources on the matter. Marsha Ryan, Bureau Administrator, noted the Bureau has many talented nurses. The Bureau will deploy this talent where needed to ensure the most effective use of resources.

Mr. Price noted extensive work with stakeholders was performed to make the rule changes, and inquired as to future challenges. Mr. Coury noted that impact at the Industrial Commission will be evaluated in the future. Mr. Pitts requested clarification of data on page eighteen of the Powerpoint. The cost of all examinations is greater than \$85,000.00. Alison Falls inquired as to the total cost of independent medical examinations. According to Mr. Coury, the total is \$22,000,000.00. Mr. Harris and Ms. Falls agree that the Board will need to schedule the issue of independent medical examination costs for further discussion.

Motion was made by Mr. Price, seconded by Mr. Hummel, as follows: that the Governance Committee of the Bureau of Workers' Compensation Board of Directors recommend the Board consents to the Administrator's recommendation to amend rule

4123-6-16, relating to the Alternative Dispute Resolution process in the HPP. The motion consents to the Administrator amending rule 4123-6-16 as presented here today. Roll call was taken and the motion passed 5-0.

RULES FOR FIRST READING

Tina Kielmeyer, Chief of Customer Services, introduced Dan Feeney to present three sets of safety rules. Don Berno, Board Liaison, noted that with regard to the utilization of on-line rules, corrections need to be made prior to the delivery of rules. Ms. Falls asked for the rules to be e-mailed to the directors. With respect to the discussion of the safety rules, executive summaries are incorporated by reference into the minutes. This is the first reading of the following three safety rules.

METAL CASTING SAFETY, RULE 4123:1-7

Discussion was made of metal castings safety rules. Mr. Caldwell contributed to this rule as well as the rule regarding steel making. This was the first reading of the rule. Mr. Harris made note of the use of the word guard safeguard, Mr. Harris emphasized and encouraged the utilization of the word, safeguard.

STEEL MAKING, MANUFACTURING & FABRICATING, RULE 4123:1-9

An executive summary is incorporated by reference into the minutes. A number of stakeholder groups were involved with the development of the rule. Mr. Lhota requested inclusion of the word “and” rather than “or” when describing audible and visual warning devices. Mr. Hummel inquired as to whether accident patterns have been identified to assess rule changes. Mr. Feeney responded no. Mr. Harris noted that workplaces should be free from workplace hazards. Mr. Lhota and Mr. Harris discussed this issue. Mr. Lhota noted that certain workplaces have recognized hazards, and therefore cannot be “free” from hazards. Mr. Lhota and Mr. Harris agreed that in those situations, if the employer protects workers through training, equipment, procedures and other precautions, then the workplace would be “free” of hazards.

LAUNDERING & DRY CLEANING, RULE 4123:1-11

An executive summary is incorporated by reference into the minutes. The proposed changes are consistent with OSHA standards. Stakeholders requested that a standing committee be created to make ongoing changes. This rule shall be reviewed again in one year. SEIU shall become involved to create a well rounded group. Mr. Lhota inquired as to whether rules are evaluated for conflict with OSHA. The answer is yes, and no conflicts have been discovered.

APPROVAL OF SUPERINTEDENT OF SAFETY AND HYGIENE

Administrator Ryan reviewed the process which led to her recommendation to appoint Ibraheem Tarawneh as the Superintendent of Safety and Hygiene. Ms. Falls asked Mr. Harris for comments with regard to the selection. Mr. Harris was very impressed with the candidates’ technical expertise. Motion was made by Mr. Price, seconded by Mr. Lhota, as follows: that the Governance Committee of the Bureau of Workers’ Compensation Board of Directors recommend the Board consents to the Administrator’s

appointment of Ibraheem Tarawneh as the Bureau's Superintendent of Safety and Hygiene. Roll call was taken and the motion passed 5-0.

DISCUSSION ITEMS:

RULE REVIEW CALENDAR

Mr. Berno reported that the rules for consideration at the April meeting were on schedule. The Committee should be able to review nearly 40 rules at the April meeting. Mr. Pitts volunteered to assist with the rules addressing rehabilitation of injured and disabled workers, Mr. Lhota with the rules concerning elevators, and Mr. Hummel with the rules concerning rubber and plastics.

Ms. Falls asked why there was no schedule for the Chapter 9 rules. Mr. Berno noted these are rules which address the organization of the Bureau, and it would take some time to update the rules to reflect changes in the Bureau's organization and activities. Rules for departments that no longer exist will be evaluated. Mr. Berno stated the rules would be addressed later this year.

COMMITTEE CALENDAR

The additional meeting of the Committee to continue the rule review process scheduled for April 28 was confirmed. At the April 29 meeting, Ron O'Keefe, fiduciary counsel, will be present to assist with the initiation and compilation of the FY 2009 annual performance review of the Administrator. The Administrator's objectives for fiscal year 2009 were distributed to the Directors for their review and consideration as they prepare for the upcoming annual evaluation.

ADJOURN

Motion was made by Mr. Pitts, seconded by Mr. Lhota, to adjourn the meeting at 9:35 am. Roll call was taken and the motion passed 5-0.

Prepared by: Tom Woodruff, Director Self Insured Department
March 23, 2008