

GOVERNANCE COMMITTEE

Thursday, June 17, 2010, 3:07 p.m.

William Green Building

30 West Spring Street, 2nd Floor (Mezzanine)

Columbus, Ohio 43215

Members Present: Alison Falls, Chair
Larry Price, Vice Chair
William Lhota

Members Absent: None

Other Directors Present: James Harris, Kenneth Haffey, Robert Smith,
James Matesich, James Hummel, Charles Bryan,
Thomas Pitts (arrived at 3:09), David Caldwell
(arrived at 3:17)

Scribe: Jill Whitworth

CALL TO ORDER

Ms. Falls called the meeting to order at 3:07 PM and the roll call was taken.

MINUTES OF MAY 27, 2010

The minutes were approved without changes by unanimous roll call vote on a motion by Mr. Lhota, seconded by Mr. Price.

REVIEW/APPROVE AGENDA

Ms. Falls reviewed the agenda and noted one change. The executive session regarding the Board's self-assessment will be held at tomorrow's Board meeting. This will streamline the process and avoid duplicative executive sessions.

The agenda as amended was approved by unanimous roll call vote on a motion by Mr. Price, seconded by Mr. Lhota.

NEW BUSINESS / ACTION ITEMS

1. Committee Membership Recommendations

Ms. Falls reviewed the proposed committee assignments for FY 2011. Her presentation included reference to the document entitled "For Discussion: FY 2011 Committee Assignments" of June 12, 2010, which is incorporated by reference into the minutes.

Ms. Falls noted these new assignments coincide with the Director appointments and the fiscal year. The document was intended as a starting point for discussion. While there are no changes to the current committee Chairs, Vice-Chairs and members, the membership of the Governance Committee, and the Medical Services and Safety Committee, will be increased from three (3) to five (5) Directors. The proposal is that Mr. Haffey and Mr. Pitts will join the Governance Committee, and that Ms. Falls and Mr. Matesich will join the Medical Services and Safety Committee.

Ms. Falls opened the floor for questions and discussion. Mr. Harris concurred with what he felt were excellent recommendations. No further discussion was forthcoming.

Ms. Falls moved that the BWC Governance Committee recommend to the BWC Board Chair the Committee memberships as reviewed today. Mr. Price seconded and the motion passed by roll call vote 2-0. Mr. Lhota abstained from the vote as Board Chair.

Mr. Lhota then advised he would recommend the membership slate to the Board as presented by the Governance Committee without changes.

2. Education Plan for FY2011

Don Berno, Board Liaison, reviewed the FY 2010 education report and proposed education plan for FY 2011. His presentation included reference to the documents entitled "FY 2010 Education Plan Report" and "FY 2011 Proposed Education Plan" of June 17, 2010, which are incorporated by reference into the minutes.

It was initially clarified that the Board will continue to submit the education plan to the Workers' Compensation Council for informational purposes, but approval is not required at this time.

Mr. Berno first reviewed the statutory authority [R.C. 4121.12(F)(16)] requiring the Board education program. The chart contained within the FY 2010 report lists all education sessions broken down by activity, topic and statutory citation. All statutory requirements were met in FY 2010.

Mr. Berno then reviewed the proposed education plan for FY 2011, including how the various requirements will be addressed. Ms. Falls

requested that Committee chairs keep education in mind when meeting with BWC staff, as the majority of education is done at the committee level. One of the requirements is ethics education. Mr. Matesich advised he could not attend the August meeting, when David Freel of the Ethics Commission will conduct two-hour training for the Board. Administrator Marsha Ryan noted the ethics requirement is for two hours every other year. Mr. Berno will follow up and coordinate with the Ethics Commission if needed. Mr. Berno and Administrator Ryan will also follow up on Mr. Lhota's question to make sure director attendance is recorded in the Governor's database.

Mr. Berno noted Fiduciary Counsel Ron O'Keefe will also be presenting an education session at the August Board meeting.

Mr. Haffey suggested that in future reports summarizing education compliance for the prior fiscal year, the specific committee meeting at which the activity was conducted should be included.

Mr. Harris noted an incomplete sentence under item (c)(ii) of the FY 2011 plan, which Mr. Berno will revise prior to tomorrow's Board meeting. Mr. Lhota mentioned that Deloitte offers a "Director's Series" videoconference training which is very beneficial, and suggested contacting Deloitte to discuss.

Mr. Price moved that the BWC Governance Committee recommend to the Board of Directors approval of the FY 2011 Education Plan for the BWC Board of Directors as presented on June 17, 2010. The motion was seconded by Mr. Lhota and approved by unanimous roll call vote.

3. Administrator's Objectives for FY 2011

Administrator Ryan reviewed the Administrator's Objectives for FY 2011. Her presentation included reference to the document entitled "Administrator's Objectives FY2011 (July 1, 2010 – June 30, 2011)" of June 17, 2010, which is incorporated by reference into the minutes.

Although many of the objectives remain the same as in FY 2010, Administrator Ryan discussed with particularity Item 4 under the Flexible Performance Agreement with the Governor, which has been updated. BWC is creating the system capacity to evaluate managed care organizations, setting up a separate internal track for medical quality, and fostering a greater engagement with the medical provider community through developing and implementing medical research. The Medical Services and Safety Committee can also be utilized for the enhancement of injured worker quality of care.

Per a question from Mr. Smith, the objectives have not been reviewed with Governor Strickland. Mr. Haffey asked if there was a schedule for addressing the objectives. Administrator Ryan noted these are ongoing high-level concepts. Chief Operating Officer Ray Mazzotta will address more specific goals and time frames at the August Board meeting. While admitting that not all objectives may be accomplished, Administrator Ryan would rather strive for high levels of achievement.

Ms. Falls asked what is being done concerning management staff development given budgetary constraints. Administrator Ryan explained that such items as travel and conference attendance remain off the table, so BWC cannot offer these incentives to management for this biennium. However, management takes a good deal of pride in the contributions and service they provide. The Board's input is also helpful and valuable, such as the resolution recognizing the Investment Division staff. Mr. Smith suggested brainstorming about rewards which are not monetary in nature.

Ms. Falls moved that the BWC Governance Committee recommend the Board of Directors accept the Administrator's Objectives for FY 2011 as presented on June 17, 2010. The motion was seconded by Mr. Price and approved by unanimous roll call vote.

DISCUSSION ITEMS

1. Committee Calendar

Ms. Falls noted that there is currently no Committee business for July and August. The September meeting will be devoted to the annual review of the Governance Guidelines and the Committee Charters.

ADJOURNMENT

Mr. Price moved to adjourn the meeting at 3:46 PM, seconded by Mr. Lhota and approved by unanimous roll call vote.