



United in a Common Purpose

New York State Workers' Compensation Board 2001 Annual Report

George E. Pataki, Governor
Robert R. Snashall, Chairman

May 2002

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 2001, is transmitted herewith.

Respectfully submitted by,

Robert R. Snashall
Chairman
NYS Workers' Compensation Board

MESSAGE FROM GOVERNOR GEORGE E. PATAKI

On September 11, 2001, New York State and our nation became victims of pointless acts of terror. The attacks carried out upon the World Trade Center saddened all of us and we continue to mourn the loss of our fellow citizens, friends and neighbors. As we continue to rebuild and remember our heroes and those who lost their lives, we not only recall that day as one of horror, but also as the day that New Yorkers came together and proved once and for all that, while diverse in backgrounds, we are united in purpose. That terrible day brought out the best in all of us.

The New York State Workers' Compensation Board was no exception. At my direction, the Board acted swiftly and decisively to help fellow New Yorkers in need. Together, we quickly enacted reforms that removed bureaucratic red tape, giving thousands of victims and families of victims the benefits they needed and deserved.

For seven years my administration has made improving the workers' compensation system one of our top priorities. As you will read in the following pages, since 1995, we have successfully transformed the Board from an inefficient and sluggish agency into a first-rate, high-tech service provider. While no one could have foreseen the tragic events of September 11th, the decisions we made in the past paid tremendous dividends during this time of crisis.

New Yorkers have come together. Whether it is employers, labor organizations, insurers or ordinary citizens, fellow New Yorkers have acted in ways that can only be described as inspiring. One need only look at ground zero where workers have risked their own safety working tirelessly to restore the long-term health of New York City.

Similarly, I have directed the Workers' Compensation Board and other state agencies to continue providing the high level of services that the people of New York State have come to expect.



Governor George E. Pataki

MESSAGE FROM CHAIRMAN ROBERT R. SNASHALL

I have had the honor of chairing the New York State Workers' Compensation Board for seven years and I am delighted at the strides that we have made in making this a better system for all New Yorkers. We have come a long way in transforming an archaic system into a state-of-the-art service provider.

Today, injured workers receive services faster than ever before and they do so at a lesser cost to employers. In fact, since 1995, Governor Pataki has reduced the average manual workers' compensation rates by nearly 40 percent.

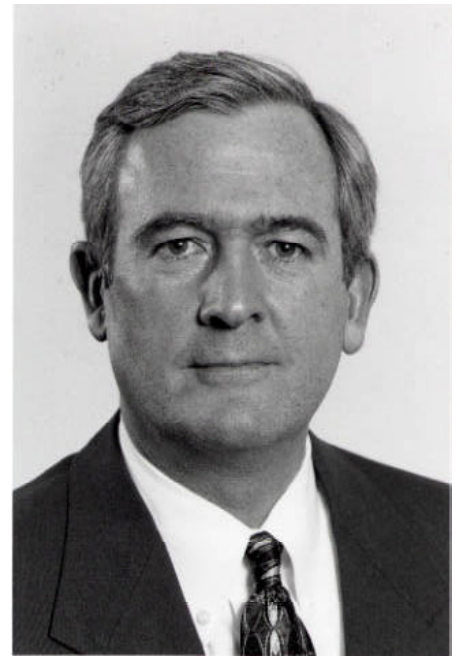
While we are excited by the newest trends at the Board, we are deeply saddened by the events of September 11th that so dominated the news and emotions of New Yorkers in 2001. As you will read in the pages of this annual report, the Workers' Compensation Board has played and continues to play a significant role in easing the pain suffered by our fellow citizens.

While I am comforted that our Board suffered no losses of life as a result of the World Trade Center attack, our sympathy for those who were injured or lost is immeasurable. That is why we acted quickly to do our share to help Governor Pataki deliver the services that our citizens needed.

Shortly after the attacks, we acted to remove some of the issues that we knew could create delays in the delivery of benefits on such a large scale. We eliminated the requirement to produce a death certificate to claim benefits for a lost loved one. Governor Pataki eliminated the 30-day employer notification requirement and we immediately began to create a plan to process the expected influx of claims. We established teams comprising 35 of our most experienced claims processors and created a new World Trade Center case adjudication team in New York City. As a result, thousands of claimants have been able to process their claims and carry on with their lives.

We are determined to help the victims of the World Trade Center attack and all injured workers across our great state. Under Governor Pataki's leadership, we will honor our commitment to provide a high level of services for all of our customers and partners in this valuable system.

Upon reviewing the 2001 Annual Report, visiting the Board's extensive web site at www.wcb.state.ny.us, or simply interacting with the Board and its staff on a day-to-day basis, I hope that you will come to appreciate the enormity of the advancements that have taken place in New York's workers' compensation system. They have never been more important as they became last September and beyond.



*Chairman
Robert R. Snashall*

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



*Chairman
Robert R. Snashall*

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.

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 and resulted in a remarkable 40 percent reduction in rates.

In addition, at Governor Pataki's direction Mr. Snashall has served on several Task Forces and Commissions. He served as Co-Chair of the Governor's Task Force on Independent Contractors. Further, he currently serves as Co-Chair of the Livery Task Force and as Co-Chair of the Special Funds Commission.

During the last 6 years, Mr. Snashall has continued, though administrative initiatives and practices, to implement Governor Pataki's plan for improving the workers' compensation system. With a strong emphasis on introducing and utilizing technology as a means of streamlining the adjudication process within the Workers' Compensation Board, Chairman Snashall and the Board formulated a plan to reorganize and modernize operations from a paper-driven bureaucracy into a state-of-the-art, "customer-friendly" service provider. This project, known as OPTICS (Organization, Process and Technology Innovations in Customer Service) introduced innovations such as the electronic case folder (ECF), which allows Board employees and practitioners to obtain information at the touch of a computer key. Additionally, the claims, hearing, and appeals processes have been redesigned to significantly accelerate claims resolution, thereby increasing the quality of services for injured workers while reducing costs for employers.

These historic improvements at the Board have been recognized by many of the system constituents including injured workers and employers as well as members of the labor, business, insurance, attorney and medical communities. Over the last two years the Board has received annual awards from the Governor's Office of Employee Relations in the Workforce Champions Program. In addition, the Board has twice been honored by the nonpartisan Citizens Budget Commission for outstanding public service. The Board has also received a number of awards for the improvements and has been the subject of numerous trade articles, including the Government Technology Magazine, which called the Board a "model agency" for technology.

Further, Mr. Snashall has received recognition for these initiatives from the New York Claims Association, the New York Self-Insurance Association, the Association of the Self-Insured Counties and the New York Workers' Compensation Bar Association.

Mr. Snashall is an active member in the International Association of Industrial Accident Boards and Commissions (IAIABC), serving as a past Chairman of the Associate Members Council; past Chairman of the Legislation and Regulation Committee; and the current Chairman of the Terrorism and Disaster Preparedness Committee. Mr. Snashall also serves as a member of the Board of the Government Law Center at Albany Law School; and as a member of the Board of the American Society of Workers Compensation Professionals.



*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.



*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
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
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
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 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 STAFF



*Deputy Director
of Compliance
Marsha Orndorff*



*Deputy Director of
Information & Management
Services
Barrett Russell*



*Deputy Director
of Administration
Glenn Warren*



*General Counsel
Peter J. Molinaro*



Commissioner Ferdinand Tremiti

In Memory of Commissioner Ferdinand Tremiti

The Workers' Compensation Board mourns the loss of Commissioner Ferdinand Tremiti who passed away in 2001.

Appointed in 1978 and reappointed in 1986 and 1993, Mr. Tremiti served the injured workers and employers of New York with dignity and passion.

The entire Board and the workers' compensation community extends its heartfelt sympathies to Commissioner Tremiti's family and his large circle of friends.

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INTRODUCTION BY EXECUTIVE DIRECTOR RICHARD A. BELL



*Executive Director
Richard A. Bell*

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 2001, the Board was faced with significant challenges and came through on behalf of our customers. Major achievements include:

- The indexing and processing of nearly 6,000 World Trade Center Claims,
- The creation of a special World Trade Center claims adjudication team in New York City,
- The processing and resolution of a record 322,000 new and reactivated claims,
- The collection of a record \$9.7 million in penalties assessed against employers that failed to carry workers' compensation insurance,
- A 35 percent reduction in the inventory of Excessive Hearing Claims,
- The transformation of the Brooklyn office into 3 new offices in Brooklyn, Manhattan and Queens,
- The creation of a new video-conference program to accelerate services provided by the Appeals Unit, and
- Reaching new records in efficiency in the Appeals Unit by reducing our inventory of appeals pending by nearly 70 percent,



Repeat performance - The Workers' Compensation Board won it's second consecutive Workforce Champions award from the Governor's Office of Employee Relations for technological and administrative improvements.

In 2001, the Board was once again honored by Governor Pataki's Office of Employee Relations with the 2001 Workforce Champions Award for technological and administrative improvements.

The following pages of this annual report provide insight into the projects and activities of the various components of the Workers' Compensation Board in 2001, aimed at improving the system and making the Board more affordable, accessible and accountable to the injured workers and employers of New York State.

SEPTEMBER 11, 2001



On September 11, 2001, New York State, our nation and the world awoke to the most cowardly act of terrorism ever executed on American soil. The entire Workers' Compensation Board's staff and administrators mourn the loss of thousands of our friends and fellow New Yorkers.

In response to these terrorists who sought to break the will of New Yorkers, Governor Pataki said:

"These unspeakable acts have shattered our city and shocked our nation. But they have not weakened the bonds that unite us as New Yorkers, as Americans, as those who love freedom, and, ultimately, as those who love one another."

With those words the message to the Workers' Compensation Board and all agencies of New York State government was clear. We would honor our commitments by continuing to provide the highest level of services for those who rely on them.

For the Workers' Compensation Board, honoring commitments required creating alternative methods for resolving claims quickly and efficiently.

With nearly 6,000 new claims, including more than 2,200 death benefit claims, it became clear that to achieve our goals, the Governor and the Board would need to address issues of immediate concern. The following initiatives were enacted.

■ Governor's Executive Order

Shortly after the attacks on the World Trade Center, Governor Pataki signed an Executive Order suspending the requirement for injured workers or those claiming benefits as beneficiaries to workers who were lost, to notify their employer of their injury within 30 days. By removing this provision, the Governor not only addressed practical issues regarding this catastrophe, but also provided a level of security for the survivors and families by enabling them to address immediate issues of concern without fear of losing their right to collect workers' compensation benefits.

"We will rebuild, we will succeed, we will meet tomorrow as we meet today, with the same confidence, the same optimism and the same belief in the unlimited potential of our future that we had on September 10th."

Governor George E. Pataki
State of the State Address
January 9, 2002

■ Board Votes to Remove Red Tape

On September 25, in an emergency session of the Workers' Compensation Board meeting, the 13 member Board voted unanimously to suspend the regulation that requires beneficiaries claiming death benefits to present a death certificate before the Board. At that same meeting, the Board authorized the creation of an Affidavit form that would alleviate the requirement for WTC claimants to appear before the Board at hearings to answer very basic questions.

■ WTC Adjudication Plan

In the weeks following the September 11th terrorist attack, the Board quickly organized an adjudication team and a new plan to specifically process claims related to the World Trade Center. Chairman Snashall named attorney Elizabeth Lott to head the team consisting of judges and 35 of the Board's most experienced personnel from across the state.



Chairman Snashall and claims specialist Abel Peters assist a claimant with questions at the Family Assistance Center.

SEPTEMBER 11, 2001

■ Unprecedented Outreach

With the realization that the September 11th attack would require unprecedented activities, the Board established an information booth at the Family Assistance Center located at Pier 94 in Manhattan where citizens were able to speak with knowledgeable claims examiners. In some cases, people were able to file their claim at the Board's information booth.

In addition, the Board quickly acted to accommodate organizations that were in need of information to disseminate to their members. Immediately following the terrorist attack, the Board and Chairman Snashall conducted outreach meetings with:

- The AFL-CIO
- The NYS Business Council
- The International Brotherhood of Electrical Workers
- The Communication Workers of America
- The American Insurance Association
- The Long Island Association
- The New York State Association of Self-Insureds
- The Workers' Compensation Bar Association
- The International Association of Industrial Accidents Boards and Commissions
- The New York State Crime Victims Board

■ Technological Support

The Board used its state-of-the-art technology to accelerate services for the victims of the World Trade Center attack. By using its award winning electronic imaging network, the Board was able to distribute the increased caseload generated by this disaster to offices across the state. As a result, Board personnel in Buffalo, Albany, Binghamton and all offices across the state were able to do their share to help their colleagues in New York City.

Hotlines were also established for claimants with questions about the World Trade Center as well as many who had questions about their claims that were not related to the WTC. These phone calls were also distributed across the state with claims examiners from all offices ready to answer these extremely difficult questions and provide some comfort to the victims seeking assistance.

The Board also placed all updates and related forms on its Internet web site including all press releases and links to the state's relief fund center web site.



The Board's technology enabled employees from across the state provide support for victims of the World Trade Center Attack. The staff at the Norwich archives office pictured above helped index claims electronically to help expedite claims.

Comments of Support

■ Following the Board's vote to eliminate the need for death certificates to commence compensation claims, AFL-CIO President Denis Hughes said:

"We [AFL-CIO] commit to work closely with this Board, this Chairman and this Governor to bring more resources to meet this challenge. It is clearer now than ever before that the goal of this Board is to give people hope. On behalf of all the workers, I want to thank the Chairman and the Governor. Without these actions, we could never begin to bring closure to so many New Yorkers."

■ In a letter to Chairman Snashall, the International Association of Industrial Accident Boards and Commissions said:

"The massive deaths and injuries in New York State have created unimaginable demands on your state's workers' compensation staff. The International Association of Industrial Accident Boards and Commissions applauds the quick and effective response of the New York Board...The Board has demonstrated great competence in the preparedness of its system..."

■ Janet Bachman, Vice President of Claims Administration for the American Insurance Association said in a press release:

"Our members have been very impressed by the leadership shown by the Workers' Compensation Board in rapidly and flexibly responding to this crisis and assisting insurance companies in delivering these benefits."

■ In a press release, Business Council President Dan Walsh said:

"The Business Council and its members appreciate the efforts of the Workers' Compensation Board to find innovative ways to help both workers and employers deal with workers' compensation issues stemming from the Sept. 11 act of terrorism. We will continue to help the Board any way we can to meet new challenges posed by these events."

■ In a press release CWA District 1 Vice-President Larry Mancino said:

"On behalf of the CWA District one, we appreciate the fact that the Chairman took time from his busy schedule to meet with our local officers representing approximately 55,000 employees in New York State. He was extremely informative and we are grateful for the information he provided as it applies to all workers who have been affected by the horrible September 11 terrorist attack."

■ In a letter of support to the Chairman, attorney Andrew Finkelstein of Fine, Olin & Anderman notes:

"Your actions instilled confidence for both the families directly affected from this event, but also for the citizens of the State of New York who were reminded that the purpose of government is to serve the people. Your foresight to convert an arcane paper intensive system to a state of the art paperless environment is more valuable today than one could have ever imagined."



Chairman Snashall (center) and Executive Director Richard Bell travelled to Washington to address the American Insurance Association about the impact of the WTC attack.



State AFL-CIO President Denis Hughes appeared at the Board's September 25th meeting to thank the Board and Gov. Pataki for their work in meeting the challenges following the September 11th terrorist attack.



On October 10, 2001, Chairman Snashall addressed the Workers' Compensation Committee of the New York State Business Council at their Albany headquarters.

OFFICE OF OPERATIONS



*David Donohue
Director of
Operations*

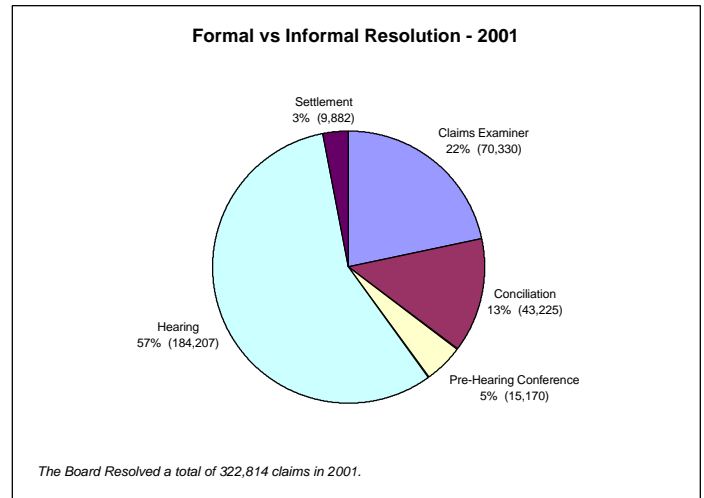
The Office of Operations, through the Board's eleven district offices, processes and manages injured workers' cases through the workers' compensation system. The district staff establish claimants' cases, perform case maintenance and assemble needed documentation of the facts. In addition, claims examiners 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 31, 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

During 2001, the Office of Operations continued building on the efficiencies in claims processing brought about by the introduction of the Electronic Case Folder (ECF). A continued emphasis on resolving less complex issues at the administrative (non-hearing) level continued, with over 40% of all claims monitored by the Board statewide resolved without hearings in 2001.

2001 INITIATIVES

- The average time from receipt of a document used to establish ("index") a claim to the Board's first processing action dropped to approximately 6 days compared to more than 31 days in 1995; an 80 percent increase.
- Time from indexing, to resolution of all present issues in a claim, was 263 days in 2000, and dropped to 162 days in 2001; a 38 percent increase in speed.
- Condensed the Board's total "pending count (number of all open cases under active management) from 267,000 in 1995 to fewer than 137,000 in 2001; a 48 percent reduction.
- Coordinated with the Office of Adjudication and the Office of Administration to transition the Board's Brooklyn District Office into three new, state of the art facilities located in Manhattan, Brooklyn, and Queens, to allow greater conveniences for injured workers. Each office was newly designed with a strong customer service focus. The shift of claims staff and all related functions was successfully executed without affecting services. The ECF concept enabled claims from the Metro offices to be processed by any workgroup in any office. The efficiencies realized by this concept became even more apparent during these major physical relocations.

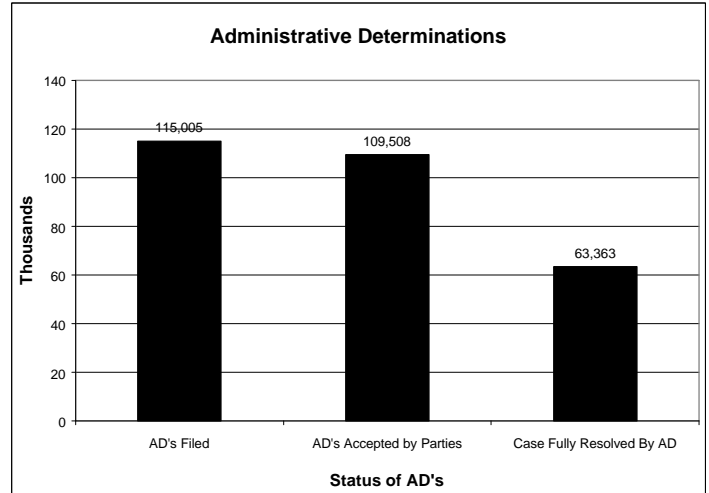


- Addressed the challenges associated with storing and handling a high volume of physical evidence (produced as evidence in the hearing process) in the Board's possession, particularly in the Metro NY area. Space limitations and electronic processing in the new District Offices mandated a new system be designed and implemented. A new electronic physical evidence tracking and request system was designed, and all physical evidence for Metro area cases was categorized and placed in our new Norwich archives filing facility enabling immediate retrieval and shipment on a daily basis.
- Spearheaded the effort to centralize and process all requests for physical files, on a statewide basis, directly at our Norwich Archives facility to facilitate numerous requests for information from various constituents. A new electronic request system was designed and introduced to all customer service and claims examining staff in every district in the summer of 2001. Since its implementation backlogs of up to six months for file copy requests in some district were eliminated.

OFFICE OF OPERATIONS (continued)

■ Coordinated with the management of the Special Funds Conservation Committee (SFCC) in creating a pilot project where large numbers of claims comprising only SFCC/primary carrier issues were identified and arbitrated between the SFCC and the carrier. When issues are agreed upon they are returned to the Board for the issuance of Administrative Decisions. This process eliminates placing these types of issues before an Administrative Law Judge and ensures hearing calendar time is reserved and available for issues directly affecting the benefits and medical treatment of claimants.

■ Teamed with the Board's Office of Electronic Data Processing, major insurance carriers and Third Party Administrators, to coordinate the transmission of Board forms and notices electronically, rather than manually. Such processes enable carriers and TPA's to electronically receive and download all their hearing notices and other important scheduling information on a daily basis, without having to move and sort the mail manually, sometimes between many different regional offices.



In 2001, the Board continued to process thousands of claims more efficiently using Administrative Determinations.

September 11 Response - Operations

The response to the claims processing crisis precipitated by the tragic events of September 11, 2001, was immediate, comprehensive and one of high quality service delivery.

Following September 11, 2001, the Office:

- Immediately electronically reorganized to allow a large cadre of it's most experienced claims examiners from across the state, to work in one electronic workgroup directly under the supervision of the Office of Operations, focused specifically on the filing and resolution of WTC claims. This allowed the Office to continue to index and process all WTC and non-WTC compensation claims concurrently and without administrative delays;
- Petitioned for and received major changes in the indexing and processing rules associated with these claims, which were made quickly and decisively by the Board and Governor Pataki;
- Instituted dozens of new operating procedures in days;
- Electronically deployed staff from upstate districts to assist the functions of down state offices affected by the tragedy. Many worked double shifts to assist the down state offices and to maintain their normal claims processing functions with much of the Board's metropolitan area communication infrastructure impacted in the days immediately following the disaster.
- Many Metro area employees immediately began serving as information resources at various city and state sponsored disaster service sites, and provided valuable information, and indexed claims, on a seven day a week basis, for many weeks following the disaster. It would be impossible to properly commend the hundreds of employees who demonstrated their dedication during this time of national crisis.

WORKER'S COMPENSATION DISTRICT OFFICES AND CUSTOMER SERVICE CENTERS

PRINCIPAL OFFICES

20 Park Street • Albany, NY 12207

ALBANY DISTRICT

Linda Walker, District Administrator

Linda Patton, 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 • Newburgh • 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

Joe McHugh, 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

James McKenna, District Administrator

Barbara Townsend, District Manager

Counties Served: Cattaraugus, Chautauqua, Erie, Niagara

Buffalo District Office

Stattler 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

John Fanning, District Administrator

Sue McGrory, 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

Keith Bellamy, District Manager

Counties Served: Orange, Putnam, Rockland, Westchester

Peekskill District Office

41 North Division Street • Peekskill, NY 10566

with Customer Service Center locations in ~

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

Anthony Alvarez, 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



Peter Molinaro
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. The office is divided into four divisions:

- [Division of Legal Affairs](#)
- [Division of Adjudication Quality Assurance](#)
- [Division of Full Board Appeals](#)
- [Division of Board Counsel](#)

Division of Legal Affairs

This unit assigns, reviews, coordinates and supervises the daily responsibilities of the General Counsel's Office to provide legal services. This includes providing policy and technical assistance on trial litigation in the Federal and State Courts, 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 individual Board members; 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 to 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 WCLJs, attorneys and carriers.

Division of Adjudication Quality Assurance

The mission of the Division of Adjudication Quality Assurance is to ensure that staff involved in the adjudication process, while upholding the highest standards of professionalism, promptly and fairly render legally sound decisions.

To that end, the Division of Adjudication Quality Assurance supervises on a daily basis the 86 Workers' Compensation Law Judges who daily conduct formal hearings at 41 hearing sites statewide and the 37 Senior Attorneys who administer the conciliation program, a more informal method of claim resolution, under Workers' Compensation Law 25 (2-b). Ten Senior Law Judges, assigned to districts throughout the state, function as the first line supervisors. The Principal Attorney in charge of the Division of Adjudication Quality Assurance coordinates the division from the Office of General Counsel in Albany.

During 2001, performance programs have been redrafted for all adjudication staff, making them consistent with the expectations of the Division. Staff performance evaluations have been brought up to date.

Throughout 2001, Senior Law Judge Andrew Mair functioned as director for the Alternate Dispute Resolution (ADR) and the Employee Claims Resolution (ECR) Programs.

Division of Legal Appeals

The primary responsibility of the Legal Appeals Division is to review matters in which an application for full Board review (the last internal administrative review a matter receives before resort to the court system) or a Notice of Appeal to the Appellate Division 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, Third Department. The goal of the Legal Appeals Division is to assure the overall consistency and quality of decisions issued by the Board.

Division of Board Counsel

This unit serves the Chair, Board Panels, individual Board members and the General Counsel by providing counsel at arbitration hearings, drafting proposed Memorandums of Decision and promulgating proposed rules and regulations.

OFFICE OF GENERAL COUNSEL (continued)

2001 INITIATIVES

Division of Legal Affairs

Board Litigation

During 2001, the Board referred and/or provided supportive information and documentation to the Attorney General on twenty (20) matters.

Rules and Regulations

Board rules and regulations proposed during 2001 include the following subject areas:

[Part 317 - Group Self-Insurance](#)

Statement of purpose: To establish application procedures, qualifications and responsibilities for any group of employers which desires to become, or which has been approved to operate as, a group self-insurer.

[Part 325, new Section 325-1.25 - Temporary suspension of authorization](#)

Statement of purpose: To establish procedures for the temporary suspension of medical providers believed to be guilty of misconduct.

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 2001 the Division of Legal Affairs completed 224 written responses as either correspondence or legal memoranda.

Employee Discipline

Senior Attorney Scott Gollop supervises disciplinary arbitrations for the Office of General Counsel. Mr. Gollop assists in the investigation, interrogation, and writing of Notices of Discipline (NOD). Additionally, he assists Human Resources Management in the drafting of NODs, as well as the settlement of these matters. Mr. Gollop is also representing the Board in a Civil Service Law §72 hearing, which began in September 2001. Mr. Gollop also represented the Board at two discrimination cases brought under state law, as well as one under Federal Title VII case.

Licensed Representative Exam

Senior Attorney, Sharon Doodian, prepared two exams for the Licensing Unit which were given to 72 Licensed Representative candidates. Staff attorneys from the Office of General Counsel graded the exams. In April, 9 of 37 candidates passed the exam, and in November, 7 of 35 candidates passed.

September 11 Response - Office of General Counsel

- Assisted the Office of Counsel to Governor Pataki in preparation and drafting of an executive order suspending the notice provision of Section 18 of the Workers' Compensation Law.
- Provided legal opinions to the Governor's Counsel, the Chairman, Board and Division of the Board on many issues relating to disaster response.
- Prepared and drafted the Resolution of the Board concerning declaration of death, adopted September 25, 2001.
- Prepared three affidavit forms designed to expedite processing of WTC death claims.
- Trained legal personnel assigned to WTC administration determination teams.
- Provided advice and counsel to mentors on WTC claim teams.
- Developed a WTC adjudication plan including the creation of a position of project director of WTC adjudication and specific training of judges on WTC adjudication team. The training included presentation by renown physicians in the areas of lung disorders and stress conditions.

OFFICE OF GENERAL COUNSEL (continued)

Freedom of Information/Privacy Compliance Matters

The Records Access Officer within the Office of General Counsel reviews, opines and responds to Freedom of Information Act ("FOIL") and Personal Privacy Law inquiries and/or issues. During 2001, a concerted effort was made to encourage District Offices and Service Centers to consistently handle requests for copies of case files at the local level when presented with proper documentation.

Throughout 2001, there were 115 FOIL requests for records filed with and considered by the Board's Records Access Officer. The Records Access Officer also fielded over 100 telephone inquiries relating to the Freedom of Information Law.

Electronic C-4 Project

In September 2001, the Division of Legal Affairs and Office of Information Management Systems rolled out the electronic C-4 Program enabling health care providers to file reports to the Board electronically.

NYSBA Report

The Office of General Counsel was the Board's liaison with the Special Committee on the Workers' Compensation Board of the New York State Bar Association which issued its favorable report on May 14, 2001.

Division of Adjudication Quality Assurance

Calendars

During 2001, approximately 380,000 formal hearings were held which resulted in 211,094 claim resolutions. The conciliation process produced 43,263 claims resolutions. Administrative determinations, which are resolutions reviewed and approved by Law Judges numbered 80,207.

The Division of Adjudication Quality Assurance was committed in 2001 to producing those resolutions in a prompt and efficient fashion. To strengthen the adjudication process, it continued to stress the seven principles of effective hearings which includes:

- holding hearings only for cases with disputed issues;
- enforcing existing pre-hearing conference rules;
- using depositions to gather medical testimony;
- eliminating unjustified adjournments;
- imposing penalties for non-preparedness;
- strengthening judicial integrity by adhering to established legal standards;
- issuing informative and timely notices.

In order to meet the challenges of implementing the seven principles, the Adjudication Quality Assurance Division concentrated on new programs that gave the parties more options and the Judge more tools to aide in claim resolution.

Expedited Hearing Calendars

Cases involving issues that have not been resolved within two years of raising, multiple claims arising from the same accident or occurrence, or cases in which the chair deems necessary, may be transferred to the special part for expedited hearings. Once the cases are transferred, the parties are advised that the case will be scheduled in such a manner so that, where appropriate, any and all outstanding issues may be addressed and resolved at one hearing. Requests for adjournments or continuances that are determined to be of a non-emergency or frivolous nature will result in a substantial penalty to the party making the request. No penalty is imposed on a claimant who represents him/herself. In 2001, nearly 2800 cases appeared on expedited calendars. Of those cases, nearly 1500 or over 50% were resolved. This was 4 times the number of cases expedited in 2000.

UEF Pre-Hearing Conferences

In order to hasten a prompt resolution of UEF cases, beginning in 2000, pre-hearing conferences were conducted with the parties, Judge, and UEF investigator within 8 weeks of identifying UEF as a potential participant. By doing so, information as to coverage could be ascertained quickly and the issues promptly identified for litigation.

This initiative continued in 2001 with positive results. UEF claims are now being resolved faster and deserving claimants are getting paid in a more timely fashion.

NFA (Issue Resolution v. Claim Resolution)

NFA, or "no further action," is often incorrectly associated with the words "case closed." NFA simply means that the Judge has resolved all presently ripe issues before him/her. The case will not be scheduled on the calendar for another hearing until other issues become ripe and the parties request further Board intervention. Upon the parties' request for further Board intervention, depending on the issue, the case will promptly be reviewed for an administrative determination, referral to conciliation processing, or scheduled for another hearing. This initiative provides incentive to the parties to manage their cases, communicating with each other and trying to resolve issues prior to seeking Board intervention.

In 2001, the adjudication division resolved or "NFA'd" 211,094 or nearly 56% of all cases placed in the formal hearing process.

OFFICE OF GENERAL COUNSEL (continued)

Date Certain

As a compliment to the NFA initiative, if a case must be continued, the Board is endeavoring to continue that case to a "date certain" rather than continuing the case to the "next available calendar" or for "six months," etc. As in the prior year, this initiative has been successful in 2001 at hearing sites in Elmira and Oswego and is being implemented in other districts throughout the state.

Excessive Hearing Calendars

District offices identify cases which have had in excess of 15 hearings and which have not have a final determination. Once isolated, the cases are placed on a special calendar where the parties are encouraged to identify controverted issues, submit evidence, and negotiate resolutions. Law Judges study the electronic case files prior to the hearing in order to better understand the remaining issues and to effectively mediate a resolution satisfactory to both parties.

During 2001, the eleven district offices resolved over 3,200 cases that had in excess of 15 hearings.

Training – Use Statutory Tools

As in 2000, in 2001 Law Judges have been encouraged, at their discretion, to utilize all available statutory tools to make the hearings productive, to keep the claim on track, and to resolve issues in a more timely fashion. The Division of Adjudication Quality Assurance no longer just counts hearings, it makes hearings count.

Ultimately the value of a hearing is not just that it took place, but that issues were identified, evidence presented, and all ripe issues resolved. The Division is committed to upholding the tenets of sound adjudication practice. When the case is called, the parties should be ready, willing, and able to proceed. Likewise, the Law Judges should be an expert in the Workers' Compensation Law, its regulations, and applicable case law. Training became the watchword of 2001 for adjudication.

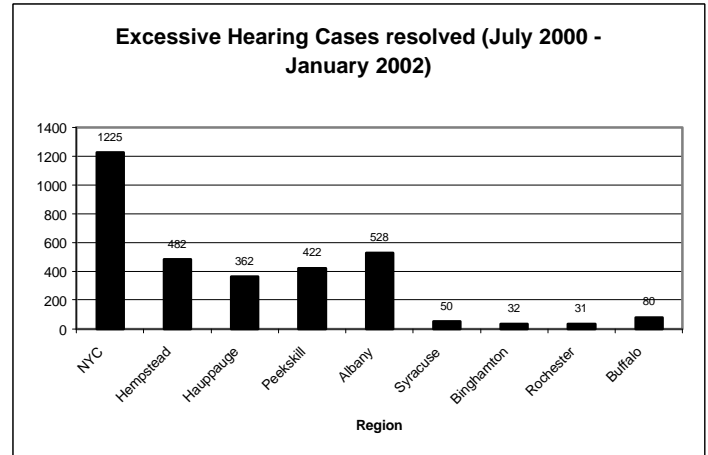
Penalties for Unpreparedness / Delay

The compensation law provides for a number of penalties for actions that delay the timely adjudication of claims. 12 NYCRR 300.6 mandates that Judges shall take action when a penalty section has been violated. Law Judges are trained to assess these penalties, whenever appropriate. It is anticipated that effective use of these penalty provisions will encourage better employer/carrier preparedness. Better employer/carrier preparedness will allow claims to be resolved more quickly and benefits delivered to the state's injured workers in a more expeditious fashion.

Pre-Hearing Conference Rules

Pre-hearing conferences ("PHCs") are pre-trial conferences designed to identify and, if possible, narrow the controverted issues. At those conferences, witnesses are identified and depositions can be ordered and/or a trial is scheduled.

In 2001, more than 15,000 cases were resolved at the pre-hearing conference level.



Between July 2000 and January 2002, the Board resolved 63% of cases on the excessive hearings calendar.

WISK

The WISK ("Walk-In Stipulation Calendar") calendar was active in all eleven district offices. It enables parties in agreement on issues entire claims to conduct a hearing without waiting.

In 2001, over 4,000 injured workers, receiving approximately \$57 million in benefits, had their claims resolved on WISK calendars. This activity was double that of the previous year.

Depositions

The Workers' Compensation Law gives the Board authority to order depositions. In 2001, Judges were encouraged to utilize this tool as a means of securing expert opinion testimony in a more timely fashion. Prior experience had shown that treating physicians, who have busy and unpredictable schedules, are frequently unable to appear at the Board for scheduled testimony. When this occurs, additional hearings must be scheduled, thus lengthening the time for resolution and prolonging the claim of the injured worker. The Judges' use of medical depositions in appropriate cases will result in fewer adjournments while still allowing the parties to cross-examine physicians if they choose.

In 2001, approximately 10,000 depositions were directed by Judges statewide and 14,465 cases set for testimony on calendar.

OFFICE OF GENERAL COUNSEL (continued)

Specialized Training

In 2001, the Division of Adjudication Quality Assurance focused on specialized training for its Senior Attorneys working in the Conciliation Program and for its Judges working in the formal adjudication process. In May, a seminar was presented to all Senior Attorneys, which emphasized the conciliation process and ways of improving the quality and quantity of claim resolutions in this area. Mediation skills were sharpened. Similarly, in October and November, seminars were held for the Law Judges. Topics included apportionment, evidence, WCL 114-a misrepresentation, WCL 110-a, occupational diseases, and employer compliance.

Technology

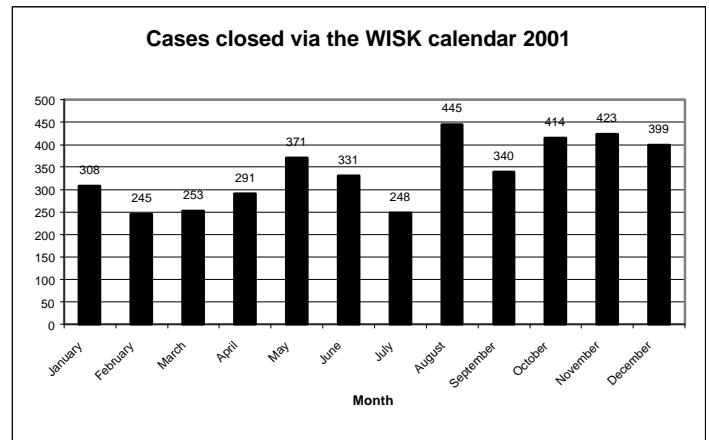
The Board employs a team of data and systems designers who have worked tirelessly to provide up-to-date technology for the resolution process. In 2001, that team continued to work on five important areas that have had a positive impact on the adjudication process.

I [Electronic ECF 16.1](#)

In order to streamline the delivery of the Board's decision to the parties, work continued toward the statewide implementation of the electronic ECF 16.1. Under the electronic ECF 16.1, instead of handwriting the findings and awards, Judges input their findings and awards directly into the case folder with the keyboard. This electronic entry speeds the judges' decision to the examiner, enabling him/her to issue the decision to the parties more promptly. On September 25, 2000, Judges in the Binghamton district office began utilizing the electronic ECF 16.1 on a trial basis. The Board is pleased with the progress of this project and anticipates a roll out to other offices in 2002. Once activated statewide, the time for delivery of the decision to the parties will likely be cut in half.

II [Medical Witness Availability Data Base](#)

To eliminate any confusion as to the scheduling of medical providers for testimony, Board computer designers have designed a data basis that will alert Judges on calendar as to the available times the health care provider has to give testimony. Accordingly, the Judge will be able to schedule that provider at a moment's notice at a time when he/she is available and will not schedule him/her at a time when he/she is already scheduled for testimony. Currently, this prototype is being tested in the metropolitan New York City area.



In 2001, more than 4,000 claims were resolved on a WISK calendar with more than \$57 million in benefits awarded to injured workers

III [Telephone Interpreters](#)

Obtaining proper language translators for hearings has always been a challenge, especially in large metropolitan areas where large portions of the working population do not have English as their native tongue. In order to save hearing time, the Board has contracted with a language service whereby a Judge can locate - via a special telephone line - a language translator generally in under two minutes.

In 2001, each district office was provided with this service.

IV [Video and Telephone Conference](#)

Each hearing room throughout the state is now equipped with a telephone capable of a conference call. Accordingly, witness testimony, upon the consent of the parties, can be taken over the telephone when appropriate. In like manner, many of the hearing sites are now equipped with videoconference equipment which allows for the taking of witness testimony from remote locations.

In 2001, this technology was used widely throughout the state with positive results.

V [Legal Data Bases](#)

All adjudication staff have, at their finger tips, access to West Law and other Internet legal data bases upon which they can research issues that come before them. Guided by the fact that a judge is only as good as his research skills, the Adjudication Quality Assurance Division has dedicated itself to making these legal resources available and to training its adjudication staff on their use.

OFFICE OF GENERAL COUNSEL (continued)

Alternative Dispute Resolution (ADR)

The practice of holding quarterly ADR managers meetings, instituted in late 2000, continued in 2001. Meetings were held in Albany on January 12, April 27, and August 3, 2001. These meetings are beneficial as they provide a forum for the discussion of issues facing the ADR program in New York.

Two major ADR initiatives were undertaken in 2001:

I Proposed regulatory amendments:

a) A proposal to amend 12 NYCRR § 314.2(d)(v) to reduce the ADR-1 filing period from 30 days after the date of the accident to 10 days after the date of the accident, in order to create uniformity with the C-2 filing requirement of WCL § 110(d) and to promote better segregation of ADR claims from non-ADR claims, was developed and made part of the agency's regulatory amendment package.

b) A proposal to add new § 314.8 to 12 NYCRR Part 314 was made. A revised version of this proposed section and a regulatory impact statement was recently submitted to General Counsel's Office for review and approval. The purpose of this proposal is to create a regulatory procedure to return ADR cases which involve non-ADR entities, in relation to collateral issues such as apportionment or various Special Fund applications, to Board jurisdiction for the approval of stipulated agreements on or the resolution of disputes concerning these issues.

II Development of the ADR Employer Master List:

With the help of Program Assistant Melissa Lawson, we have developed an ADR Employer Master List for use by Board indexers and examiners to assist them in identifying and segregating potential ADR cases from the general population of all workers' compensation cases. Currently, this document is available to indexers and examiners via a "pop up" icon in the ADR Baseline procedures. Although the list is not complete, it should be completed as soon as additional employer information, previously requested, is received.

In addition to the above, both the ADR-1 ("Report of Work-Related Injury of Occupational Disease") and the ADR-2 ("Final Disposition of Claim") forms have both been revised with input from ADR connected Board employees and the ADR managers group. These revised forms, copies attached, have been approved by General Counsel and will be disseminated for use shortly.

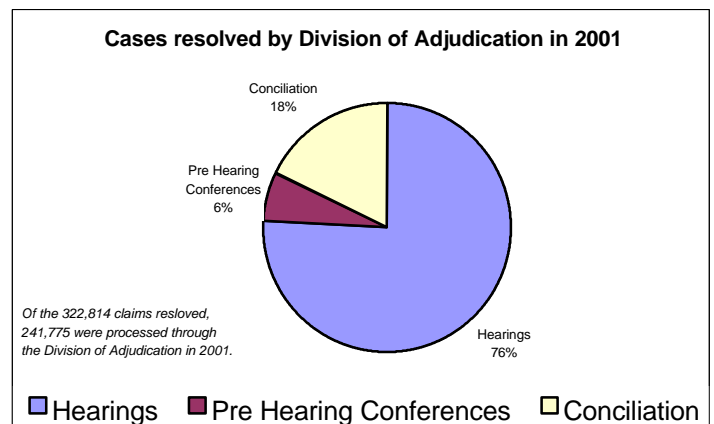
Employee Claims Resolution (ECR)

This past year, 17 ECR cases were processed by ECR arbitrators. Of these, 6 were desk decisions and 11 required arbitration

hearings. No panel hearings were held in 2001, although applications for panel hearings were requested via review applications.

Division of Full Board Appeals

The Division consists of three full time and two part time senior attorneys who assist the full Board in every aspect of the full Board review process. The division also consists of several people who serve as support staff for the attorneys performing notification and case tracking functions. In 2001, the division processed over 1,200 cases for full Board review.



75% of cases resolved by the Board in 2001 were processed by the Division of Adjudication.

Division of Board Counsel

The division of Board Counsel provides legal services to Board members individually on appeals before the Board. Specifically, these services include drafting dissenting opinions for Board panels, assistance in the preparation for and attendance at oral argument.

Continuing Legal Education (CLE)

During 2001, the Office of General Counsel, Division of Adjudication Quality Assurance, organized and conducted two separate seminars for adjudicators; One for conciliators, entitled "Senior Attorney Seminar on Conciliation" and one for Workers' Compensation Law Judges (WCLJs) entitled "Seminar for Workers' Compensation Law Judges." The Division of Adjudication Quality Assurance applied for and received six CLE credit hours for the Conciliator seminar and nine CLE credit hours for the WCLJ seminar. Fifty-four (54) attendees participated in the Conciliation seminar, and 105 attendees participated in the WCLJ seminar. Attendees at these seminars included attorneys and judges employed by the Board.

OFFICE OF GENERAL COUNSEL (continued)

Section 32 Task Force

In 2001 the Office of General Counsel led the initiative to implement a new procedure in which section 32 agreements may be reviewed and approved by a Commissioner without a hearing. When the Board receives a section 32 agreement, the examiner determines whether or not it requires a hearing and makes a recommendation to the Commissioner. If the Commissioner agrees he or she may simply issue a decision.

The new procedures also provide that the Office of General Counsel reviews certain section 32 agreements and makes recommendations to the Commissioner whenever complex legal issues are presented in the agreement. Paralegal Mary Murphy reviews these agreements and, after discussion with an attorney in OGC, submits a recommended action to the examiner.

Further, General Counsel Peter J. Molinaro and Elizabeth Lott were published in the Winter 2001 edition of "One on One," a publication of the General Practice, Solo & Small Firm Section of the New York State Bar Association. They co-wrote an article entitled, "Section 32: The Evolving Law."

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.

2001 INITIATIVES

The Office of Appeals (OOA) continued to focus on productivity and reduction of the inventory of appeals pending before the three-member Board panels. (Full Board Review cases remained under the auspices of the Office of General Counsel throughout 2001). Further technological advancements unveiled in 2001 assisted OOA in improving its workflow and customer service. OOA attorneys also provided outreach and educational services via presentations at Continuing Legal Education (CLE) programs.

Technological initiatives

■ The Board's Performance Measures programs reached OOA during 2001. Monthly reports are generated quantifying various time intervals in the progress of cases from the submission of an appeal to the filing of a Board Panel Memorandum of Decision ("MOD"). These reports are configured to chart the performance of the various OOA Teams and the progress of cases originating from each individual WCB District Office. These reports allow OOA executive staff to deploy personnel to the teams that have, i.e., the largest pending inventory and/or the cases with the oldest pending appeals. Assisted by this technology, OOA has succeeded in reducing the average time between submission of an appeal and filing of an MOD to 3-4 months statewide; a tremendous improvement from the average turnaround time of approximately 18 months in 1999.

■ OOA has also utilized the Board's videoconference technology to provide better customer service and better turnaround time on appeals. At the Chairman's request, OOA conducted research relative to delays encountered by litigants whose appeals were scheduled for oral argument before three-member Board panels. OOA discovered that over 230 cases were adjourned from Board Panel Calendars over a one-year period and that such adjournments added, on average, two-to-four months to the time between the filing of the appeal and the final resolution of the case. OOA therefore commenced a pilot project in July 2001 whereby one additional Board Panel Calendar is scheduled each month. The Panel sits in Albany, but hears cases from around the



Commissioners Botta, Groski & Sweet listen to testimony in Albany via the Board's video-conference technology. The video system enables commissioners to execute hearings from any location across the state.

state via videoconference. The cases selected for these Multi-site Video Panel ("MVP") Calendars are predominantly cases that were adjourned from "live" Board Panel Calendars during the preceding month. This pilot project has proven to be popular with parties and counsel and has dramatically reduced the turnaround time in adjourned cases. Accordingly, this pilot program will continue into 2002 with an eye towards incorporating it as a permanent procedure.

World Trade Center

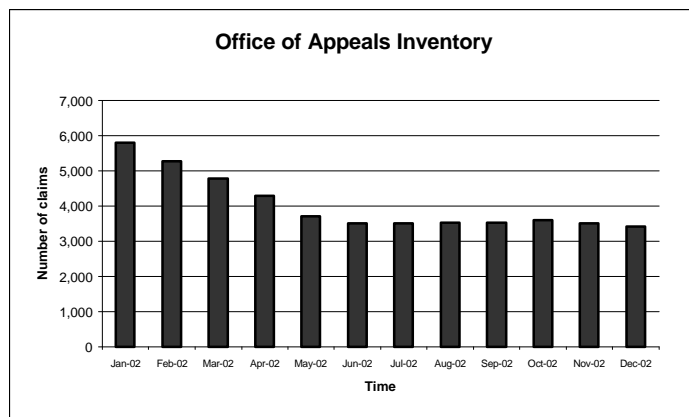
■ The entire Worker's Compensation Board has felt the effects of the September 11, 2001 tragedy. OOA, like all other Departments, was hard at work on September 12, 2001 helping the Board prepare to swiftly, fairly and compassionately resolve the large number of claims flowing from the attack. OOA staff members participated in Executive level planning sessions; OOA attorneys performed legal research on various issues expected to arise in WTC cases; and OOA staff members also volunteered to assist the Advocate for Injured Workers' staff in handling evening and weekend shifts to cover the Advocate's "800 number" for WTC

OFFICE OF APPEALS (continued)

inquiries. OOA staff also assisted in research and training relative to the Adjudication Plan for WTC cases. OOA staff members joined other WCB personnel in donating blood and money to aid the victims and their families. A day of terror and horror served only to bring out the best in our employees in all Departments across the state!

Increases in productivity

■ Despite some attrition of personnel and the reallocation of personnel and workload occasioned by the WTC tragedy, OOA managed to reduce the number of pending appeals during 2001; thus, further shortening the time between the submission of an appeal and the filing of a Board Panel decision.



■ As evidenced by the graph below, there were 5,801 pending cases at the beginning of 2001. That number had decreased to 3,856 pending cases by the end of the year; a 33.5% inventory reduction.

■ OOA's "Triage" program continued to be effective in 2001. On December 29, 2000, there were 1,305 pending cases in the top priority triage category. That number was reduced to 799 cases by December 31, 2001; a 38.2% decrease.

■ OOA received 12,969 new case referrals in 2001, an average of 1,081 per month. OOA processed 17,226 cases, or 1,436 per month, during 2001. Accordingly, the inventory of pending cases continues to be reduced and the time between the submission of an appeal and the filing of a Board Panel decision continues to shorten.

Public Outreach

■ The continued improvement in OOA's customer service evidenced by the foregoing statistics allowed OOA the opportunity to perform more public outreach and public service during 2001. OOA attorneys were able to serve as lecturers at several seminars and conferences presented by organizations such as the New York State Bar Association, the Capital District Trial Lawyers Association and Albany Law School. Those programs proved beneficial to both the OOA attorneys and their respective audiences. OOA plans to continue such activities in 2002.

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

Approval of applications by employers for self-insurance privileges and to execute decisions and notices of qualifications as to such self-insurers on prescribed forms.

Power to certify, pursuant to Section 50(3), that employers have complied with the requirements of the Workers' Compensation Law.

2001 INITIATIVES

Licensing/Orientation

■ Pursuant to sections 24-a, 50(3-b) and 50(3-d) of the Workers' Compensation Law, during the year 2001, the Secretary's Office granted license to 34 claimant representatives and 80 third-party administrators.

Correspondence Control

■ Throughout the year, the Chairman of the Board receives a large volume of correspondence from elected officials, claimants, doctors and 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 2001, 826 such inquiries were processed by the Secretary's Office.

Board Resolutions

■ Following each monthly meeting, it is the responsibility of the Secretary's Office to notify all parties-in interest of the Board's resolution to rescind prior Memorandums of Decision. In the year 2001, the Secretary's Office issued 86 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 2001, 2466 subpoenas duces tecum were served upon the Board. Revenue generated from these subpoenas totaled approximately \$32,119.

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 2001, 877 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 2001, approximately 13,470 decisions were filed.

Orders of the Chair

■ All Orders of the Chair are designated to reside in the Office of the Secretary.

OFFICE OF REGULATORY AFFAIRS



Marsha Orndorff
Dty. Executive Dir. CRS

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

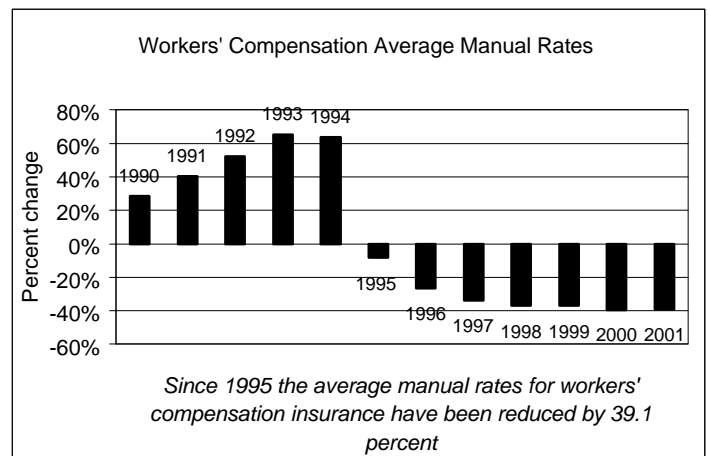
The first of three major functions within the Office of Compliance is to ensure that all employees working in the state are properly covered for workers' compensation and disability benefits. The Employer Coverage Unit monitors over 650,000 employers to ensure that they obtain and maintain statutory 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 and Collection Unit for penalties which arise out of employer non compliance 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 eleven 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 who 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.

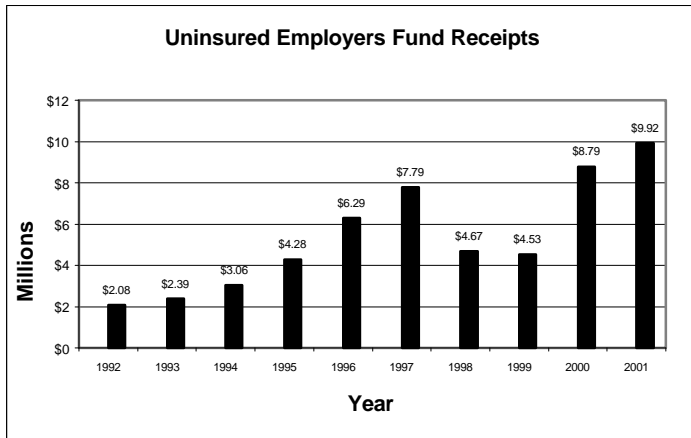
Taking a page from OPTICS, the Office of Compliance began its own re-engineering effort in 1999. Each unit identified critical processes. Ideas were generated to improve these processes and action was taken. Today the Office continues to improve upon the 1999 foundation.

2001 INITIATIVES

■ The Judgment Unit issued 6,200 legal judgments against uninsured employers. The judgments enabled the Board to put a hold on almost \$70 million in assets to encourage uninsured employers to pay their fines.

■ In 2001, the Penalty Collection Unit collected a record \$9.7 million in penalties from employers who failed to secure the workers' compensation insurance required by law to protect workers injured on the job. The previous record of \$8.7 million set in 2000, was eclipsed by one million dollars.

OFFICE OF REGULATORY AFFAIRS (continued)



The Office of Compliance established new records in both 2000 and 2001 for penalty collections used to fund the UEF.

■ The Enforcement Unit implemented a new Lotus based tracking system for their work. This systems allows users to find the status of pending investigation requests, helps manage caseload, and measure Unit work output.

In 2001, The Enforcement Unit prosecuted 23 uninsured employers in claims where UEF was found liable.

■ The No Insurance Unit established a loss transfer reimbursement process.

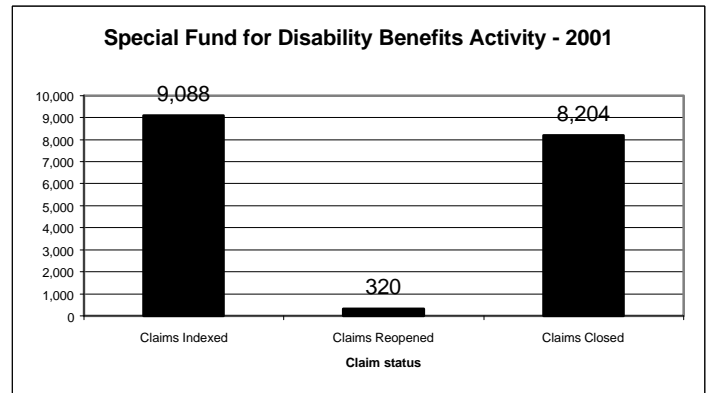
The Unit applied for reimbursement of \$982,428 in 2001.

■ In December 2001, the Board began to require electronic submissions of Proof of Coverage from carriers as part of the new Insurance Compliance system (IC2). The Board receives approximately 500,000 proof of coverage documents each year. As a result of this initiative, most submissions will be automatically entered into IC system rather than manual data entry. At the same time, those submissions requiring review will more quickly and efficiently be posted.

■ Compliance initiated a plan to include reference (invoice) numbers on notice of decisions that included administrative penalties. This will allow the Office of Finance and the Office of Compliance to more properly account for payments when submitted by a carrier or health care providers. The significance of this enhancement should have profound effects on the ability of the Board to track and collect administrative penalties. Administrative penalty receipts – ninety percent of which is deposited in the State's General Fund - increased by \$63,000 (five percent) from \$1.293 million in 2000 to \$1.356 million in 2001.

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. Medical payments are the responsibility of the claimant.



Total benefits awarded by Special Disability Fund was \$3.5 million in 2001.

The Disability Benefits Office has three major functions:

1 **Claims processing** — this Unit processes claims only when there is a dispute between the claimant and the insurance carrier. Most of these disputes are resolved administratively with less than 1% requiring a formal hearing before a WC Law Judge. In 2001, more than 8,000 disability claims were processed and closed.

2 **Plans acceptance** — while the DB law states the minimum coverage that employers must provide, many employers provide coverage which greatly exceeds the minimum. Any contracts that provide coverage over the statutory minimum must be filed with this unit. In cases of disputes, the unit refers to the coverage on file when making determinations.

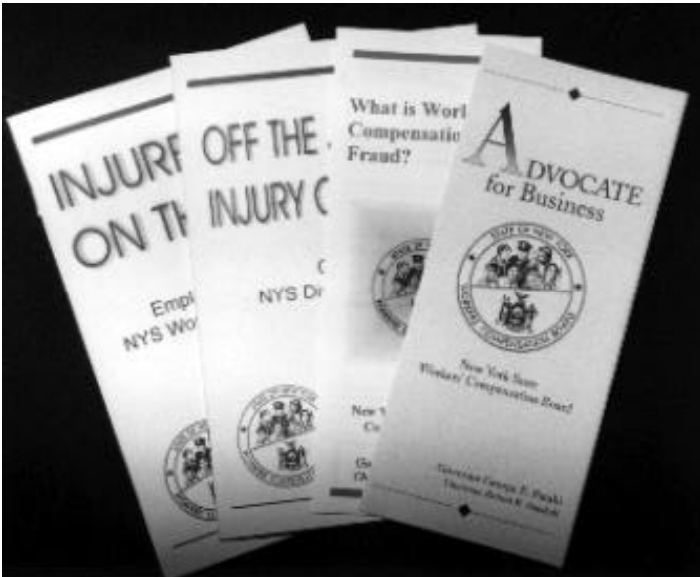
3 **Insurance compliance** — as with the workers' compensation program, this unit monitors employers' compliance with the DB laws and penalizes those employers who are not in compliance using the same computer system as workers' compensation staff (the insurance compliance system). In 2001, the Disability Unit received more than 159,000 Certificates of Insurance.

During 2001, the Disability Benefits Office, in conjunction with the Office of Compliance, continued to focus much of its attention on improving the current Insurance Compliance System and on the design of the new system.

OFFICE OF REGULATORY AFFAIRS *(continued)*

2001 INITIATIVES

- Continued to make changes in the current insurance compliance system and business processes which greatly enhanced the Office's ability to monitor employer coverage and assess accurate penalties.
- Centralized the interactive "800" telephone service, eliminating district calls and the number of times a caller must be transferred.



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

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.

2001 INITIATIVES

In an effort to study utilization, in 2001, the Workers' Compensation Board implemented a Treatment Utilization Pilot Program that authorized for accidents occurring on or after December 1, 2000 participating providers be 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 participate in this pilot program and meet the data reporting requirements as defined by the Workers' Compensation Board. The Treatment Utilization Pilot Program has just completed its first full year of activity. Participants began submitting C-4's electronically via the web in January 2001.

- In 2001, the Board received 15,959 electronically submitted EC-4's. This number represents 5,596 accidents. There are currently 67 participants in the program.

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.

2001 INITIATIVES

- Recorded through our biannual survey process for all certified PPO that approximately 600,000-700,000 employees are covered through the PPO program. The Office conducts surveys to monitor PPO's compliance with the program's rules and regulations with the objective of ensuring the provision of quality care to injured workers.
- Completed database review to identify PPO's with clients in the World Trade Center impacted area. Subsequently conducted an outreach to affected PPO's requesting that they canvas network providers and employers in order to identify injured employees and initiate specialized case management follow through.
- Implemented a high-level WTC complaint resolution process with the goal toward eliminating normal processing delays associated with day-to-day requests, as well as participated in outreach activities with the NYS Medical Society to provide clarification with regard to physician payment and treatment issues associated with the WTC.

OFFICE OF COMPLIANCE & REGULATORY SERVICES (continued)

Office of Health Provider Administration

The Office of Health Provider Administration provides authorization for health providers to treat injured workers and perform independent medical examinations, registers independent medical examination entities, establishes a representative medical fee schedule for reimbursement of those services, and arbitrates disputes between medical providers and carriers regarding billing controversies.

2001 INITIATIVES

- Conducted an analysis of the Unit's major processes and the systems that support those processes. Streamlined processes were recommended and formed the basis for the development of an automated system to support the office's functions. An automated computer system that incorporates the streamlined processes is under development and will be implemented in 2002.
- The Health Provider Administration Information System (HPAIS) will fully automate and integrate all processes and provide more efficient service to our customers. The system will also provide management reporting and performance measures and information designed to assist improvements in services.
- Authorized approximately 5,826 providers from all New York counties in accordance with Chapter 473 of the Laws of 2000 that mandate Board regulation of physicians, podiatrists, chiropractors and psychologists who conduct independent medical examinations (IME) of workers' compensation claimants.

OFFICE OF ADVOCATE FOR BUSINESS

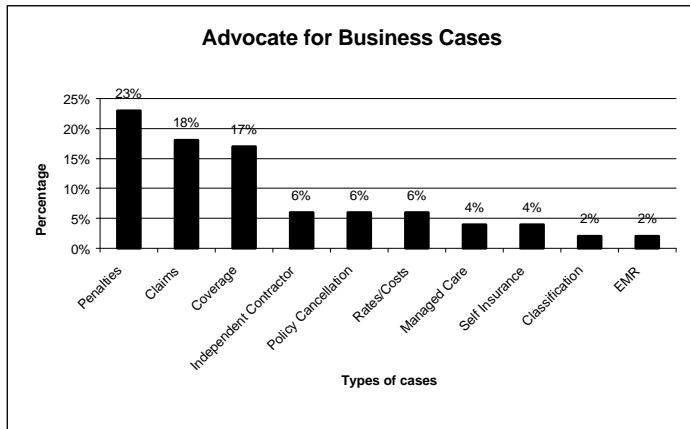


*David Austin
Advocate for Business*

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 coverage, understanding their experience modification and classifications, and with 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 Chairman Robert R. Snashall and offer potential solutions.

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.



The above chart breaks down the Issues most frequently handled by the Board’s Office of Advocate for Business in 2001.

2001 INITIATIVES

■ In 2001, the Advocate for Business handled 283 cases, mostly dealing with penalties assessed against employers for non-compliance of the WCL. Most inquiries came from small business owners asking for advise with complex issues that they were unable to resolve through their own means.



Chairman Snashall and NYS Business Council President Daniel Walsh discuss issues following Mr. Walsh’s appearance at the June 2001 meeting of the Workers’ Compensation Board.

■ A reduction in the percentage of cases involving penalties for non-compliance may indicate that the Board’s outreach to employers has experienced positive results in educating the business community in complying with the law.

■ The Advocate’s office helped individual business owners save hundreds of thousands of dollars in 2001, with savings ranging from \$250 to \$59,000.

■ Participated in the Interagency Small Business Task Force, and assisted in developing the New York Loves Small Business web site, which was completed in the Fall of 2001.

■ Addressed a number of chambers and business associations throughout the state.

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 workers' compensation claims issues 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.

2001 INITIATIVES

■ Following the tragic terrorist attacks of September 11, the staff of the Office of Advocate for Injured Workers was activated to a 12 hour per day/seven day per week schedule in an effort to comfort and assist the victims of the World Trade Center Attack. This schedule was maintained for three months following the attacks. Personnel from the office answered hundreds of calls and offered assistance to the workers who were injured and the survivors of those killed.



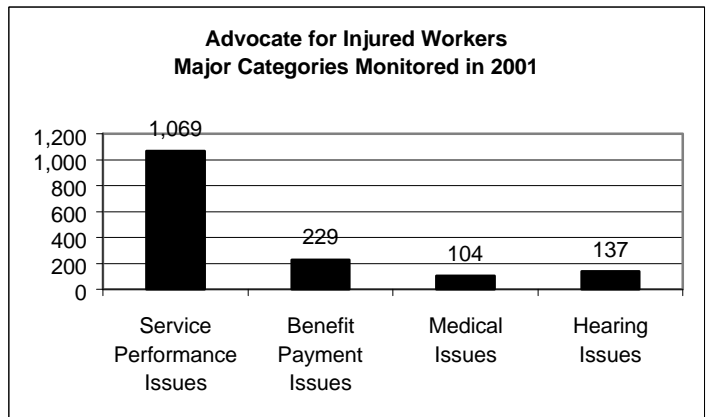
Board staff in the Office of Advocate for Injured Workers answered the calls and provided assistance for injured workers and families, including those affected by the September 11th attacks.

■ The Advocate's Office received substantial calls for assistance stemming from the Reliance Insurance Company bankruptcy. The company had more than \$3 million in obligations per month in New York State. The Advocate's Office coordinated with the Office of General Counsel and the New York State Insurance Department to acquire the necessary court rulings and to implement the appropriate measures to deliver benefits. The Office continues to monitor this concern.

■ The Advocate for Injured Workers, Edwin Ruff, conducted 1,102 public information contact service

hours in outreach to organizations throughout the state, updating various groups on the latest changes and issues affecting the workers' compensation system.

■ The Ombudsman also, helped provide some 8,320 student contact hours of educational training for the labor community in what is called the Workers' Compensation Navigator Program. The program is designed to train specific union workers to assist and educate injured workers through the workers' compensation system.



Issue categories monitored are depicted in the table above.

■ In 2001 the Advocate's Office provided assistance (excluding claims related to September 11) with 3,089 case actions. The Advocate Office has been instrumental in bringing resolution to hundreds of issues.

■ The Office of Advocate for Injured Workers is currently studying the feasibility of incorporating the operation of the Social Services and Rehabilitation Bureau under its umbrella of responsibilities and will continue to examine this possibility in 2002.

To contact the Advocate for Injured Workers, call (800) 580-6665.

OFFICE OF INFORMATION AND MANAGEMENT SERVICES



Barrett Russell

Info & Management
Services

The mission of the Information and Management Services Division (IMS) is to support Project OPTICS, 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

Within the Division of Information Management Services (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 assignments. 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 developing methods for collecting and publishing research data about the Workers' Compensation System in New York.

The OPTICS program has successfully re-engineered and automated the workers' compensation claims processing operation. Work continued in 2001 on developing and implementing applications that will support the administrative and regulatory affairs processes. In fact, recent legislation regarding Independent Medical Examiners added new development projects to the regulatory affairs agenda.

The Board also began 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's efforts in the area of Workers' Compensation research, analysis and fraud detection.

Since 1995, the Board has been transformed from paper-based bureaucracy to a state-of-the-art service provider. This was accomplished through the introduction of a sophisticated infrastructure of computer hardware, software, and networks. The Board installed more than 200 servers across the State and 2000 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 the agency and enhance customer service. IMS has focused on keeping its systems operating efficiently, enhancing the systems to better serve the users and to support new Board initiatives.



Processing claims from the tragic September 11th terrorist attack was made possible by the foresight exercised five years ago when the decision was made to increase technology at the Board.

WORLD TRADE CENTER RESPONSE

The tragic events of September 11, 2001 placed the Workers' Compensation Board in the middle of the long-term State response to help serve injured & deceased workers. Since the majority of

OFFICE OF INFORMATION AND MANAGEMENT SERVICES *(continued)*

the serious injuries and deaths happened to people while at work they are covered under provisions of the Workers' Compensation Law.

IMS coordinated with other divisions to quickly set up the response to help in the aftermath of this tragedy. In addition, the IMS staff had to creatively modify systems and computer networks in the immediate aftermath of the event in order to keep the Board's day to day operations functioning as smoothly as possible.

2001 INITIATIVES

In 2001, the Office of Information and Management Services:

- Initiated a pilot program in cooperation with the Regulatory Services Division to process the Board's form C-4 (Attending Doctor's Report) by using the Board's Internet web site. The Division made this form available to all doctors after the World Trade Center attack and added other claims related forms to the Web enabling constituents to file electronically.



Extensive technological training has made the Board one of many state of the art agencies in state government.

- Unveiled e-Case, the Board's Web-based version of the new Claims Information System/Electronic Case Folder (CIS/ECF). During 2001, e-Case became available to thousands of constituents (attorneys and insurance carriers). It also serves as the backbone of the State Insurance Fund's electronic file.

- Conducted tens of thousands of hours of technological training for Board staff.

- Completed the introduction of new performance measures for Claims Operations designed to reflect more qualitative versus quantitative factors.

- Enhanced the Mirror, an on-line method of delivering performance measure data to claims managers and trained managers to analyze the data to determine the strengths and weaknesses of their operations. The data enables the Board to focus not only on quantities of documents received and processed but also on cycle times for processes, or, how quickly the processes are completed.

- Implemented CISNet, a continuous improvement tool that allows Board analysts and managers to review and monitor how cases are being handled.

- Continued designing and developing a program to replace current manual and automated process that support Accounts Receivable, Carrier Assessment, Procedural Penalties, Accounts Payable for Claims, Self Insurance Security Deposits, Asset Management and Inventory.

- Completed the development and testing stages of a new Insurance Compliance System that will roll out in 2002 to support the Board's responsibility to insure that all covered employers provide workers' compensation and disability benefits insurance for their employees.

- Initiated the development a new Self Insurance Management System.

- Initiated the development of new Disputed Medical Bill (DMB) and Medical Registration systems. The DMB will support the processes associated with medical provider's requests for assistance from the Board to resolve a dispute with an insurance carrier regarding medical payments. The Medical Registration System will support the process involved when medical providers register with the Board for authorization to treat workers' compensation related patients. It will also support the registration of Independent Medical Examiners as required by legislation enacted in 2000.

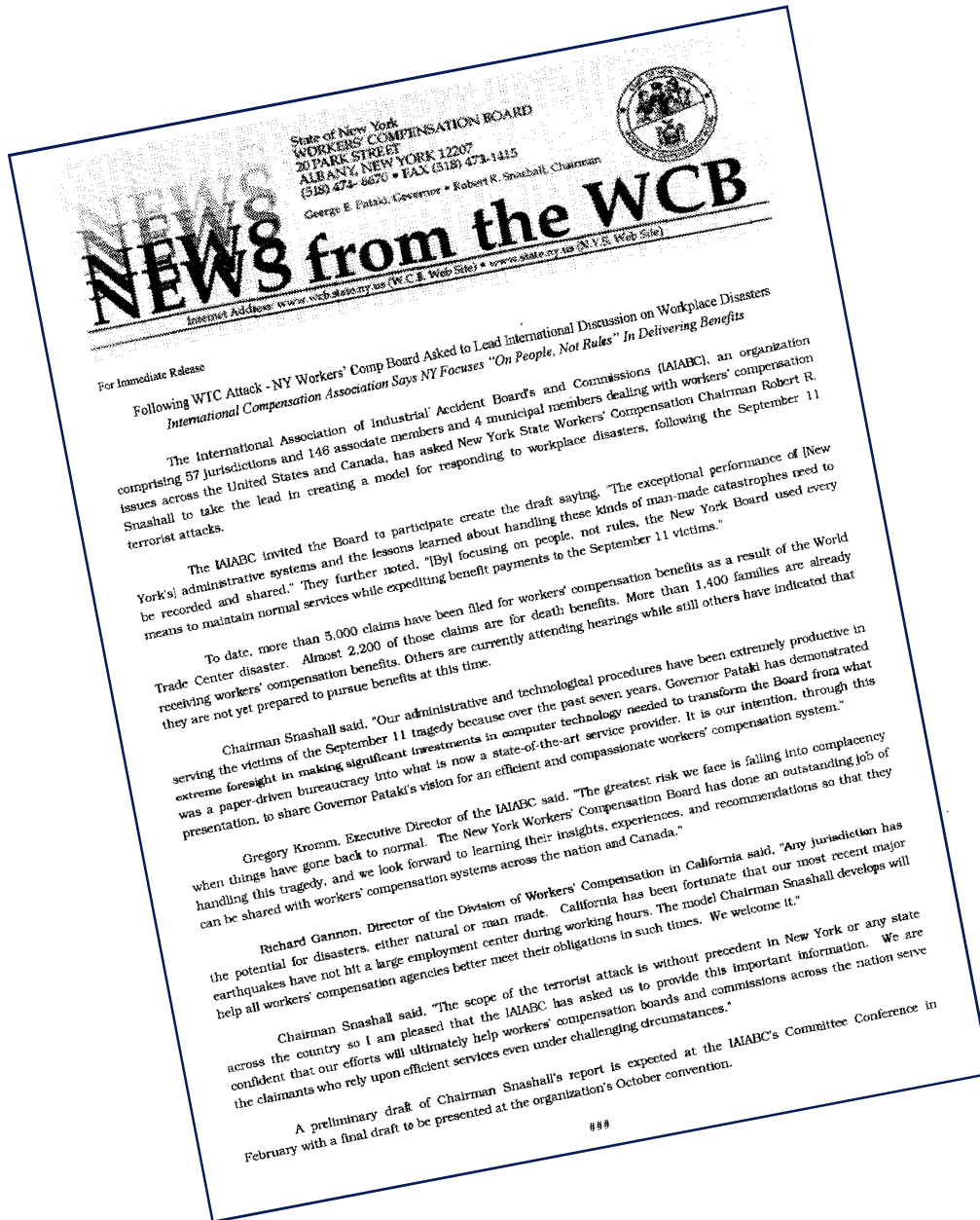
- Implemented the FrAUD-I.T. program. The Board has coordinated with the Department of Taxation & Finance, the Department of Corrections and the State Insurance Fund on pilot programs aimed at improving insurance fraud detection. The program, called FrAUD-I.T., enables Board staff to compare information stored in the Board's data bases with information stored in other agency data bases. These matches produce leads that investigators follow to detect and prosecute potentially fraudulent activities.

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

■ Completed a study regarding the Board's computer security and disaster preparedness. Formed a new Office of Information Security Services to oversee the implementation of a comprehensive disaster recovery process and to monitor the security of the Board's network and data.

The Board continues to consider improvements to enhance accountability in the system concerning external parties. Fraud detection continues to be a primary concern for providing additional system efficiencies.

Finally, the new Insurance Compliance system will help the Board more accurately and rapidly identify and penalize employers who add to the costs of the workers' compensation system by failing to comply with the law and maintain the appropriate insurance coverage.



Following the tragic events of September 11, the International Association of Industrial Accident Board's and Commissions (IAIABC) turned to the New York State Workers' Compensation Board to take the lead in preparing a disaster preparedness model plan to help guide Board's across the nation and Canada in the event of similar catastrophes.

IAIABC Executive Director Gregory Kromm cited the Board's focus on "people not rules " as a primary reason for the successful delivery of benefits to New Yorkers in need following the terrorist attack. Chairman Snashall is expected to deliver a final draft of the Workplace disaster plan at the IAIABC's October 2002 convention.

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 ~

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;
- Administer the programs applicable to Board employees to ensure that employees receive the benefits to which they are entitled and that they carry out their responsibilities as recipients of these program benefits;
- Ensure that the New York State 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 in four functional groups in two geographic locations with each geographic area led by an Assistant Director of Personnel. One group is located in Queens and the remainder are located in Albany.

Groups one and two conduct the following activities for their respective parts of the organization:

- Classification, recruitment and other organization support activities and a variety of employee relations activities including supervisory support in the areas of counseling and discipline.

Group three is responsible for the following statewide programs:

- Orientation, probation and performance evaluation, retirement, time records, list processing, and health benefits.

Group four manages transactions in the various computerized record systems to track employee status.

2001 INITIATIVES

During calendar year 2001, the Bureau of Human Resources Management continued to address two primary goals:

- The implementation of organizational changes resulting from the OPTICS initiative, including the classification of associated positions, recruitment and selection of staff and employee relations activities to support this initiative;
- The development and publishing of procedures through the Lotus Notes Baseline system in support of the agency's initiative to complete this process for the entire Board and to make personnel information accessible to all staff. Major milestones were reached in each of these initiatives and additional work is continuing on in 2002.
- Placed a total of 83 staff in the Brooklyn and Hempstead District Offices in the interagency transfer system due to the opening of the Peekskill and Hauppauge District Offices and the computerization of many of the clerical functions within the Board. All but eight of those employees were placed in other employment by May 2001 while others were offered alternate employment and chose not to accept.
- Completed the process of assigning staff to the three new locations in New York City, assuring both staff and program managers that everyone's requests were given due consideration throughout the process. This was completed and in place for the moves scheduled in the Spring. The labor-management agreement concerning the transfer of staff between the offices, negotiated as part of this process, continues to be administered as positions are filled in the various offices.
- Developed and worked with Continuous Improvement Staff to publish additional procedures useful to Board employees. Procedures on leaves of absence, sick leave at half pay, information for employees leaving State service and ethics filing requirements

OFFICE OF ADMINISTRATION *(continued)*

and processes were published. Attendance and Leave newsletters were published throughout year, assisting all staff by providing information needed to carry out their responsibilities. The premier publication for this time period was procedures on recruitment and hiring for HRM staff. The goal was to streamline the process while providing needed information to the program managers hiring people to meet their program needs. The procedures are published and work on this matter continues.

- Organized an agency-wide campaign to train all employees in ergonomics providing basic information about how to work safely in the work environment. Labor-management committees have been established to ensure that this process continues for current and new staff.

- Worked closely with program managers and statewide and local EAP representatives to ensure that Board staff had needed support and resources when dealing with their own concerns about the WTC tragedy and in their on-going responsibilities to process claims for injured workers and the families of deceased workers.

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.

2001 INITIATIVES

- Issued Administrative and Special Fund Assessments of over \$724.9 million in Workers' Compensation Program and \$8.7 million in Disability Benefits Program. In 2001, due to the fund balance for the Special Fund for Disability Benefits, no assessment was required.

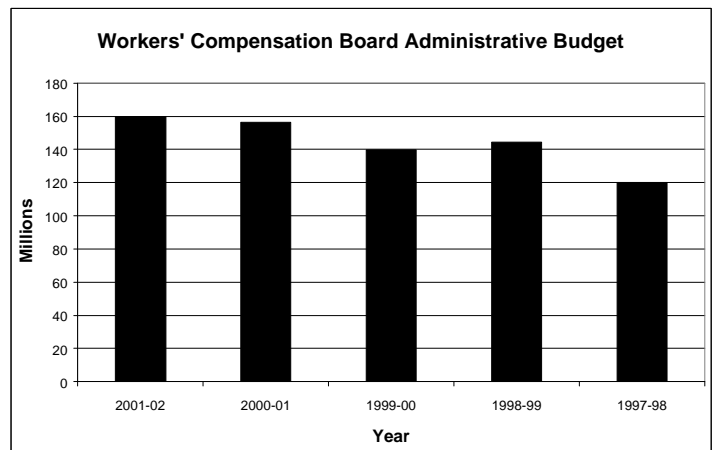
- Processed more than 247,000 payments totaling over \$60 million from the Fund for Reopened Cases. This includes over 5,200 checks on a biweekly basis primarily to claimants. An additional \$45 million is also disbursed from that Fund to Carriers and Self-Insured employers as reimbursement of Supplemental Benefits payments.

- Issued more than 64,000 payments, totaling over \$375 million from the Special Disability Fund, in reimbursement to insurance carriers and self-insured employers.

- Paid just under \$3.3 million in benefits from the Special Fund for Disability Benefits, for claimants who became disabled while receiving unemployment benefits or who became disabled while employed by an uninsured employer.

- Disbursed just under \$14.6 million from the Uninsured Employer Fund. This included benefits and medical payments to claimants who are injured on the job while employed by an uninsured employer.

- Collected more than \$9.3 million for the Uninsured Employer Fund including penalties and fines collected from employers who were out of compliance with maintaining coverage for employees in accordance with the Workers' Compensation Law.



- Received more than \$3.6 million for the Disability Benefits Program from employers who were out of compliance with maintaining coverage for employees in accordance with the Disability Benefits Law.

- Processed vouchers for personal services and other than personal services, including travel for the agency in excess of \$147 million; this includes the payroll for over 1,600 employees.

- Processed receipts from procedural penalties and other miscellaneous revenue exceeding \$1 million. The other miscellaneous revenue receipts includes 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 the processing of the Board's administrative expenses has been implemented. Development continues on the other modules that will impact claims disbursements and assessment receipts.

OFFICE OF ADMINISTRATION *(continued)*

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.

2001 INITIATIVES

- Worked with consultant staff to bring the initial stage of the Financial Management Information System into full operation. It is anticipated the remaining portions of the system will be rolled out during the next fiscal year.
- Hired a new Health and Safety Director in August to focus on inspecting all of the Board's facilities and reviewing emergency evacuation protocols.
- The Board's Health and Safety Director was named to a statewide labor-management subcommittee on ergonomics in recognition of the Board's leadership in this area.
- Developed a new safe mail handling protocols and distributed to staff in the wake of concerns over terrorists.
- Conducted office relocations in Brooklyn, Queens, upper Manhattan and Utica.
- Reorganized the Board's closed paper case files and the manual card system containing information about destroyed paper files into easier, more manageable formats at Central Archives in Norwich.
- Assumed the responsibility for the Case Copy Project at the Norwich Central Archives location. Archives staff receive requests, notify requesters of cost for copies, collect funds, and sends the copies out to the requester.
- Inventoried all physical evidence related to paper case files which will be sent to the central archives unit for safekeeping during the coming fiscal year.
- Purchased and installed new ergonomically improved judges' benches with semi-recessed computer monitor capabilities.

Making the Board more accessible

- In 2001, the Board's facility management team conducted one of the most extensive transitions ever undertaken by the Board. The transformation of the Brooklyn Office at 180 Livingston Street into three separate offices located in Brooklyn, Queens and Manhattan required 2 years of planning and execution.

After terminating the lease at the 180 Livingston Street building, the facilities management team needed to seek out appropriate office space in the three different boroughs. Working with the Office of General Services, the three buildings were identified and negotiations for leases were commenced and concluded. Construction on the buildings was concluded in 2001 and furniture, workspaces, and computer equipment were installed.

The final office to open for business was the Manhattan office in Harlem which housed its first hearings on April 30, 2001.



The facilities management team scouted out locations across Manhattan and selected this office space at 215 West 125th Street in addition to locations on 91st Street in Queens and Livingston Street in Brooklyn. The above photo shows the Manhattan office prior to construction.

OFFICE OF ADMINISTRATION (continued)

With New Offices In
Manhattan, Queens and Brooklyn
2001
Ushered In A New Age For
Workers' Compensation In New York City



Today, a comfortable waiting room awaits claimants at the Board's new Harlem office...



and state of the art work spaces enable more efficiency and productivity

OFFICE OF WORKERS' COMPENSATION FRAUD INSPECTOR GENERAL



John H. Burgher, Jr.
Fraud Inspector
General

The Workers' Compensation Fraud Inspector General's Office was established on September 10, 1996 when Governor George E. Pataki enacted the New York Employment, Safety and Security Act of 1996. The office's mission is to investigate on a statewide basis allegations of criminal and civil fraud in the Workers' Compensation System and develop testimony and evidence to refer fraud matters to the State Attorney General's Office or local District Attorneys for criminal prosecution.

BACKGROUND

Governor George E. Pataki appointed John H. Burgher Fraud Inspector General on June 8, 2000. During 2001, Mr. Burgher continued to expand the Office of Fraud Inspector General's (OFIG's) aggressive and proactive program to combat workers' compensation (WC) fraud in accordance with the Governor's anti-fraud policies. This proactive program involves combining the Board's award winning computer technology systems with programs developed in cooperation with the Board's Office of Special Projects (OSP). As outlined below, these programs are designed to generate leads on possible WC frauds committed by: claimants, employers, lawyers, doctors or insurers.

2001 INITIATIVES

Proactive Technology Based Anti-Fraud Initiatives

The Director of Special Projects continued to expand its anti-fraud computer research and data-mining programs for OFIG. The Director is responsible for developing and implementing computer matching and tracking systems to disclose possible fraud patterns, trends and schemes.

OSP's research identifies potential fraud cases, which are forwarded to OFIG for review. OFIG then makes a determination as to the actual likelihood of fraud, and either opens an investigation, refers the cases to an appropriate authority, or closes the file when no fraud is indicated.

■ During 2001, OFIG received 3,414 referrals from OSP covering potential employer and claimant fraud. This number represents a 41 percent increase over referrals made by OSP in 2000.

Fraud-I.T.

This program is designed to detect claimants who are improperly claiming a total disability while concurrently working. It combines the efforts of the New York State Department of Taxation and Finance, OFIG and OSP. Taxation and Finance maintains a federally mandated database known as the "New Hires Registry" through

which employers must register new employees within 20 days of their hiring or rehiring. The information from the New Hires Registry is matched with the Board's computerized claimant data to produce a report identifying individuals who are working while collecting WC benefits.

■ In 2001, OSP used this report to identify 665 claims cases for referral to OFIG which sent 352 or 53 percent of them onto this program's 11 participating carriers and self-insureds for investigation.

Employer Fraud Task Force

Since the end of 2000, OFIG and OSP investigators and the Compliance Enforcement Unit have worked cooperatively on this task force. Its goal is to utilize the Board's computerized Uninsured Employer Fund (UEF) data to produce reports identifying employers, which have violated §50 of the Workers' Compensation Law (WCL) by having no workers' compensation insurance coverage at the time that an employee is injured.

■ During 2001, OSP produced 11 of these reports, which resulted in 1,130 cases being referred via OFIG to the Employer Fraud Task Force. This represents a 32 percent increase over the number of cases referred in 2000.

Actions resulting from these task force investigations can include criminal prosecution under WCL §114 and sanctions for violating other WCL sections and Board regulations. For instance, one of these investigations led to the conviction of an unlicensed Plainview, NY insurance broker for fraudulently issuing companies some \$46 million in nonexistent WC insurance policies.

Division of Criminal Justice Services Program

WC claimants who are incarcerated after being convicted of a crime are ineligible for WC benefits. OFIG and OSP have been involved in a data exchange program with the State Division of Criminal Justice Services designed to locate claimants receiving WC benefits while incarcerated in a New York State penitentiary.

OFFICE OF FRAUD INSPECTOR GENERAL *(continued)*

■ During 2001, this program produced a report identifying the names of 66 individuals who were incarcerated and appeared in the Board's files as well. These cases were disseminated to the appropriate insurance carriers for further investigation. Once the investigations are complete the outcomes are reported back to OFIG. Each affected carrier stands to realize a substantial savings in benefit dollars and reserves as a result of receiving this information. Carrier response to this program has been positive.

Investigations and Prosecution Referrals

The effectiveness of OFIG's aggressive and proactive approach to fighting WC fraud is supported by the following significant increases in its workload and case disposition statistics for 2001 when compared to 2000:

- The number of cases referred to OFIG for investigation increased by 34 percent to 5,206.
- The staff increased the number of fraud cases, which it investigated and closed by 74 percent to 4,316.
- The number of cases referred for prosecution rose by 13 percent to 130.
- The number of cases referred to other state or federal agencies for appropriate action upon discovery of possible violations of other laws grew by 107 percent to 2,515.

Arrests and Prosecutions

■ In 2001, 65 individuals were arrested and prosecuted following investigations conducted by the Office of Fraud Inspector General. Since OFIG has neither the power of arrest nor prosecutorial authority, it depends on a local prosecutor's discretion to accept a case for arrest and prosecution. The overwhelming majority of these defendants plead guilty once the documentary and/or video surveillance evidence against them was revealed. In each case, the defendants were found guilty of workers' compensation fraud.

Fraud Sweeps

■ On May 23, 2001, the Onondaga County District Attorneys' Office, OFIG, State Insurance Department and State Police announced the arrest of nine people for committing \$97,000 in WC fraud.

■ On May 23, 2001, the Nassau County District Attorneys' Office, OFIG, State Insurance Department and State Insurance Fund announced the arrest of four individuals for committing more than \$74,000 in WC fraud.

■ On October 22, 2001, the Albany, Rensselaer, Saratoga, Schenectady and Washington County District Attorneys' Offices, OFIG, the State Insurance Department, State Insurance Fund, State Police and State Labor Department conducted a joint press conference to announce that this first-of-its-kind multi-agency and county sweep had resulted in the arrest of 9 individuals for committing \$28,000 in WC fraud.

■ On December 12, 2001, the Queens County District Attorneys' Office and the Fraud Inspector General's Office, the State Insurance Fund and State Insurance Department announced the arrest of nine individuals for committing \$250,000 in WC fraud.

Audit Unit

■ On March 29, 2001, OFIG established an Audit Unit principally to investigate employer premium and provider fraud within the workers' compensation system. During its first nine months of operations, this unit's audits have resulted in \$23,000 in WCB fines and \$61,367 in restitution being paid by employers who have deliberately under-reported their total payroll costs to their insurers to improperly obtain lower WC insurance premiums.

Fraud Hotline

OFIG established a 24-hour workers' compensation fraud toll free telephone hotline in March 1997.

■ During 2001, OFIG received a total of 672 hotline complaints.

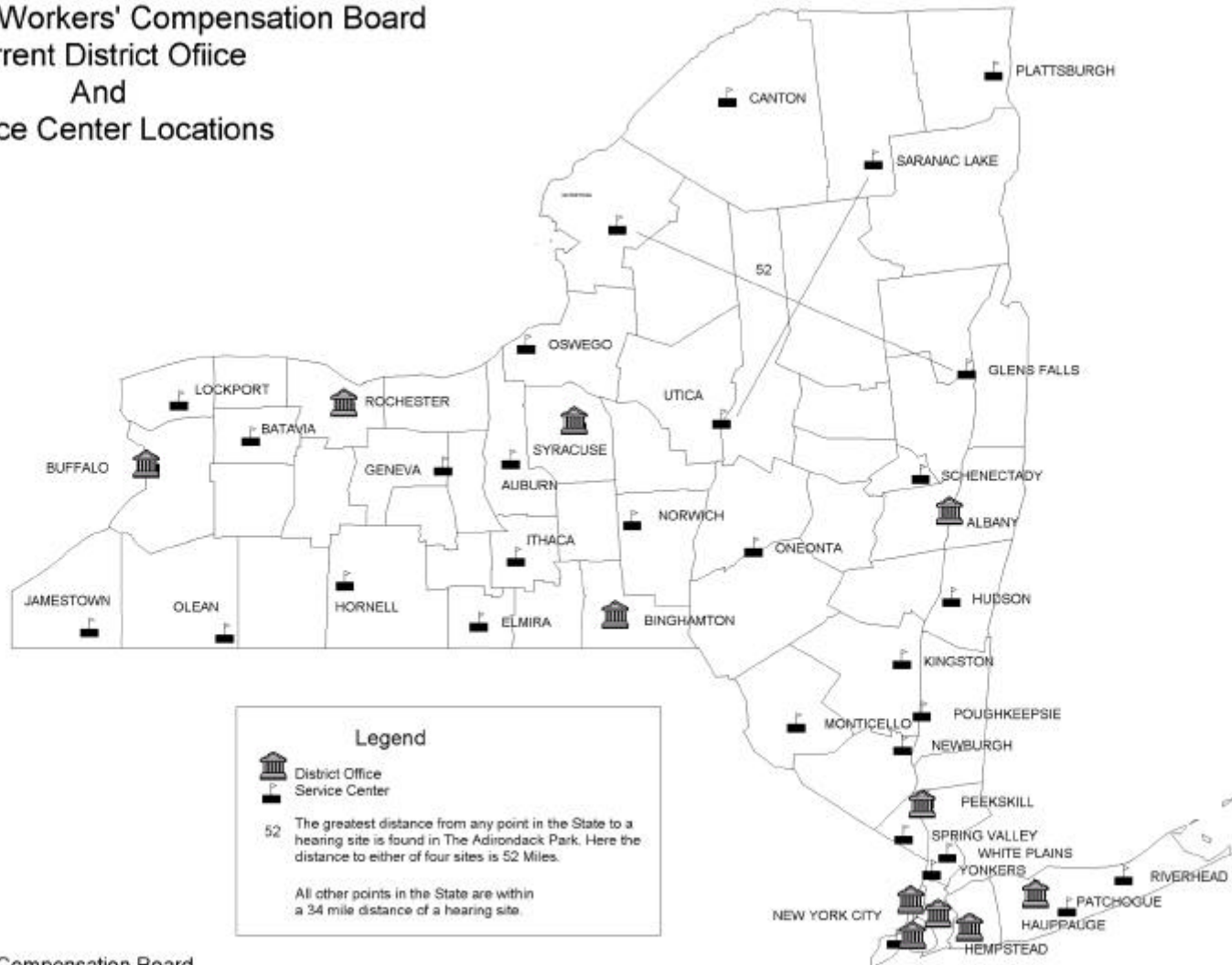
Anyone wishing to report a suspected fraudulent workers' compensation matter may consult confidentially, with a staff member or seek information during regular business hours by calling toll free 1-888-363-6001. After business hours these telephone complaints are recorded and then retrieved by the staff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

APPENDICES

Appendix I	District Office and Service Center Locations
Appendix II	Injuries by County For Cases Indexed in 2001
Appendix III	Cases Indexed In 2001 by District Office
Appendix IV	Cases Controverted in 2001 by District Office
Appendix V	Number of Hearings Held by District Office
Appendix VI	Percentage of Claims Accepted in 2001 by District Office
Appendix VII	Claims Accepted in 2001 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
Appendix XIII	Source of Most Frequent Injuries
Appendix XIV	Gender of Injured Workers and Average Weekly Wage
Appendix XV	Claim Liability for Cases Accepted in 2001
Appendix XVI	Administrative Assessment - Section 151
Appendix XVII	Administrative Assessment - Section 151 IDP
Appendix XVIII	Administrative Assessment - Section 50-5
Appendix XIX	Administrative Assessment - Section 60 VF
Appendix XX	Administrative Assessment - Section 228
Appendix XXI	Administrative Assessment - Section 60 VAW
Appendix XXII	Special Fund Assessment - Section 25-A
Appendix XXIII	Special Fund Assessment - Section 15-8
Appendix XXIV	Special Fund Assessment - Section 214

Appendix I

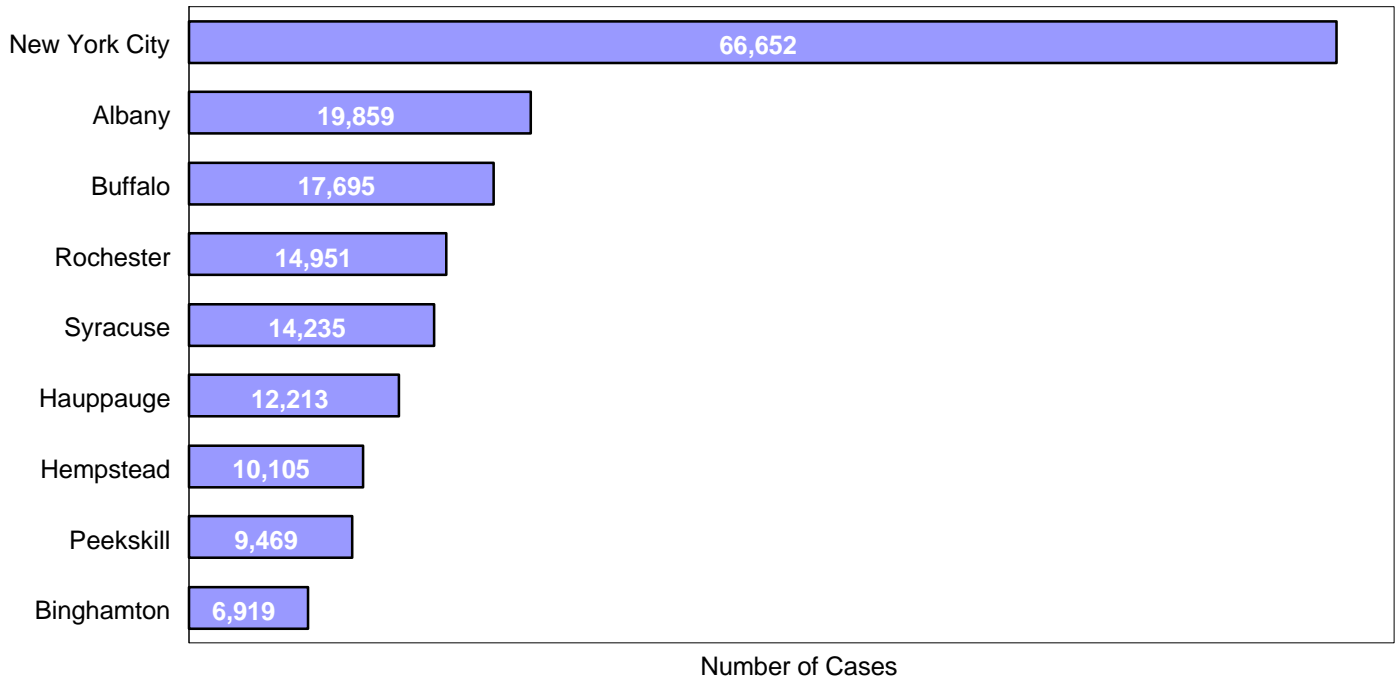
New York State Workers' Compensation Board
 Current District Office
 And
 Service Center Locations



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

Appendix III

**Cases Indexed in 2001
By District Office**



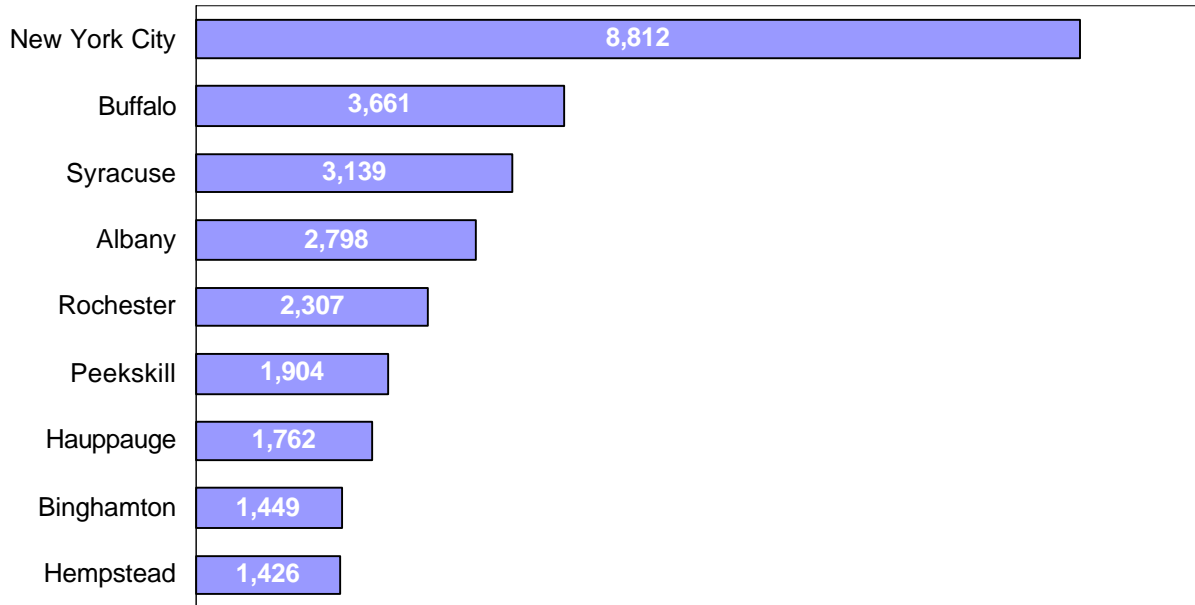
**Cases Indexed and Cases Reopened in 2001
By District Office**

District Office	Cases Indexed	Cases Reopened		
		Archived	Unarchived	Total
New York City	66,652	1,047	29,770	30,817
Albany	19,859	907	10,833	11,740
Buffalo	17,695	601	10,176	10,777
Rochester	14,951	472	9,609	10,081
Syracuse	14,235	882	13,880	14,762
Hauppauge	12,213	564	7,899	8,463
Hempstead	10,105	464	7,022	7,486
Peekskill	9,469	366	7,677	8,043
Binghamton	6,919	437	5,904	6,341
Totals	172,098	5,740	102,770	108,510

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

Appendix IV

**Cases Controverted in 2001
By District Office**



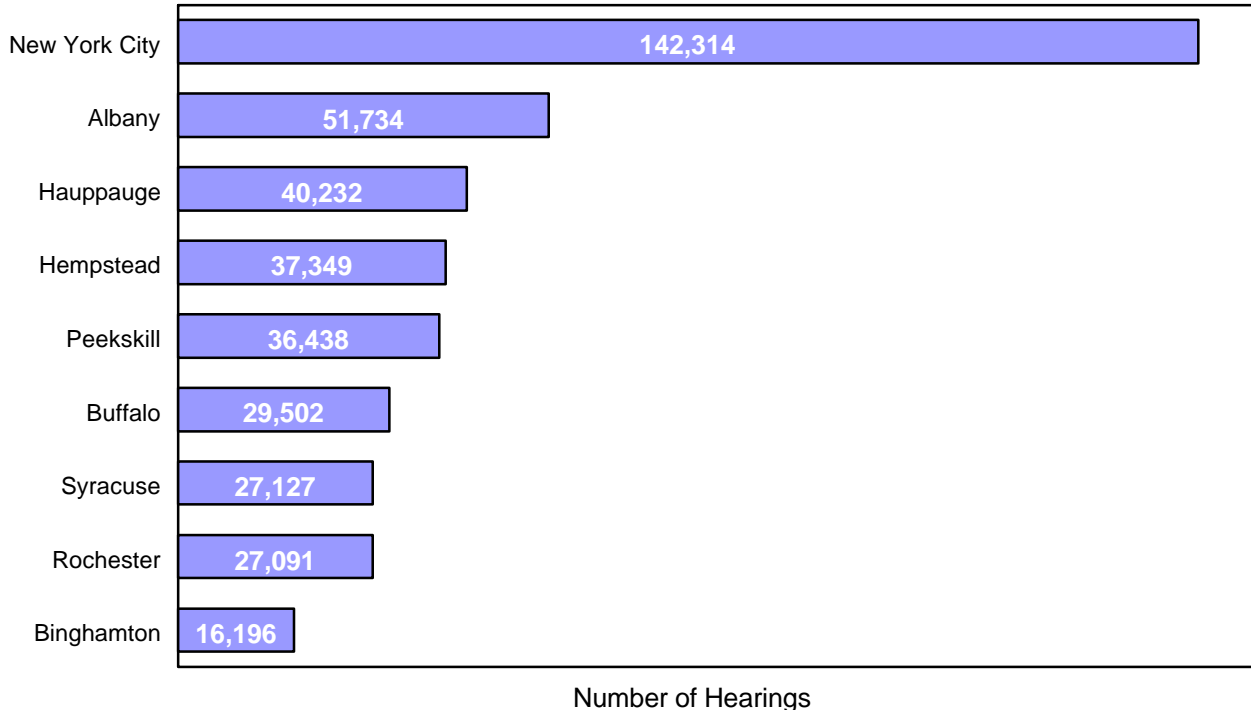
Number of Cases

District Office	Number of Cases Controverted
New York City	8,812
Buffalo	3,661
Syracuse	3,139
Albany	2,798
Rochester	2,307
Peekskill	1,904
Hauppauge	1,762
Binghamton	1,449
Hempstead	1,426
Total	27,258

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

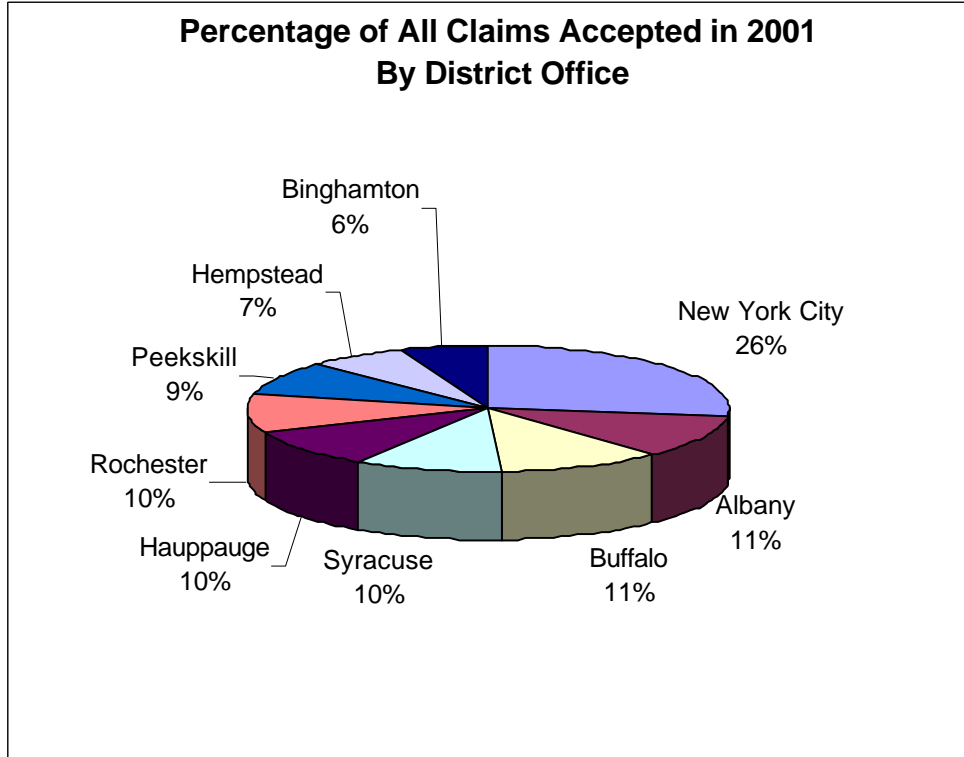
Appendix V

**Hearings Held in 2001
By District Office**



District Office	Number of Hearings
New York City	142,314
Albany	51,734
Hauppauge	40,232
Hempstead	37,349
Peekskill	36,438
Buffalo	29,502
Syracuse	27,127
Rochester	27,091
Binghamton	16,196
Total	407,983

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



**Claims Accepted in 2001
By District Office**

District Office	Claims Accepted
New York City	39,533
Albany	16,641
Buffalo	16,263
Syracuse	14,680
Hauppauge	14,652
Rochester	14,106
Peekskill	12,774
Hempstead	10,172
Binghamton	8,723
Total	147,544

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

Appendix VII

Claims Accepted in 2001- by Month

Month Accepted	Total Claims Accepted	WCL Claims (a)	VFBL Claims (b)	VAWBL Claims (c)
January 2001	13,193	13,086	101	6
February	12,574	12,473	87	14
March	13,799	13,683	104	12
April	13,653	13,535	104	14
May	13,779	13,675	96	8
June	12,567	12,464	92	11
July	11,642	11,555	76	11
August	11,635	11,559	70	6
September	9,319	9,238	72	9
October	12,431	12,317	107	7
November	11,612	11,499	107	6
December	11,340	11,259	75	6
Totals	147,544	146,343	1,091	110

(a) Claims under the Workers' Compensation Law

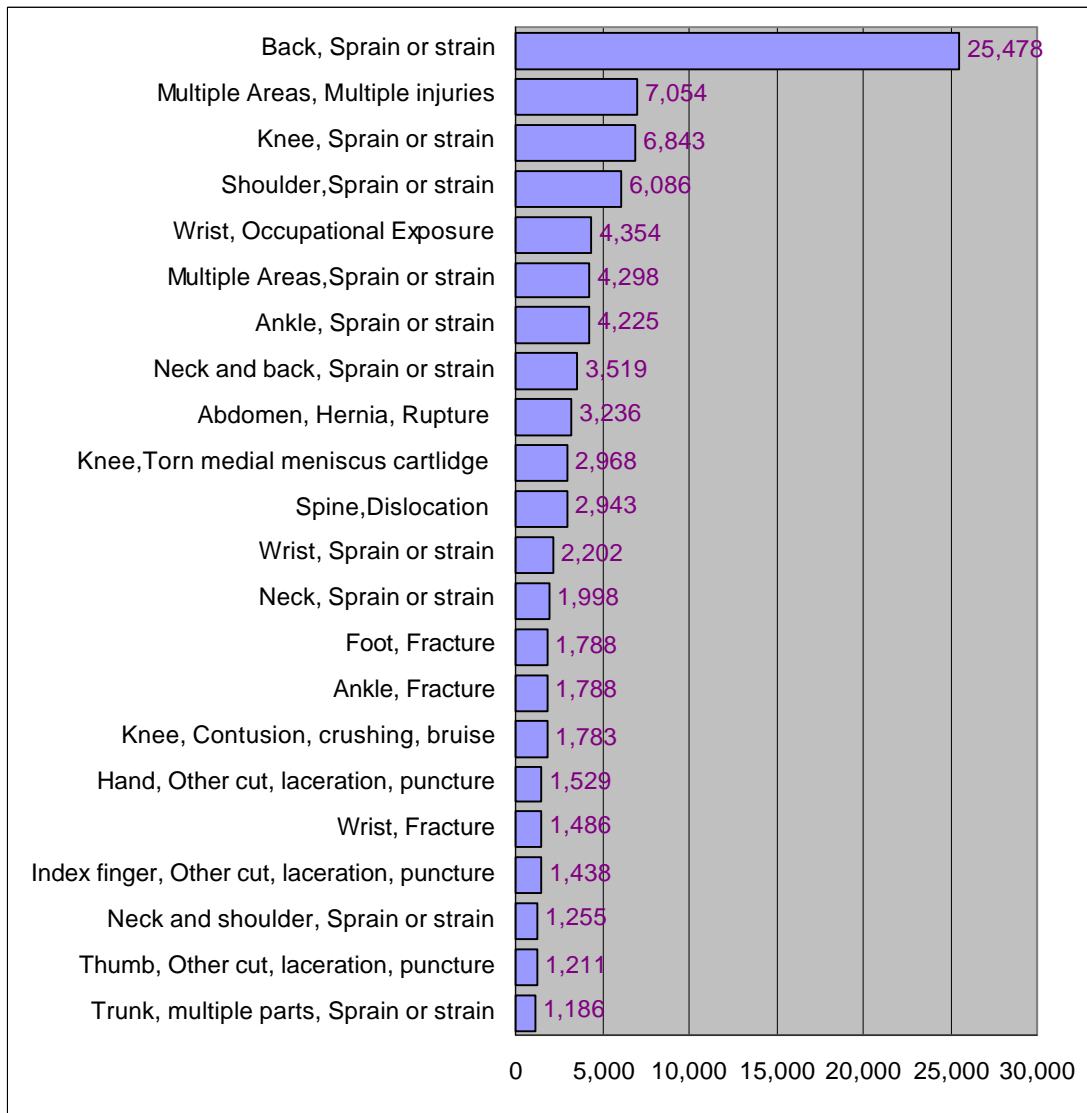
(b) Claims under the Volunteer Firefighters' Benefit Law

(c) Claims under the Volunteer Ambulance Workers' Benefit Law

Claims Accepted in 2001: Claims for which there was a finding made by the Board during calendar year 2001 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 2001 include some previously established claims for which a Board finding during calendar year 2001 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 in 2001



Appendix IX

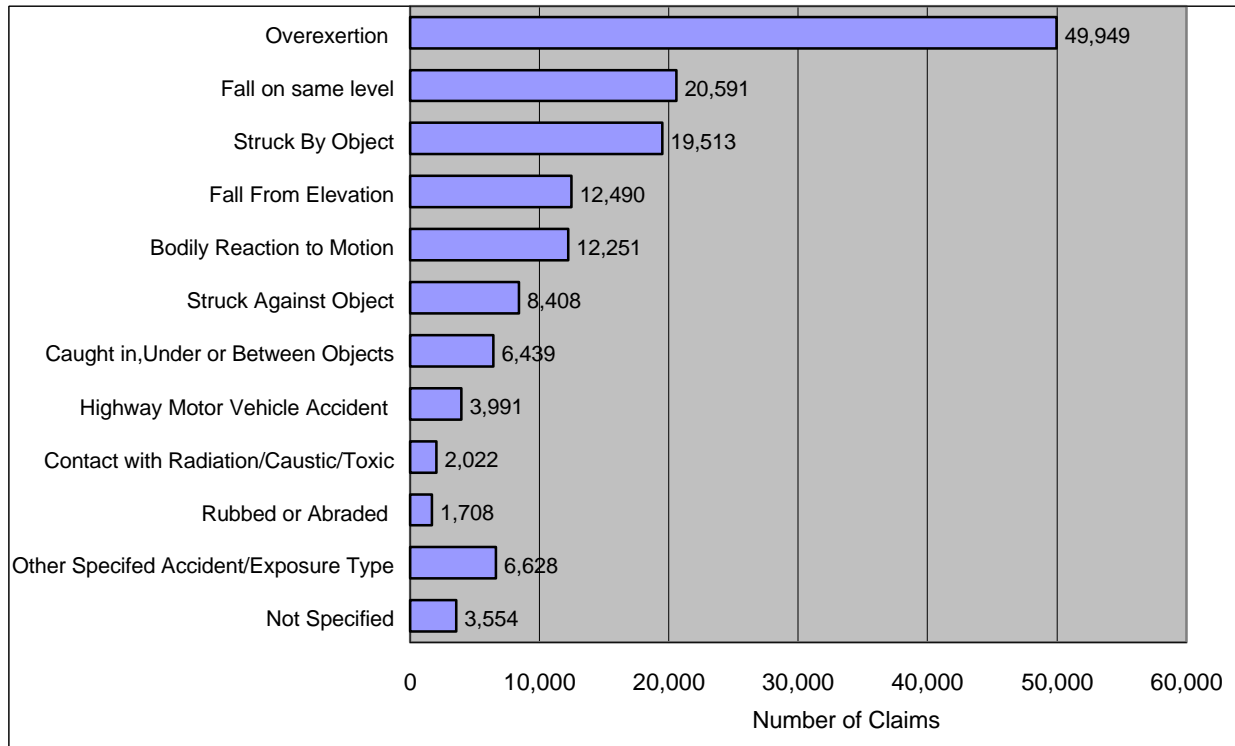
**Part of Body Injured Summary
For Claims Accepted in 2001**

PART OF BODY AREA Body Sub-Area	All Claims	Male Worker	Female Worker	Sex Not Indicated
HEAD	6,737	5,211	1,481	45
NECK	2,605	1,401	1,186	18
UPPER EXTREMITIES	33,138	21,018	11,836	284
Finger	11,438	8,667	2,670	101
Wrist	9,525	4,331	5,135	59
Hand	5,192	3,683	1,437	72
Elbow	2,650	1,686	946	18
Other Arm	3,055	1,977	1,056	22
All Other	1,278	674	592	12
TRUNK	48,936	32,416	16,071	449
Back	27,255	17,110	9,877	268
Shoulder	8,910	5,878	2,964	68
Abdomen	4,221	3,809	393	19
Spine	4,149	2,765	1,331	53
All Other	4,401	2,854	1,506	41
LOWER EXTREMITIES	29,565	19,585	9,709	271
Knee	13,588	9,316	4,168	104
Ankle	6,572	3,983	2,523	66
Foot	4,412	2,835	1,519	58
Leg/Thigh	2,918	2,092	806	20
Toe	1,176	845	320	11
All Other	899	514	373	12
BODY SYSTEMS	2,084	1,492	585	7
MULTIPLE BODY AREAS	24,253	13,516	10,497	240
OTHER OR UNSPECIFIED	226	152	69	5
Totals	147,544	94,791	51,434	1,319

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

Appendix X

Type of Accident or Exposure For Claims Accepted in 2001



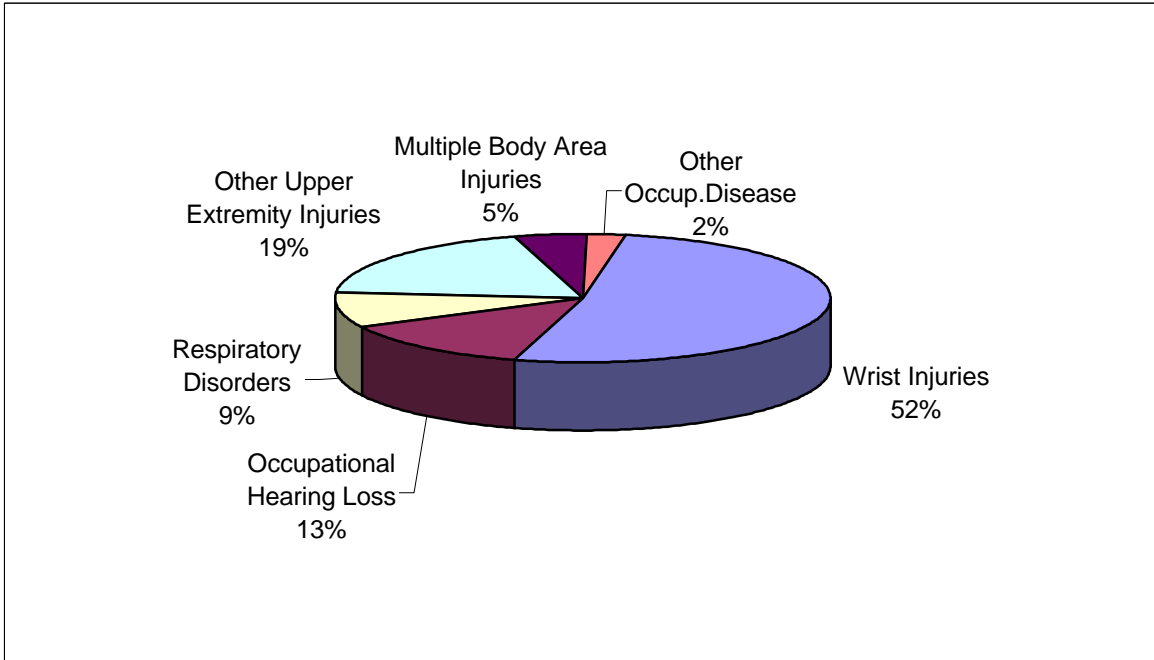
Sex of Worker and Type of Accident or Exposure For Claims Accepted in 2001

Type of Accident or Exposure	All Claims	Male Worker	Female Worker	Sex Not Indicated
Overexertion	49,949	30,184	19,363	402
Fall on same level	20,591	10,288	10,129	174
Struck By Object	19,513	13,597	5,740	176
Fall From Elevation	12,490	8,881	3,472	137
Bodily Reaction to Motion	12,251	8,080	4,088	83
Struck Against Object	8,408	5,980	2,355	73
Caught in, Under or Between Objects	6,439	4,919	1,465	55
Highway Motor Vehicle Accident	3,991	2,910	1,049	32
Contact with Radiation/Caustic/Toxic	2,022	1,438	576	8
Rubbed or Abraded	1,708	1,240	448	20
Other Specified Accident/Exposure Type	6,628	4,884	1,673	71
Not Specified	3,554	2,390	1,076	88
Totals	147,544	94,791	51,434	1,319

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

Appendix XI

**Types of Occupational Disease or Exposure Injuries
For Claims Accepted in 2001**



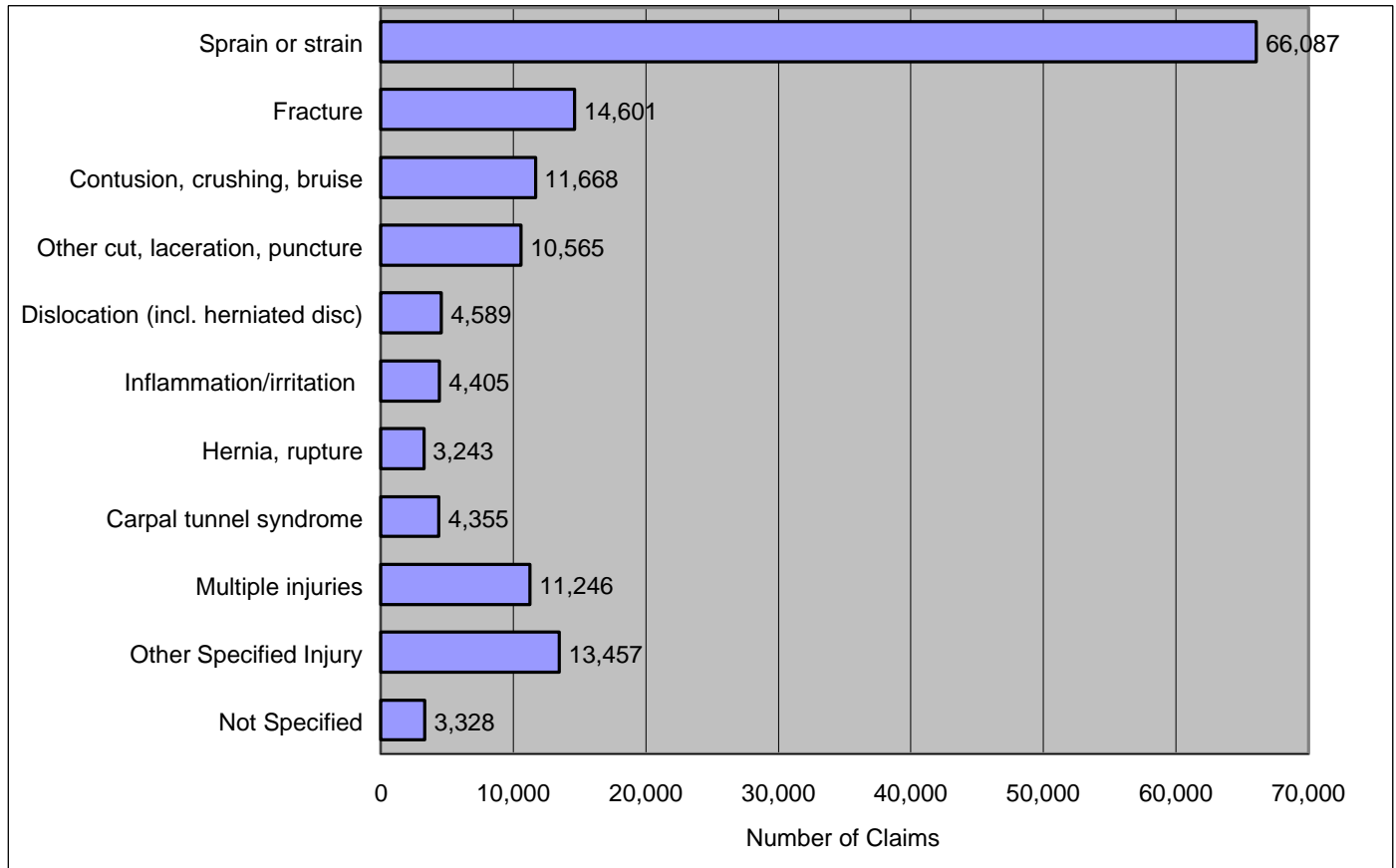
**Gender of Worker and Occupational Disease or Exposure
For Claims Accepted in 2001**

Type of Occupational Disease or Exposure	Accepted Claims	Male Worker	Female Worker	Sex Not Indicated
Wrist Injuries	3,278	1,165	2,103	10
Occupational Hearing Loss	830	796	33	1
Respiratory Disorders	559	504	55	0
Other Upper Extremity Injuries	1,223	497	720	6
Multiple Body Area Injuries	300	91	209	0
Other Occup.Disease/Exposure	157	95	61	1
TOTALS	6,347	3,148	3,181	18

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

Appendix XII

Nature of Injury For Claims Accepted in 2001



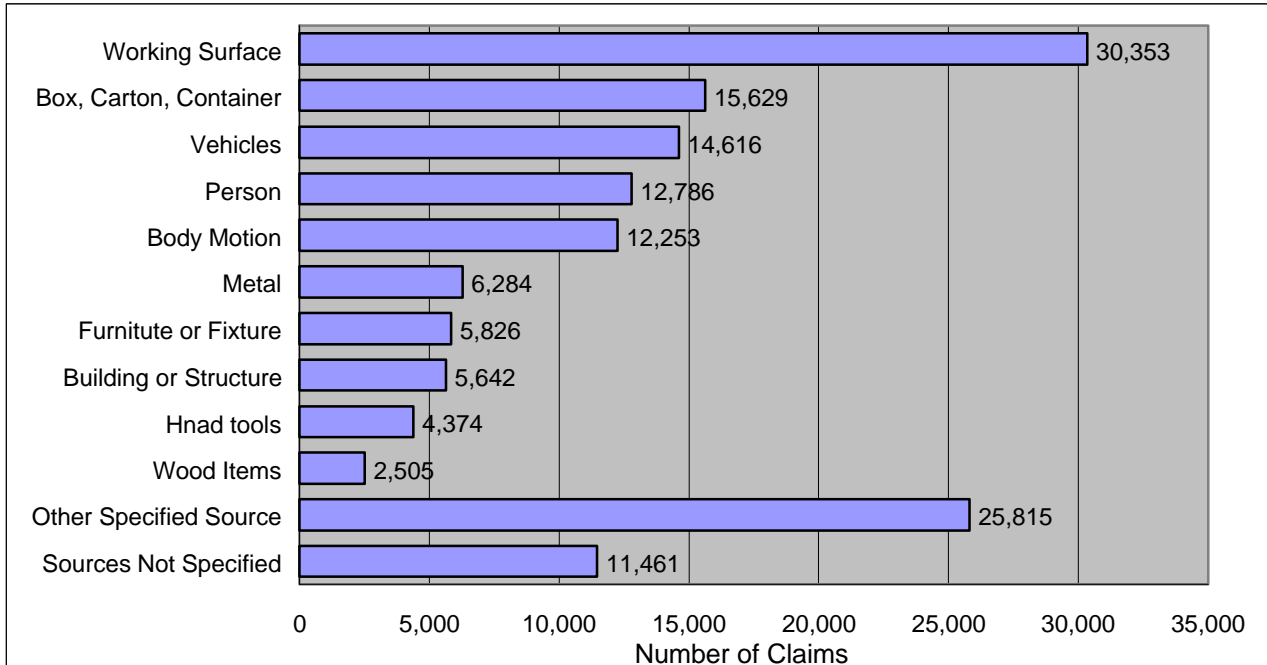
Sex of Worker and Nature of Injury For Claims Accepted in 2001

Nature of Injury	All Claims	Male Worker	Female Worker	Sex Not Indicated
Sprain or strain	66,087	40,687	24,799	601
Fracture	14,601	10,011	4,449	141
Contusion, crushing, bruise	11,668	7,183	4,375	110
Other cut, laceration, puncture	10,565	8,558	1,896	111
Dislocation (incl. herniated disc)	4,589	3,175	1,369	45
Inflammation/irritation	4,405	2,518	1,855	32
Carpal tunnel syndrome	4,355	1,549	2,791	15
Hernia, rupture	3,243	3,022	206	15
Multiple injuries	11,246	6,858	4,274	114
Other Specified Injury	13,457	9,131	4,246	80
Not Specified	3,328	2,099	1,174	55
TOTALS	147,544	94,791	51,434	1,319

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

Appendix XIII

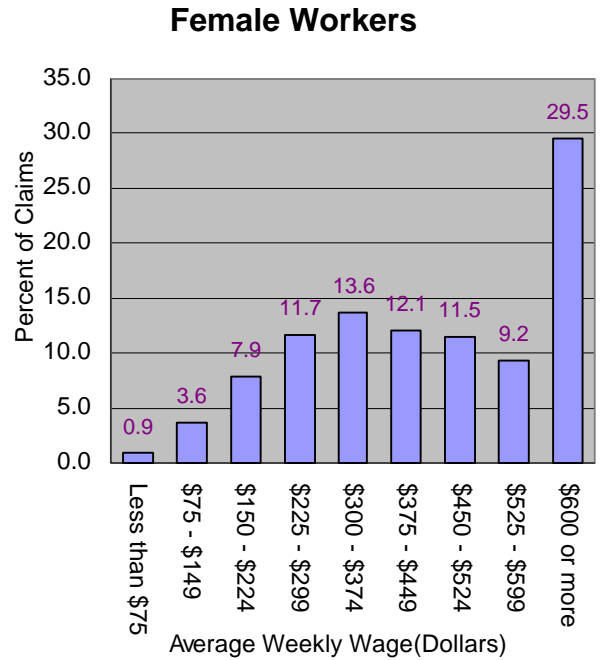
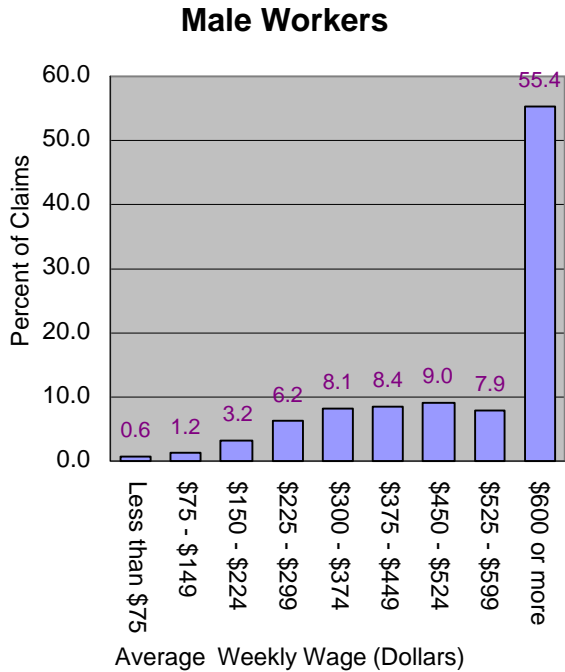
**Source Producing Injury
For Claims Accepted in 2001**



**Sex of Worker and Source Producing Injury
For Claims Accepted in 2001**

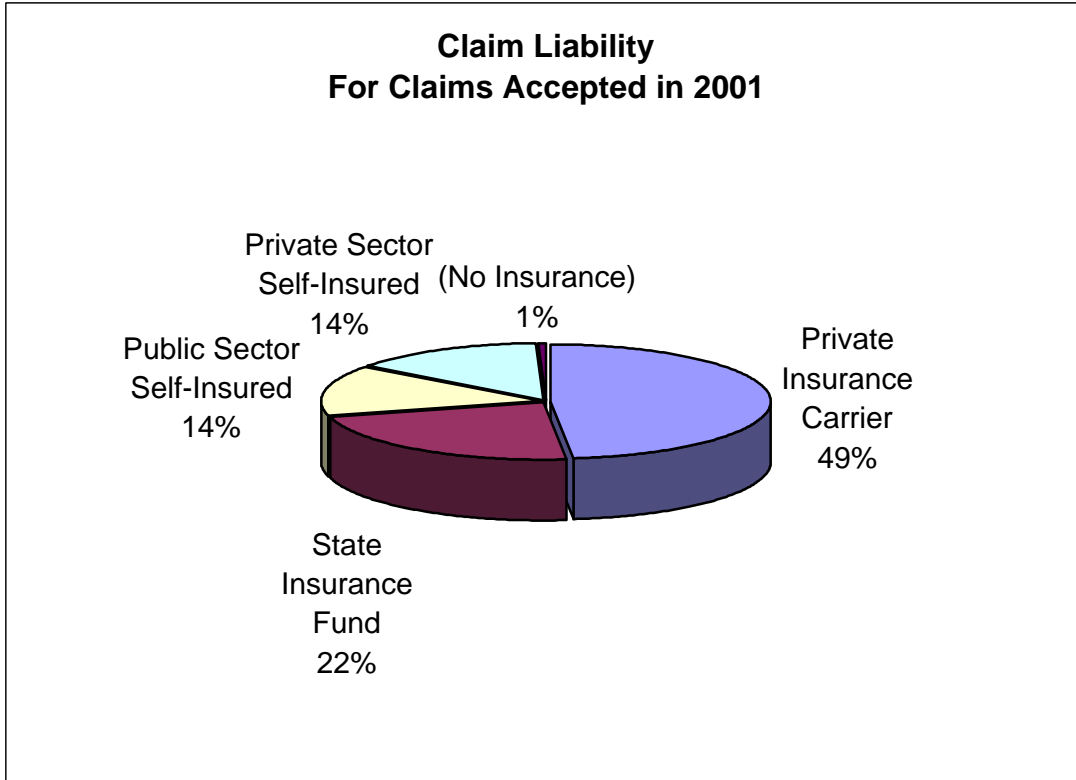
Source of Injury	All Claims	Male Worker	Female Worker	Sex Not Indicated
Working Surface	30,353	17,334	12,732	287
Box, Carton, Container	15,629	10,488	4,981	160
Vehicles	14,616	10,719	3,756	141
Person	12,786	4,153	8,502	131
Body Motion	12,253	8,081	4,089	83
Metal	6,284	5,518	713	53
Furniture or Fixture	5,826	3,325	2,455	46
Building or Structure	5,642	3,775	1,826	41
Hand tools	4,374	3,523	822	29
Wood Items	2,505	2,156	334	15
Other Specified Source	25,815	18,911	6,715	189
Sources Not Specified	11,461	6,808	4,509	144
TOTALS	147,544	94,791	51,434	1,319

Sex of Worker and Average Weekly Wage For Claims Accepted with Wage Rate Established in 2001



Average Weekly Wage	All Claimants	Male Workers	Female Workers	Sex Not Indicated
Less than \$75	829	463	361	5
\$75 - \$149	2,393	891	1,482	20
\$150 - \$224	5,750	2,407	3,286	57
\$225 - \$299	9,712	4,709	4,887	116
\$300 - \$374	11,962	6,182	5,659	121
\$375 - \$449	11,504	6,370	5,022	112
\$450 - \$524	11,753	6,841	4,798	114
\$525 - \$599	9,946	5,996	3,847	103
\$600 or more	54,799	42,118	12,262	419
Totals	118,648	75,977	41,604	1,067

Appendix XV



Type of Liability Coverage	Number of Claims
Private Insurance Carrier	71,512
State Insurance Fund	33,139
Public Sector Self-Insured Employer	21,044
Private Sector Self-Insured Employer	21,020
(No Insurance)	829
Totals	147,544

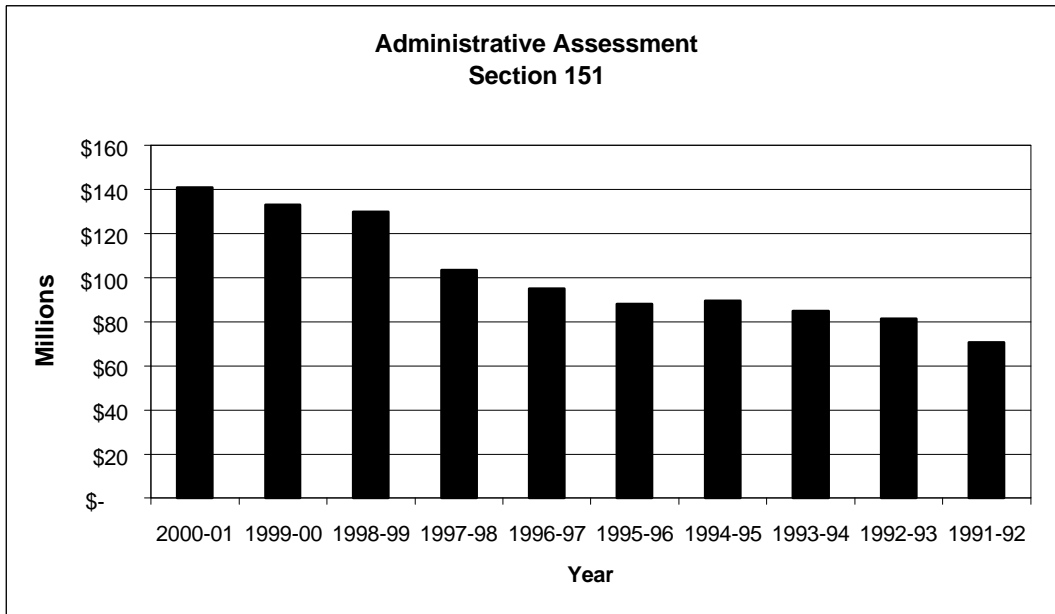
Source: NYS Workers' Compensation Board
Office of MIS/Research

ASSESSMENT CALCULATION

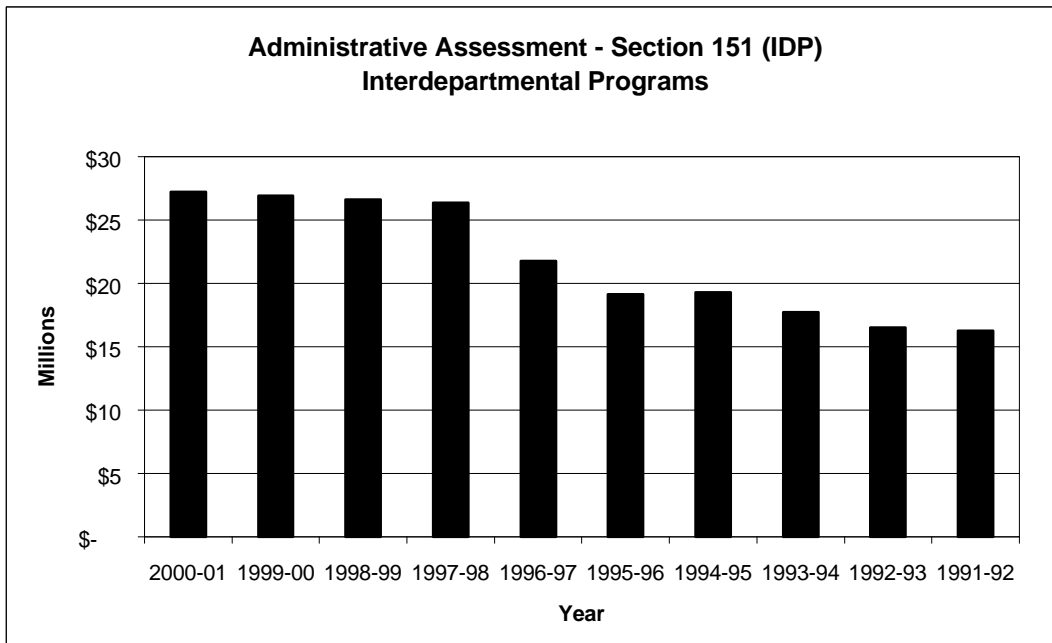
Through the normal budget process, the Board calculates the funding level needed to support its workers' compensation and disability benefits operations. The State Departments of Labor and Health also calculate their funding needs for the interdepartmental programs. When added together, these funding 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

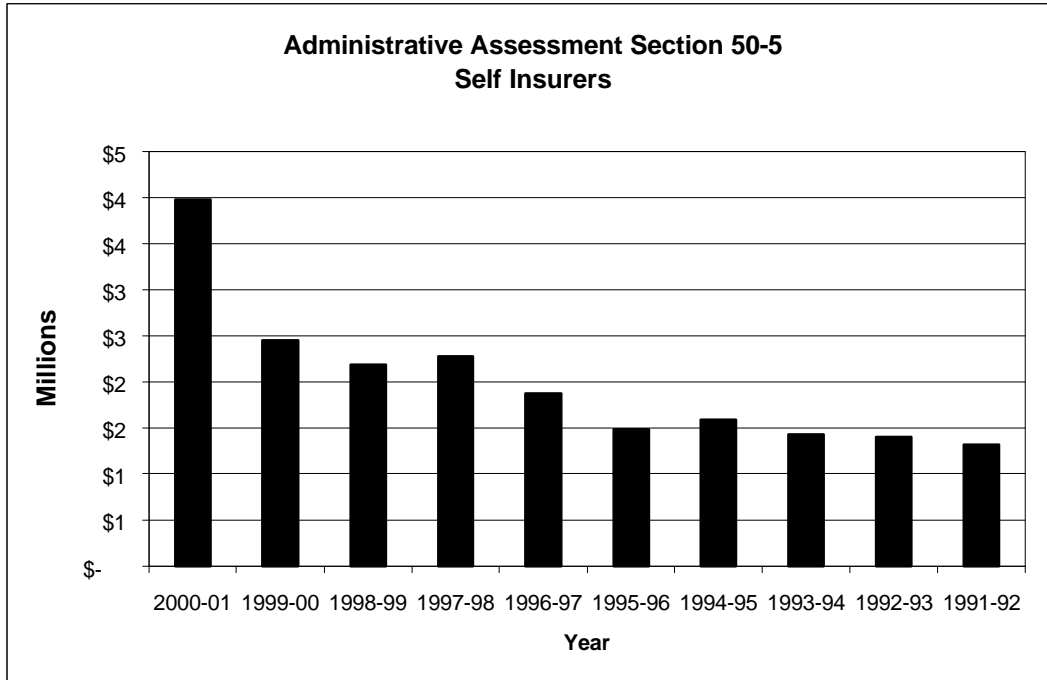


Appendix XVII



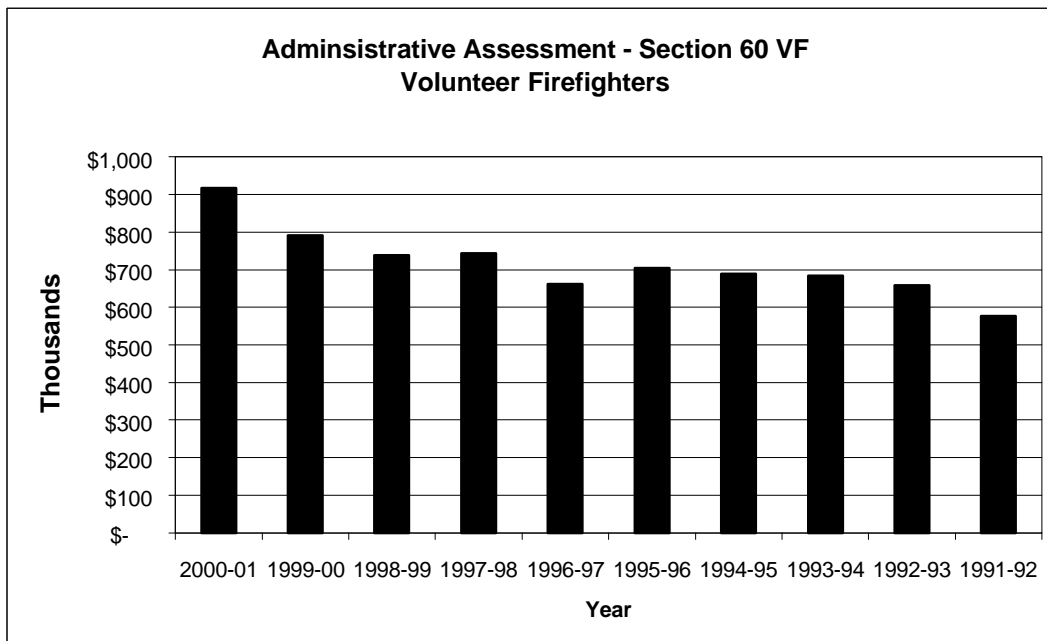
Section 50-5 — Corporate self-insurers are assessed their portion of the cost associated with the administration of the self-insured program. The rate for the cost associated with this program is calculated by dividing the cost by the total of all security accounts held by the Board for all corporate 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



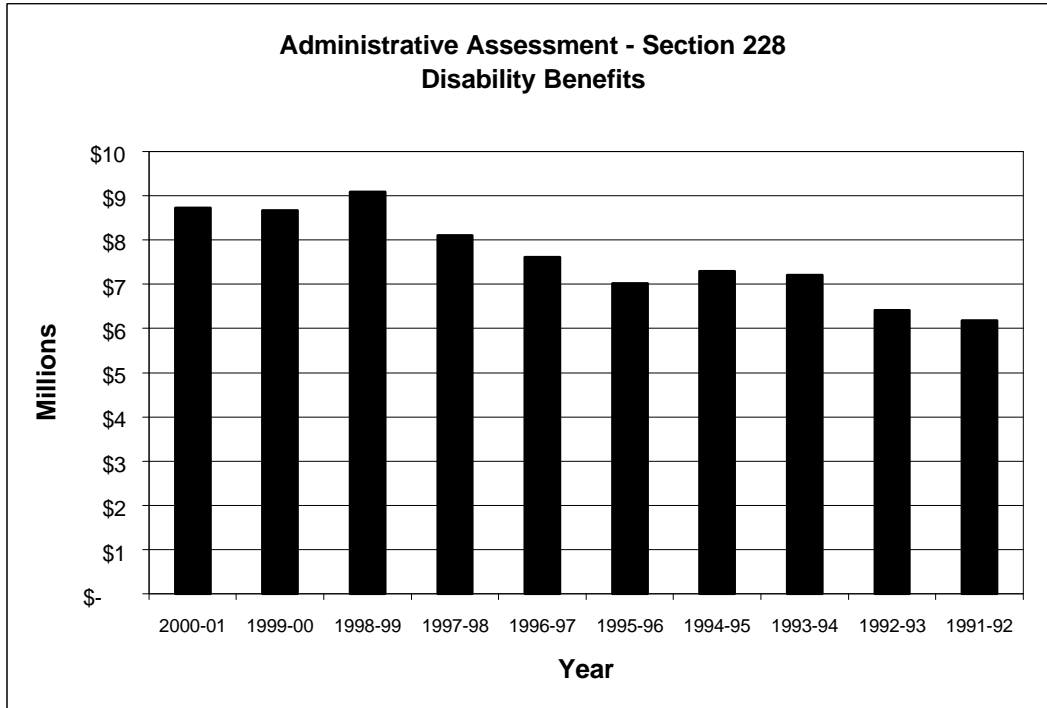
V60 — the rate for the cost associated with the administration of the volunteer fire fighter program is calculated by dividing the cost of the program by the total annual volunteer fire fighter payments (indemnity only) paid by all entities. This rate is then multiplied by the total annual volunteer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

Appendix XIX



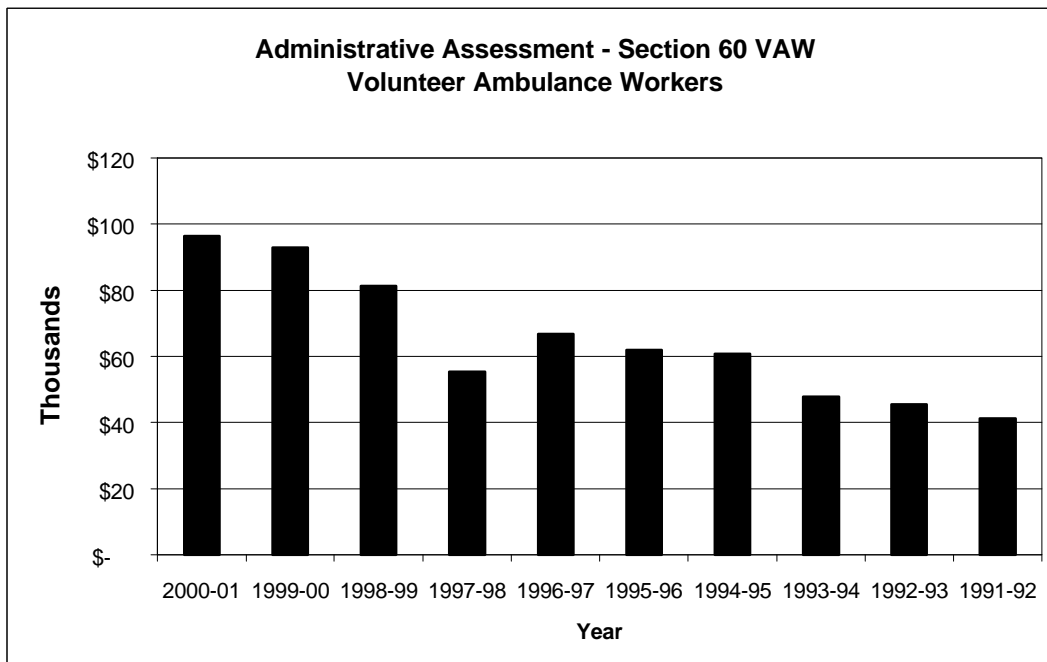
Section 228 — the rate for the cost associated with the administration of the disability benefits program is calculated by dividing the cost of the program by the total annual payroll covered by all entities. This rate is then multiplied by the total annual payroll covered by the individual entity to 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:

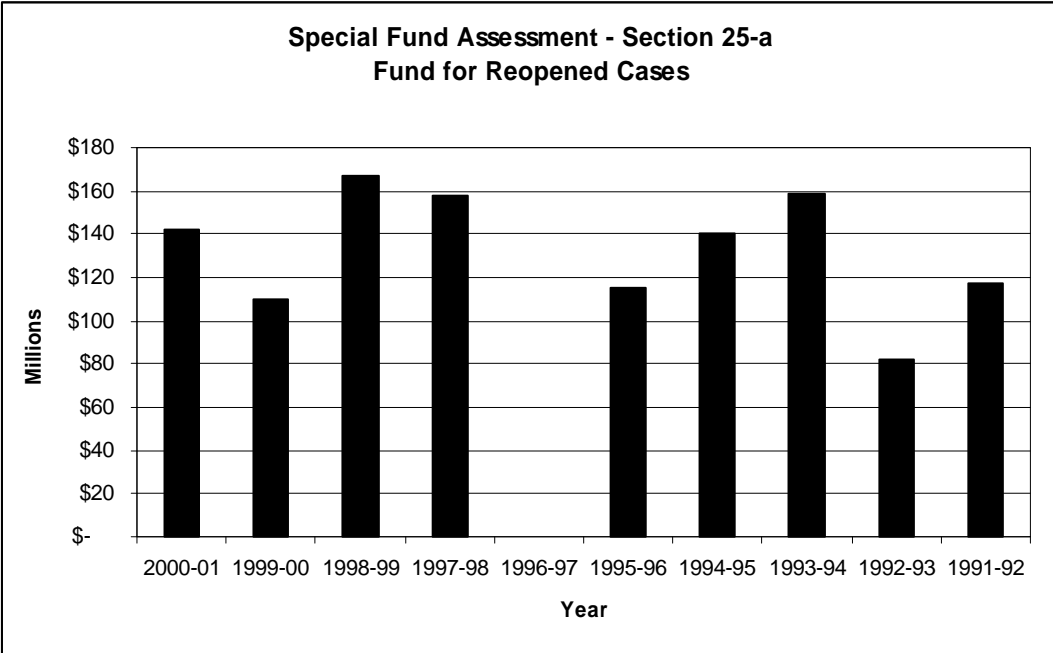
- Section 25a — direct payment to claimants and health providers for certain reopened cases and reimbursement to carriers for supplemental benefit cases.
- Section 15.8 — reimbursement to insurance carriers and self-insured employers/groups for claims involving second injuries, concurrent employment, 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.

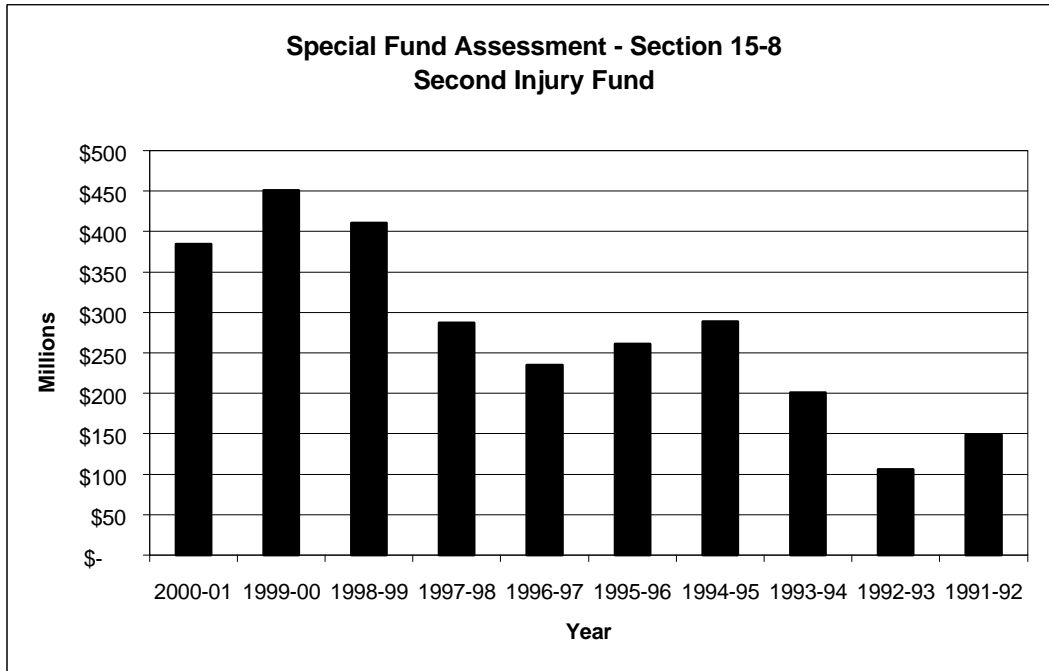
Section 25a — The Special Fund Conservation Committee calculates the reserves needed by the Board to secure the Fund for Reopened Cases. The Board takes this reserve information and adds a 10 percent contingency. The Board then adds the amount paid out in the previous year for the Supplemental Benefit 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



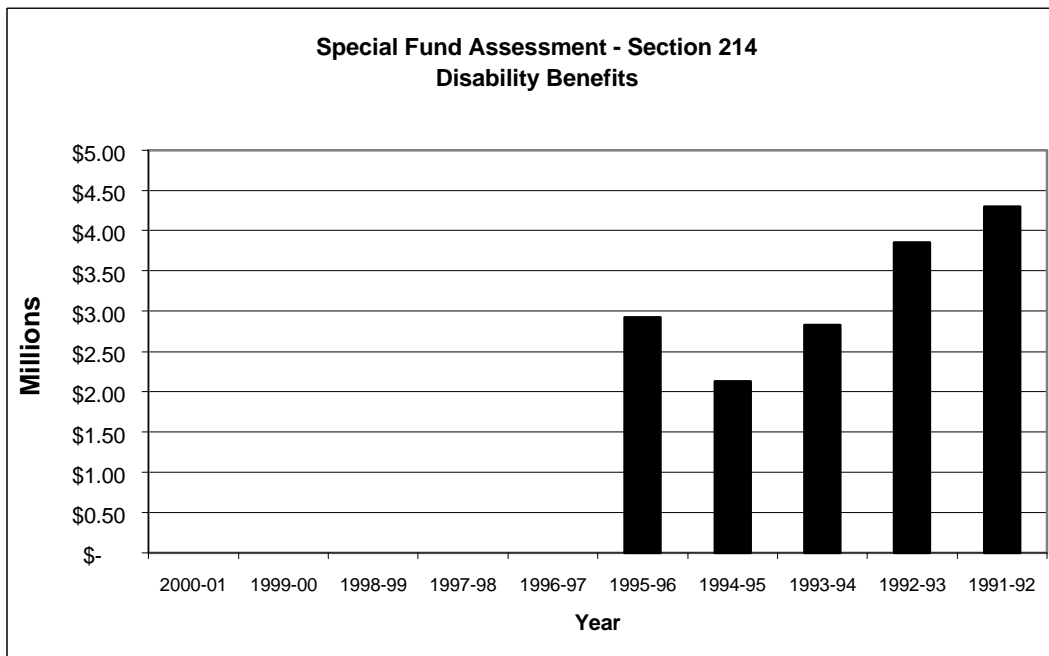
The Board calculates the total disbursements made from the **Special Disability Fund** during the preceding calendar year and multiplies that amount by 150 percent. From this amount, the Board subtracts any funds it has on hand. These calculations provide the total amount that must be assessed for the 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 • Douglas Fitzgerald, Special Assistant to the Chairman

Judith Ann Smith, Production Management

Statistical data provided by the Bureau of MIS/Research - Tom Wegener, Director