

1999 HOUSE INDUSTRY, BUSINESS AND LABOR
HB 1261

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1261

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 1-25-99

Tape Number	Side A	Side B	Meter #
1	x		27.4-55.0
1		x	0.0-17.2
Committee Clerk Signature <i>Lisa Horner</i>			

Minutes:

HB 1261 Relating to Workers Compensation Board of Directors Composition.

Chairman Berg opened the hearing on the bill.

Rep. Serenus Hoffner testified and introduced the bill. He offered 2 amendments. One was to make it easier to follow the workers compensation process and the other was to change the second page of the bill. He is asking for bill approval as amended. The details of the amendments as well as the bill were explained in detail.

Rep. Koppang asked why the medical association was not voting.

Hoffner said the answer would be given by someone else later in the meeting.

Berg asked what the problem was with the board at the present time.

Hoffner said he attended a meeting and it appears the board believes it needs greater representation.

Mr. Dave Kemnitz, AFL-CIO, testified in support to the bill. Organized labor wants independent representation on the board. Workers can be a part of the board and have a direct voice to the board with actual collaboration.

Berg asked if an employer representative was added who would that be that voice.

Kemnitz responded that members should be added from employee sector. General discussion occurred on who could be added in various categories of the board composition. The membership of the union is about 17,000 - 20,000. The total work force is approximately 10% of the 320,000.

Keiser asked what the argument would be on a different representation mixture on the board.

Kemnitz said the governor picks people and other groups are elected which gives representation.

Klein asked if the union group wanted 5% of the work group to represent either 4 positions or 2 positions on the board.

Kemnitz responded that what ever per cent age would be selected by the committee would be OK.

Glassheim asked about the general harmony in the board activities.

Kemnitz said it was generally good.

Mr. Sebald Vetter, C.A.R.E., testified in support of the bill. He said its a good method of voicing opinions from the workers.

Mr. Gary Nelson, Business Manager Local 793 Union, testified in support to the bill. Most workers do not have representation because they are busy out in the work force.

Ms. Renee Pfenning, ND Construction Trade Council, testified in support to the bill.

Mr. Chuck Peterson, Workers Compensation Board Chairman, testified in opposition to the bill.

His group believes that employees are presently well represented. Some reasons are that benefits have been increase for seasonal workers. He went on to explain what the board does. The board functions using the Carver Model which is a practice of allowing many voices to be heard. The board follows the authority and mandates from legislative sessions.

Keiser asked if the Carver Model allows for the board to review itself.

Peterson said yes, it does allow for that type of review.

Berg asked if all 3 employee groups could represent labor.

Peterson said that using that mixture they would not be representative of the working people in general.

Lemieux asked how if people on the board have received benefits. He also asked if there was enough representation on board by working people.

Peterson said that people can be on the board if they have received benefits and they do not need to receive benefits now.

Lemieux stated that it appears to him that the purpose of the bill is to give more employee representation on the board. He gets the impression from employees themselves that employees need more representation on the board.

Peterson said he is not aware of it because everyone has an opportunity to be heard on the board.

Chairman Berg closed the hearing on the bill.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1261 2-2-99

House Industry, Business and Labor

Conference Committee

Hearing Date 2-2-99

Tape Number	Side A	Side B	Meter #
2		x	12.0-19.0
Committee Clerk Signature <i>Lisa Korneer</i>			

Minutes: Chairman Berg brought this bill forward for the committee to consider. No amendments were brought forward.

ACTION: Rep. Lemieux made a motion to DO NOT PASS and Vice Chair Kempenich seconded the motion.

ROLL CALL VOTE: 14 YES and 0 NO with 1 ABSENT. Passed. Rep. Lemieux will carry the bill.

FISCAL NOTE

Return original and 10 copies)

Bill/Resolution No.: HB 1261 Amendment to: _____

Requested by Legislative Council Date of Request: 1-13-99

- 1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

See attached.

- 2. State fiscal effect in dollar amounts:

Table with 6 columns: 1997-99 Biennium (General Fund, Special Funds), 1999-2001 Biennium (General Fund, Special Funds), 2001-03 Biennium (General Fund, Special Funds)

Revenues:

Expenditures:

- 3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: _____
b. For the 1999-2001 biennium: _____
c. For the 2001-03 biennium: _____

- 4. County, City, and School District fiscal effect in dollar amounts:

Table with 9 columns: 1997-99 Biennium (Counties, Cities, School Districts), 1999-2001 Biennium (Counties, Cities, School Districts), 2001-03 Biennium (Counties, Cities, School Districts)

If additional space is needed, attach a supplemental sheet.

Signed J. Patrick Traynor

Typed Name J. Patrick Traynor

Department Workers Compensation Bureau

Phone Number 328-3856

Date Prepared: 01-20-99

*NORTH DAKOTA WORKERS COMPENSATION BUREAU
1999 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION*

BILL DESCRIPTION: Board Composition

BILL NO: HB 1261

SUMMARY OF ACTUARIAL INFORMATION: The Workers Compensation Bureau, with the assistance of its Actuary, Glenn Evans of Pacific Actuarial Consultants, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation eliminates the language pertaining to the selection of the initial Board; changes the composition of the Board from 6 employer representatives, 3 employee representatives, and 1 medical provider representative to 5 employer representatives, 4 employee representatives, and 1 medical provider representative; and changes the requirements for one of the employee representatives to be actively receiving workers compensation disability benefits rather than having received workers compensation disability benefits at any time.

FISCAL IMPACT: The proposed legislation will have no fiscal impact.

DATE: 1-18-99

90319.0201
Title.

Prepared by the Legislative Council staff for
Representative Hoffner
January 15, 1999

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1261

Page 2, line 7, overstrike "one" and replace "of whom represents" with "two of the remaining
must represent"

Renumber accordingly

Date: 2-2-77
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1261

House Industry, Business and Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken do not pass

Motion Made By Lemieux Seconded By Kempenich

Representatives	Yes	No	Representatives	Yes	No
Chair - Berg	/		Rep. Thorpe	/	
Vice Chair - Kempenich	/				
Rep. Brekke	/				
Rep. Eckstrom	/				
Rep. Froseth	/				
Rep. Glassheim	/				
Rep. Johnson	/				
Rep. Keiser	/				
Rep. Klein	/				
Rep. Koppang	/				
Rep. Lemieux	/				
Rep. Martinson	/				
Rep. Severson	/				
Rep. Stefonowicz					

Total (Yes) 14 No 0

Absent 1

Floor Assignment Lemieux

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 2, 1999 4:42 p.m.

Module No: HR-21-1727
Carrier: Lemieux
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1261: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends **DO NOT PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1261 was placed on the Eleventh order on the calendar.

1999 TESTIMONY

HB 1261

1998 Workers Compensation Board of Directors / Workers Compensation Bureau Accomplishments

1999 Legislative Package:

- ◆ **Benefit Increases** – including death benefits, supplementary benefits, wage-loss benefits, and initial wage-loss benefits for seasonal workers
- ◆ **Reserves** – addressing the adequacy of reserves to ensure the solvency of the fund, thus ensuring continued workers' compensation coverage for workers in North Dakota and maintaining reasonable premium rates for North Dakota employers.
- ◆ **Safety Program** – showing that safety is a top priority for the Board and the Bureau, the Board has approved increased employer premium dollars for the prevention of workplace injuries. Previously, the Bureau was spending about ½ million dollars per biennium on safety programs. 1999 proposals include spending up to 1.5 million dollars on workers' compensation safety proposals on workplace safety and injury prevention.

Audit: The Board has established an audit committee to regularly monitor Bureau performance and to ensure appropriate and adequate implementation of the recommendations arising out of the independent performance audit.

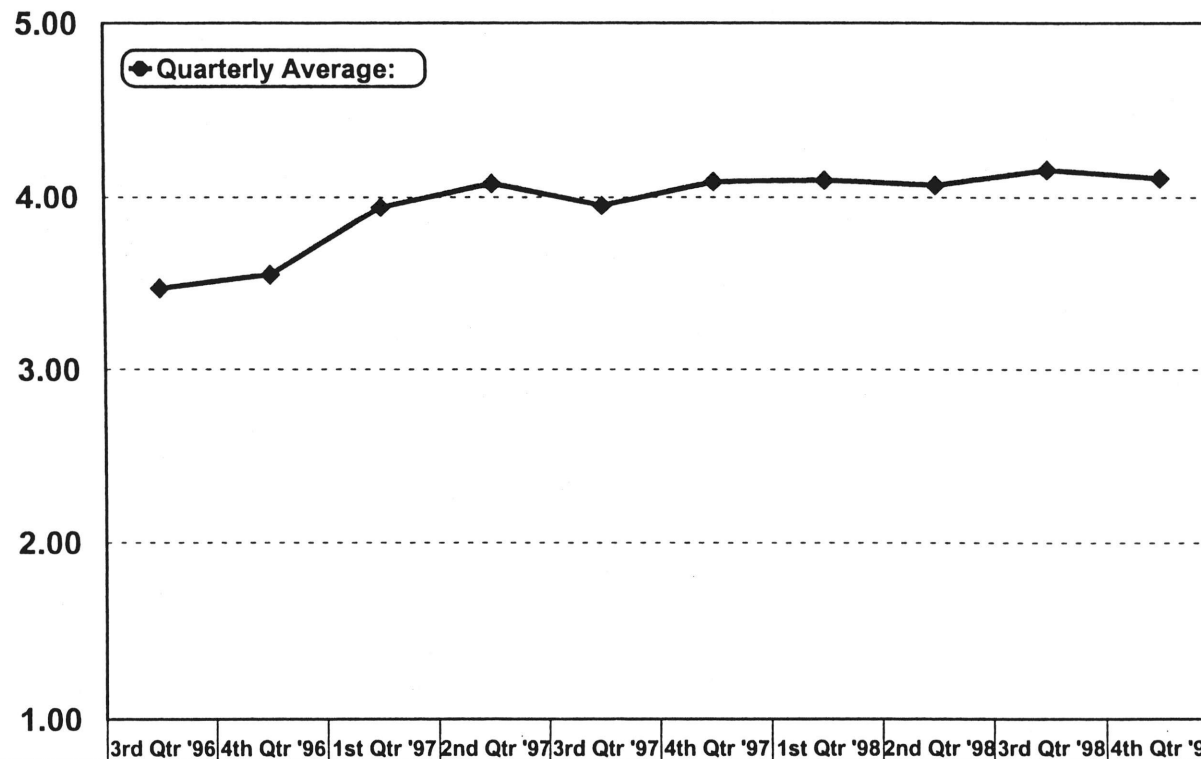
Customer Satisfaction: The Board recognizes that feedback from the Bureau's constituents is absolutely necessary to facilitate the Bureau's continued improvements in its operations. The Board endorses the Bureau's effort to solicit opinions from employers and employees on "how the Bureau is doing" through regular surveys. Copies of customer satisfaction surveys are attached which show that the workers and employers who come in contact with the Bureau are highly satisfied with the assistance they receive.

Dispute Resolution and Workers' Adviser Program: The Board has taken a special interest in reviewing the adequacy of the dispute resolution process. The Board continues to try to improve the timeliness of the dispute resolution process. The Board has also recognized the successes of the Workers' Adviser Program and is asking the Legislative Assembly to approve expansion of the program so there will be more staff available to provide more personal attention to workers.

Reinsurance and Other States' Coverage: The Board has approved the purchase of reinsurance and other states' coverage to ensure adequate coverage for employees of North Dakota employers who are working temporarily or travelling outside the state. Part of the 1999 legislative package will further enhance the effectiveness of this program.

Claimant Customer Satisfaction Survey

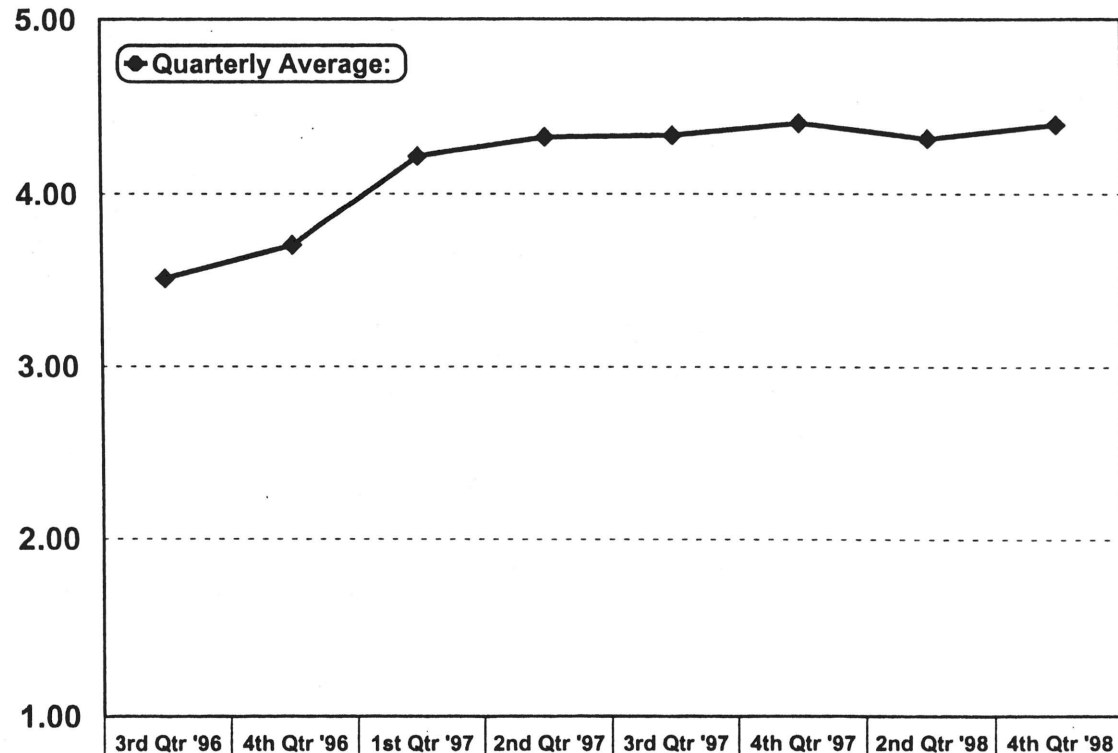
The Bureau started conducting quarterly surveys on July 1, 1996. Each quarter we randomly select 500 claimants who experienced work related injuries and were 60 to 90 days post claim acceptance. The graph to the right indicates the results of the surveys conducted to date. We asked claimants to rate us in terms of services provided for the categories listed below (a 1 would indicate least satisfied with a 5 being most satisfied).



	3rd Qtr '96	4th Qtr '96	1st Qtr '97	2nd Qtr '97	3rd Qtr '97	4th Qtr '97	1st Qtr '98	2nd Qtr '98	3rd Qtr '98	4th Qtr '98
Accepting/Denying Claim in Timely Manner:	3.36	3.41	3.94	4.06	3.93	4.11	4.19	4.09	4.15	4.25
Paying Benefits in a Timely Manner:	3.31	3.29	3.79	3.93	3.71	3.90	3.92	3.89	4.03	4.03
Providing Polite and Helpful Assistance:	3.63	3.88	4.16	4.32	4.23	4.30	4.33	4.38	4.29	4.44
Returning Phone Calls in a Timely Manner:	3.55	3.62	3.83	4.01	4.01	4.08	3.85	3.91	4.11	3.43
Overall Handling of Claim:	3.49	3.56	3.98	4.07	3.89	4.07	4.21	4.09	4.20	4.42
Quarterly Average:	3.47	3.55	3.94	4.08	3.95	4.09	4.10	4.07	4.16	4.11

Employer Customer Satisfaction Survey

The Bureau started conducting quarterly surveys on July 1, 1996. Each quarter we randomly select 500 claimants who experienced work related injuries and were 60 to 90 days post claim acceptance. The Employers of these claimants are contacted to determine the level of satisfaction of services provided by the Bureau. The graph to the right indicates the results of the surveys conducted to date. We asked employers to rate us in terms of services provided for the categories listed below (a 1 would indicate least satisfied with a 5 being most satisfied).



	3rd Qtr '96	4th Qtr '96	1st Qtr '97	2nd Qtr '97	3rd Qtr '97	4th Qtr '97	2nd Qtr '98	4th Qtr '98
Accepting/Denying Claim in Timely Manner:	3.38	3.67	4.19	4.33	4.36	4.43	4.38	4.45
Keeping the Employer Informed of Bureau Actions:	3.35	3.50	4.09	4.22	4.17	4.33	4.12	4.21
Providing Polite and Helpful Assistance:	3.81	3.92	4.43	4.56	4.58	4.61	4.48	4.58
Returning Phone Calls in a Timely Manner:	3.53	3.76	4.15	4.26	4.28	4.32	4.29	4.32
Overall Handling of Claim:	3.47	3.67	4.24	4.30	4.31	4.37	4.33	4.42
Quarterly Average:	3.51	3.70	4.22	4.33	4.34	4.41	4.32	4.40

65-02-03.1 - Workers Compensation Board of Directors Composition

Six board members represent employers that maintain active accounts with the bureau

- One a participant in the risk management program*
- Two employers with annual premiums greater than \$25,000*
- One with an annual premium of \$10,000 but less than \$25,000*
- One with an annual premium of less than \$10,000*
- One from any category*

Three members represent employees

- One who has received workers' compensation benefits*
- One who represents organized labor*
- One from any category*

One nonvoting member from the North Dakota medical association

Proposed changes to the Workers Compensation Board of Directors Composition

Five board members represent employers that maintain active accounts with the bureau

- One a participant in the risk management program*
- One with an annual premium greater than \$25,000*
- One with an annual premium of \$10,000 but less than \$25,000*
- One with an annual premium of less than \$10,000*
- One from any category*

Four members represent employees

- One who is receiving workers' compensation disability benefits*
- Two who represent organized labor*
- One from any category*

One nonvoting member from the North Dakota medical association