

MAINE STATE LEGISLATURE

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4/20/92

To Blue Ribbon Compensation Commissioners

From Harvey

SUGGESTED WORK PLAN

Would it be useful to devote our major attention this Monday to setting the course of our work for the next couple of months, at least tentatively?

I suspect that we are pretty much in agreement on many of the basic tenets of our task. How about checking that assumption by our trying to answer the following questions in this session?

1. How closely do we agree on the following underlying principles?

a. Our chief objective is to find a workable compensation plan for Maine on which we can agree and can reasonably urge all other major parties to accept. We are not searching for a plan that will satisfy every, or even any constituency completely, nor do we seek the best possible worker's compensation system. All we want is one that is feasible, and more acceptable to the people of Maine than the present system.

b. It is more important for us to reach unanimous agreement than it is to present one or more plans that reflect each of our views on the ideal solution.

c. If we are capable of reaching an agreement we will put great effort into trying to persuade the legislature and the administration to accept or reject it without any amendments, i.e. vote it up or down as a whole.

Next, we may wish to discuss the basis for our work plan.

2. Is our best approach to avoid any attempt to modify the current Maine compensation plan? If so shouldn't our efforts be primarily directed to finding a reasonably satisfactory plan that is already in operation elsewhere and has shown itself to meet the following criteria:

a. We are willing to accept that no plan will be perfect in every detail. Any plan we choose will have some advantages and some disadvantages when compared to the current Maine plan. Our purpose is to present a plan that meets the the overall standard of cost and care that is prevalent in the United States today. That means that:

b. The cost of the plan will not inhibit business in Maine. The plan we will choose will have been proven to be near the median cost for workers' compensation plans in the country.

c. Workers' are to be protected by a package which, taken as a whole, will be at least as good as the median for the United States.

When we have reached agreement on the above we may want to consider the actual hearings we would like to schedule

3. Perhaps we could start by hearing the recommendations of the business-labor group. They have carefully studied the problem and found a basis for agreement.

Our purpose in starting our exploration with their work is not primarily to accept their plan. (We will go on to examine other plans with an open mind). The reason for hearing them is to illuminate for ourselves the basic concerns of these two major interest groups. This hearing should help us to determine the important points which we must examine in judging other plans presented for our consideration.

4. We will then go back to hear each major group that has been involved in the compensation discussions in the state. Besides the more obvious business, labor and insurance interests we probably need to pay careful attention to important factors, other than those directly affected by a revised law. These may greatly impact the actual performance of the system and would include those that determine the "culture" or accepted practises in Worker's Compensation cases. Specific aspects we probably need to examine are the current practices of Maine's judicial, administrative, insurance, legal, and medical systems.

Major hearing topics will be held as follows
(Possibly not in this order.)

a. Representatives of the various administrative departments concerned with operating the system. Our purpose here will be to learn the problems they've encountered in operating the system in order to enable us to judge the administrative feasibility of any alternative system.

b. Fiscal representative of the state to learn their views on the impact of various modes of financing and insurance on state finances

c. Members of the legislature (both majority and minority) who have served on the various committees which have studied the problem and made recommendations in the last biennium (as well as any current study going on in this session).

d. Representatives of other concerned interest groups (trial attorneys, insurance companies, physicians and other specialised health professionals etc.) as well as public interest groups that may be knowledgeable on the subject. (In this connection I believe it especially important to hear Dr. Robert Keller, an orthopedic surgeon who is also Executive Director of the Maine Medical Assessment Foundation which studies the efficacy and need for medical intervention.)

e. Officials, business and labor representatives from any state which we may consider using as a model, as well as any U.S. government representative who may be in a position to provide an important evaluation of any system we may be contemplating.

f. Consultants whom we have engaged to assess how a system, that we are seriously considering, can be expected to operate if it were installed in Maine.

g. The Senate President, House Speaker, and Governor or any single representative each of them may choose.

MEETING AGENDA
4/20/92

1. Discussions with Ralph Tucker, Chairman of the Maine Workers Compensation Commission.

Scheduled 11am to 2pm with lunch break.

2. Executive Session

- a. Interview potential staff candidates.
- b. Discuss criteria, goals and process.
 - Note labor/management group criteria.
 - Note goals listed in H.P. 1696 and L.D. 2376.
 - Note Section 1, para 2 of Charge in Act.
- c. Discuss use of consultants.
- d. Determine future presentations.

4/25/92

Dear Mr. [Name]:

Thank you for

the information provided from Consultants

regarding the proposals which we may wish to have our

attention directed to, which we should consider in
light of the interest for their potential to bring
the current system close to the national
standards and benefits.

Could you please provide the effect on various systems
of the proposals resulting from operation of the

proposed systems of the ratio of system
costs to the total cost of system and
the ratio of total disbursements to worker as a
percentage of total cost of system operation.

Could you also indicate should be made for
the comparison of workers engaged in
the system compared to the national

average of carry over from prior year
and the number of years, and

the number of cases resulting from
operations resulting from
state judiciary rather than
(i.e., administrative actions, etc.)

Could you also provide the cost of each of the
proposed systems and other systems under consideration
relative to the current system.

How do typical worker benefits under each of the
proposed systems (or the national median or average)
compare to Maine's? Please include all aspects such
as duration limits for partial incapacity, definition
of compensable injury, inflation adjustments, maximum
benefit as a percentage of state average weekly wage,
ability to collect from one employer the wages which
were contemporaneously being paid by a second employer,
etc.

A tentative actuarial estimate of the actual cost
impact to be expected on Maine's payors if the other
systems, which seem feasible for Maine, were to be
applied to Maine.

AGENDA FOR MONDAY, MAY 11, 1992

- 10:00-10:45 Hanover Insurance of Maine
Lincoln Merrill, President
Charles Soltan, Verrill & Dana
- 10:45-12:00 Bureau of Insurance
Dick Johnson, Superintendent
- 12:00-1:00 Lunch
- 1:00-2:00 Maine Council of Self-Insurers
John Melrose, Executive Director
Thomas Brown, Chair and Executive Director
of Maine Auto Dealers (Group Self-Insurer)
John Maynard, Keyes Fibre (Individual
Self-Insurer)
- 2:00-4:00 Executive Session - John Lewis
- 4:00-5:00 Executive Session - Discussion of Regular
Business

AGENDA FOR FRIDAY, MAY 15, 1992

- 10:00-11:00 American Insurance Association
- 11:00-12:00 Labor Department
Charles Morrison or
James McGowan
- 12:00-1:00 Lunch
- 1:00-1:45 Governor McKernan
- 2:00-3:00 Minority Leadership
Rep. Walt Whitcomb
Senator Charles Webster]
- 3:00-4:00
- 4:00-5:00 Executive Session - Regular Business

AGENDA FOR FRIDAY, MAY 15, 1992

- 10:00-11:00 American Insurance Association
Bruce Woods 623-5167
- 11:00-12:00 Labor Department
Charles Morrison or James McGowen & Bill Reubody
- 12:00-1:00 Lunch
- 1:00-1:45 Governor McKernan
- 2:00-4:00 Minority Leadership
Rep. Walt Whitcomb (H) 342-5135
Senator Don Collins 289-1505 or (H) 778-6929
Rep. Judy Foss 846-5246(H)
- 4:00-5:00 Executive Session - Regular Business

SCHOOL OF LAW University of Maine



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Portland, ME 04102
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Fax: (207) 780-4913

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DATE: 5/20 2 #PAGES (includes cover)
TO: Commissioners Hathaway, Dalbeck
and Picker
FROM: Michelle E. Bushey

SPECIAL MESSAGES IF ANY:

The enclosed is the schedule for next
Tuesday. Please give me a call if you
have any questions. The schedule is
pretty much a final version unless any of
you have a problem with it.

final typewritten/fax

AGENDA FOR TUESDAY, MAY 26, 1992
(AIRPORT)

- 10:00-10:30 Maine Medical Association
Gordon Smith - Legal Counsel
Dr. Charles Adams - Chairman of Workers' Compensation Section
- 10:30-11:00 Maine Medical Assessment Foundation
Dr. Robert Keller
- 11:00-11:30 Dr. John Barrett - Former member of Governor's Medical Task Force
- 11:30-12:00 AFL-CIO
Charles O'Leary - President
- 12:00-1:00 Lunch
- 1:00-2:00 Governor's Office
Joe Edwards
- 2:00-^{2:30}~~3:00~~ Maine Chiropractic Association 622-5421
Dr. Len Sautter - President
- ~~2:30-3:00~~ [Disabled Workers' of Maine] 827-10212
~~3:00-4:00~~ Ralph Coffman - Director (left msg.)
- ~~3:00-~~
~~4:00-~~5:00 Executive Session - Regular Business

ref Lizotte
Pres. of Rehab. →
Pres. of Maine
767-1862
(call into Dalbeck)

~~X~~ ME State Chamber of Commerce $\frac{1}{2}$ hr.
Jack Dexter 623-4568

~~X~~ Ned McLann - AFL-CIO ^{622-3151 ME State} ^{ETS} ASSOC. $\frac{1}{2}$ hr.
~~Ken Goodwin~~ Ken Goodwin 743-8946

~~X~~ Public Advocate ~~(H&A)~~ $\frac{1}{2}$ hr.
^{independent person}
Steve Ward - 289-2445 ~~289-2445~~

~~X~~ Ralph Cottman, Dir. of
Disabled Workers of ME $\frac{1}{2}$ hr.
887-6212

~~X~~ Don't take positions on issues
Workers' Comp. Committee of
ME Bar 1 hr.
John Wallach 774-7000
will have a rep. at all the hearings

~~X~~ Business + Insurance Committee
Chair / ~~majority~~ members? } 1 hr.
Labor Committee
Chair / ~~majority~~ members?

~~X~~ ME Labor Group on Health ~~622-7823~~ $\frac{1}{2}$ hr.
Diana White 622-7823
she'll call back

AGENDA FOR TUESDAY, MAY 26, 1992

- Confirmed 622-3374 - 10:00-10:30 ME Medical Association
Gordon Smith - Legal Council
Dr. Charles Adams - Chairman of Worker's Compensation
- Confirmed 6229342 - 10:30-11:00 ME Medical Assessment Foundation
Dr. Robert Keller
- Confirmed 11:00-11:30 ~~Rep. Sumner Lipman~~ → written commitments
Dr. John Barrett → needs to be called
- MB Confirmed? → 11:30-12:00 AFL-CIO President Charles O'Leary → needs to be called
Joe Edwards - call BBBy.
- 12:00-1:00 Lunch
- Confirmed 775-6376 - 1:00-2:00 Dr. John Barrett - Past member of Governor's
Medical Task Force 775-6376 (called to change to 11:00-11:30)
Joe Edwards
- 867-6212? - 2:00-2:30 Disabled Worker's of Maine
2:30-3:30 Director - Ralph Coffman
827-6212
- MB Confirmed? → 3:00-4:00 Joe Edwards - Governor's Administration
- 4:00-5:00 Executive Session - Regular Business
- Prez PR. ~~Linda~~ Saulter #622-5421
John Royce - ME Campfire Assoc

mailed copy
to Levesque

TRANSMISSION REPORT

Picker

TRANSMISSION REPORT

Hathaway

1. Date
2. Time
3. Location
4. Description
5. Remarks

TRANSMISSION REPORT

Dalbeck

1. Date
2. Time
3. Location
4. Description
5. Remarks

AGENDA FOR TUESDAY, MAY 26, 1992
(Jetport Conference Room)

- ✓ 10:00-10:30 Maine Medical Association
Gordon Smith - Legal Counsel
Dr. Charles Adams - Chairman of Workers'
Compensation Section
- ✓ 10:30-11:00 Maine Medical Assessment Foundation
Dr. Robert Keller
- ✓ 11:00-11:30 Dr. John Barrett - Former member of
Governor's Medical Task Force
- ✓ 11:30-12:00 AFL-CIO
Charles O'Leary - President
- 12:00-1:00 Lunch
- ✓ 1:00-2:00 Governor's Office
Joe Edwards
- ✓ 2:00-2:30 Maine Chiropractic Association *John Royce (intro)*
Dr. Len Saulter - President
- ✓ 2:30-3:00 Rehabilitated Professionals of Maine
Meg Lizotte - President
- 3:00-5:00 Executive Session - Regular Business

When you have physician testify
please invite

20468 DEA # AR1084196 DEA # AD5165332 DEA # BS1200877

→ JOHN W. BARRETT, M.D.
ROGERS C. SOUTHALL, M.D., P.A.
PATRICK A. DOWLING, M.D.
SAMUEL S. SCOTT, M.D.
15 LOWELL STREET
PORTLAND, ME 04102
207-774-5714

775-6376

NAME _____

ADDRESS _____ DATE _____

R

Dr. John Barrett
100 Foden Rd.
Citicorp Park West
South Portland
ME 04106

Label

Refill _____ times PRN NR _____ M.D.

Any drug which is the generic or chemical equivalent of the drug specified above in this prescription may be dispensed provided that the drug dispensed is listed in the current edition of either the National Formulary or the United States Pharmacopoeia and provided that no check mark (✓) has been handwritten in the box in the right-hand lower corner.

05/23/90

0901-03806580056

As well as Dr. Robert Keller
H. Pichon Belfast
Exec. Dir. Me Med.
Assessment foundation

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SENATOR JUDY C. KANY
DISTRICT 17

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AUGUSTA, MAINE 04333
(207) 289-1540
1-800-423-6900 (Session Only)

P.O. BOX 508
BELGRADE LAKES, ME 04918
(207) 495-3857

NFIB Maine

National Federation of
Independent Business

DAVID R. CLOUGH
State Director



P.O. Box 4629
Portland, ME 04112-4629
(207) 773-3326 Fax (207) 772-7670

*X call to
schedule
June
10-11am
Clow*

• = confirmed it's at law school

AGENDA FOR MONDAY, JUNE 1, 1992
(Law School)

- 10:00-11:00 National Federation of Independent Business (NFIB)
David R. Clough - State Director
- ~~AAA~~ 11:00-12:00 Sandra Hayes
Medical Coord. for Workers Comp.
- 12:00-1:00 Lunch
- 1:00-2:00 Maine Chamber of Commerce
Jack Dexter - President
- 2:00-2:45 Banking and Insurance Committee
Majority Leaders
Judy Kany
Elizabeth Mitchell
- 2:45-3:30 Minority Leaders
Peter Hastings
- 3:30-4:00 Executive Session
Bipartisan Legislative Staff
Martha Freeman - Office of Policy & Legal Analysis
David Kennedy - Revisor's Office
John Wakefield - Office of Fiscal & Program Review
- 4:00-5:00 Executive Session - Regular Business

John Wallach ME Bar Assoc. 774-7000

X 11:00-12:00 Sandra Hayes Workers Comp. Comm. ☎ 289-7093

Minority Leaders (per Abby) -

call to schedule {

- Rep. Joe Garland 947-7319 - unable to make it - recommended Peter Hastings
- Rep. Joe Carlton 646-8341
- X Rep. Peter Hastings 935-2061 ~~AAA~~ left msg. / called again Fri. - no answer
- Sen. Linda Brawn 236-4766

→ he'll call back

↓ he will call Joe Carlton

AGENDA FOR MONDAY, JUNE 1, 1992
(Law School)

~~10:00-10:30~~ ^{11:00}

NFIB

David R. Clough - state director
- Resume of John Lewis - sent X

~~10:30-11:30~~ →

Public Advocates
Martha McClusky
Bill Black

~~state to #00~~

11:00-12:00

12:00-1:00

Lunch

1:00-2:00

Maine Chamber of Commerce
Jack Dexter - President

2:00-2:45

~~Business~~ ^{Banking} and Insurance Committee
Majority Leaders
Judy Kany
Libby Mitchell
Elizabeth

~~Boyer~~

2:45-3:30

Minority Leaders

~~Sen. Linda Curtis - Brown~~
~~Joseph Garland~~

→ 236-4766

Rep. { Joe Carlton - 646-8341
Joe Garland - 947-7210
Peter Hastings

3:30-4:00

Executive Session
Bipartisan Legislative Staff
Martha Freeman - Office of Policy & Legal Analysis
David Kennedy - Revisor's Office & Program
John Wakefield - Office of Fiscal Review

(w/935-2061)

4:00-5:00

Executive Session - Regular Business

del

call to schedule →
X call @ time (left messages) →

AGENDA FOR MONDAY, JUNE 1, 1992

Law School
~~Airport~~

- 10:00-10:30 Bipartisan Legislative Staff
 - Martha Freeman- Office of Policy & Legal Analysis 289-1670
 - David Kennedy- Revisor's Office 289-1650
 - John Wakefield- Fiscal & Program Review 289-1635 secondary role
- 10:30-11:30 Public Advocates
 - Martha McClusky & Bill Black # 289-2445
- 11:30-12:00
- 12:00-1:00 Lunch
- 1:00-2:00 ME Chamber of Commerce
 - Jack Dexter- President # 623-4568
- 2:00-3:00 Senator Judy Kany & Libby Mitchell
 - (2:45) (A) #495-3857
- 3:00-4:00 Minority members
 - (2:45 - 3:30)
- 3:30-4:00 Exec. Session Bipartisan Leg. Staff
- 4:00-5:00 Executive Session - Regular Business

call @ minority

→ Executive Session

TRY to schedule:

- ME Labor Union Health
 - Diana White 622-7823
 - doesn't feel she would be helpful
 - doesn't want to testify

- ✓ Disabled Workers of ME
 - Director - Ralph Coffman # 867-6212
 - correct pH #?

→ Submit a written statement

- ✓ NFIB - David Clough, State Dir. #773-3326

✓ Bus + Trans. Minority members

Ha that way says give him an hour

AGENDA FOR MONDAY, JUNE 1, 1992
(Law School)

- ✓ 10:00-11:00 National Federation of Independent
Business (NFIB)
David R. Clough - State Director
- ✓ 11:00-12:00 Sandra Hayes - Medical Coordinator
for the Workers' Comp. Commission
- 12:00-1:00 Lunch
- ✓ 1:00-2:00 Maine Chamber of Commerce
Jack Dexter - President
- ✓ 2:00-2:45 Banking and Insurance Committee
Majority Members
Judy Kany
Elizabeth Mitchell
- ✓ 2:45-3:30 Banking and Insurance Committee
Minority Members
Peter Hastings
Joe Carleton (possibly)
- 3:30-4:00 Executive Session
Bipartisan Legislative Staff
Martha Freeman - Office of Policy &
Legal Analysis
David Kennedy - Revisor's Office
John Wakefield - Office of Fiscal &
Program Review
- 4:00-5:00 Executive Session - Regular Business

UPCOMING SCHEDULE FOR
 BLUE RIBBON COMMISSION
 (Updated 6/2)

<u>Date</u>	<u>Place</u>	<u>Agenda</u>
✓ June 8 (Monday)	Law School	9:00-12:00 Ed Welch 1:00-1:45 Public Advocate 1:45-2:30 Disabled Workers of ME Ralph Coffman 2:30-3:15 ME Bar Association Bill Hardy
<hr/>		
June 16	<i>Lewis will give his report to Commission</i>	
June 18 (Thursday)	Airport	10:00-4:00 John Lewis
• June 19 (Friday)	Law School	9:00-5:00 Executive Session <i>procedure - look into future schedule etc.</i> <i>9-12pm 1/2 insurance companies - what will get</i> <i>them back into system?</i>
June 22 (Monday)	Airport	10:00-12:00 Ellenberger
June 23 (Tuesday)	Airport	9:00-12:00 Burton?? - Hathaway will talk to him 1:00-5:00 Barth
• June 29 (Monday)	Brunswick (Daniel Stone Inn - 725-9898)	9:00-5:00 Executive Session - <i>larger room - @ 15-20 people</i> <i>(change to public? Insurance</i> <i>hearing maybe working session companies)</i>
• June 30 (Tuesday)	Brunswick (Daniel Stone Inn)	9:00-5:00 Executive Session <i>Bowdoin Room</i> <i>\$125 fee</i>
July 14 (Tuesday)	TBA	Time TBA Executive Session John Lewis
July 15 (Wednesday)	TBA	Time TBA Executive Session John Lewis
July 20 (Monday)	TBA	Time TBA Executive Session John Lewis
July 21 (Tuesday)	TBA	Time TBA Executive Session Final Meeting? John Lewis

*make
 some*

*→ lunch at PHL'd country
 club.
 → don't put exec.
 session*

• = need larger rooms? Yes

AGENDA FOR MONDAY, JUNE 8, 1992
(Law School)

- ✓ 9:00-12:00 Ed Welch
- 12:00-1:00 Lunch
- ✓ 1:00-1:45 Public Advocates
Martha McCluskey
Bill Black
- ✓ 1:45-2:30 Disabled Workers of Maine
Ralph Coffman
- ✓ 2:30-3:15 Maine Bar Association
Bill Hardy-Workers' Comp. Committee
- 3:15-5:00 Executive Session-Regular Business

AGENDA FOR THURSDAY, JUNE 18, 1992
(Portland Jetport)

10:00-12:00 John Lewis
12:00-1:00 Lunch
1:00-4:00 John Lewis
4:00-5:00 Executive Session

AGENDA FOR FRIDAY, JUNE 19, 1992
(Law School)

- ✓ 9:00 - 9:30 Acadia Insurance Co.
Rick Sawyer - Pres.
Judy Plummer - Dir. of Govt. Affairs
Rick Greene - General Counsel
- ✓ 9:30 - 10:00 ME Independent Insurance Agents
Jim Thibodeau - Pres.
- ✓ 10:00 - 10:30 Maryland Casualty Insurance Co.
~~Gordon~~ Czech
Grover
- ✓ 10:30 - 11:00 Commercial Union Ins. Co.
Bob Gowdy
Greg St. Angelo

AGENDA FOR FRIDAY, JUNE 19, 1992
(Law School)

- 9:00 - 9:30 Acadia Insurance Co.
Rick Sawyer - Pres.
Judy Plummer - Dir. of Govt. Affairs
Rick Greene - General Counsel
- 9:30 - 10:00 ME Independent Insurance Agents
Jim Thibodeau - Pres.
- 10:00 - 10:30 Maryland Casualty Insurance Co.
Gordon Czech
- 10:30 - 11:00 Commercial Union Ins. Co.
Bob Gowdy

AGENDA FOR FRIDAY, JUNE 19, 1992
(Law School)

9:30 Acadia Insurance Co.
9:00-12:00 Maryland Casualty Insurance
Gordon Czech Pres.

~~9:30-10:00 ME Independent Insurance Agents~~
Jim Thibodeau, Pres. Rick Sawyer - Judy Plummer - Rick Orelne
Direct. & Cont. Affairs General Counsel

10:00-10:30 Maryland Casualty Insurance
Gordon Czech

10:30-11:00 ~~Peerless Ins. Co.~~ Commercial Union Ins. Co.

11:00-11:30 ~~Commercial Union Ins. Co.~~ Peerless Ins. Co. Sam Leggett Bob Bondy

11:30-12:00 Peerless Ins. Co.

X Acadia talked to
Rick Sawyer Judy Plummer
772-4300

Greg St. Angelo
Commercial Union
Sam Leggett
761-7233

eFT msg.

X Jean X4355

AGENDA FOR FRIDAY, JUNE 19, 1992
(Law School)

- MD Casualty Insurance
Gordon Czech
- 9:00-9:45
9:45-10:30
10:30-11:15
11:15-12:00

NO
① Tom Driscoll Liberty Mutual (not in until Mon.)
617-574-5674 he'll call
→ by end of Tues. will get back to me

NO
② Henry Katz Hartford (in this afternoon)
203-~~577~~⁵⁴⁷-5000 he'll call
x4963 left another msg 6/15

NO
③ Roger Thompson Travelers (left msg. on machine)
203-277-4944 left msg again 6/15

YES * ④ Gordon Czech MD Casualty Insurance
410-338-9681 will definitely come

not sufficient
experience in
the ME
workers
comp.
market

will not be able to come - antitrust suit problem

IIAAM
PIAAM

The Independent
Insurance Agents Association, Inc. (of Maine)
PROFESSIONAL INSURANCE AGENTS

NINETY-THIRD YEAR

432 WESTERN AVENUE, AUGUSTA, MAINE 04330

James A. Thibodeau, President
of PORTLAND

~~JOHN W. CLARK~~
~~Executive Vice President/Treasurer~~
~~207-629-1875 1-800-439-1875~~
~~FAX 626-0275~~

AGENDA FOR MONDAY, JUNE 22, 1992
(Portland Jetport)

10:00-12:00 Jim Ellenberger

12:00-1:00 Lunch

1:00-2:00 NCCI

SUMMARY OF WORK SESSION OF JULY 1, 1992
(Lewis Checklist)

ISSUE: SECURING THE PAYMENT OF BENEFITS

Picker: Voluntary market
Mutual Fund

Hathaway: ME law for self-insureds
Mutual fund - not run by state
New Mexico plan

Dalbeck: ME law plus competitive mutual fund (self-supporting)
Greater accountability
Role of Insurance Dept. same as with other types of insur.

Levesque: Greater monitoring of system
ER/EE participation, no one watchdog

ISSUE: ESTABLISHMENT OF WORKERS' COMPENSATION INSURANCE RATES

Hathaway: MI law
Competitive market

Dalbeck: MI law
Possible ceiling on rates for approx. one year

Levesque: MI law
Competitive market is key
Ceiling on rates for 1 to 1 1/2 years

Picker: MI law?
Ceiling on rates could be disincentive to get insurance
companies back in the market; consider file and use for
those coming into market

ISSUE: COVERAGE OF EMPLOYERS AND EMPLOYEES

Dalbeck: ME law

Levesque: ME law

Picker: ME law
One problem - small companies disadvantaged in competing
with those not included in the system; should extend
safety to all ER's, not just those in the system

Hathaway: ME law
Need more input on MI position that contractors are
responsible for subs if not providing their own
insurance

ISSUE: COVERAGE OF INJURY AND DISEASE

- Levesque: ME law
Need to educate medical profession
Medical profession should be able to be relied upon to
determine underlying cause of diseases
- Picker: Need to move workers' comp. back to its real purpose
instead of using it as a substitute for a health care
system
Predominant cause definition
- Hathaway: ME law - clearer definitions
Not in favor of predominant cause - will only lead to
more litigation
- Dalbeck: ME law - better definitions, less confusing
Need more input regarding predominant cause

ISSUE: INDEMNITY BENEFITS

TOTAL DISABILITY

- Picker: ME or MI law - doesn't matter
- Hathaway: MI law - more realistic
- Dalbeck: Leaning toward MI law
Likes 80% net
- Levesque: MI law
80% net should maybe be just a guideline

PARTIAL DISABILITY

- Hathaway: MI law
Need more testimony on impairment basis, but leaning
against impairment and toward income basis
- Dalbeck: Leaning towards MI law, except for lack of cap
Keep ME cap of 520 weeks
Need more input on impairment basis
- Levesque: MI law with some adjustments
- Picker: Wants to hear from Barth before making final decision

ISSUE: DEATH BENEFITS

- Dalbeck: MI law
- Levesque: MI law

Picker: Either

Hathaway: MI law

ISSUE: MEDICAL BENEFITS

Levesque: Need to bring costs in line with regular health care costs

Picker: Need good administration of medical system, doesn't matter so much what the law is
Need to bring costs in line with regular health care costs

Hathaway: Likes aspects of ME and MI systems
No decision right now

Dalbeck: Leaning toward MI, but likely a mixture of ME and MI
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Picker:

Hathaway:

Dalbeck: MI law

Levesque: MI law - simplifies system

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Postpone decision until further discussion

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be good in some areas
Need counseling as to how to use lump sum award properly

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but need to have more guidelines to make sure
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More regulation, control

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ER/EE committee is desirable, act as Board of Directors
Make it a separate agency
Fund system by contributions from all ER's, separate from
state funds
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Selection of ER's and EE's - labor groups (AFL-CIO)
submit slate to governor, local chambers should submit
slate to governor (unlike in TX where governor alone
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Do not make it part of Department of Labor (unlike MI)
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Role of Supt. of Insurance should be limited
Need to study area more

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should still play their normal role as they do with

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Chair of commission should rotate

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Need one person to answer for entire system

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Should also consider that the independent agency be involved in the appointment of IME's - ER's and EE's should agree on doctors

Also need to look at residual pool servicing

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Hathaway: MI law - greater coordination of benefits

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Need more data, especially regarding workplace health and safety fund

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ISSUE: VOCATIONAL REHABILITATION

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Do not make it mandatory, some type of contract basis

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Get people back to work
Apply voc. rehab. where it will work

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Problem with ME law - no safety programs since advent of OSHA which can't properly supervise workplace safety
Dept. of Labor should do its fair share
Group self-insureds should teach one another safety

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Need to later discuss possibility of putting safety advice under Workers' Comp. Comm. but expecting it to be further reaching (applicable to all ER's) - better than putting safety under Dept. of Labor because ER's and EE's both have self-interest in safety

Hathaway: Have Workers' Comp. Comm. responsible for safety

SUMMARY OF WORK SESSION OF JULY 1, 1992
(Lewis Checklist)

ISSUE: SECURING THE PAYMENT OF BENEFITS

Picker: Voluntary market
Mutual Fund

Hathaway: ME law for self-insureds
Mutual fund - not run by state
New Mexico plan

Dalbeck: ME law plus competitive mutual fund (self-supporting)
Greater accountability
Role of Insurance Dept. same as with other types of insur.

Levesque: Greater monitoring of system
ER/EE participation, no one watchdog

*If have state competitive fund
must be completely separate from
state ~~fund~~ treasury: must
not be able to drain state
treasury in any way nor
for state to borrow or
in any way use the
fund's assets or
credit -
impenetrable
barrier
must be
set up*

ISSUE: ESTABLISHMENT OF WORKERS' COMPENSATION INSURANCE RATES

Hathaway: MI law
Competitive market

Dalbeck: MI law
Possible ceiling on rates for approx. one year

Levesque: MI law
Competitive market is key
Ceiling on rates for 1 to 1 1/2 years

Picker: MI law?
Ceiling on rates could be disincentive to get insurance
companies back in the market; consider file and use for
those coming into market

ISSUE: COVERAGE OF EMPLOYERS AND EMPLOYEES

Dalbeck: ME law

Levesque: ME law

Picker: ME law
One problem - small companies disadvantaged in competing
with those not included in the system; should extend
safety to all ER's, not just those in the system

Hathaway: ME law
Need more input on MI position that contractors are

responsible for subs if not providing their own insurance

ISSUE: COVERAGE OF INJURY AND DISEASE

- Levesque: ME law
Need to educate medical profession
Medical profession should be able to be relied upon to determine underlying cause of diseases
- Picker: Need to move workers' comp. back to its real purpose instead of using it as a substitute for a health care system
Predominant cause definition
- Hathaway: ME law - clearer definitions
Not in favor of predominant cause - will only lead to more litigation
- Dalbeck: ME law - better definitions, less confusing
Need more input regarding predominant cause

ISSUE: INDEMNITY BENEFITS

TOTAL DISABILITY

- Picker: ME or MI law - doesn't matter
- Hathaway: MI law - more realistic
- Dalbeck: Leaning toward MI law
Likes 80% net
- Levesque: MI law
80% net should maybe be just a guideline

PARTIAL DISABILITY

- Hathaway: MI law
Need more testimony on impairment basis, but leaning against impairment and toward income basis
- Dalbeck: Leaning towards MI law, except for lack of cap
Keep ME cap of 520 weeks
Need more input on impairment basis
- Levesque: MI law with some adjustments
- Picker: Wants to hear from Barth before making final decision

ISSUE: DEATH BENEFITS

Dalbeck: MI law

Levesque: MI law

Picker: Either

Hathaway: MI law

ISSUE: MEDICAL BENEFITS

Levesque: Need to bring costs in line with regular health care costs

Picker: Need good administration of medical system, doesn't matter so much what the law is
Need to bring costs in line with regular health care costs

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No decision right now

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AREAS IN WHICH ADDITIONAL INFORMATION IS NEEDED

COVERAGE OF EMPLOYERS AND EMPLOYEES
(Hathaway/Levesque)

Under MI law - how are subcontractors treated and defined

COMPENSABILITY
(Lewis)

More info regarding predominant cause definition

PERMANENT PARTIAL
(Barth)

Whether impairment approach is worth considering

MEDICAL BENEFITS
(Picker)

More general info, including fee schedules

DISPUTE RESOLUTION
(Hathaway/Jane Orbeton)

General info, including small claims area

ADMINISTRATIVE STRUCTURE
(Dalbeck)

General info and fleshing out

SPECIAL FUNDS
(Lewis/Levesque/Picker)

General info

OTHER AREAS THAT NEED TO BE STUDIED AND DISCUSSED

RESIDUAL POOLS

MONITORING OF THE SYSTEM

HOW TO PHASE IN A NEW SYSTEM/WHAT TO DO ABOUT OLD SYSTEM

OMBUDSMAN

CONFLICT OF INTEREST LAW

COMPETITIVE MUTUAL COMPANY

TO: Commissioners Hathaway, Dalbeck, Picker and Levesque
FROM: Michelle
DATE: July 2, 1992

I have enclosed a summary of the work session held yesterday (July 1). I have tried to briefly summarize each of your thoughts on the issues discussed. Blanks do not mean that someone had no thoughts on the subject, but only that I was out of the room at the time and the tape recorder was not on. Please let me know if I have mischaracterized anyone's remarks and I will change them accordingly. On page 7, I have listed the areas that you divided up among yourselves for further study. You might be able to use this as an agenda for the meeting on the 9th.

See you on the 9th.

7/6/92

Michelle,

Many thanks for your summary of the work session.
It is most helpful.

During the discussion of a state competitive fund,
I made a comment that I feel strongly enough about to
ask that it be included:

If we are to have a state competitive fund it has
to be devised so that it is impossible for it to become
a drain on the state treasury in any way. It must also
be impossible for the state to borrow, hypothecate, or
in any other way to use the competitive fund's assets
or credit. In other words, an impenetrable barrier has
to be created between the state's funds and taxing
ability on the one side, and the assets, credit, and
fiscal soundness of the fund.

cc Dick Dahlbeck
Bill Hathaway
Emilien Levesque

Harry Packer

UPCOMING SCHEDULE FOR
BLUE RIBBON COMMISSION
(Updated 7/2)
For Internal Use Only

<u>Date</u>	<u>Place</u>	<u>Agenda</u>
July 9 (Thursday)	Brunswick (Daniel Stone Inn)	9:00-5:00 Working Session
July 14 (Tuesday)	Law School	10:00-5:00 Working Session
July 15 (Wednesday)	Law School	10:00-5:00 Working Session
July 20 (Monday)	TBA	Time TBA Working Session
July 21 (Tuesday)	TBA	Time TBA Working Session Final Meeting?

UPCOMING SCHEDULE FOR
BLUE RIBBON COMMISSION
(Updated 7/9)
For Internal Use Only

<u>Date</u>	<u>Place</u>	<u>Agenda</u>
<i>NO</i> July 15 (Wednesday)	Law School	10:00-5:00 Working Session John Lewis
July 20 (Monday)	Law School	10:00-5:00 Working Session
July 21 (Tuesday)	Law School	10:00-5:00 Working Session Final Meeting?

AGENDA FOR JULY 10, 1992
(Daniel Stone Inn)

9:00-10:00 ME Workers' Comp. Residual Market Pool

Mitch Sammons (Employer and Chair
of Board of Governors)
Sheraton Corporation

Lee Cyr (Insurer and member of
Board of Governors)
Hanover

10:00-5:00 Discussion of remaining issues

AGENDA FOR TUESDAY, JULY 14, 1992
(Law School)

10:00-5:00 Discussion of issues with John Lewis

- ✓ Compensability - predominant cause definition
- ✓ Permanent Partial - whether impairment approach is worth considering
- ✓ Safety - how to handle a safety program without being too much of a burden on the 8 Commissioners?
- ✓ How to monitor the system