

WORKERS' COMPENSATION BOARD

MISSION

Most private and public sector employers in New York are required to carry workers' compensation and disability benefits insurance for their employees or demonstrate their ability to self-insure. The Workers' Compensation Board reviews claims for workers' compensation payments and assists in resolving disputed claims. In performing these responsibilities, the Board administers provisions of the following laws: the Workers' Compensation Law, the Disability Benefits Law, the Civil Defense Volunteers' Law, the Volunteer Firefighters' Benefit Law and the Volunteer Ambulance Workers' Benefit Law.

Because of its broad mission, the Board is responsible for implementing many of the reforms included in the Governor's New York Employment, Safety and Security Act that made historic reforms in the workers' compensation system. The Act has improved workplace safety and reduced employer premiums by an average of 18 percent in 1996. Premiums were further reduced by 8 percent in 1997 and by 6 percent in 1998 — a 32 percent reduction since enactment of the reforms.

The Board has continued to institute several efficiencies during 1999 that have reduced costs and improved services. Among other advances, the Board increased the number of hearings held, made greater use of such electronic tools as video conferencing and created a new, expedited hearing process. The Board also, as required by the Governor's reform bill, created a new Workers' Compensation Inspector General with staff located across the State.

ORGANIZATION AND STAFFING

The Board is headed by a Chairperson selected by the Governor and includes 12 additional full-time members nominated by the Governor and confirmed by the Senate for seven year terms. District offices are located in Albany, Brooklyn, Binghamton, Buffalo, Hauppauge, Hempstead, Peekskill, Rochester, and Syracuse, with administrative offices in Albany. To make the hearing process as convenient as possible, the Board has 29 customer service centers located throughout the State. The Board's authorized staffing for 2000-01 is 1,727 positions.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Board is funded with assessments on the Workers' Compensation and Disability Benefits insurance industry and with revenues produced by various services provided by the Board. The assessments paid by insurers are allocated to three major programs: Disability Benefits, Systems Modernization and Workers' Compensation.

The 2000-01 Executive Budget recommends approximately \$147.6 million for the Board, an increase of \$7.4 million. The recommended funding will enable the Board to continue to fulfill the Governor's commitment to revamp the operations of the Board and thereby improve service to businesses and injured workers. Major recommendations are as follows:

- A \$2 million reduction in the System Modernization program reflects the elimination of the remaining start-up costs for the new "electronic case folder" system, which became fully operational in 1999-2000 and which transformed the Board into a "paperless" operation.
- A \$3.5 million reduction reflects the completion of the consolidation of the Board's administrative offices.

WORKERS' COMPENSATION

- An \$8.9 million increase for the relocation of the Brooklyn office to 3 new, smaller offices, which is required by the expiration of the lease at the Brooklyn location and which will make the Board more accessible to its customers.

An additional \$3.5 million is also recommended for the maintenance of the Board's technology and for various management improvements. These improvements include creating a customer call center, developing a data warehouse to link the Board's separate data bases into a single, agency-wide information system and installing a new financial management information system.

PROGRAM HIGHLIGHTS

DISABILITY BENEFITS PROGRAM

Disability Benefits provide cash payments in lieu of lost wages to temporarily disabled employees. Coverage is required for employers of one or more employees with such selected exceptions as agricultural enterprises and public employers. Weekly statutory cash benefits equal one-half of a disabled worker's weekly wage, with a maximum of \$170 per week for a 26 week period.

SYSTEMS MODERNIZATION PROGRAM

The Office for Systems Modernization manages a multi-year effort to overhaul the Board's capacity to manage and use information. This program also maintains computerized systems vital to various Board operations and collects and analyzes data that measure performance and identify potential problems. Now that the Board has automated and improved the claims processing operation, its focus is being directed to other functional areas in need of automation and re-engineering, including Administration, Research and Compliance and Regulatory Services. When the modernization program is complete, the Board will have a new Workers' Compensation Board Information System that will automate and streamline all business activities. This has already increased productivity by enhancing the Board's capacity to process the millions of pieces of information it receives each year.

WORKERS' COMPENSATION PROGRAM

The Workers' Compensation Board reviews worker's claims for benefits, reports of injury filed by employers and medical reports from physicians and other health care providers. The Board adjudicates all issues, and law judges make awards and findings to ensure that an entitled claimant promptly receives benefits and medical treatment. The decisions by the law judges may subsequently be appealed to Board panels and eventually to the courts. The Board, through its Bureau of Compliance, also monitors employers to ensure that they properly provide coverage for their employees and levies penalties on those employers who fail to do so. In addition, the Board's Regulatory Services Bureau authorizes physicians to treat compensation cases, awards licenses to medical providers and arbitrates disputed medical bills.

WORKERS' COMPENSATION

ALL FUNDS APPROPRIATIONS

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations	\$140,210,300	\$147,579,400	+\$7,369,100	....
Aid To Localities .....	....	....	....	....
Capital Projects .....	....	....	....	....
Total	\$140,210,300	\$147,579,400	+\$7,369,100	....

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	Available 1999-00	2000-01 Recommended Average Fill Level			Change
		Personal Service (Regular)	Maintenance Undistributed	Total Recommended 2000-01	
Disability Benefits					
Special Revenue Funds - Other	65	65	....	65	....
Systems Modernization					
Special Revenue Funds - Other	85	87	....	87	+2
Workers' Compensation					
Special Revenue Funds - Other	1,623	1,575	....	1,575	-48
Total	1,773	1,727	....	1,727	-46

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
Special Revenue Funds - Other	\$140,210,300	\$147,579,400	+\$7,369,100
Total	\$140,210,300	\$147,579,400	+\$7,369,100

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1999-00	Recommended 2000-01	Change
Disability Benefits			
Special Revenue Funds - Other	\$6,652,000	\$6,980,400	+\$328,400
Systems Modernization			
Special Revenue Funds - Other	33,823,500	37,371,200	+3,547,700
Workers' Compensation			
Special Revenue Funds - Other	99,734,800	103,227,800	+3,493,000
Total	\$140,210,300	\$147,579,400	+\$7,369,100

WORKERS' COMPENSATION

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Disability Benefits	\$6,980,400	+\$328,400	\$3,928,100	+\$29,000
Systems Modernization	37,371,200	+3,547,700	4,058,400	+99,900
Workers' Compensation	103,227,800	+3,493,000	58,507,300	-1,090,300
Total	<u>\$147,579,400</u>	<u>+\$7,369,100</u>	<u>\$66,493,800</u>	<u>-\$961,400</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Disability Benefits	\$3,052,300	+\$299,400	.....	.....
Systems Modernization	33,312,800	+3,447,800	.....	.....
Workers' Compensation	43,951,100	+4,747,300	\$769,400	-\$164,000
Total	<u>\$80,316,200</u>	<u>+\$8,494,500</u>	<u>\$769,400</u>	<u>-\$164,000</u>