

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 improved workplace safety and reduced average workers' compensation rates by nearly 40 percent since enactment of the reforms.

The Board continues to work to reduce costs and improve services. Among other advances, the Board increased the number of hearings held, made greater use of such electronic tools as video conferencing, electronic signatures and internet access to various forms and created a new performance measurement system for claims processing. At the Governor's direction, the Board also created a new Workers' Compensation Inspector General with staff located across the State. In 1999, the Inspector General's office received 1,500 alleged fraud case referrals, investigated and closed 1,223 cases and submitted over 450 cases to various authorities for criminal prosecution or other appropriate action.

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 30 additional customer service centers located throughout the State. The Board will have a workforce of 1,688 positions for 2001-02.

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 2001-02 Executive Budget recommends approximately \$159.7 million for the Board, an increase of \$3.4 million. The recommended funding will enable the Board to continue to fulfill the Governor's commitment to improve service to businesses and injured workers. Major recommendations are as follows:

- Expanded use of electronic data exchanges with customers will reduce costs and provide recipients with faster notice.
- Funding to continue several multi-year technology projects in 2001-02, including 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.

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- Additional staff for enhanced Inspector General investigation activities which will further reduce employer costs.
- Funding is also continued for the relocation of the Brooklyn district office to three new, smaller offices which will make the Board more accessible to its customers. Relocation to the new Queens and Brooklyn locations is expected to be completed this year and the Manhattan move will occur by the end of 2001-02.

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.

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The Workers' Compensation Board reviews workers' 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 imposes 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.

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ALL FUNDS APPROPRIATIONS (dollars)

<u>Category</u>	<u>Available 2000-01</u>	<u>Appropriations Recommended 2001-02</u>	<u>Change</u>	<u>Reappropriations Recommended 2001-02</u>
State Operations	156,282,400	159,724,400	3,442,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>156,282,400</u>	<u>159,724,400</u>	<u>3,442,000</u>	<u>0</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

<u>Program</u>	<u>2000-01 Estimated FTEs 03/31/01</u>	<u>2001-02 Estimated FTEs 03/31/02</u>	<u>FTE Change</u>
Disability Benefits			
Special Revenue Funds - Other	59	57	(2)
Systems Modernization			
Special Revenue Funds - Other	83	83	0
Workers' Compensation			
Special Revenue Funds - Other	1,568	1,548	(20)
Total	<u>1,710</u>	<u>1,688</u>	<u>(22)</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

<u>Fund Type</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
Special Revenue Funds - Other	156,282,400	159,724,400	3,442,000
Total	<u>156,282,400</u>	<u>159,724,400</u>	<u>3,442,000</u>
Adjustments:			
Transfer(s) From			
Special Pay Bill			
Special Revenue Funds - Other	(8,703,000)		
Appropriated 2000-01	<u>147,579,400</u>		

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

<u>Program</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
Disability Benefits			
Special Revenue Funds - Other	7,502,700	7,641,900	139,200
Systems Modernization			
Special Revenue Funds - Other	37,893,500	37,354,300	(539,200)
Workers' Compensation			
Special Revenue Funds - Other	110,886,200	114,728,200	3,842,000
Total	<u>156,282,400</u>	<u>159,724,400</u>	<u>3,442,000</u>

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**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2001-02 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Disability Benefits	7,641,900	139,200	4,371,100	56,200
Systems Modernization	37,354,300	(539,200)	4,589,400	144,200
Workers' Compensation	114,728,200	3,842,000	65,600,700	1,420,000
Total	159,724,400	3,442,000	74,561,200	1,620,400

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Disability Benefits	3,270,800	83,000	0	0
Systems Modernization	32,764,900	(683,400)	0	0
Workers' Compensation	48,527,500	2,591,400	600,000	(169,400)
Total	84,563,200	1,991,000	600,000	(169,400)