

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, increasing the reduction to 32 percent since enactment of the reforms.

The Board has continued to institute several efficiencies during 1998 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, Hempstead, Rochester, and Syracuse, with administrative offices in Albany. To make the hearing process as convenient as possible, the Board has hearing locations throughout the State. The Board's authorized staffing for 1999-2000 is 1,773 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: Workers' Compensation, Disability Benefits and Systems Modernization.

The 1999-2000 Executive Budget recommends approximately \$140.2 million for the Board, a decrease of \$4.8 million resulting from the planned elimination of one-time funding related to the upgrading of the Board's technology. 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 services to businesses and injured workers. Major recommendations for 1999-2000 are as follows:

- \$9.5 million to complete the conversion from a paper-based, manual claims processing operation to a paperless "electronic case folder" that will streamline Board operations and improve customer service. The electronic case file system will be fully operational during 1999-2000.
- \$3.5 million to complete the restructuring of the Board's administrative and district offices. The Board's administrative offices were consolidated in Albany in 1998-99 and new district offices will be opened in Peekskill and Long Island to improve

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customer access to Board services. This Budget also maintains funding for additional regional service centers statewide and to address the cost of relocating the Buffalo and Syracuse district offices to larger, more accessible locations.

PROGRAM HIGHLIGHTS

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.

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. When the modernization program is complete, the Board will have a new Workers' Compensation Board Information System that will automate current claims-related activities. This will increase productivity by enhancing the Board's capacity to process the millions of pieces of information it receives each year.

ALL FUNDS APPROPRIATIONS

<u>Category</u>	<u>Available 1998-99</u>	<u>Appropriations Recommended 1999-00</u>	<u>Change</u>	<u>Reappropriations Recommended 1999-00</u>
State Operations	\$145,014,900	\$140,210,300	-\$4,804,600	. . . .
Aid To Localities
Capital Projects
Total	<u>\$145,014,900</u>	<u>\$140,210,300</u>	<u>-\$4,804,600</u>	<u>. . . .</u>

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ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	Available 1998-99	Personal Service (Regular)	Maintenance Undistributed	1999-00 Recommended Average Fill Level Total Recommended 1999-00	Change
Workers' Compensation					
Special Revenue Funds — Other	1,626	1,613	. . . .	1,613	-13
Disability Benefits					
Special Revenue Funds — Other	75	75	. . . .	75	. . . .
Systems Modernization					
Special Revenue Funds — Other	85	85	. . . .	85	. . . .
Total	1,786	1,773	. . . .	1,773	-13

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1998-99	Recommended 1999-00	Change
Special Revenue Funds — Other	\$145,014,900	\$140,210,300	-\$4,804,600
Total	\$145,014,900	\$140,210,300	-\$4,804,600

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1998-99	Recommended 1999-00	Change
Workers' Compensation			
Special Revenue Funds — Other	\$98,494,600	\$99,427,600	+ \$933,000
Disability Benefits			
Special Revenue Funds — Other	6,835,400	6,959,200	+ 123,800
Systems Modernization			
Special Revenue Funds — Other	39,684,900	33,823,500	-5,861,400
Total	\$145,014,900	\$140,210,300	-\$4,804,600

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Workers' Compensation	\$99,427,600	+ \$933,000	\$59,290,400	+ \$915,200
Disability Benefits	6,959,200	+ 123,800	4,206,300	+ 94,200
Systems Modernization	33,823,500	-5,861,400	3,958,500	+ 94,200
Total	\$140,210,300	-\$4,804,600	\$67,455,200	+ \$1,103,600

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Workers' Compensation	\$39,203,800	+ \$1,752,900	\$933,400	-\$1,735,100
Disability Benefits	2,752,900	+ 29,600	. . . .	. . . .
Systems Modernization	29,865,000	-5,955,600	. . . .	. . . .
Total	\$71,821,700	-\$4,173,100	\$933,400	-\$1,735,100