



MICHIGAN SELF-INSURERS' ASSOCIATION

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DaimlerChrysler Corporation
Neil D. Levins

DTE Energy
Danielle F. Susser

General Motors Corporation
Susan R. Azar

**Michigan Health & Hospital
Association**
Janet Kransz

Alticor, Inc.
Steve Ohman

Marathon Oil Company
Barbara Parker

MINUTES OF BOARD OF MANAGERS' MEETING

April 15, 2005

Holiday Inn, North Campus
Ann Arbor, Michigan

Present:

AZAR, S., General Motors Corporation
CALILLE, A., SBC
CHILD, L., Varnum Consulting
COMMET, J., ThyssenKrupp Budd Company
CYRULNIK, S., Trinity Health
GALLOWAY, P., Wayne State University
HEALY, M., Little Caesar Enterprises, Inc.
KRANSZ, J., Michigan Health & Hospital Association
LEVINS, N., DaimlerChrysler Corporation
OHMAN, S., Alticor, Inc.
PARKER, B., Marathon Oil
PARKER, J., Ford Motor Company
MAHAN, S., City of Grand Rapids
SCHAFER, K., Kmart Corporation
SUSSER, D., DTE Energy

Not Present:

HALLAN, J., Michigan Retailers Association
THOMAS, J., Consumers Energy Company

Guests: Various invited guests for deputy director's presentation.

The meeting was called to order at 11:42 a.m. to discuss the following agenda:

AGENDA

1. Employer Funding Presentation of Mr. David Plawecki and others
2. Minutes of Board of Managers' Prior Meeting
3. Treasurer's Report
4. Nominating Committee Report
5. Technology Committee Report
6. Funds Trustees Report
7. Editorial Committee Report

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8. Amicus Curiae Report
9. Health Care Committee Report
10. 2005 Fall Conference Report
11. 2005 Spring Conference Report
12. Old Business
13. New Business
14. Adjournment

Chairperson Libby Child noted that the Board Meeting would begin with Deputy Director Plawecki, Craig Petersen, and Chief Magistrate Nolish's presentation on employer and carrier funding of the state's workers' compensation budget. Mr. Plawecki, Mr. Petersen, and Magistrate Nolish, via charts and figures, explained the state's present budget crisis and how it affects funding of the Workers' Compensation Agency. Mr. Plawecki noted that most other states have employer and carrier funding of their respective workers' compensation systems. Mr. Plawecki also reported that his Advisory Council had been reviewing various means of funding workers' compensation. The primary methods discussed by the Advisory Council had been assessments, filing fees, and fines for late filings.

After the presentation, Mr. Plawecki opened the floor for discussion with the MSIA Board and its guests. A candid discussion ensued. The discussion concluded with the MSIA Board and its guests being of the opinion that funding for the Workers' Compensation Agency should come from the state's general fund as it had been historically. The Board noted that approximately three years ago funding via the general fund was stopped and replaced with other mechanisms which are no longer available. The Board's sense was that the state, in effect, enjoyed temporary relief from general funding of the workers' compensation system for that brief period of time, but now general funding should resume. The MSIA Board therefore opposed assessments and similar funding methods.

[After the MSIA Board Meeting, the Senate considered the funding issue. Mr. Plawecki ultimately advised the Senate Appropriations Committee that "any new assessment/user fee proposal for Workers' Compensation Administrative funding is off the table for the current fiscal year appropriations process. There is no intent or plan to approve such new changes." Mr. Plawecki did indicate to the Senate Appropriations Committee, that if "a significant consensus [can] be developed in the future," the funding issue may return.]

The Board then proceeded with its usual business meeting. The **Minutes** were approved upon recommendation of Mr. Calille, seconded by Ms. Parker.

The **Treasurer's Report** was provided by Ms. Mahan. She reported that the cash balance as of April 12, 2005, was \$184,012.39. The Treasurer's Report was approved upon the motion of Mr. Calille, seconded by Mr. Healy.

The **Nominating Committee Report** was submitted by Ms. Susser. She indicated that Ford Motor Company's new representative on the Board would be Jonathan Parker. Mr. Parker was welcomed by the Board.

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The **Technology Committee Report** was presented by Ms. Child. She reported that the Spring Conference brochure was on the MSIA website. She indicated that the opportunity to enroll for advertising on MSIA's website would be available at the Spring Conference. She also indicated that MSIA's webmaster, Tom Dana, will be at the spring conference and available for discussions with the MSIA membership.

The **Funds Trustees' Report** was presented by Ms. Child. She indicated that the Funds Trustees had met the preceding Monday. She reported that the assessment this year, for the second year in a row, would again be 3%. She further indicated that the Trustees noted that settlements of National Steel's claims are winding down and hope to conclude by the end of next year.

The **Editorial Committee Report** was presented by Ms. Parker, who indicated that the newsletter would be placed on MSIA's website.

The **Amicus Curiae Report** was presented by Mr. Calille and the Executive Secretary. Four cases were briefly discussed. Two cases were presently pending before the Michigan Supreme Court on leave granted with decisions expected soon. Those cases were *Cain v Waste Management/Second Injury Fund* and *Bailey v Oakwood Hospital/Second Injury Fund*. [These cases have recently been decided]. The case *Reed v Yackell*, a non-workers' compensation case, also remains pending. Its relevance is that one of the issues is the exclusive jurisdiction of the Workers' Compensation Agency. Mr. Calille also noted that *Paige v City of Sterling Heights* is pending on the employers' application for leave to appeal before the Supreme Court. The Court has not acted on that application, which is a claim for death benefits.

The **Healthcare Committee Report** was submitted by Ms. Azar. She indicated that a physical therapy person on the State's Healthcare Committee has expressed an interest in addressing a MSIA Board Meeting. She indicated that the person will provide a memo as to the subject matter intended for discussion. Other than that, Ms. Azar said that there had been no new Healthcare Committee meetings since the MSIA's last board meeting.

The **Fall 2005 Conference Committee Report** was presented by Ms. Galloway. She advised that the Fall Conference Committee has met. Another site for the fall conference has been considered and a quotation has been obtained from St. John's conference site. The Board decided that the board's meeting in conjunction with the fall conference could take place at a nearby hotel or at Trinity Health's offices, if necessary. Ms. Susser moved the Board to approve the next Fall Conference for the St. John's site with Mr. Healy seconding the motion. The motion passed. The precise date of the conference would be resolved by the next Board meeting. The St. John's site affords the possibility of golf in conjunction with the fall conference.

The **2005 Spring Conference Report** was provided by Ms. Child. She reported that just prior to the board meeting the committee had met and everything was well under control for the Spring Conference. The attendance appeared to be outstanding to the extent that there were no additional hotel rooms available at the Grand Traverse Resort. Ms. Child therefore arranged a list of nearby hotels to supply to continuing registrants. The speakers and program were again briefly reviewed. The Board resolved that it

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would not have a board meeting at the Spring Conference but, if something arose where that became necessary, a board meeting could take place at 4:00 p.m. on Wednesday. Ms. Kransz reported that at the time of the board meeting 32 vendors had enrolled.

The Board noted that Commissioner Martha Glaser had been appointed the Acting Chairperson of the Workers' Compensation Appellate Commission and she would be replacing former Chairperson William Reamon on the program. Also, Commissioner James Kent of the Workers' Compensation Appellate Commission was invited to participate in one of the breakout sessions. Mr. Plawecki indicated that the two vacancies on the Workers' Compensation Appellate Commission were likely to be filled within approximately two weeks.

Mr. Plawecki also took the opportunity to add that the Medicare setaside problem persists and the state will be seeking MSIA help to alleviate the problem. The Executive Secretary noted that, from reaction at the National Council of Self-Insurers, the Medicare setaside problem does not impact all states equally, which might hinder a national response. Mr. Plawecki indicated that the Medicare setaside problem would be taken up by his Advisory Council. On a different point, Mr. Plawecki also indicated that in the past there had been minimal outside investigation of whether employing entities in Michigan were appropriately insured. He indicated that within the last couple of months a new process for investigation has ensued to ensure that employing entities are in compliance.

Under **Old Business**, the Executive Secretary reviewed a letter sent to the Board by Ms. Thomas of Consumers Energy indicating her gratitude for everyone's thoughts during her recent convalescence. The Executive Secretary also noted the letter received from Magistrate Grattan indicating he was withdrawing his name from consideration for appointment at the Workers' Compensation Appellate Commission.

Under **New Business**, the Board approved two new members: Deborah Dorland and AON.

The Board concluded with instructions that the Executive Secretary communicate the Board's thoughts on the funding issue to the Chamber of Commerce, the small business community as well as the Michigan Manufacturers Association. The Board also mentioned that any funding proposal, if it was to happen, should be tie-barred to legislative changes.

The meeting adjourned upon motion of Ms. Cyrulnik, seconded by Ms. Susser at 4:10 p.m.

Respectfully submitted,

Gerald M. Marcinkoski

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Executive Secretary