

Dawn M. Drobnich
Executive Secretary

Board of Managers

DTE Energy
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Kellogg Company
Tara Albaugh
1st Vice Chair

Trinity Health
Mark G. Schneider
2nd Vice Chair

Ilitch Holdings, Inc.
Michael J. Niehaus
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Susan R. Azar

City of Grand Rapids
Craig Coulson

Wayne State University
Pamela Galloway

AT & T Michigan
Lisa M. Bruno-Herline

Wayne County Airport Authority
Cheryl Smith

Ford Motor Company
Katie Mason

Johnson Controls
Tracy A. Flynn

Consumers Energy Company
Doug Wright

Kelly Services, Inc.
Sandra DiCicco

University of Michigan
Kathleen M. Rychlinski

Marathon Petroleum Company LP
Lina Lee

Spectrum Health
Stephen Ohman

Lorraine Climer
Perrigo Company

MINUTES OF BOARD OF MANAGERS' MEETING
August 12, 2016
Muchmore Harrington Smalley & Associates
Lansing, Michigan

Reminder: Minutes are now only available via e-mail on the website. If you wish to receive the Minutes via e-mail, please provide your name, company name, and e-mail address to Keeli Baker via e-mail.

Present:

AZAR, S., General Motors LLC
BRUNO-HERLINE, L., AT&T Michigan (by phone)
CLIMER, L. Perrigo (by phone)
COULSON, C., City of Grand Rapids
DICICCO, S., Kelly Services
FLYNN, T., Johnson Controls
GALLOWAY, P., Wayne State University
GREEN, D., DTE Energy
LEE, L., Marathon Petroleum Company LP
MASON, K., Ford Motor Company
NIEHAUS, M., Ilitch Holdings, Inc.
OHMAN, S., Spectrum Health Occupational Services
RYCHLINSKI, K., University of Michigan
SCHNEIDER, M., Trinity Health
SMITH, C., Wayne County Airport Authority
WRIGHT, D., Consumers' Energy

Chairperson's Council:

McKINLEY, Delaney, Michigan Manufacturers' Association
PELAK, B., Meijer
SUSSER, D., MacArthur, MacArthur & Associates, P.C.
WHITE, D., FCA US LLC (by phone)

Not Present:

ALBAUGH, T.
BLOCK, W. Kellogg Company
CHILD, L.
PENZ, M., HSA WCF (representing the Group Funds)

The Board welcomed Ms. Heather Day, the Director of Employee Benefits at the Wayne County Airport Authority as invited by Ms.

Smith. Ms. Smith had indicated that on occasion Ms. Day will be her alternate when she is unable to attend the meeting. Ms. Day was welcomed to the Board Meeting.

The Chairperson, Mr. Green, called the meeting to order at 11:35 a.m. to address the following Agenda:

1. Minutes of Board of Managers' prior Board Meeting
2. Treasurer's Report
3. Funds Trustee Report
4. Legislative Committee Report
5. Membership Committee Report
 - a. Ideas from National Self Insured Conference
6. Nominating Committee Report
7. *Amicus Curiae* Committee Report
 - a. *Arbuckle v General Motors LLC*
 - b. *Roseman v City of Detroit*
8. Technology Committee Report
9. Health Care Committee Report
10. 2016 Fall Conference Committee Report
11. 2017 Spring Conference Committee Report
12. Old Business
 - a. Committee Assignments
 - b. Justice Joan Larson/Fall Conference
13. New Business
 - a. SISF Trustee
 - b. Workers' Compensation Board of Magistrates up for re-appointment 2017
 - c. CMS Recovery of conditional payments 2015

The **Minutes** were approved upon motion by Mr. Schneider and seconded by Ms. Smith.

The **Treasurers' Report** was submitted by Mr. Niehaus. He indicated in reviewing the checking and banking statements that the finances were in order. Mr. Niehaus and Mr. Schneider discussed that the Spring Conference was a great success and was very profitable. There were 50 exhibitors in total which was comprised of eight gold sponsors and 42 others. This was the most exhibitors to date at an MSIA Conference. Mr. Schneider indicated that in reviewing the financial reports, there were dramatic swings in revenue dependent upon whether it was a month with a conference. Mr. Schneider requested a month-by-month reporting of cash and revenue over the last three years to get a better look at the larger financial picture. Mr. Niehaus indicated he would begin the process of gathering the data. He indicated that we have enjoyed continued financial success with our past several conferences, noting that Mr. Schneider and the conference committees worked diligently to make it a success. Ms. Azar discussed that some of the revenue for the Spring Conference was spent in entertaining the gold sponsors, which

provided valuable feedback regarding various conference issues. Ms. Azar reported there was strong support from the gold exhibitors regarding moving the Fall Conference next year to the Detroit area.

The **Funds Trustee Report** was submitted by Mr. Green. He indicated the Trustees had met in June 2016. Regarding the SISF files, there were 89 open cases pertaining to Delphi. Mr. Green also discussed House Bill 5513 which would change the timing of the audit.

The **Legislative Committee Report** was submitted by Ms. McKinley. She indicated that this is an election year and, therefore, legislators' schedules were hectic. She stated that as far as workers' compensation issues were concerned, there is very little going on legislatively. Ms. McKinley expounded upon Mr. Green's comment regarding the SISF reporting requirements going from a calendar to a fiscal year. Ms. McKinley also indicated that there was some legislation being discussed regarding certain reimbursements for chiropractic care. She indicated that they would be watching the legislation carefully regarding conditions for reimbursement of certain chiropractic treatment, as well as potentially having chiropractors being able to expand their scope of practice. Ms. McKinley also discussed the legislation regarding the Amish that has been discussed in the past. Essentially, the Timberman's Fund has employed a lobbyist group arguing that the Amish have a competitive advantage. This legislation has not yet gained the support of either the Michigan Manufacturers Association or the Chamber of Commerce, as the Amish are abiding by the letter of the law. Ms. McKinley indicated they will continue to advise pertaining to the legislation. Finally, she indicated that there will be no ballot proposals on the legalization of marijuana, as the organizations failed to gather enough signatures with respect to same. She indicates it is her understanding that the various groups will be aiming for the ballot in 2018.

The **Membership Committee Report** was submitted by Ms. Smith. She indicated that two potential members have applied to the Board for membership: (1) Biomed Specialty; and (2) Dane Street. Upon motion by Ms. Rychlinski and seconded by Ms. Flynn, the Board approved and welcomed Biomed Specialty and Dane Street as new members. Ms. Smith did indicate that when membership renewals go out, as well as when inviting new members, they should be advised that the membership dues are deductible for tax purposes. Ms. Smith noted that 13 renewals were in as of August 2016 and a total of 166 membership renewals being sent out for renewal. Ms. Smith indicated that her committee would be splitting up the lists and calling all members that did not renew from the previous year to support the effort on retaining members and expanding the membership.

The **Nominating Committee Report** was submitted by Ms. Rychlinski. She indicated that the committee has had a couple of meetings via telephone and have discussed various issues. Specifically, Ms. Rychlinski indicated her committee discussed formulating a set of criteria for the requirements to be on the Board of Managers. Committee members agreed that for the officers positions, experience on the Board should be a requirement, as well as taking into consideration the seniority of the company on the Board. Ms. Rychlinski discussed the nominating committee ascertaining a firm seniority list for both the personnel on the Board as well as their respective companies. Ms. Rychlinski indicated that her committee will be circulating their recommendations to the Board to adopt the policy with objective

formalized procedures going forward for the slate of officers. She indicated her committee felt that if a Board member takes a hiatus of two years or less, their seniority shall resume. If the hiatus is greater than two years, the clock would start over regarding their seniority on the Board. The Board was generally in agreement with this approach. Further discussion by Ms. Rychlinski included Ms. Albaugh of Kellogg. Although Ms. Albaugh had submitted an e-mail regarding resignation from her position on the Board, it was unclear whether Kellogg wanted to retain a spot on the Board or if that position should be filled. Ms. Rychlinski and the Executive Secretary will reach out to Ms. Albaugh for the next Board meeting to ascertain clarification on this issue. Ms. Rychlinski indicated they would be bringing back an objective policy to the Board for their approval.

The ***Amicus Curaie Committee Report*** was submitted by the Executive Secretary. Ms. Droblich advised that per discussion with Mr. Marcincoski who had submitted the *amicus* brief for MSIA on behalf of *Arbuckle v General Motors*, the Michigan Supreme Court had ruled in favor of General Motors. The Court held that in light of proposed retirement changes made to Mr. Arbuckle's pension plan, GM can coordinate his workers' compensation benefits with his disability pension benefits. The Court's decision was authored by Justice Larsen and was unanimous.

Subsequent to that decision, plaintiff has filed a motion for rehearing with the Michigan Supreme Court. It is confined to arguing that the Court should not have considered plaintiff's social security argument to have been abandoned. Mr. Marcincoski has submitted an *amicus* brief on behalf of MSIA in response to plaintiff's motion for rehearing.

Additionally, the Executive Secretary discussed the *amicus* brief that had been submitted in the case of *Roseman v City of Detroit*. There was an Order on April 25, 2016 by the Michigan Supreme Court vacating the judgment of the Court of Appeals and remanding the case to the Wayne County Circuit Court for the Court to consider whether it had subject matter jurisdiction to hear the plaintiff's claims pursuant to MCL 418.131(1) and MCL 418.827(1). We will continue to keep the Board advised in this matter.

The **Technology Committee Report** was submitted by Mr. Ohman. He indicated that the Committee needed to have a refresher on the website and how to make changes. The real issue pertains to the updating of the website. Mr. Ohman stated that he would contact Mr. Parker regarding his previous experience pertaining to the website. Ms. Rychlinski indicated it is important that the website stay maintained and is current, as most people conduct their business online. She indicated that it is especially important as it pertains to membership renewals.

The **Health Care Committee Report** was submitted by Ms. Azar. She indicated the Committee had met in May and July 2016. She indicated that there was a discussion pertaining to a new utilization definition, as well as issues regarding drug testing fees. Ms. Azar advised that the Health Care Committee voted for the new rules to move forward to the Joint Committee on Administrative Rules (JCAR). Ms. Azar and Ms. McKinley will be monitoring this situation closely and will advise the Board at the next meeting.

The **Fall Conference Committee Report** was submitted by Mr. Schneider. He indicated that conference preparations were proceeding nicely. He stated that the theme for the 2016 Fall Conference was "Capitol Ideas for a Cost Effective Workers' Compensation Program", noting the theme tied in with the meeting being held in the capital, Lansing, Michigan. He indicated that the Committee is excited to host the first Fall Committee cocktail reception to be held on October 12, 2016 at the Lansing Center. Lodging will be reserved at the adjacent Radisson Hotel. There will be a Board Meeting on October 12, 2016 before the cocktail reception.

The **Spring Conference Committee Report**, Mr. Schneider indicated the dates for the contract for the Amway Grand for the Spring 2017 Conference are May 31, 2017 through June 1, 2017. Regarding the 2018 Spring Conference date, Ms. Droblich indicated that she has been told by the National Self Insurers' Association that their conference date will be determined by the end of September and requested that the Board wait to sign a 2018 contract until after that date has been ascertained.

Under **Old Business**, the Committee Assignments for 2016 was circulated and discussed. Ms. Mason had been added to several Committees due to Mr. Parker's resignation from the Board. Ms. Droblich discussed that Justice Joan Larsen has committed to speak at the 2016 Fall Conference in Lansing. The Board is excited to welcome Justice Larsen to her first MSIA Conference.

Under **New Business**, there was discussion regarding Mr. Green's term limits as an SISF Trustee. Recommendations were being made for a new Trustee to replace Mr. Green. Additionally, the Executive Secretary circulated the list of Workers' Compensation Board of Magistrates up for reappointment in 2017. Additional information discussed was the CMS recovery of conditional payments. It should be noted that CMS collected over \$125 million dollars from the Medicare Trust Funds in 2015.

Upon motion by Ms. Azar and seconded by Mr. Wright, the meeting was adjourned at 4:34 p.m.

Respectfully submitted,

Dawn M. Droblich
Executive Secretary