

MINUTES OF MEETING  
OF THE INDUSTRIAL COMMISSION OF ARIZONA  
Held at 800 W. Washington  
Conference Room 308  
Phoenix, Arizona 85007  
Thursday, June 10, 2010 – 1:00 p.m.

Present:	Brian Delfs	Chairman
	John A. McCarthy, Jr.	Member
	David Parker	Member
	Kathleen Oster	Member
	Laura McGrory	Director
	Andrew Wade	Chief Legal Counsel
	William Wright	Asst. Director, ADOSH
	Renee Pastor	Self Insurance Manager
	David Sosa	Special Fund Monitor
	Noreen Thorsen	Claims Manager
	Pam Sanchez	Asst. Claims Manager
	Melissa Smith	Compliance Supervisor
	Caroline Campbell	Legal Dept.
	Toni Karnas	Legal Dept.
	Teresa Hilton	Commission Secretary

Chairman Delfs convened the Commission meeting at 1:00 p.m. noting a quorum present. A list of attendees for the Physician's and Pharmaceutical Fee Schedule hearing who chose to sign in is attached. A court reporter was also present and a transcript of the public hearing portion of the meeting will be included with the minutes when available.

Public Hearing to accept comments and other information regarding the 2010-2011 Physicians' and Pharmaceutical Fee Schedule pursuant to A.R.S. §23-907(B). During this hearing, the Commission may also discuss the fee schedule and information relevant to the annual update

Chairman Delfs welcomed interested parties to the public hearing and advised that notice was provided to the public inviting comments. He also advised that the record will remain open for public comment until June 24, 2010 at 5:00 p.m. At a later scheduled meeting, the Commission will discuss and may take action on the fee schedule update. A court reporter was present for this agenda item.

Director McGrory summarized the 2010 Staff Recommendations and highlighted some of the issues and proposed changes to the Physician's Fee Schedule. The following attendees addressed the Commission and responded to questions from the Commissioners and Director: Chic Older, Executive Vice President, Arizona Medical Association; Kristi Armijo, Director, Workers' Comp, Comp Pharm; Cynthia Everlith, Practice Administrator, Arizona Hand & Wrist Specialists; Sandy Shtab, Compliance & Gov't Affairs, Healthsystems; and Mark Hyland, Clinical Director, STI, PT & Rehab.

Chairman Delfs thanked all of the speakers and stated that all comments made will be considered by the Commission. He reminded those present that the record would remain open

until June 24, 2010 at 5:00 p.m. for additional comments. He closed the hearing at 2:12 p.m. The Commission continued with its regularly scheduled meeting.

Approval of Minutes of June 2, 2010 Meeting

The Commission unanimously approved the Minutes of June 2, 2010 on motion of Mr. Parker, second of Mr. McCarthy.

Discussion & Action of Proposed OSHA Citations and Penalties

Sturm, Ruger & Company, Inc. - Bill Wright advised that the Commission considered and took action on proposed penalties against this employer at last week's meeting. Due to a typographical error on the agenda, the employer's name was not spelled correctly. The Agenda now contains the correct spelling of the employer and Mr. Wright requested that the Commission affirm the action taken at last week's meeting. The Commission unanimously ratified their previous action and approved issuing the citations and penalties against this employer on motion of Mr. Parker, second of Mr. McCarthy.

Discussion & Action regarding Attorneys' Fee Petition

Weston Montrose, Taylor and Associates, PLLC, v Ivan Kancab – Andrew Wade advised that the Commission considered this attorney fee petition at a previous meeting and ordered attorney fees to be paid. Due to a miscalculation in the reasonable hourly rate, rather than an award of \$63.45, staff is recommending an award of \$14.95. The Commission unanimously approved the attorney fee award of \$14.95 on motion of Mr. McCarthy, second of Mr. Parker.

Discussion & Action of Proposed Civil Penalties against Uninsured Employers

2C08/09-1800	Acefam, LLC dba Leyva's Towing & Auto Repair
2C09/10-1405	Jim Jones & Patti Jones, Husband & Wife dba Jim & Patti Jones II
2C09/10-2472	Nogales Theater Operations Company, LLC dba Oasis Cinema

Mr. Wade introduced Legal compliance staff members Caroline Campbell and Toni Karnas to the Commission. He advised that with regard to the above listed employers, a compliance investigation confirmed that they were operating (or had operated) a business with employees, but without workers' compensation insurance. Mr. Wade stated that staff had initially recommended a penalty of \$1,000.00 against employer #2472 but now recommends a reduced penalty of \$500.00 since they have recently obtained coverage. Giving consideration to the factors of A.R.S. §23-907(K), civil penalties of \$1,000.00 are recommended against employers #1800 and 1405. The Commission approved civil penalties of \$500.00 against employer #2472, and \$1,000.00 against employers #1800 and 1405 on motion of Mr. Parker, second of Ms. Oster.

Discussion & Action of Requests for Renewal of Self Insurance Authority

City of Chandler - Renee Pastor presented staff's renewal report along with current Moody's and Fitch bond ratings and Dunn and Bradstreet credit ratings. Ms. Pastor described

the City of Chandler's financial status and responded to questions from the Commissioners. The City of Chandler has a fully-funded risk management fund that meets the qualifications under A.A.C. R20-5-1114. Ms. Pastor advised that Administration is recommending renewal of workers' compensation self-insurance authority based on the City's large size with total assets of just over \$1.7 billion as of June 30, 2009; acceptable credit and bond ratings, and a clean audit report. Following discussion, the Commission unanimously approved renewal of self insurance authority and approved the fully-funded risk management fund as an alternative of the posting of other security on motion of Mr. Parker, second of Mr. McCarthy.

Ms. Oster requested that future staff reports include self insurance retention information.

Conagra Foods, Inc. - Renee Pastor presented staff's renewal report along with current Moody's, Fitch, and Dunn and Bradstreet credit ratings. She responded to questions from the Commissioners. Ms. Pastor advised that Administration is recommending renewal of workers' compensation self-insurance authority due to the company's excellent financial condition with total assets of just under \$11.1 billion, a clean audit report and acceptable credit rating. Following discussion, the Commission unanimously granted continuance of self insurance authority on motion of Mr. McCarthy, second of Mr. Parker.

#### Discussion &/or Action regarding Budget and Operations of the Industrial Commission

Ms. McGrory advised that there was nothing new to report.

#### Discussion &/or Action regarding Legislation

Ms. McGrory advised that there was nothing new to report.

#### Announcements and Scheduling of Future Meetings

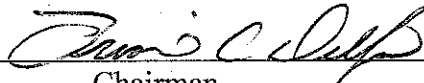
Ms. Hilton reminded the Commissioners that the next meeting is scheduled for Wednesday, June 30<sup>th</sup> in the Auditorium and will begin with the Assessment Hearing. Future meetings were scheduled for Thursday, July 8<sup>th</sup>, Wednesday, July 14<sup>th</sup> and Thursday, July 22<sup>nd</sup>.

Ms. McGrory announced that the Governor has appointed Susan Strickler to replace Marcia Weeks. Ms. Strickler plans to attend the meeting on the 30<sup>th</sup>. With regard to the June 30<sup>th</sup> assessment hearing, Ms. McGrory advised that staff will provide information to the Commissioners in advance of the hearing.


There being no further business to come before the Commission and no public comment, Chairman Delfs adjourned the meeting at 2:40 p.m.

APPROVED:


THE INDUSTRIAL COMMISSION OF ARIZONA


By   
Chairman

By \_\_\_\_\_  
Vice Chairman

By   
Member

ATTEST:

By   
Member

  
Commission Secretary

By \_\_\_\_\_  
Member

THE INDUSTRIAL COMMISSION OF ARIZONA

800 West Washington Street

Phoenix, Arizona 85007

PUBLIC MEETING

Subject: 2010-2011 Physician's Fee Schedule

Date: Thursday, June 10, 2010

Time: 1:00 p.m.

Location: Auditorium

ATTENDEES ARE INVITED TO SIGN IN

PLEASE PRINT

<u>NAME</u>	<u>REPRESENTING</u>
Annette Berka	Physician's Physical Therapy
Deb Wilkerson	CoreVel Corp
Renee Englen	CoreVel Corp
Connie McHugh	Arizona Medical Association
Kristi Armijo	CompPharma
Sanjan Patel	Arizona Pain & Rehab Ass.
PDUBOIS	AZ PAIN + REHAB
Sue Dahl-Popolizio	APEX Physical Therapy
Cathy Vines	SCF Arizona
BRIAN ALLEN	STONE RIVER
JASON BARRAZA	VERIDUS / AIA

ANYONE WISHING TO ADDRESS THE COMMISSION, PLEASE  
FILL OUT A "REQUEST TO SPEAK" FORM

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Stephanie Timmons	Concentra
Greg M. Gilbert	Concentra
Kevin Krueger	Concentra
Nancy M. Conel	Occupational Diagnostics
Brenda Hubbell	Beyond Limitations, Inc
Mary Lou Hyman	Arizona at Work
Cynthia Everlith	Az Hand & Wrist
Donald Lipsy	First Script / Coventry Health
Sandy Shtab	Health systems
Mark Hyland	STI PT & Rehab
BRIAN C. THIES	SPOONER PT & HAND REHAB

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