

MINUTES OF MEETING
OF THE INDUSTRIAL COMMISSION OF ARIZONA
Held at 800 West Washington Street
Conference Room 308
Phoenix, Arizona 85007
Thursday, June 13, 2019 – 1:00 p.m.

Present:	Dale L. Schultz	Chairman
	Joseph M. Hennelly, Jr.	Vice Chair
	Scott P. LeMarr	Commissioner
	Steven J. Krenzel	Commissioner
	James Ashley	Director
	Stacey Rogan	Assistant Chief Legal Counsel
	Trevor Laky	Legislative Affairs Chief / Public Information Officer
	Renee Pastor	Self Insurance
	Jessie Atencio	ADOSH Director
	Kara Dimas	Commission Secretary

Chairman Schultz convened the meeting at 1:00 p.m. Also in attendance were Tracy Kopp (Premier Risk Management); Scot Butler (Unknown); and Michael Fassett (Snell & Wilmer).

Approval of Minutes of June 6, 2019 Regular Meeting.

Chairman Schultz tabled this item.

Consent Agenda:

All items following under this agenda item are consent matters and will be considered by a single motion with no discussion unless a Commissioner asks to remove an item on the consent agenda to be discussed and voted on separately. The Commission may move into Executive Session under A.R.S. § 38-431.03(A)(2) to discuss records exempt by law from public inspection. Legal action involving a final vote or decision shall not be taken in Executive Session. If such action is required, then it will be taken in General Session.

a. Approval of Requests for Renewal of Self-Insurance Authority.

1. Encompass Health Corporation
2. Intel Corporation
3. Swift Transportation Co., LLC

Vice Chair Hennelly requested that a.1 (Encompass Health Corporation) be removed from the Consent Agenda to be heard separately. Chairman Schultz commended Intel Corporation on their record of consistently improving their modification factor which shows their dedication to provide a safe workplace, especially in light of their size. Chairman Schultz also commended Swift Transportation and their low experience modification factor which has been reduced four years in a row, showing their diligent work towards providing a safe workplace in a very hazardous occupation.

Commissioner LeMarr moved to approve the remaining items on the Consent Agenda and Commissioner Krenznel seconded the motion. Chairman Schultz, Vice Chair Hennelly, Commissioner LeMarr and Commissioner Krenznel voted in favor of the motion. The motion passed.

Encompass Health Corporation – Vice Chair Hennelly questioned the high experience modification factor and inquired if they have consulted with ADOSH consultation. Ms. Pastor noted there was an ADOSH visit in October 2018, which she attended, and felt the employer has an excellent safety program. The high experience modification factor is a result of old claims from prior years that are closing. She anticipates that the experience modification factor will drop even further.

Chairman Schultz hopes the experience modification will drop. Ms. Pastor reviewed the past couple of years and they are doing better with the new claims that are not becoming large claims, if they keep on the trend they are on next year it will drop significantly and discussed a few of the common claims.

Chairman Schultz explained that self-insured companies are supposed to be an exemplary employers and this is not a good example for other employers in the state. Ms. Pastor explained that Encompass Health Corporation has revamped their management placing more emphasis on their risk program.

Chairman Schultz and Ms. Pastor discussed the security deposit requested is the standard amount and the reasons behind that decision.

Vice Chair Hennelly noted Encompass Health needs to understand this is not a given and they need to keep this up, next time the answer may be no.

Vice Chair Hennelly moved to approve the self-insurance renewal for Encompass Health Corporation. Commissioner Krenznel seconded the motion. Chairman Schultz, Vice Chair Hennelly, Commissioner LeMarr and Commissioner Krenznel voted in favor of the motion. The motion passed.

Discussion and Action of Arizona Division of Occupational Safety and Health Proposed Citations and Penalties.

Chairman Schultz discussed the purpose of and process for the Commission's consideration of ADOSH citations and proposed penalties.

Kristopher Smith, Sole Proprietor
dba Kris' Tree Trimming
1772 E San Marcos Dr
Yuma, AZ 85365

Fatality/Accident
Years in Business: 10
Empl. Covered by Inspection: 1

Site Location: 2200 W 20th St
Yuma, AZ 85365
Inspection No: E5149 -1379844
Inspection Date: 02/20/2019

Mr. Atencio summarized ADOSH's fatality investigation and reviewed the file and photographs. He noted that ADOSH was not recommending a citation.

Chairman Schultz noted the next two items would be tabled to a later date.

Executive Session under A.R.S. § 38-431.03(A)(3), (A)(4) & (A)(7) regarding: (1) a Proposed Sale of the frontage portion of the Tucson Property to the City of Tucson for Purposes of the Broadway Improvement Project and (2) Associated Transactional Documents.

There was no need for an executive session.

Announcements, Scheduling of Future Meetings and Retirement Resolutions.

Mr. Ashley noted the Claims/ALJ system went into effect the day after Memorial Day and has been a successful launch. He noted the greater than two year process replaced a 1991 COBOL based MS-DOS system, processing nearly 70,000 claims every year. There have been nearly 1,500 new users since launch and the second phase will include additional improvements and upgrades. He noted the analytics the Commission is now able to gather. Also the interested parties' portal has been replaced by the new system which is even more user friendly. Chairman Schultz noted one glitch he heard about was the Third-Party Administrator for self-insured. Mr. Ashley explained the history and noted the employers will assign either themselves or a predominate TPA as the point of contact to receive the notices. Chairman Schultz noted what is most important is making sure not to delay benefits to the injured worker and it's up to the carrier to figure out how to get it to the right entity to make sure benefits are adjusted and paid.

Mr. Ashley noted the Economy Goal Council, which is a combination of 12 agencies, and the Commerce Authority, is doing "Arizona on the Road" tours and the first one is Friday in Flagstaff with 10 Directors for this first stop.

Mr. Ashley advised that DOC has a new safety manager who will be meeting with Mr. Atencio for consultation services.

Mr. Ashley noted during the trip to Yuma earlier this year there were conversations of what we can do to help the community and they mentioned heat stress awareness. In response we now have a Public Service Announcement running on Yuma radio stations throughout the summer.

Mr. Ashley noted the Commission will be working on the next out of town meeting for September for Florence for a one day trip and then Douglas for October.

Mr. Ashley noted Mr. Laky is working on planning a Tribal Safety Summit. Though we have limited jurisdiction over tribal land, many tribal nations have safety managers and points of contact. Mr. Laky is working with the Governor's Office of Tribal Affairs and will be working on a Safety Summit for September to share best practices to reduce workplace injuries. Chairman Schultz and Mr. Laky discussed making the scope larger and including a variety of occupations and creating breakout sessions that are industry specific. The Governor's goal is to make the state the number one and safe place to live, work, recreate, get an education, and retire.

Ms. Dimas confirmed Commission meeting dates through August 2019.

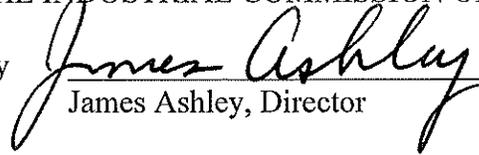
Public Comment.

There was no public comment.

Commissioner LeMarr moved to adjourn and Commissioner Krenzel seconded the motion. Chairman Schultz, Vice Chair Hennelly, Commissioner LeMarr and Commissioner Krenzel voted in favor of the motion and the meeting was adjourned at 1:54 p.m.

THE INDUSTRIAL COMMISSION OF ARIZONA

By


James Ashley, Director

ATTEST:



Kara Dimas, Commission Secretary