MINUTES OF MEETING
OF THE INDUSTRIAL COMMISSION OF ARIZONA
Held at 800 West Washington Street
Conference Room 308
Phoenix, Arizona 85007
Thursday, June 7, 2018 – 1:00 p.m.

Present: Dale L. Schultz Chairman
Joseph M. Hennelly, Jr. Vice Chair
Scott P. LeMarr Commissioner (Telephonic)
James Ashley Director
Stacey Rogan Assistant Chief Legal Counsel
Trevor Laky Legislative Affairs Chief / Public Information Officer
Jacqueline Kurth Medical Resource Office Manager
Renee Pastor Self Insurance
Jessie Atencio ADOSH Interim Director
Kara Dimas Commission Secretary

Chairman Schultz convened the meeting at 1:00 p.m. Also in attendance were Daniel Del Real with Canam Steel Corporation; Joe Valenzuela with American Furniture Warehouse Co., Inc.; Valentine Terrones and Jason Harbor with Red Eagle Enterprises, Incorporated; and Michael Fassett with Snell & Wilmer.

Approval of Minutes of May 17, 2018 Regular Meeting Minutes and May 24, 2018 Regular Meeting Minutes.

Approval of the Minutes of the May 17, 2018 regular meeting were postponed to a future agenda, as a quorum who participated in the May 17, 2018 regular meeting was not present.

Vice Chair Hennelly moved to approve the Minutes of the May 24, 2018 regular session meeting and Commissioner LeMarr seconded the motion. Chairman Schultz, Vice Chair Hennelly, and Commissioner LeMarr voted in favor of the motion. The motion passed.

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. Textron, Inc.
2. Weyerhaeuser Company

Vice Chair Hennelly moved to approve the items on the Consent Agenda and Commissioner LeMarr seconded the motion. Chairman Schultz, Vice Chair Hennelly, and Commissioner LeMarr voted in favor of the motion. The motion passed.
Discussion and Action Regarding the Self-Insurance Application of American Furniture Warehouse Co., Inc.

Ms. Rogan and Ms. Pastor discussed a clerical error contained within American Furniture Warehouse’s application for self-insurance authority. Chairman Schultz and Ms. Rogan discussed the need to vacate the Commission’s approval of the original application prior to voting on the corrected application.

Vice Chair Hennelly moved to vacate the Commission’s prior approval of self-insurance authority for American Furniture Warehouse and Commissioner LeMarr seconded the motion. Chairman Schultz, Vice Chair Hennelly, and Commissioner LeMarr voted in favor of the motion. The motion passed.

Vice Chair Hennelly moved to approve the corrected application for self-insurance authority for American Furniture Warehouse and Commissioner LeMarr seconded the motion. Chairman Schultz, Vice Chair Hennelly, and Commissioner LeMarr voted in favor of the motion. The motion passed.

Discussion and Action regarding the 2018/2019 Arizona Physicians’ and Pharmaceutical Fee Schedule.

Ms. Kurth discussed the Staff Study for the 2018/2019 Arizona Physicians’ and Pharmaceutical Fee Schedule, noting that no written or verbal comments regarding staff recommendations had been received.

She noted that staff recommended the following:

1. Adopt service codes, Relative Value Units, and Reimbursement Values contained in Tables 1 through 3 in the Excel file attached to the 2018/2019 Staff Proposal and Request for Public Comment;
2. Continue to designate Medi-Span® as the Publication for Purposes of Determining Average Whole Price (prescription drugs);
3. Adopt Physicians as Assistants at Surgery: 2018 Update; and
4. Adopt Deletions, Additions, General Guidelines, and Identifiers of AMA CPT®-4. The proposed 2018/2019 Fee Schedule is intended to conform to changes that have taken place in the 2018 edition of the AMA CPT®-4.

Vice Chair Hennelly confirmed with Ms. Kurth that no public comments were received after the public hearing.

Chairman Schultz and Ms. Kurth discussed: (1) the RBRVS conversion factors remained the same as last year: $61.00 for Anesthesiology; $82.38 for Surgical and Radiology, all other codes were $64.63; (2) the stop loss cap of 25% would remain in place for the reimbursement values.; and (3) the existence of any comments received over the last year regarding the change to RVUs. Ms. Kurth noted there were very few complaints from providers.

Vice Chair Hennelly moved to approve staff recommendations as presented and Commissioner LeMarr seconded the motion. Chairman Schultz, Vice Chair Hennelly, and Commissioner LeMarr voted in favor of the motion. The motion passed.
Chairman Schultz thanked Ms. Kurth for her work in updating the Fee Schedule.

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.

Red Eagle Enterprises, Incorporated Dba El Porvenir
12946 W Santa Fe Dr
Surprise, AZ 85378

Site Location: 12946 W Santa Fe Dr
Surprise, AZ 85378
Inspection No: T1999 - 1294311
Inspection Date: 02/13/2018

SERIOUS -- Citation 1 - Item 1 --

a) Corn Tortilla Bay: One corn tortilla counter/stocker, model and serial number unknown was lacking a guard installed over the drive belt and sprocket to prevent accidental contact. 29 CFR 1910.219(f)(3)
Div. Proposal - $750.00
Formula Amt. - $750.00

SERIOUS -- Citation 1 - Item 2 --

a) Corn Tortilla Bay: One employee operated an electric leaf blower, make and model unknown without a fan guard to prevent accidental contact with the rotating blades during operation. 29 CFR 1910.242(a)
Div. Proposal - $5,000.00
Formula Amt. - $750.00

TOTAL PENALTY - $5,750.00
TOTAL FORMULA AMT. - $1,500.00

Mr. Atencio discussed ADOSH’s investigation, summarized the citation and proposed penalties, and reviewed the photographs.

Vice Chair Hennelly and Mr. Atencio discussed the company’s delay in notifying ADOSH of the subject injury and the absence of photographs of the leaf blower.

Ms. Terrones noted that the injured employee was supposed to use a broom and not the leaf blower. She noted that the blower was for supervisor use.

Vice Chair Hennelly and Ms. Terrones discussed the work status of the injured employee, noting she no longer works for the company.

Vice Chair Hennelly moved to approve the citation and proposed penalties as presented and Commissioner LeMarr seconded the motion. Chairman Schultz, Vice Chair Hennelly, and Commissioner LeMarr, voted in favor of the motion. The motion passed.

Canam Steel Corporation
22253 W Southern Ave
Buckeye, AZ 85326

Referral
Years in Business: 58
Empl. Covered by inspection: 2
Site Location: 22253 W Southern Ave
Buckeye, AZ 85326

Inspection No: H9685 - 1286290
Inspection Date: 12/07/2017

SERIOUS – Citation 1 - Item 1 –

a) Maintenance and Tooling Room, west-side: A guard was not provided for Jet ZX-Series Large Bore Lathe, model number GH-1460ZX and serial number 070614ZX1604 that two employees operated.

b) Maintenance and Tooling Room, west-side: A lead screw guard was not provided for Jet ZX-Series Large Bore Lathe, model number GH-1460ZX and serial number 070614ZX1604 that two employees operated. 29 CFR 1910.212(a)(1)

Div. Proposal - $5,000.00  Formula Amt. - $2,500.00
TOTAL PENALTY - $5,000.00  TOTAL FORMULA AMT. - $2,500.00

Mr. Atencio discussed ADOSH’s investigation, summarized the citation and proposed penalty, and reviewed the photographs.

Chairman Schultz and Mr. Atencio discussed machine guarding and reviewed the guarding photograph.

Vice Chairman Hennelly, Mr. Atencio, and Mr. Del Real discussed the use of gloves and the work status of the employee. Mr. Del Real noted that the employee had returned to work and is currently out for a second surgery. He noted the company is reviewing their safety glove policy and detailing when gloves should be worn.

Vice Chair Hennelly moved to approve the citation and proposed penalties as presented and Commissioner LeMarr seconded the motion. Chairman Schultz, Vice Chair Hennelly, and Commissioner LeMarr voted in favor of the motion. The motion passed.

Discussion and/or action regarding Industrial Commission goals, objectives and key initiatives for 2018. This Agenda Item may include discussion regarding the Commission budget and review of Division, Department, and Section specific objectives.

Mr. Ashley discussed Governor Ducey’s upcoming visit to the Agency.

Mr. Ashley announced that Bonnie Holly had been made the new Special Fund Manager.

Mr. Ashley noted that Judge Testini had been named to the State Bar Board of Governors.

Mr. Ashley discussed the upcoming Commission trip to Casa Grande on June 28, 2018, which will include a tour of Quemetco Metals, a meeting with City and Chamber staff, and a Commission Meeting.

Announcements, Scheduling of Future Meetings and Retirement Resolutions.

Ms. Dimas presented a retirement resolution for Sandra Perez, Program Project Specialist I in the Claims Division. She noted Ms. Perez’s twenty six years of state service.
Ms. Dimas presented a retirement resolution for Jacqueline Wohl, Administrative Law Judge in the Tucson ALJ Division. She noted Ms. Wohl’s six years of state service.

Ms. Dimas confirmed Commission meeting dates through August 2018. Vice Chair Hennelly noted he will not be available on July 12 and is unsure about August 30.

Mr. Atencio discussed and displayed the “OSCAR” Award (On-Site Consultation Achievement Recognition) received from Federal OSHA for ADOSH’s outstanding contribution to the advancement of safe and healthy workplaces as a result of the Public Entities Partnership Program.

Mr. Atencio and Chairman Schultz discussed the City of Nogales’ participation in the Public Entities Partnership Program and other municipalities that have expressed interest in the program. Chairman Schultz noted that Mr. Atencio should try and get on a PRIMA agenda to do a presentation regarding the PEPP program. Mr. Atencio discussed the number of public entity consultation visits conducted by ADOSH. Chairman Schultz commended Mr. Atencio on the outstanding efforts of ADOSH.

Public Comment.

There was no public comment.

Vice Chair Hennelly moved to adjourn and Commissioner LeMarr seconded the motion. Chairman Schultz, Vice Chair Hennelly, and Commissioner LeMarr voted in favor of the motion and the meeting was adjourned at 1:39 p.m.

ATTEST:

Kara Dimas, Commission Secretary

THE INDUSTRIAL COMMISSION OF ARIZONA

By James Ashley, Director