



**WORKERS' COMPENSATION  
BOARD OF DIRECTORS MEETING  
JULY 20, 2017  
9:00 A.M.**

**AGENDA**

**I. Consent Agenda**

- A. Approval of Minutes for June 2017 Board of Directors Meeting Nick Kouklis
- B. Report of Claims for the Month of June 2017 in the Amount of \$1,591,328.02 and Bakersfield City Claims in the Amount of \$295,557.69 and Ratification of Payment of these Amounts Nick Kouklis

Moved \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_

Yes \_\_\_\_\_ No \_\_\_\_\_ Abstain \_\_\_\_\_ Roll Call Vote \_\_\_\_\_

**II. Public Comment**



**IV. Reconvene To Open Session**

A. Reports from Closed Session, if Required

**V. Action Items**

A. Financial Report – Presentation of Financial Statements for the Month of June 2017 Will Be Submitted for Approval

Kim Sloan

Moved \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_

Yes \_\_\_\_\_ No \_\_\_\_\_ Abstain \_\_\_\_\_ Roll Call Vote \_\_\_\_\_

B. Approval to move February Board Meeting Date from 2/15/18 to 2/22/18

Nick Kouklis

Moved \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_

Yes \_\_\_\_\_ No \_\_\_\_\_ Abstain \_\_\_\_\_ Roll Call Vote \_\_\_\_\_

**VI. Information and Discussion Items**

A. Update on the Work Group/Gatekeeper Network

Rich Cameron

B. SISC I Risk Management Services Report

Christian Hootman

C. Update on the 2017 SISC State MPN Re-Approval

Gabe Rodriguez

D. Update on the 2017 BCSD State MPN Re-Approval

Gabe Rodriguez

E. Annual Review of SISC Investment Policy

Kim Sloan

F. List of Special Cases Not Requiring Board Approval

Nick Kouklis

G. Comments from the Board of Directors Will Be Heard

Nick Kouklis

H. Next Meeting:

Nick Kouklis

Thursday, August 17, 2017

9:00 a.m.

SISC Board Room, 4<sup>th</sup> Floor-Larry E. Reider Education Center

2000 K Street, Bakersfield, CA 93301

I. Adjournment

Nick Kouklis

Moved \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_

Yes \_\_\_\_\_ No \_\_\_\_\_ Abstain \_\_\_\_\_ Roll Call Vote \_\_\_\_\_

Any materials required by law to be made available to the public prior to a meeting of the Governing Board of the SISC I JPA can be inspected at the following address during normal business hours at:  
2000 K Street, Bakersfield, CA. 93301

For more information regarding how, to whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires a modification or accommodation to participate in the public meeting, please contact Kristy Comstock at 661-636-4682 or [krcomstock@kern.org](mailto:krcomstock@kern.org)

\*The number of Board Members needed to form a quorum for this meeting is six

## Workers' Compensation Terminology

1. **All alleged claims are questioned and reviewed. They are then classified as either:**
  - a. **Admitted** - This means the claim is not being disputed and is accepted as a work related injury or illness.
  - b. **Alleged Injury** - this means the claim is questioned further to determine compensability. The claim is then either accepted (admitted) or denied in full, depending on the outcome of the workers' compensation process pursuant to the laws of the state.
2. **AME** – Agreed Medical Examiner
3. **AOE/COE** - Injury Arises Out of Employment/Course of Employment.
4. **Apportionment** - A portion of permanent disability (P.D.) that is due to a pre-existing condition, whether industrial or non-industrial, may be subtracted from the total amount of the permanent disability. Therefore, the total amount is "apportioned" between the injuries or conditions.
5. **Confidence Level** – The statistical certainty that an actuary believes funding will be sufficient. For example, an 80% confidence level means that the actuary believes funding will be sufficient in eight years out of ten.
6. **Expected Confidence Level** – This corresponds to approximately a 55% confidence level. Amounts above expected are prudent.
7. **Permanent and Stationary (P&S)** - the condition that is achieved once an individual's condition has stabilized and further medical treatment is not expected to produce further improvement. (As good as the person is going to get.)
8. **The seven areas of payment:**

1. **Medical** - Treatment to cure or relieve the effects of the injury.
2. **Temporary Disability (TD)** - To compensate the injured worker for lost wages.
3. **Permanent Disability (PD)** - To compensate the injured worker for the reduced ability to compete in the open labor market.

The PD may or may not interfere with that individual's ability to perform their usual work activities.

4. **Vocational Rehabilitation (Voc Rehab)** - In the past one of the most costly of the benefits. However, new legislation has now placed a ceiling of \$16,000.
5. **Death**
6. **Medical/Legal** - Costs to determine or resolve compensability and/or level of permanent disability.
7. **Legal** - Cost for outside counsel to handle litigated cases.
9. **Thomas Finding** - The finding that the Workers' Compensation Appeals Board (WCAB) judge is required to make in order to settle an injured worker's right to future vocational rehabilitation benefits. The finding must be that good faith issues exist, which if resolved against the applicant would deny the applicant entitlement to all workers' compensation benefits.
10. **Three Types of Findings and Awards (F&A)**

1. When the parties can't agree, the case is then tried and the judge issues the **Findings and Award**.
2. **Stipulation with Request for Award (Stips)** - All parties agree and stipulate to the period of temporary disability (T.D.), any permanent disability (P.D.), and if there is, or is not, the need for future medical treatment. The claimant has the right to reopen this case within five years from the date of injury if he/she experiences any "new and further" disability that is directly related to the original injury.
3. **Compromise and Release (C&R)** - All parties agree to a settlement amount and a lump sum payment is made. A C&R may close all issues or may leave open certain agreed-upon issues.

### 11. Additional Terminology

**ACOEM – American College of Occupational and Environmental Medicine** - These are the medical guidelines used to establish appropriate medical diagnostics and treatment, and are presumed on the extent and scope of medical treatment regardless of the Date of Injury (DOI).

**AMA – American Medical Association** - sets forth the medical evaluation protocols and rating procedures to determine the extent of an individual's impairments.

**DRE – Diagnosis-Related Estimate** - One of two methods a physician uses to determine spinal impairment. It is the preferred method over Range of Motion (ROM).

**DFEC- Diminished Future Earning Capacity** -A component of the 2005 Permanent Disability Rating Schedule (PDRS), used in calculating the level of permanent disability sustained due to an industrial injury, taking into consideration one's resulting diminished future earning capacity.

**MMI – Maximal Medical Improvement** – Formerly known as Permanent and Stationary; defined as the point in time when the injured workers' condition is well stabilized and unlikely to change substantially in the next year with or without medical treatment.

**MPN- Medical Provider Network**- is a group of health care providers set up by an insurer or self-insured employer and approved by DWC's administrative director to treat workers injured on the job.

**WPI – Whole Person Impairment** – A loss, or loss of use, or derangement of any body part, organ system, or organ function. Impairment is considered permanent when it has reached Maximum Medical Improvement (MMI)



**WORKERS' COMPENSATION  
BOARD OF DIRECTORS MEETING  
JUNE 15, 2017  
9:00 A.M.**

**MINUTES**

The Regular Meeting of the Board of Directors of SISC I Workers' Compensation Program was called to order by Director Kouklis at 9:03 a.m. on Thursday, June 15, 2017 in the SISC Board Room on the 4<sup>th</sup> Floor of the Reider Center, 2000 K Street, Bakersfield, California 93301. The following individuals were in attendance:

**MEMBERS PRESENT:**

Nick Kouklis  
Paul Miller  
Dr. Mary Westendorf  
Dr. John Mendiburu  
Gerrie Kincaid  
Sheila Shearer  
Noemi Vazquez

**ALTERNATES PRESENT:**

Chris Hall  
Russ Clark

**OTHERS PRESENT:**

Kim Sloan  
Kristy Comstock  
Rich Edwards  
Gabe Rodriguez  
Rich Cameron  
Christian Hootman  
Maria Navarro  
Miriam Sanchez

## **Consent Agenda**

Motion was made by Director Kincaid seconded, by Director Clark and by roll call vote of 8-Yes, 0-No, and 0-Abstentions (8-0-0), to approve the Consent Agenda as follows:

### **Minutes**

Approval of Minutes for May 2017 Board of Directors Meeting

### **Claims**

Payment of Claims in the amount of \$1,491,729.41 and Bakersfield City Claims in the amount of \$285,739.65 for the month of May 2017 was approved.

### **Public Comment**

None

## **Closed Session – Workers’ Compensation Liability Claims**

The Board went into closed session at 9:04 a.m.

### **Reconvene to Open Session**

The Board reconvened into open session at 9:13 a.m.

Director Kouklis reported on the following cases:

With respect to the claim filed by Patricia Urias against Kern County Superintendent of Schools after discussion, motion was made by Director Westendorf, seconded by Director Mendiburu and by roll call vote of 8-0-0 the board approved the payment of \$25,260.88 for the settlement of this claim with Patricia Urias.

With respect to the claim filed by Kelly Collette against Mojave Unified School District after discussion, motion was made by Director Kincaid, seconded by Director Clark and by roll call vote of 8-0-0 the board approved the payment of \$45,462.79 for the settlement of this claim with Kelly Collette.

## **Action Items**

### **Financial Report**

Kim Sloan reviewed with the Board the Financial Report for the period ending May 31, 2017. Kim reported the LAIF rate for the month of May 2017 went up to .93% compared to last month’s rate of .88%. After discussion, motion was made by Director Mendiburu, seconded by Director Miller and by roll call vote of 8-0-0, approving the Financial Report as submitted.

### **Approval of the 2017-2018 Budget**

Kim Sloan presented the 2017-2018 budget to the board for approval. After discussion, a motion was made by Director Mendiburu, seconded by Director Miller and by roll call vote of 8-0-0, approving the SISC I budget as submitted.

### **Approval of the 2017-2018 Board Meeting Times, Dates and Places**

Director Kouklis discussed the meeting dates and times for the coming year. He noted the meetings in September and March are scheduled a week later than normal, November board meeting will be scheduled as needed, and October meeting will be at Lucia Mar Unified School District. After discussion motion was made by Director Westendorf, seconded by Director Kincaid and by roll call vote of 8-0-0, approving the board meeting schedule for 2017-2018.

## **Information and Discussion Items**

### **Update on the Work Group/Gatekeeper Network**

Rich Cameron informed the board that we are still working on adding more providers and facilities to the MPN. Rich Cameron reviewed eight cases with the doctors in the Kern Gatekeeper meeting.

### **SISC I Risk Management Services**

Christian Hootman informed the board that he is working on incident investigations, inspections, referrals to P&L, consultations, service calls, trainings and meetings.

### **Review of Orange County News Release re: Charges filed against Attorney & Cappers**

Gabe Rodriguez presented an article on the investigation and charging of ten attorneys and six cappers in workers' compensation insurance pharmaceutical scheme.

### **Special Cases Not Requiring Board Approval**

Director Kouklis noted there were 14 cases under \$20,000.00 presented for review.

### **Comments from the Board of Directors**

Director Kouklis went over the details of the annual board meeting in October with the board.

### **Adjournment**

There being no further business to come before the Board, motion was made by Director Kincaid, seconded by Director Clark and by roll call vote of 8-0-0, adjourning the meeting at 10:05 a.m.

### **Next Meeting**

The next meeting of the Board of Directors will be held **Thursday, July 20<sup>th</sup>** at 9:00 a.m. in the SISC Board Room, 4<sup>th</sup> Floor, Larry E. Reider Education Center, 2000 K Street, Bakersfield, CA 93301

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Robin Shive, Secretary