

Pennsylvania Workers' Compensation And Workplace Safety

Annual Report - Fiscal Year 2002/03



Edward G. Rendell, Governor
Commonwealth of Pennsylvania

Stephen M. Schmerin, Secretary
Elizabeth Crum, Deputy Secretary for Compensation and Insurance
Department of Labor and Industry

John T. Kupchinsky, Director
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Bureau of Workers' Compensation

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Bureau of Workers' Compensation

2002/03 Annual Report Readers' Survey

Please take a few minutes to complete and return this brief survey and help the Bureau continue to produce a quality publication that meets the needs of Pennsylvania's workers' compensation community. (Your answers are confidential; we do not require your name or affiliation.)

Comments are always welcome, but to have your responses considered during production of the 2003/04 Annual Report, please return your completed survey by July 1, 2004, to the following address:

**Bureau of Workers' Compensation
Information Services Section
1171 S. Cameron St., Room 324
Harrisburg PA 17104-2501**

1. How is the Annual Report used in your organization?

2. What feature(s) do you consider the most useful?

3. What feature(s) do you consider the least useful?

4. Is there a current feature in the Annual Report that you believe could be improved? How should it be improved?

5. Are there certain statistics or a particular area of interest not currently covered that you would like to see reported in the future?

6. Do you have any other comments about the Annual Report?

Thank you for your interest in the Workers' Compensation and Workplace Safety Annual Report!



Message from Stephen M. Schmerin ***Secretary of Labor and Industry***

Our Pennsylvania Bureau of Workers' Compensation and Office of Adjudication play a major role in serving the citizens of Pennsylvania.

The Bureau has more than 160 dedicated employees who serve Pennsylvanians at our Harrisburg headquarters. More than 280 Office of Adjudication employees (including 90 workers' compensation judges) serve our customers in 24 field offices.

This report provides an analysis of activities by the Bureau and the Office of Adjudication during fiscal year 2002/03.

Key accomplishments in this period included improved customer service and communications; simpler and more efficient access to the workers' compensation system; and enhanced technological and staff capabilities.

An entire section of this report is devoted to Governor Rendell's WorkSAFE PA safety initiative, including descriptions of safety practices of winners of the Governor's Award for Safety Excellence.

I am sure that we will build on these accomplishments with even greater progress and efficiency as a key component of Governor Rendell's Plan for a New Pennsylvania.

Sincerely,

A handwritten signature in brown ink that reads "Stephen M. Schmerin". The script is fluid and cursive.

Stephen M. Schmerin
Secretary of Labor and Industry



Message from Elizabeth Crum
Deputy Secretary
for Compensation and Insurance

Our Bureau of Workers' Compensation and Office of Adjudication had many accomplishments in fiscal year 2002/03.

After working closely with various workers' compensation insurance carriers, we are pleased to report an increase in their compliance with the 21-day requirement of the law to make first payment or deny a claim from 66 percent reported last year to 70 percent currently.

Significant progress has been made in streamlining adjudication of workers' compensation disputes. Judges continue to employ initiatives to reduce litigation time and to decide more cases than they receive. Alternative dispute resolution is being used more frequently and is providing parties with a helpful tool to assist them in settling disputes.

Staff on our toll-free helpline (1-800-482-2383) responded to nearly 78,000 inquiries from people seeking help and information. And, we added more forms, applications, and publications to the Internet to speed up reporting and improve service.

More than 80 percent of injured workers responding to a survey reported they were "satisfied" or "very satisfied" with their medical care under the workers' compensation system.

The Bureau shared information with customers about the new federal Terrorism Risk Insurance Act (TRIA), which provides workers' compensation coverage resulting from acts of terrorism. Also, initial and renewal savings under the 5 percent premium discount program for employers maintaining a certified safety committee (now renewable each year indefinitely) exceeded the \$127 million mark for the fiscal year ending June 30, 2003.

I am confident that as the Rendell Administration moves forward, our initiatives and innovations will result in greater efficiencies, better customer services, and overall improvements to the administration of the Workers' Compensation Act.

Sincerely,

A handwritten signature in brown ink that reads "Elizabeth Crum". The signature is fluid and cursive, with a large "E" and a long, sweeping underline.

Elizabeth Crum
Deputy Secretary for Compensation and Insurance

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Bureau of Workers' Compensation



Message from John T. Kupchinsky Director, Bureau of Workers' Compensation

In the year since our last report, several important improvements were made to Pennsylvania's workers' compensation system.

- Employers who receive a 5 percent discount on their workers' compensation insurance premiums for maintaining a certified workplace safety committee no longer face a five-year limit on their savings, thanks to new legislation.
- Compliance with the 21-day requirement by insurers and self-insured employers to make payment or deny a claim reached the 70 percent mark, according to a study the Bureau completed last year. This is up from 66 percent reported last year.
- We expanded our use of information technology, and it is now possible to submit several forms and download Bureau publications easily via the Internet. We also continued to promote submission of the Employer's Report of Occupational Injury or Disease through electronic data interchange (EDI) and increased our number of EDI partners.

We are not content to sit back and just let these improvements and accomplishments stand on their own. Bureau initiatives for 2004 include continuing outreach and training efforts across the board so that more participants will learn about and benefit from improvements to the system. Additional web enhancements are planned to provide more options for the workers' compensation community. With the 21-day rule, full compliance is our ultimate goal.

While we look back on a year of accomplishment in this Annual Report, the Bureau of Workers' Compensation looks ahead to continued progress in our efforts to make Pennsylvania's workers' compensation system even more efficient and accessible.

Sincerely,

A handwritten signature in dark ink, appearing to read "John T. Kupchinsky". The signature is fluid and cursive, with the first name "John" being more prominent.

**John T. Kupchinsky, Director
Bureau of Workers' Compensation**

Bureau Overview

A Brief History of Pennsylvania's Workers' Compensation Law

In 1915, the Pennsylvania Legislature enacted the Pennsylvania Workmen's (Workers') Compensation Act (Act). The statute charges the Department of Labor and Industry, Bureau of Workers' Compensation (Bureau), with carrying out the administrative and appeal obligations defined in the Act and specifies compensation for employees who are injured as a result of employment without regard to fault. Amendments eventually merged the compensation for injuries and occupational diseases into this Act. The statute defines the benefits available to Pennsylvania workers, the conditions under which benefits are available, and the procedures for obtaining them.

The workers' compensation system protects both employees and employers. Employees receive medical treatment and are com-

pensated for wage loss associated to work-related injuries and disease, and employers provide for the cost of such coverage while being protected from direct lawsuits by employees.

Workers' compensation coverage is mandatory for most employers under Pennsylvania law. Employers who do not have workers' compensation coverage may be subject to suits by employees and to criminal prosecution by the Commonwealth.

Some employers are exempted from workers' compensation coverage. Exemptions include: people covered under other workers' compensation acts, such as railroad workers, longshoremen and federal employees; domestic servants (coverage is optional); for agricultural workers who work less than 30 days or earn less than \$1,200 in a calendar year from one employer; and

employees who have requested and been granted exemption due to religious beliefs or their executive status in certain corporations.

In Pennsylvania, employers can obtain workers' compensation insurance through a licensed insurance carrier or the State Workers' Insurance Fund. In addition, employers can apply to the Bureau to seek approval to self-insure. Self-insurance is granted by the Bureau based on criteria established by the Act and the Department.

Employees are covered for the entire period of their employment. Therefore, coverage begins the first day on the job. Injuries or diseases caused or aggravated by employment are covered under workers' compensation, regardless of the employee's previous physical condition.

Mission Statement

The Pennsylvania workers' compensation program was established to reduce injuries and provide wage-loss and medical benefits to Pennsylvania employees who become ill or injured through the course of their employment so they can heal and return to the workforce.

The Bureau is responsible for carrying out the provisions of the Act and related legislation and for fulfilling the overall purpose of

Pennsylvania's workers' compensation system. In carrying out the requirements of the Act, the Bureau has several primary roles:

1. Obtain, review, and maintain records on certain loss-time work injuries and benefit documents.
2. Certify individual self-insured employers and self-insured employer pools and determine their monetary security requirements.

3. Resolve areas of contention among the participants in the workers' compensation system.
4. Enforce the provisions of the Act.
5. Promote the health and safety of Pennsylvania's employees in accordance with the 1993 and 1996 amendments to the Act.
6. Enforce the occupational disease provisions of the Act.

Basic Benefits

- 1. Replacement of Lost Wages.** A portion of the worker's salary – up to a maximum amount provided by law – is paid for the time lost from work as a result of a work-related disability, if the disability lasts longer than seven calendar days. These payments are tax free. The maximum allowable weekly benefit for calendar year 2003 is \$675.00. Partial disability benefits consisting of two-thirds of the gross difference in wage loss for up to 500 weeks are paid to employees who suffer a partial disability resulting from a work-related injury or disease. Benefits can possibly be subject to other reductions or offsets.
- 2. Payment of Medical Expenses.** Reasonable and necessary work-related medical expenses are paid regardless of the duration of required treatment and apply even though the employee may not have lost time from work.
- 3. Specific Loss Benefits.** Benefits are payable if a work-related injury results in loss of vision, hearing and/or the use of limbs (including fingers and toes). Specific loss benefits are paid without regard to the amount of time lost from work. A separate healing period is also defined for each loss.
- 4. Disfigurement Benefits.** Benefits are payable if there is a serious, permanent disfigurement of the head, face or neck.
- 5. Death Benefits.** The employee's dependents may claim benefits if a work-related injury or disease results in the employee's death. Also, reasonable burial expenses are payable to a maximum amount set by law.
- 6. Adjudication.** If facts concerning a claim are contested or liability is questioned, either the employee or the employer/insurer may request a hearing before a workers' compensation judge to resolve issues. If either party is dissatisfied with the decision and has grounds for an appeal, they may request a review by the Workers' Compensation Appeal Board. Further appeals may be taken through the court system.
- 7. Subsequent Injuries.** Additional compensation may be available through the Subsequent Injury Fund. This Fund is administered by the Commonwealth and pays workers who have had a specific loss of use for a hand, arm, foot, leg or eye *and* who incur total disability caused by loss of use of the other hand, arm, foot, leg or eye. Then, the Commonwealth makes payments for the duration of the worker's total disability.

The Flow of a Pennsylvania Workers' Compensation Claim



Funding for Pennsylvania's Workers' Compensation System

The Pennsylvania workers' compensation program is funded by a spending authorization appropriated by the State Legislature and approved by the Governor. The money for these expenditures comes from four special funds established through assessments:

1. The Workers' Compensation Administration Fund

Purpose: Provides funding for the administrative operations of the Bureau and the Workers' Compensation Appeal Board.

Assessment Amount: For fiscal year 2002/03, the amount assessed totaled \$55,435,207 and represented 2.3 percent of compensation paid in calendar year 2001.

2. The Supersedeas Fund

Purpose: To provide relief to employers/insurers for payments made during litigation of claims contesting whether compensation is payable. When an employer/insurer files a petition for termination, modification, or suspension of benefits, a supersedeas hearing can also be requested. At this hearing the workers' compensation judge can deny the request or grant a temporary order of partial or total suspension of benefits. If the request is denied, but the final decision of the judge is that compensation was not payable, the employer/insurer may apply to be reimbursed from the Supersedeas

Fund for "overpayments" made following the initial denial.

Assessment Amount: For fiscal year 2002/03, the amount assessed was \$31,453,774 and represented 1.31 percent of compensation paid in calendar year 2001.

3 The Subsequent Injury Fund

Purpose: To compensate workers who experience certain losses (for example, arm, hand, leg foot, eye) subsequent to a prior loss.

Assessment Amount: The total amount of the fund equals the amount expended from the fund in the preceding year. Law requires the fund to have a minimum funding of \$100,000. For the 2002/03 fiscal year, the amounts assessed totaled \$229,067 and represented 0.01 percent of compensation paid in calendar year 2001.

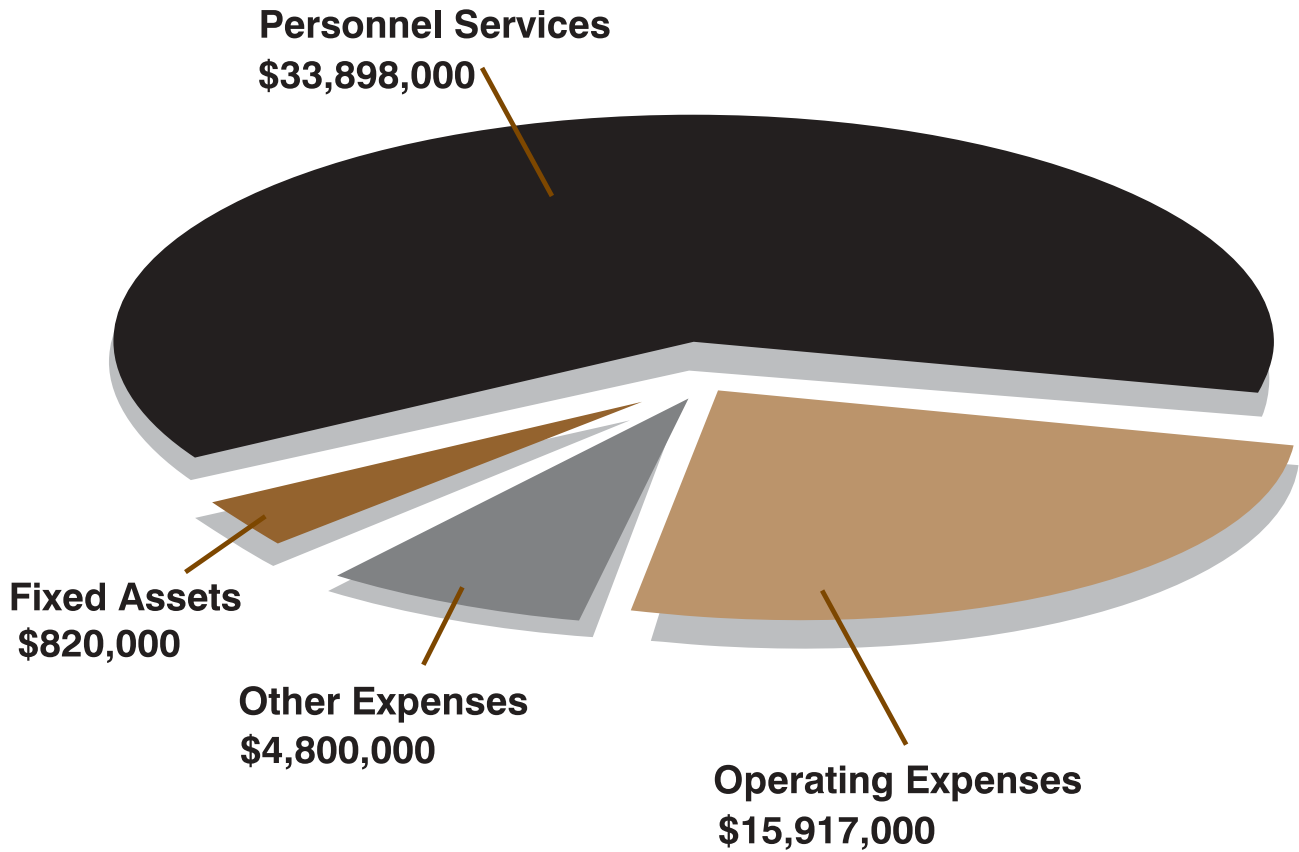
4 The Self-Insurance Guaranty Fund

Purpose: To make payments to any eligible claimant or dependents upon the default of the self-insurer liable to pay compensation or associated costs due under the Pennsylvania Workers' Compensation Act and the Pennsylvania Occupational Disease Act as amended in 1993. This fund is used when the securities posted by defaulting companies are exhausted, but can only be used for injuries occurring after the 1993 amendments.

With the passage of Act 53 of 2000, the General Assembly created a restricted account within the Guaranty Fund called the Prefund Account. The purpose of the Prefund Account is to provide for the continuation of benefits to workers who were injured prior to 1993 and whose self-insured employers have gone bankrupt. Originally, the Prefund Account was financed through the transfer of interest earned in the Administration Fund. However, in June 2001 the General Assembly enacted Act 49 which makes the financing of the Prefund Account a budget item of the Administration Fund.

Assessment Determination/Amount: For a new self-insurer starting self-insurance after October 30, 1993, the assessment is one-half percent of its modified manual premium for the 12 months immediately preceding the start of self-insurance. During the 2002/03 fiscal year, all existing and former self-insurers with runoff claims were assessed at the rate of one percent of compensation paid in 2001 to fund additional claims that became the responsibility of the Guaranty Fund. The Guaranty Fund collected \$5,528,894 during the 2002/03 fiscal year, compared to an assessment of \$5,553,816 collected in the 2001/02 fiscal year.

**Bureau of Workers' Compensation
Administration Fund Budget
Fiscal Year 2002/03**



Source: Pennsylvania Bureau of Workers' Compensation, Department of Labor and Industry

Bureau of Workers' Compensation

Accomplishments Fiscal Year 2002/03

- As a result of continuing efforts to improve communication with insurers and self-insured employers, achieved an overall compliance rate of 70% with the legal requirement of employers to make first payment or deny a claim within 21 days.
- Processed 521,524 claim forms.
- Continued promoting and increasing electronic data interchange (EDI) submission of the Employer's Report of Occupational Injury or Disease and increased partnerships.
- Continued promoting and increasing electronic submission of various Petition forms and Employer's Report of Occupational Injury or Disease from the Bureau's website.
- Converted 50 percent of old physical files to an electronic database.
- Continued to maintain the "Request for Records" processing time at an average of 10 days or less from receipt of the request, while processing approximately 16,800 requests.
- Maintained an average petition assignment of five days from receipt of a petition.
- Conducted ongoing monitoring for improving the performance of the insurers and self-insurers in compliance of the 21-day rule.
- Conducted external training sessions, for forms submission and processing throughout the Commonwealth and neighboring states for insurers and third-party administrators (TPAs).
- Processed over 54,000 current workers' compensation judges' decisions while bringing a former backlog up to date.
- Instituted 1,059 new investigations of potential employer failure to insure workers' compensation liability and referred 18 to the Bureau's legal division for prosecution.
- Referred 48 complaints of employee fraud to the proper insurance carrier for investigation.
- Processed 2,431 corporate executive officer exceptions and 589 religious exemptions for exclusion under the Act as well as 2,174 domestic elections for inclusion under the Act.
- Developed, planned, and coordinated the December 2002 workers' compensation conference. Approximately 900 employers, insurers, health care providers, attorneys, and others from the workers' compensation community attended the three-day event, including 72 vendors.
- Investigated 499 potential labor law violations resulting in the collection of a 50% additional compensation penalty for six injured minors permitted to work in violation(s) of the child labor law amounting to \$1,661.40.
- Responded to over 77,925 workers' compensation telephone and electronic mail inquiries.
- Researched and responded to 1,601 inquiries regarding the workers' compensation insurance coverage of employers through the Pennsylvania Compensation Rating Bureau database.
- Responded to more than 200 written workers' compensation inquiries received from injured workers.
- Published the Bureau's quarterly newsletter, *News & Notes*, to nearly 12,000 employers, insurers, third-party administrators, union representatives, attorneys, health care professionals, and the public.
- Achieved the lowest pending-case inventory since establishment of the medical fee hearings program. Reduced the average time between filing of a hearing request and sched-

uling of a hearing by almost one month.

- Implemented legislation extending the 5% discount for five years to a perpetual, annual discount, including designing/testing the required data-processing and forms changes and notifying clients. Reactivated over 2,500 clients.
- Granted initial certification to a cumulative total of 5,194 workplace safety committees covering over 726,500 employees as of June 30, 2003. The cumulative number of approved workplace safety committee certification renewals totaled 15,415. Approximate employer premium discount savings now total over \$127,100,000.

- Conducted 210 on-site audits of licensed workers' compensation insurers and self-insured employer accident and illness prevention programs and services and certified workplace safety committees.
- Evaluated the acceptability of accident and illness prevention programs and services of 1,047 insurers and self-insureds through annually required reports.
- Conducted audits of 11 Commonwealth agency accident and illness prevention programs.
- Continued to provide specialized training for health care providers to assist in their understanding of the workers' compensation billing and pay-

ment processes, as well as the fee review process. Trained over 230 providers in Bureau-held sessions.

- Continued to provide specialized training on the appropriate and optimal application of the workers' compensation fee schedule to over 120 repricers and insurers.
- Oversaw the transfer of three defaulted self-insurers' liabilities to their appropriate surety company or security trustee, including one situation involving over 750 injured workers.
- Processed 791 renewal applications and 70 new applications for individual self-insurance status and 18 group self-insurance fund annual reports and rate requests.

Workers' Compensation Updates

Revisions to the Workers' Compensation Act

Implementation of two major revisions to the Workers' Compensation Act in 1993 and 1996 have together substantially reduced workers' compensation premiums, improved workplace safety, reduced fraud, and improved delivery of medical care. The following summarizes these major reforms.

Act 44 of 1993

Act 44 was enacted to curtail the escalating cost of workers' compensation, especially in the area of medical costs associated with the treatment of work-related injuries and illnesses.

Major Provisions of Act 44

- Established a fee schedule for workers' compensation medical payments that initially capped payment for most services at 113% of the 1994 Medicare reimbursement rate. Medical fee reimbursement rates are now updated annually based on the percentage change in the Statewide Average Weekly Wage.
- Established procedures for the review of the reasonableness or necessity of medical treatment provided to injured workers through utilization review and peer review
- Provided a procedure whereby health care providers can dispute the amount or timeliness of payments they receive for medical treatments.
- Required injured workers to treat with a listed medical provider for 30 days when the employer has posted a list of such providers.
- Allowed insurers and self-insured employers who are uncertain about their responsibility for a claim to begin payments of compensation without admitting liability while they continue their investigation.
- Allowed a one-time five percent discount to workers' compensation premiums for employers that maintain workplace safety committees certified by the Department.
- Permitted the offset of wage-loss payments by unemployment compensation benefits paid to the injured worker.
- Required insurers and self-insured employers to establish and maintain adequate accident and illness prevention programs.
- Required insurers to offer deductible options to insurance policyholders.
- Permitted executive officers of corporations to elect not to be covered by workers' compensation.
- Made Pennsylvania a competitive rating state for establishing workers' compensation premiums. Rating organizations file "pure" loss costs for the insurance industry to cover expenses relating to the payment of benefits; each insurer files its own multiplier to establish profit and to recoup overhead.
- Enacted provisions to criminalize fraud and required insurers to establish anti-fraud plans and procedures to detect and investigate possible insurance fraud.
- Upgraded the offense of not having workers' compensation insurance from a summary offense to misdemeanors/felonies.
- Established the Self-Insurance Guaranty Fund to continue benefit payments when the security posted by insolvent self-insurer exhausts.
- Allowed homogenous groups of employers to pool their resources to self-insure their collective workers' compensation liabilities.

Act 57 of 1996

Although Act 44 stabilized the use of workers' compensation, the business community and insurers sought additional changes to the Act to further address the high cost of workers' compensation with respect to premiums, wage benefits, medical treatment and review and litigation. These efforts resulted in the passage of Act 57 of 1996.

Major Provisions of Act 57

- Authorized the use of compromise and release agreements between the parties to settle petitions.
- Established that an injured worker's "earning power" for calculating the payment of partial benefits is determined by proof of the worker's capacity to perform a job and the existence of a job in the usual employment area based on evidence presented by a vocational expert approved by the Department.
- Permitted the offset of workers' compensation wage-loss benefits by 50% of the amount an employee receives in Social Security (old age) benefits.
- Permitted the offset of wage-loss benefits by severance payments paid by the employer and retirement pension plan benefits funded by the employer.
- Authorized the reduction of wage-loss benefits by wages received through employment or self-employment while on disability.
- Extended the time employees must treat with medical providers on an employer's posted listing of providers to 90 days.
- Established procedure for insurers and self-insured employers to modify workers' compensation benefits by an appropriate amount if the injured worker returns to work.
- Expanded to five years the annual premium discount for employers with certified safety committees.
- Required a workers' compensation judge to conduct a special expedited hearing to determine if benefits should be stopped while the case is being adjudicated when the insurer files a physician's affidavit that the injured worker has fully recovered.
- Required a workers' compensation judge to conduct a special expedited hearing to determine when benefits should be stopped when there is evidence that an employee has returned to work, thus eliminating the need for an executed supplemental agreement.
- Established minimum qualifications for workers' compensation judges and provided a code of ethics for them.

- Changed the method of calculating injured workers' average weekly wages, which are used to determine weekly wage-loss benefits, to better ensure that injured workers will not receive more in workers' compensation benefits than if they were working.
- Added procedures to determine the percentage of whole body impairment for an injured worker in a total disability status for more than 104 weeks. If the injured worker's impairment rating is equal to or greater than 50%, the worker's disability status remains total; if the worker's impairment rating is less than 50%, the worker's disability status is shifted to partial.
- Act 202 of 2002: This legislation removed the 5-year cap on premium discounts for successfully maintaining a certified safety committee. Employers are now eligible for discounts annually.

Reform Outcomes

- The Insurance Department calculates cumulative savings to employers of \$5.038 billion because of the reforms.
- Written premiums for workers' compensation insurance in 2002 (\$2.077 billion) are 27% less than written premiums in 1993 (\$2.801 billion).
- The average loss cost for insurance classifications of the Pennsylvania Compens-

sation Rating Bureau is now 46% less than in 1993.

- The amount paid out annually by insurers and self-insured employers for workers' compensation benefits decreased from \$2.774 billion in 1993 to a low of \$2.379 billion in 2000. The payout amount of \$2.478 billion in 2002 is still well below the 1993 amount.
- Although the Statewide Average Weekly Wage in 2002 was 39% higher than in 1993, the annual amount paid for wage loss benefits was 11% less in 2002 compared to 1993.
- While inflation for medical services increased by 56% between 1993 and 2002, annual payments for workers' compensation medical bene-

fits in Pennsylvania decreased by 15% during that time.

- Total annual reported work injuries decreased from 137,000 in 1993 to 94,000 in 2002. This is a 31% decrease even though the Bureau's enforcement and outreach efforts to ensure the reporting of all injuries are more vigorous now than ten years ago.
- The number of accepted compensable claims with disability in 2002 was 15% less in comparison to 1994 (from 85,669 in 1994 to 72,528 in 2003).
- The annual number of claim petitions filed in 2002 (11,101) was 15% less than the number filed in 1993 (13,055), and the annual

number of total petitions filed in 2002 (46,011) was 19% less than in 1993 (56,924).

- 13,150 claims were settled last year through compromise and release agreements between the parties, providing benefits worth \$608.5 million.
- 482 claimants, who would have stopped receiving benefits when the security posted by their insolvent self-insured employer exhausted, continue to receive benefits of \$3.5 million annually from the Self-insurance Guaranty Fund.
- Through the workplace safety committee certification program, Pennsylvania employers have saved over \$132 million in workers' compensation premiums.

Workers' Compensation Rules Committee

The Workers' Compensation Rules Committee's purpose is to improve the administration of workers' compensation proceedings.

Eighteen members make up the Committee, including the chairman of the Senate Labor and Industry Committee, the chairman of the House Labor Relations Committee, the director of the Office of Adjudication, the Bureau's deputy chief counsel, the Deputy Secretary for

Compensation and Insurance, two Workers' Compensation Appeal Board representatives, four workers' compensation judges (chosen from lawyers and non-lawyers and from metro areas and non-metro areas), four claimant attorneys and four defendant attorneys.

On March 23, 2002, the proposed rulemaking amending various portions of 34 Pa. Code Chapters 111 and 131 was published in the

Pennsylvania Bulletin. The publication of this proposed rulemaking was the culmination of several years' effort by the Rules Committee to clarify and improve the effectiveness of the workers' compensation judges' and Workers' Compensation Appeal Board Rules. These regulations were published in their final form in the *Pennsylvania Bulletin* on December 7, 2002.

Workers' Compensation Advisory Council

The Workers' Compensation Advisory Council was created under Section 447 of the Workers' Compensation Act. The Council is composed of eight members, and the secretary of the Department is the ex officio member. Members are appointed as follows: one employee and employer representative by the President Pro Tempore of the Senate, one employee and employer representative by the Speaker of the House of Representatives, one employee and employer representative by the

Minority Leader of the Senate and one employee and employer representative by the Minority Leader of the House of Representatives. Members serve a term of two years or until their successors have been appointed.

The Council reviews requests for workers' compensation funding by the Department and any assessments against employers or insurers related thereto; makes recommendations regarding certification of utilization review organizations and preferred provider organiza-

tions; reviews proposed legislation and regulations; and reviews the annual medical accessibility study. Their findings are reported to the governor, the Department secretary and the legislature.

Co-chairs Carlton DeBord (representing labor) and Joseph Scagliotti (representing management) and the rest of the Council hold public meetings to discuss various issues of the Department, Bureau, and legislature.

Kids' Chance of Pennsylvania, Inc.

Kids' Chance of Pennsylvania, Inc. is a nonprofit organization that provides scholarships to children of workers who have been catastrophically or fatally injured as a result of a work-related accident or illness. The parent's injury, illness or death must be compensable under Pennsylvania's workers' compensation law, and the applicant must be between the ages of 16 and 25.

Developed by concerned insurers, employers, attorneys, and labor; medical and rehabilitation groups, Kids' Chance has, to date, awarded

more than 110 scholarships ranging in amounts from \$500 to \$5,000 depending upon the student's financial needs and educational expenses.

Kids' Chance scholarships are available to students attending any accredited, post-secondary educational institution (college, trade or vocational schools) within the United States that is recognized by Pennsylvania as eligible to receive student financial aid. The funds can be used for tuition, books, supplies, room and board, transporta-

tion and other school expenses.

The Bureau provides Kids' Chance with meeting room space, administrative assistance and helps to publicize the organization's efforts via the Bureau's public newsletter, *News & Notes*.

For more information on this important program, visit the Kids' Chance website at: www.Kidschanceofpa.org Or, write to: Kids' Chance of PA, Inc., P.O. Box 543, Pottstown, PA 19464, telephone number: (484) 945-2104.

21 - Day Rule Meetings

The Bureau is pleased to report the completion of a study for fiscal year 2002/03 on compliance with the 21-day requirement of the Workers' Compensation Act to make first payment or deny a claim. The study indicated that Pennsylvania's insurers and self-insured employers complied with this requirement an average of 70 percent of the time, up from the 66 percent reported last year.

The Bureau is seeking full compliance with the 21-day rule. Notifications have been sent to all companies in the study informing them on how well they performed and whether a meeting or action plan was necessary. Meetings are held to discuss practical problems and solutions that affect a company's compliance. Alternatively, a company is put on a formal action plan to encourage substantial

progress in a short period of time. The ultimate goal of the meeting and action plan is to assist the insurer and self-insured employer in making more timely payments to injured workers as evidenced by reporting.

The Bureau has conducted this study annually since 1999. For more information, please contact Nathaniel M Holmes, Chief, Claims Management Division.

Total Disability Weekly Workers' Compensation Rates

The following table illustrates the weekly workers' compensation rates used to calculate benefits payable to an injured employee.

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003*</u>
1. Statewide Avg Weekly Wage & Maximum Compensation Rate Payable (Maximum)	\$542.00	\$561.00	\$588.00	\$611.00	\$644.00	\$662.00	\$675.00
2. 50% of Statewide Average Weekly Wage	\$271.00	\$280.50	\$294.00	\$305.50	\$322.00	\$331.00	\$337.50

The compensation rate is 66 2/3% of the employee's average weekly wage. If 66 2/3% of the employee's average weekly wage is greater than the maximum, the rate of compensation payable is equal to the maximum.

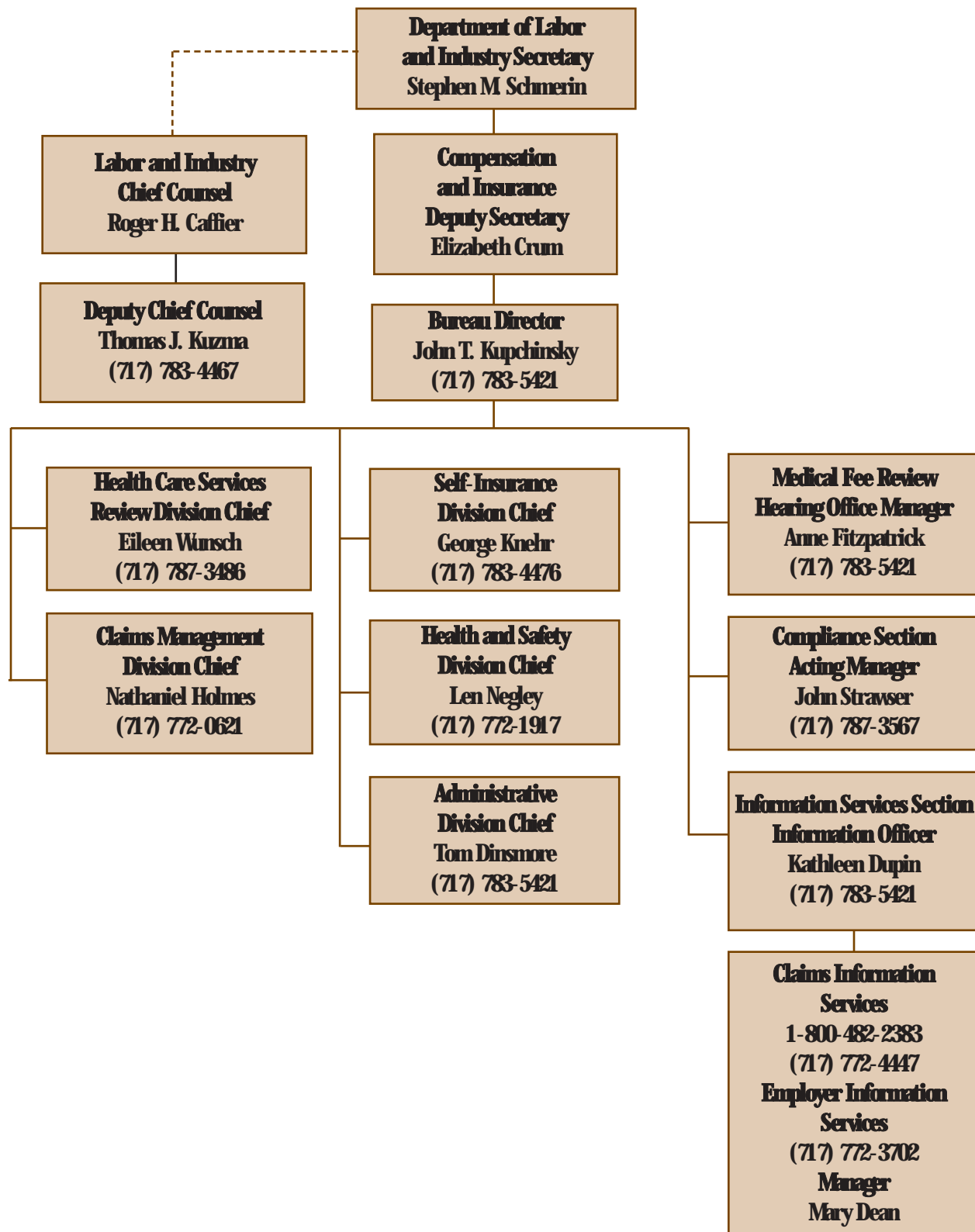
If the benefit calculated is less than 50% of the statewide average weekly wage, then the compensation rate shall be the lower of 50% of the statewide average weekly wage or 90% of the employee's average weekly wage. There is no absolute minimum.

The maximum compensation rate payable is calculated annually and is effective January 1 of each year. The calculation of the average weekly wage is defined by the Act. Corresponding figures for years prior to 1997 are maintained by the Bureau. For partial disability, other calculations and definitions apply.

*For purposes of calculating the update to payments for medical treatment rendered on and after January 1, 2003, the percentage increase in the statewide average weekly wage is 2.0%.

Bureau Personnel

Department/Bureau Organization Chart



Bureau Divisions

Director's Office - Compliance Section

"Complying with the requirements of all statutory and regulatory authority and the court's orders ensures that our workers' compensation system works as it should for everyone."

John C. Strawser joined the Department of Labor and Industry in 1993; transferred to the Bureau's Health and Safety Division in 1997; became an investigator in the Compliance Section in 2001; and in 2003 became Acting Manager of the Compliance Section. Prior to employment with the Department, John worked 15 years in private industry as a manager of a retail supermarket.



Primary Functions

Ensure compliance with the Workers' Compensation Act, regulations enacted pursuant to the Act, and orders issued by the workers' compensation judges. These functions are accomplished through:

- (a) educating employers regarding the requirement to insure their workers' compensation liability;
- (b) investigating reports of alleged employers' failure to insure their liability and prosecuting cases of noncompliance in accordance with the criminal provisions provided by the Act;
- (c) referring allegations of employee fraud to the appropriate insurance carrier and prosecuting authority and allegations of employer, insurer or medical provider fraud to the

proper prosecuting authority;

- (d) reviewing all work-related minor injuries to determine if potential child labor law violations existed, referring said violations to Labor Law Compliance for determinations and collecting any additional compensation due injured minors;
- (e) notifying survivors of their potential survivor rights under the Workers' Compensation Act when fatalities occur;
- (f) reviewing and investigating allegations of insurer, self-insurer or third-party administrator violations of the Workers' Compensation Act to determine if further action is warranted; and
- (g) processing statutorily-permissible exceptions, exemp-

tions and elections for inclusion under the Workers' Compensation Act.

Accomplishments 2002/03 Fiscal Year

1. Mailed the *Employer Information* pamphlet to 36,787 new or modified businesses to better educate employers about their workers' compensation responsibilities, along with certificates of insurance to secure information assuring their compliance; 9,078 businesses failed to respond, so a second mailing was sent.
2. Instituted 1,059 new investigations of potential employer failure to insure workers' compensation liability and referred 18 to the Bureau's legal division for prosecution.

- 3 Referred 48 complaints of employee fraud to the proper insurance carrier for investigation.
- 4 Processed 2,431 corporate executive officer exceptions and 589 religious exemptions for exclusion under the Act as well as 2,174 domestic elections for inclusion under the Act.
- 5 Investigated 499 potential labor law violations resulting in the

collection of a 50% additional compensation penalty for six injured minors permitted to work in violation(s) of the child labor law, amounting to \$1,661.40.

Future Goals

1. Continue to increase the effectiveness of the compliance section's employer education program by identifying new ways of notifying new, modified, and

existing businesses of the employer responsibilities.

2. Reduce the time period it takes to investigate and prosecute employers found to have committed violations of Section 305 of the Workers' Compensation Act.
3. Improve communication with prosecuting counties on the status and outcome of cases being tried and settled.



Director's Office - Information Services Section

"There have been many changes to Pennsylvania's workers' compensation system since the Act was first passed in 1915. One thing has not changed: the need for timely and accurate information."

Kathleen M Dupin came to the Bureau in 1977 and was appointed information specialist in 2000, overseeing the Information Services Section. She is responsible for the claim and employer information services unit and for developing and managing a variety of educational and outreach-related activities. Kathleen is also the conference coordinator and played a significant role in developing and orchestrating the Bureau's three annual conferences in 2001, 2002, and 2003.



Primary Functions

1. Provide employees, employers, the public, workers' compensation professionals, health care providers, government agencies, etc., with accurate and comprehensive workers' compensation information. Information is provided via the *News & Notes* newsletter; the annual report, the Department website, by telephone, feature articles in outside publications and through various Bureau pamphlets and brochures.
2. With Department Press Office approval, provide the media with accurate and timely workers' compensation information. This includes producing informational publications, coordinating interviews and writing press releases.
3. Support the Department secretary, the Bureau director and the Bureau staff in their missions.

Accomplishments

2002/03 Fiscal Year

1. Developed, planned and coordinated the December 2002 Bureau conference. Approximately 900 employers, insurers, health care providers, attorneys and others from the workers' compensation community attended the two-and-one-half-day event. In developing the conference, the Information Services Section was required to: assist in creating the agenda; establish speakers from within the Department of Labor and Industry and from the private sector; coordinate travel arrangements for speakers; collect and assemble handouts; prepare a contract for securing the conference facility; identify and schedule keynote speaker; advertise the event on the Department's website, in the Bureau's *News & Notes*, and in other publications; develop and distribute the conference announcement to more than

11,000 members of the workers' compensation community; data record registrations; arrange for the availability of continuing education credits to conference attendees; communicate with 72 vendors and coordinate vendor exhibits; arrange to have Bureau representatives available at the conference for registration, handouts, and to address the needs of conference attendees.

2. Mailed 97,485 *Workers' Compensation and the Injured Worker* pamphlets to workers for whom the bureau received an Employer's Report of Occupational Injury or Disease and who lost more than a day, shift or turn of work as a result of that injury.
3. Mailed 821 *Workers' Compensation and the Injured Worker* pamphlets with Pathways language to workers in Schuylkill County for whom the Bureau received an Employer's Report of Occupational Injury or Disease and who lost more than

a day, shift or turn of work as a result of that injury. Pathways is a Department of Labor and Industry initiative aimed at rehabilitation, job training and employment opportunities for Pennsylvanians who are injured or disabled. The Pathways pilot program for fiscal year 2002/03 was conducted in Schuylkill County only.

4. The Claims Information Help-line responded to over 77,925 workers' compensation inquiries. These included 74,001 Help-line telephone calls, 2,733 calls from businesses on the Employer Information Help-line, and 1,191 e-mail questions.
5. Researched and responded to 1,601 inquiries of the workers' compensation insurance coverage of employers through the Pennsylvania Compensation Rating Bureau database.
6. Published the Bureau's quarterly newsletter, *News & Notes*. This publication provides an overview of workers' compensation policies, programs and updates. It is distributed to over 10,000 employers, insurers, third-party administrators, union representatives, attorneys, health care professionals and the public.
7. Published the Bureau's FY 2001/02 Annual Report. This 62-page document provided a thorough review of Bureau accomplishments, goals and a comprehensive analysis of workers' compensation key statistics.
8. Published the quarterly employee newsletter, *Inside Information*.
9. Published articles on Pennsylvania's workers' compensation program in the *Pennsylvania Self-Insurer's Association* bi-monthly newsletter.
10. Provided written responses to more than 200 workers' compensation inquiries. These written inquiries were received from injured workers, employers, insurers, Pennsylvania legislators, members of the U.S. Congress and others from the workers' compensation community.
11. Promoted the nonprofit program "Kids' Chance of Pennsylvania, Inc." through newsletter articles and the Bureau's website.
12. Added a "return service" endorsement to mailings in order to better maintain the Bureau's mailing list and reduce the amount of undeliverable correspondence.

Future Goals

1. Continue to provide injured workers, employers, the public, workers' compensation professionals and government agencies with accurate and timely information regarding the Workers' Compensation Act.
2. Develop, plan and coordinate Bureau conference scheduled for December 2003.
3. Continue to provide injured workers, employers, the public, workers' compensation professionals, government agencies and the media with accurate and timely workers' compensation information through newsletters, press releases, feature articles and the Department website.
4. Continue to coordinate insurance information from the Pennsylvania Compensation Rating Bureau to the workers' compensation community.
5. Assist the International Association of Industrial Accident Boards and Commissions (IAIABC) with planning one of its upcoming conferences.
6. Develop a handbook of general workers' compensation information for use by the public, insurers, employers and others in the workers' compensation community.

Director's Office - Medical Fee Hearing Office

"Over the past few years, as both insurers and health care providers have gained experience in dealing with medical payment issues, the number of hearing requests being filed has declined."

Anne Fitzpatrick administers the Bureau's medical fee hearing program and also serves as a hearing officer. She has 18 years of administrative adjudication experience with the Department of Labor and Industry. Prior to joining the Bureau of Workers' Compensation in 1994, Anne held various adjudicative and supervisory positions within the Department's Bureau of Disability Determination. She has an extensive background in the analysis and resolution of medical, vocational, and legal issues associated with administrative claims adjudication. Anne is a graduate of George Washington University in Washington, D.C., having received her bachelor's degree in political science.



Primary Functions

1. Management and administration of the Bureau's medical fee hearing program
2. Administrative hearing and adjudication of disputes arising between health care providers and workers' compensation insurance carriers or self-insured employers with regard to the amount and/or timeliness of the payment of work related medical expenses.

Accomplishments

2002/03 Fiscal Year

1. Achieved the lowest pending case inventory since establishment of the medical fee hearings program
2. Reduced the average time between filing of a hearing request and scheduling of a hearing by almost one month.
3. Successfully implemented a new medical fee hearing computer program.
4. Participated in the Bureau's annual conference, presenting information on hearing processes and procedures.

Future Goals

1. Continued reduction in the time elapsed between filing of a request for hearing and scheduling of the hearing
2. Adjudication of all cases within 90 days following the close of the record.

Administrative Division

“The Administrative Division has been working to implement the Commonwealth’s new software (SAP-ImaginePA) for budget and procurement. The new software should improve the procurement process and speed service to all Bureau program areas.”



Tom Dinsmore came to the Bureau in 1995 as chief of the administrative division. He majored in engineering at York College of Pennsylvania and came to work for the Department of Labor and Industry’s Bureau of Occupational and Industrial Safety in 1974. After 15 years, he transferred to the Pennsylvania Labor Relations Board, serving on two departmental task forces analyzing the Workers’ Compensation Appeal Board composition and processes, and the Bureau of Workers’ Compensation administrative and adjudicatory processes.

Primary Functions

1. Prepare yearly budget request for the Administration Fund. Project, analyze and report on the Administration Fund expenditures (which include the Office of Adjudication, Bureau of Workers’ Compensation Appeal Board, Office of Chief Counsel, Office of Information Technology, and Labor and Industry bureaus that charge the Fund for services).
2. Issue, collect and record assessments to replenish the Administration Fund, Super-sedeas Fund, Subsequent Injury Fund, Self-Insurance Guaranty Fund and the Small Business Advocate Fund.
3. Process supply/equipment/furniture requests and procure them for Bureau offices, the Office of Adjudication, and the Workers’ Compensation Appeal Board.
4. Provide administrative support to all divisions within the Bureau of Workers’ Compensation.
5. Provide personnel advice and services to Bureau employees and managers.
6. Provide mailroom and optical character recognition (OCR) service to the Bureau.
7. Coordinate the leases and renovation of Bureau offices.
8. Coordinate Bureau training

Accomplishments

2002/03 Fiscal Year

1. Budgeted, monitored, and adjusted the Administration Fund.

2. Assisted the Claims Management Division in processing petition assignments within five days (mailroom and OCR).

Future Goals

1. Monitor the budget to remain within 5 percent of budget.
2. Process personnel actions within seven working days of request or other actions.
3. Assist the Claims Management Division in processing petitions within five working days.
4. Renovate the final areas of the headquarters building (Office of Information Technology, Helpline, Compliance, mailroom, OCR/hearing officer, and Health and Safety).

Claims Management Division

“As more and more forms are filed electronically, the resulting benefits and savings will make paper forms a distant memory.”



Nathaniel M. Holmes joined the Bureau in 1993 as an administrative assistant with the claims information helpline. He became manager of the Petitions Section in 1999, playing an important role in improving the overall performance in Petitions. Nate became Chief of Claims Management in 2002, where he directs the receipt, recording and evaluation of claims reports from insurance carriers, self-insured employers, and employees on claims arising under the Act and Occupational Disease laws. Nate has a bachelor of science degree in public policy from the Pennsylvania State University and currently attends Widener School of Law.

Primary Functions

1. Process, record and review documents received on workers' compensation claims.
2. Collect statistics regarding workers' compensation injuries.
3. Assign petitions to workers' compensation judges.
4. Pay claims where the Bureau has liability.
5. Evaluate carrier and employer compliance with the reporting requirements of the Workers' Compensation Act.
6. Serve as conservators of the Supersedeas Fund Reimbursement and Second Injury Funds.
7. Act as repository for workers' compensation/occupational disease records.

Accomplishments:

2002/03 Fiscal Year

1. Processed 521,524 claim forms.
2. Continued promoting and increasing electronic data interchange (EDI) submission of the Employer's Report of Occupational Injury or Disease and increased partnerships.
3. Continued promoting and increasing electronic submission of various Petition forms and Employer's Report of Occupational Injury or Disease from the Bureau's website.
4. Converted 50 percent of old physical files to electronic database.
5. Continued to maintain the "Request for Records" processing time at an average of 10 days or less from receipt of the

request, while processing approximately 16,800 requests.

6. Maintained an average petition assignment of five days from receipt of a petition.
7. Ongoing monitoring for improving the performance of the insurers and self-insurers in compliance of the 21-day rule.
8. Conducted external training sessions, for forms submission and processing throughout the Commonwealth and neighboring states for insurers and third-party administrators (TPAs).
9. Processed over 54,000 current workers' compensation judges' decisions while bringing a former backlog up to date.
10. Processed and disbursed payments of over \$27.5 million.

from the Supersedeas Reimbursement Fund.

Future Goals

1. Continue to conduct educational sessions on claims management forms' use and submission.
2. Make available via the Internet the submission of additional petition forms.
3. Expand the EDI (Electronic Data Interchange) program for submitting Employer's Report of Occupational Injury or Disease data to include more partnerships within the workers' compensation community.
4. Continue to monitor and improve compliance with the 21-day rule.
5. Continue to assign petitions within five business days.



Health Care Services Review Division

"Since the initiation of the fee schedule, utilization review, and other cost-containment provisions in 1993, insurers and self-insured employers have the opportunity to control medical costs and still ensure that injured workers get timely, quality medical care."

Eileen Wunsch is a graduate of the University of Scranton with a master's degree in medical rehabilitation and of Marywood College with a bachelor's degree in communication arts. She joined the Bureau with over 19 years of experience in insurance industry managed care programs, implementing processes and regulations concerning fee schedules, utilization review, employer panels and case management.



Primary Functions

1. Administer the fee review process for health care providers who are disputing the timeliness or amount of payment received for medical care provided to injured workers.
2. Manage and monitor chargemaster fee schedule data. Under amendments to the Workers' Compensation Act in 1993, medical reimbursement was capped based on 1994 Medicare rates that are adjusted annually.
3. Authorize utilization review organizations (UROs) to review the reasonableness and necessity of medical treatment when requested by the employer/insurer or injured worker. The division also trains, audits and monitors UROs in regulatory requirements.
4. Promulgate a list of physicians qualified to perform impairment rating examinations (IREs) and designate an initial IRE physician when requested by employers/self-insured employers.
5. Process requests for information from vocational experts and provide a letter of approval as appropriate to those completing appropriate forms. Also process requests for certified copies of letters of approval.
6. Provide certification of coordinated care organizations.
7. Act as a liaison to independent consultants performing medical access studies.
8. Provide education and training to employers, insurers and health care providers as requested.
9. Act as a resource for all involved parties.

Accomplishments 2002/03 Fiscal Year

1. Issued 11,626 fee review decisions and determinations. This is a 25 percent increase over FY 2001/02.
2. Continued to update the fee schedule quarterly on the Bureau website (except for Table I).
3. Monitored and guided work of chargemaster vendor (RES Solutions) to ensure timely and correct quarterly updates for insurers and self-insured employers.
4. Published a Statement of Policy concerning chargemaster coding for Part A providers, which should serve as the initial step of simplifying the chargemaster.

5. Continued to provide specialized training for health care providers to assist in their understanding of the workers' compensation billing and payment processes, as well as the fee review process. Trained over 230 providers in Bureau-held sessions.
6. Continued to provide specialized training on the appropriate and optimal application of the workers' compensation fee schedule to over 120 repricers and insurers.
7. Processed and approved 27 annual reports for utilization review organizations/peer review organizations (URO/PRO). There is a total of 26 URO/PROs currently authorized.
8. Reviewed and monitored 4,760 utilization review/peer review determinations and reviewer reports. This has resulted in 50 short-term suspensions of URO/PROs and five URO/PRO authorizations being revoked.
9. Received, reviewed, and approved 13 URO/PRO reauthorization applications and one URO/PRO authorization application.
10. Maintained a reviewer database to monitor URO/PRO reviewer qualifications and updated this information regularly.
11. Processed 7,988 utilization review requests.
12. Revised utilization review request form and distributed to stakeholders.
13. Conducted biannual meetings for URO/PROs.
14. Received and processed 1,467 IRE Requests for Designation. This is a 42 percent increase over FY 2001/02.
15. Reviewed and authorized a total of seven additional Physician applications for a total of 82 physicians in 152 geographic locations under the new *5th Edition of the AMA Guides to the Evaluation of Permanent Impairment*. This list is also maintained on the Bureau's website.
16. Processed an additional 56 requests for Vocational Expert information and issued a total of 423 Letters of Approval as a Vocational Expert. Processed over 1,550 certified copies of letters of approval.
17. Received and distributed the 2002 Medical Access Study from TLG Research Associates. Study continues to indicate high levels of injured workers satisfied with their medical treatment. For the first time in the six years of these studies, more than 50 percent of injured workers indicated that they were informed of their rights and duties at the time of injury. Study also indicates that injured workers with Provider Panel Lists have a high satisfaction level and return to work over 30 percent sooner.
18. Continued improvements of service to customers/stakeholders through increased education for health care providers, employers and insurers. This included providing speakers at 34 educational seminars attended by more than 2,100 individuals. These speaking engagements included 14 in-service training sessions for insurers and three in-service training sessions for health care providers.
19. Participated in the annual Bureau conference in December 2002, providing sessions on insurer information, utilization review, medical payment issues, and medical trends.
20. Sent out over 520 fee review information packets and revised the Fee Review Information brochure.
21. Added the Part A provider locations by zip code to the Bureau website.

Future Goals

Medical Fee Review Section

1. Continue to provide quarterly fee schedule updates and web-site updates.
2. Provide education and support to health care providers,

employers, and insurers as needed and requested. This will continue to include yearly educational training for re-pricers, insurers, and health care providers at Bureau headquarters.

3. Continue to explore methods of reducing the size and complexity of the chargemaster database and simplifying the update process.
4. Continue to examine and enhance Bureau processes in order to meet the standard of 30-day completion for fee reviews.

Medical Treatment Review Section

1. Authorize and reauthorize URO/PROs as requested and required.
2. Continue monitoring URO/PRO Determination Face Sheet Packages for compliance with the Medical Cost Containment regulations.
3. Conduct random, on-site audits of URO/PRO operations in accordance with Medical Cost Containment regulations.
4. Continue work on automating the Utilization Review processes.
5. Continue education of insurers, employers, attorneys and injured workers concerning the Utilization Review process and

conduct semi-annual meetings for URO/PROs.

IRE Program

1. Update the website IRE list on a quarterly basis.
2. Process Requests for Designation in a timely manner:

General

1. Conduct quarterly meetings with the Insurer/Provider Medical Cost Containment Committee.
2. Continue to provide education and training through seminars

and insurer/provider in-services on Medical Cost Containment issues and processes.

3. Monitor contractor's performance and preparation of 2003 Medical Access Study report in accordance with the Act and distribute these upon completion.
4. Participate in the Bureau conference.



Medical Access Study

The annual Medical Access Study, mandated by Act 44, assesses whether workers have continuing access to quality medical care. Surveys are sent annually to 10,000 randomly selected injured workers, with 20 percent responding. These are some important findings from the more recent studies:

- Over the past three years, 80.9 percent of workers surveyed expressed overall satisfaction with the care received.
- In 2002, workers treated by panel doctors not only returned to work more quickly (43.2 vs. 50.5 days per injury) but expressed higher satisfaction, and rated the care higher on all quality indicators.
 - The respondents who expressed the highest satisfaction were those who were able to choose a provider from a list given them by the employer: In this group, 85 percent said that they were *Satisfied* or *Very Satisfied*, with 48 percent checking off *Very Satisfied*.
 - Workers who were treated by panel providers, but told whom to see by the employer or carrier, were significantly less satisfied.

The data from the past three years have made abundantly clear the importance of two issues:

- That posted panels offer an appropriate array of qualified providers.
- That workers be informed of their rights and benefits under workers' compensation.

There has been steady improvement on this second issue since 1996, when only 30 percent of respondents said that rights and benefits had been explained to them at the time of injury. Last year, 54.3 percent said that rights and benefits had been explained.

Health and Safety Division

“Since the creation of the state’s workplace safety committee certification program with the 1993 amendments to the Act, we’ve been able to help employers save over \$130 million in insurance premiums. Much of those dollars are put back into safety programs, and that means that fewer Pennsylvania workers are being injured.”



Len Negley holds a bachelor of science degree in marketing and management from Susquehanna University and a master’s degree in Human Resource Management from the New School University in New York City. He is a member of the American Society of Safety Engineers and holds the National Safety Council’s Advanced Safety Certificate. Len is the past Executive Director of the PENNSAFE Advisory Board, which acts as the steering committee for the Administration’s initiative aimed at increasing workplace safety.

Primary Functions

1. Evaluate employer applications for certification of employer workplace safety committees for eligibility of workers’ compensation insurance premium discounts as allowed under Article X of the Act. Provide assistance and guidance to employers in the establishment of safety committees, in the interpretation of requirements for certification and in the correction of application deficiencies prior to resubmission.
2. Provide safety committee certification renewal affidavits for certified employers and evaluate submitted affidavits for eligibility for continuing premium discounts.
3. Review annual reports of accident and illness prevention services and programs from Pennsylvania-licensed workers’ compensation carriers, self-insured employers and group self-insurance funds. Formulate recommendations of program or service adequacy for consideration in determining whether to recommend continuance of licensure or self-insurance status.
4. Determine the necessity for, and conduct, on-site audits of accident and illness prevention services and programs and certified safety committees. Configure and monitor deficiency correction programs as necessary to resolve program or service inadequacies.
5. Through written and verbal communications, conference participation and speaking engagements, disseminate health and safety-related information to members of the regulated community regarding certification/recertification procedures and requirements; annual reporting process; mandatory program and service elements; and qualification levels of accident and illness prevention service providers.
6. Serve as member of the WorkSAFE Advisory Board, which directs statewide activities and programs aimed at

increasing safety awareness and overall workplace health and safety. Participate in the employer nomination and selection processes for the Governor's Award for Safety Excellence.

Accomplishments 2002/03 Fiscal Year

1. Implemented legislation extending the 5 percent discount for five years to a perpetual, annual discount, including designing/testing the required data-processing and forms changes and notifying clients. Reactivated over 2,500 clients.
2. Granted initial certification to a cumulative total of 5,194 workplace safety committees covering over 726,500 employees as of June 30, 2003. The cumulative number of approved workplace safety committee certification renewals totaled 15,415. Approximate employer premium discount savings now total over \$127,100,000.
3. Released all required self-insured, group fund, and insurer required filing reports within required time frames.
4. Evaluated the acceptability of accident and illness prevention programs and services of 1,047 insurers and self-insured employers through annually required reports.

5. Conducted 210 on-site audits of licensed workers' compensation insurers and self-insured employer accident and illness prevention programs and services and certified workplace safety committees.
6. Conducted audits of 11 Commonwealth agency accident and illness prevention programs.
7. Conducted an average of at least 12 on-site audits per month.
8. Revised the Self-Insured Employers (LIBC-220E) on-site audit procedures and annual report form providing additional information on the effectiveness measures being used.
9. Completed refresher training for experienced Accident and Illness Prevention Analysts.
10. Completed the data entry phase of 6+ years of annual insurer report information in anticipation of issuing an "Insurer Data Profile" in fiscal year 2003/04. For selected categories of accident and illness prevention program elements, the profiles will provide each insurer with comparisons of their specific data to that for all reporting insurers.
11. Managed and directed the process to select and award the

Governor's Award for Safety Excellence to 15 Pennsylvania companies. Conducted several on-site visits.

12. Refined and revised the Department's Return-to-Work Program through WorkSAFE Advisory Board for Fall 2004 launch.

Future Goals

1. Increase outreach efforts to employers and members of the general public through information seminars, written publications and website information concerning the certification process and accident and illness prevention programs and services requirements.
2. Promote the WorkSAFE initiative through participation in seminars, association meetings and written publications.
3. Conduct a total of 300 Insurer; Self-Insured Employers, Group Self-Insurance Funds, and Certified Workplace Safety Committee audits.
4. Pursue design of data processing systems to allow online filing of forms and communications with clients and the general public.
5. Complete development of an insurers' annual report data profile comparing individual insurers to overall "averages"

developed from cumulative annual report data.

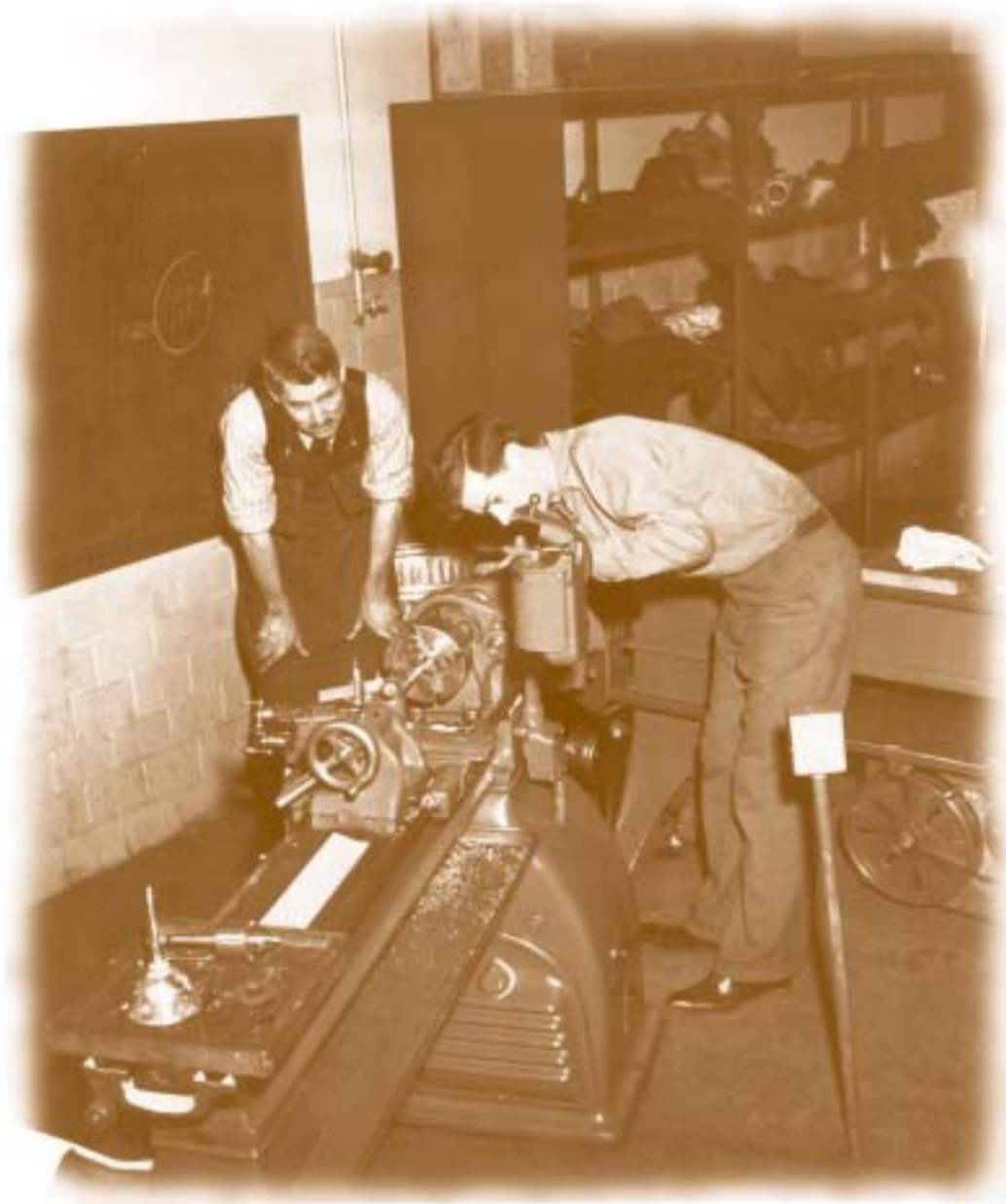
6. Complete design and data entry for and issue a "Self-Insured Employer Data Profile" comparing individual employer data to that reported by all

self-insured employers for selected categories of prevention program information.

7. Develop the framework for the Pennsylvania Safety Training Institute to provide both tar-

geted and general instruction to employers and members of the general public.

8. Redesign Division website to a topic and user-friendly environment.



Legal Division

“Our goal remains to provide thorough, timely, and reliable service to our client and the workers’ compensation community.”

Thomas J. Kuzma earned a Juris Doctor from Georgetown University Law Center in 1989 and received a Masters in Government Administration from the University of Pennsylvania in 1998. Tom served as a litigation associate for the Philadelphia firm of Dechert Price & Rhoads (now Dechert LLP) for approximately six years prior to accepting a position as an assistant counsel for the Pennsylvania Department of Labor & Industry in 1995. Since 1996, Tom has served as Deputy Chief Counsel of the Bureau. He is the chief litigator and advisor on all facets of the Bureau’s operations, including regulatory and legislative initiatives. Tom frequently gives lectures concerning workers’ compensation issues.



Primary Functions

1. All legal services provided to the Bureau are coordinated through the Governor’s Office of General Counsel. Attorneys representing the Bureau and its support staff are responsible for defending any legal challenges to the Bureau’s implementation of the workers’ compensation system.
2. Responsible for preparing criminal prosecutions of employers who fail to maintain workers’ compensation coverage for workers.
3. Defend claims brought against certain statutorily created funds. For example, attorneys associated with the Bureau represent the Commonwealth in claims against the Super-sedeas Fund as well as the Subsequent Injury Fund, and
- claims under the Occupational Disease Act.
4. Review statutes and regulations (federal and state) that may have an effect on the workers’ compensation community. In addition, draft bills, regulations and statements of policy at the behest of client to either correct deficiencies or make enhancements to the system.
5. Routinely answer inquiries from the public, including written correspondence sent to departmental personnel, and telephone calls that are handled by duty week law clerks and attorneys.

Accomplishments: 2002/03 Fiscal Year

1. *Larry Pitt & Associates, P.C. v. Butler*; (No. 543 MD. 2000;

Pa. Cmwlth.) – Herein, plaintiff alleges that the legislature’s enactment of section 442 of the Workers’ Compensation Act (WC Act) is unconstitutional because it is in contravention of Article 5, Section 10(c) of the Pennsylvania Constitution (Judicial administration). Additionally, plaintiff sought to enjoin the defendants from interfering with, regulating or restricting attorneys’ fees in workers’ compensation matters. On October 30, 2001, the Commonwealth Court sustained the Commonwealth’s preliminary objection relating to the plaintiff’s failure to exhaust its administrative remedies and hence dismissed the petition. On September 5, 2002, the Supreme Court

affirmed the Commonwealth Court's opinion (No. 45 EAP 2001).

2. *Webb v. WCAB (Chalmers & Rubick)*, (No. 2332 C.D. 2002; Pa. Cmwlt.) – Herein, Petitioner Webb argues that the Workers' Compensation Judge (WCJ) and Workers' Compensation Appeal Board (WCAB) erred in awarding only a twenty percent (20%) attorney's fee pursuant to section 442 of the WC Act. Like in *Pitt* above, Petitioner claims that section 442 of the WC Act is unconstitutional. In a decision dated February 3, 2003, the Commonwealth Court affirmed the WCAB's order affirming the WCJ's decision reducing Attorney Pitt's attorney's fee to 20%.

3. *Bass v. Butler*, (No. 98-4112; E.D. Pa.) – Herein, Bass challenges the constitutionality of section 412 of the WC Act, 77 P.S. § 851. That section permits cases to be reassigned to another WCJ at any time before an award or disallowance of compensation, and allows the testimony taken before the original WCJ to be considered as though taken before the new WCJ unless the new WCJ orders otherwise.

Bass contends that her due process rights were violated when her workers' compensa-

tion case was transferred from WCJ Perry to WCJ Rosen without her knowledge, even though both WCJ Perry and WCJ Rosen signed the decision denying plaintiff's claim for benefits. This is not the first time Bass has made this argument. In affirming the decision denying plaintiff's claim, the Commonwealth Court concluded that although plaintiff's facial challenge to section 415 was procedurally barred, section 415 was constitutional as applied to her.

In a decision filed September 26, 2002, the United States District Court for the Eastern District dismissed plaintiff's claims under the *Rooker-Feldman* doctrine, stating that it had no subject matter jurisdiction over plaintiff's claim since it was inextricably intertwined with the Commonwealth Court's decision upholding the constitutionality of section 415 as applied to plaintiff. The plaintiff has since appealed the district court's decision to the Third Circuit (No. 02-4027).

4. *Wausau Insurance Companies v. Workers' Compensation Appeal Board (Commonwealth of Pennsylvania)*, (No. 2061 C.D. 2002; Pa. Cmwlt.) – On

May 13, 2003, the Commonwealth Court issued an Opinion and Order in this Supersedeas Fund matter wherein the Court held that reimbursement for contested claim petitions is only proper for "those payments attributable to a claimant's period of disability subsequent to the date the request for supersedeas is filed." This holding extended the court's prior holding in *Robb, Leonard and Mulvihill v. Workers' Compensation Appeal Board (Hooper)*, 746 A.2d 1175 (Pa. Cmwlt. 2002), to Supersedeas Fund applications seeking reimbursement for contested claim petitions and will substantially reduce the number and amount of expenditures from the Supersedeas Fund in response to litigated claim petitions.

5. *Bureau of Workers' Compensation v. Workers' Compensation Appeal Board (Exel Logistics)*, (No. 185 C.D. 2003; Pa. Cmwlt.) – In a published opinion dated June 6, 2003, the Bureau successfully maintained that Supersedeas Fund reimbursement is not proper where the underlying matter was commenced under section 306 of the WC Act. Although no provision of the WC Act permits reimbursement of

monies paid while litigating a matter under section 306 of the WC Act, the Supersedeas Fund was often required to pay in such circumstances. This case will eliminate the Supersedeas Fund's liability in such cases.

6. *Pep Boys, Inc. v. WCAB (Young)*, (No. 2088 C.D. 2002; Pa. Cmwlth.) – In a reported decision, the Commonwealth Court denied the Insurer's appeal, and affirmed the WCAB's order denying Supersedeas Fund reimbursement for alleged overpayments of compensation where the Insurer compromised its lien for the receipt of third-party benefits under section 319 of the WC Act. In so holding the Court found that section 319 requires an insurer to seek the "full amount of compensation it is owed from the third-party tortfeasor responsible for the work injury," not from the Supersedeas Fund.

7. *Promulgation of Hepatitis C Guidelines* – On December 20, 2001, then-Governor Mark Schweiker signed Act 115 of 2001, Act of Dec. 20, 2001 (P.L. 967, No. 115), which amended section 108 of the WC Act to create a presumption that hepatitis C in certain safety, emergency, and rescue personnel occupations is an

occupational disease within the meaning of the WC Act. This presumption is not conclusive and is rebutted if the employer has established an employment-screening program, in accordance with guidelines established by the Department in coordination with the Department of Health and Pennsylvania Emergency Management Agency. The guidelines were published at 32 Pa. Bull. 3495 on July 20, 2002.

8. *Revision of Special Rules of Administrative Practice and Procedure Before Workers' Compensation Judges and the Workers' Compensation Appeal Board* – On Dec 7, 2002, the Rulemaking for the WCJ Rules and WCAB Rules was published in final-form in the *Pennsylvania Bulletin*. The Rulemaking amended numerous portions of 34 Pa. Code Chapters 111 and 131. The publication of this Rulemaking was the result of several years of effort to clarify and improve the effectiveness of these Rules.

9. *Provision of Inter-Agency Counsel* – The Department worked with the Insurance Department to develop appropriate regulatory guidance relating to the implementation of the Health Insurance

Portability & Accountability Act of 1996 (HIPAA), P.L. 104-191 (Aug. 21, 1996) and the Gramm, Leach Bliley Act (GLBA), P.L. 106-102 (Nov. 12, 1999), and the impact of these acts upon insurers licensed by the Commonwealth of Pennsylvania. Such guidance was promulgated by the Insurance Department at 31 Pa. Code Chapter 146(b) (relating to Privacy of Consumer Health Information) on October 26, 2002.

10. *Promulgation of Chargemaster Statement of Policy* – The Department promulgated a statement of policy at 34 Pa. Code Chapter 126 (relating to Health Care Under the WC Act), which addressed the manner by which health care providers should submit cost data to the Bureau. The statement of policy provides that when submitting data under 34 Pa. Code § 127.155(c), all codes submitted to the Bureau shall be based upon the appropriate HIPAA-compliant code set, where available.

11. *PCRB Manual Revision Relating to Volunteers Under the WC Act* – In conjunction with Pennsylvania Compensation Rating Bureau (PCRB) personnel, the Workers' Compensation's Legal Division

(WC Division) drafted a revision to the PCRB Manual enabling volunteer fire companies and ambulance corps to seek a workers' compensation policy separate from the workers' compensation policy of the municipality in which the volunteer fire company or ambulance corps is headquartered. The proposed language was adopted by the PCRB's Classification and Rating Committee in November 2002 and approved by the Insurance Commissioner in January 2003. The effective date of the new Manual language will be April 1, 2003, for new and renewal policies of that date or later.

12. *New Subsequent Injury Petition Form* – In 2002, the WC Division worked with the Claims Management Division to create a new claim form, the Claim Petition for Subsequent Injury (LIBC-375), to be used exclusively for claims requesting benefits from the Subsequent Injury Fund. In the past, a claim for these benefits was brought by filing a general Claim Petition for Workers' Compensation (LIBC-362) and checking a specific line in paragraph 14 which indicated a request for "additional compensation" from this Fund. This method

often resulted in the "additional compensation" line being checked erroneously, thus requiring the WC Division to travel across the state and participate in hearings for which there was no legitimate Subsequent Injury claim. The new form was completed and disseminated to the workers' compensation community in December 2002, and is in full use.

13. The following is a history of the Workers' Compensation Division's successful Section 305 prosecutions for fiscal year 2002:

- *Commonwealth v. Advanced 65 Inc. & Advanced Home Care (Katherine Ward)*, (No. CC 20011-7759; Allegheny County C.C.P.) – The defendant placed on 24 months probation and ordered to complete 200 hours of community service during the probationary period. The defendant paid restitution of approximately \$9,000 plus court costs.

- *Commonwealth v. Butch & Sundance Construction (Gene Cassidy & Brian Burket, t/d/b/a Butch & Sundance Construction)*, (Nos. CR-0341-02, CR-0342-02; Blair County C.C.P.) – Defendants placed

on 12 months probation and directed to pay the administrative costs of prosecution. Each defendant was also ordered to complete 25 hours of community service and pay the additional costs for community service and supervision.

- *Commonwealth v. C & C Manufacturing and Fabricating Co.*, (No. CR-0000420-02; Luzerne County C.C.P.) – Defendant pled guilty to 1 misdemeanor count and was fined \$1,000 plus court costs.

- *Commonwealth v. Charles K. Vulakovich (Antrim Food Service/Aunt Jen's Diner)*, (No. OTN-F-127399-6; Allegheny County C.C.P.) – Defendant was charged with 983 misdemeanor counts of violating section 305 of the Act. On October 8, 2002, the matter was withdrawn based upon the payment of full restitution in the amount of \$4,250.

- *Commonwealth v. Frances Wheeler d/b/a Tri-County Home Health Care*, (Nos. 467-02, 468-02; Fayette County C.C.P.) – Defendant ordered to make resti-

tution in the amount of \$27,091.

- ***Commonwealth v. Landmark Motor Cars, Inc. (Alexander Fishman aka Simon Fishman aka Steve Baker)***, (No. CR-0000441-01; Philadelphia County C.C.P.) – Defendant Landmark Motors Cars, Inc. pled guilty to 51 felony counts and was sentenced to 50 years probation on 8 counts; sentence was suspended on the remaining counts, and restitution was also awarded. Defendant Landmark was also ordered to pay to the injured employee ongoing workers' compensation through early January 2003, the cost of which totaled approximately \$102,000; court costs were also ordered.
- ***Commonwealth v. Nightingale Home Health Care, Inc. & Judith L. Hodgson***, (No. CR-2261-02; Washington County C.C.P.) – Defendant placed on 12 months probation and ordered to pay a fine totaling \$18,100 and reimbursement of Bureau's costs of \$207.
- ***Commonwealth v. P & L Kurtz, Inc. (Paul M Kurtz, Jr.)***, (No. CR-2717-2002; Lancaster County C.C.P.) – At sentencing on September 30, 2002, the defendant was entered into the ARD program, placed on 2 years probation and ordered to complete 50 hours of community service. He was also ordered to pay \$650 in costs and fined \$2,817.
- ***Commonwealth v. Patton Roofing Co. & Stephen J. Shaffer***, (Nos. CR-0206-02, CR 0207-02; Delaware County C.C.P.) – Defendant was entered in the ARD program, placed on 2 years probation, ordered to complete 32 hours of community service and pay \$15,000 restitution.
- ***Commonwealth v. Paul Koci d/b/a The Galley and d/b/a Koci's Tavern***, (No. CR-235-03; Washington and Greene County C.C.P.) – Defendant was sentenced to 23½ months probation and ordered to pay restitution to the injured employee in the amount of \$8,434.
- ***Commonwealth v. Peter Blue, Jr.***, (No. CR-0000256-01; Washington County C.C.P.) – Defendant was entered into the ARD program and placed on 23½ months probation, during which time he is required to pay restitution in the amount of \$23,737.77.
- ***Commonwealth v. R & K Wettlaufer Logging Inc. (Robert M Wettlaufer as CEO and Kay R. Wettlaufer as Secretary of R & K Logging Inc.)***, (No. 0000202-02; Bradford County C.C.P.) – Defendant pled guilty to one misdemeanor count and was ordered to pay \$1,613, which included a \$1,500 fine and court costs.
- ***Commonwealth v. Sandblasting & Painting Inc./Tara D. Robinson***, (Nos. CR-269-02, CR-268-02; Schuylkill County C.C.P.) – The individual defendant was ordered to serve 12 months probation and pay costs and a fine totaling \$7,000.
- ***Commonwealth v. Sign Advantage, Inc./John Sessa***, (No. CR-1697-03; Delaware County C.C.P.) – Defendant was ordered to serve one-year probation and pay restitution in the amount of \$36,604.
- ***Commonwealth v. Stavros Pizza, Inc./John Passalis***, (No. CP 0101-0184; Phil-

adelphia County C.C.P.) – Defendant pled guilty to 35 felonies of the third degree. A sentencing order in this case was signed in which defendant was placed on seven years probation with the following conditions: Defendant must pay \$20,000 in restitution to the deceased employee's wife; and defendant must pay \$15,000 in restitution for the deceased employee's minor child.

- *Commonwealth v. Stooze's Inc. d/b/a C J Barney's/Bernard Silverman,*

(No. 200110404; Allegheny County C.C.P.) – The Defendant was ordered to serve 2 years probation and pay fines totaling \$18,000, costs totaling \$2,024, and restitution in the amount of \$620.

- *Commonwealth v. Travers Trucking Co. (Richard C. Travers),* (No. CR-0023-02; Jefferson County C.C.P.) – Defendant agreed to make restitution in the amount of \$1,579.
- *Commonwealth v. Young Choe d/b/a Young Choe Auto Sales,* (No. CC

200113915-26; Allegheny County C.C.P.) – A plea agreement was reached on September 26, 2002, in which the defendant pled guilty to 431 felony counts. Defendant was placed on 15 years probation, and ordered to pay the costs of prosecution and restitution in the amount of \$88,481.46.

Future Goal

1. Assist our clients to achieve their objectives to the greatest degree possible within the bounds of the law



Self-Insurance Division

“Since passage of the Act in 1915, employers with the proper financial strength have had the option of directly covering their liability through self-insurance. While its regulation and guaranty requirements have changed over the years, many believe that self-insurance is still the best method for providing workers’ compensation protection to employees.”



George Knehr received his bachelor’s degree in secondary education from Kutztown University and has a master’s degree in public administration from Shippensburg University. He has been Chief of the Self-Insurance Division since 1988. Prior to joining the Bureau, he was an administrative officer for eight years with the Pennsylvania Labor Relations Board, and he worked for one year with the former Pennsylvania Department of Community Affairs, Bureau of Local Government Services.

Primary Functions

1. Process and decide applications of individual employers for self-insurance status under Section 305 of the Workers’ Compensation Act and Section 305 of the Pennsylvania Occupational Disease Act, set conditions for self-insurance, and monitor self-insured employers’ compliance with these conditions. As of July 1, 2003, there were 793 employers authorized to self-insure their liability.
2. Process and decide applications of groups of employers to operate as group self-insurance funds under Article VIII of the Act; regulate and monitor the financial conditions of the group funds, including the setting of rates, the maintenance of surplus, and the distribution of dividends to members. Eighteen group self-insurance funds are currently operating covering over 690 employers in the Commonwealth.
3. Collect and tabulate information needed to issue assessments to maintain special funds established under the Act.
4. Administer the Self-Insurance Guaranty Fund and the use of financial security to remedy defaults of self-insurers. The Guaranty Fund and its special Prefund Account, which applies to claimants injured before 1993, provide benefits to more than 490 claimants. An additional 76 claimants receive benefits from self-insurance security administered and paid through the division.

Accomplishments

2002/03 Fiscal Year

1. Oversaw the transfer of three defaulted self-insurers’ liabilities to their appropriate surety company or security trustee, including one situation involving over 750 injured workers.
2. Entered a new five-year contract with a claims services company for the administration and payment of Guaranty Fund and Prefund Account claims.
3. Processed 791 renewal applications and 70 new applications for individual self-insurance status and 18 group self-insurance fund annual reports and rate requests.
4. Worked with staff of the Office of Information Technology on the design and implementation

of a server-based computer system for the calculation, issuance, and payment of special fund assessments.

Future Goals

1. Continue training self-insurers on the proper completion of forms, the provision of data, and the projection of outstanding liability.
2. Update the ratio-factors measuring the annual percentage of claims development for self-insurers and insured employers and update the mortality and pension tables used in the setting of self-insurance reserves.
3. Revise forms for reporting open claims reserves of self-insurers, including updates to the tables for suggestive reserve amounts on permanent-total and fatal injury claims.



Bureau Statistical Review

Benefits Paid 2000-2002* Indemnity and Medical Breakdown

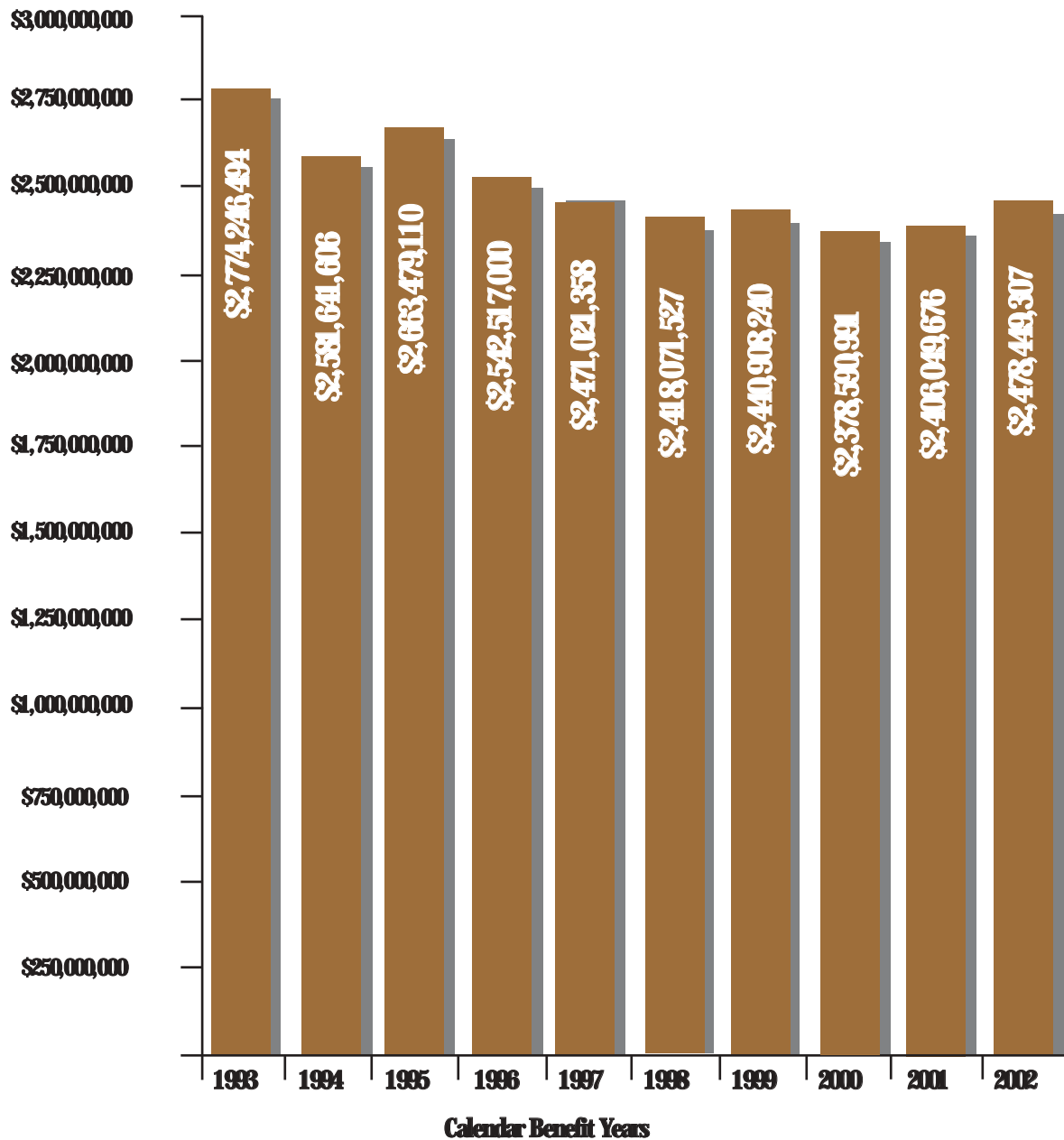
2002			
	Indemnity Compensation Paid	Medical Compensation Paid	Total Compensation Paid
Insurance Carriers	\$1,030,275,254	\$730,988,928	\$1,761,264,182 (71.1%)
SWIF**	\$105,029,451	\$52,250,830	\$157,280,281 (6.3%)
Individual Self-Insurers	\$337,811,149	\$190,475,486	\$528,286,635 (21.3%)
Group Self-Insurance Funds	\$14,472,191	\$17,146,018	\$31,618,209 (1.3%)
Total	\$1,487,588,045 (60.02%)	\$990,861,262 (39.98%)	\$2,478,449,307 (100%)
2001			
	Indemnity Compensation Paid	Medical Compensation Paid	Total Compensation Paid
Insurance Carriers	\$981,179,895	\$719,323,853	\$1,700,503,748 (70.7%)
SWIF**	\$108,514,476	\$35,992,106	\$144,506,582 (6.0%)
Individual Self-Insurers	\$360,239,007	\$175,081,315	\$535,320,322 (22.2%)
Group Self-Insurance Funds	\$12,146,582	\$13,572,442	\$25,719,024 (1.1%)
Total	\$1,462,079,960 (60.77%)	\$943,969,716 (39.23%)	\$2,406,049,676 (100%)
2000			
	Indemnity Compensation Paid	Medical Compensation Paid	Total Compensation Paid
Insurance Carriers	\$970,869,593	\$689,303,679	\$1,660,173,272 (69.8%)
SWIF**	\$119,195,443	\$35,364,961	\$154,560,404 (6.5%)
Individual Self-Insurers	\$371,271,691	\$170,641,594	\$541,913,285 (22.8%)
Group Self-Insurance Funds	\$10,805,388	\$11,138,642	\$21,944,030 (0.9%)
Total	\$1,472,142,115 (61.89%)	\$906,448,876 (38.11%)	\$2,378,590,991 (100%)

*Calendar Years

**SWIF: State Workers' Insurance Fund

Source: Pennsylvania Department of Insurance and Bureau of Workers' Compensation, Department of Labor and Industry

Total Workers' Compensation Paid (Medical and Indemnity) 1993-2002



Source: Pennsylvania Department of Insurance and Bureau of Workers' Compensation, Department of Labor and Industry

Fiscal Year 2002/03 Injury Statistics

- In Pennsylvania, 98,042 work injury and illness cases were reported to the bureau during FY 2002/03. This year's total was 41% higher than the 94,215 reported in FY 2001/02.
- Pennsylvania's Work Injuries and Illnesses Rate (the number of lost-time work injuries per 1,000 workers) was 17.3 in FY 2002/03. The 2001/02 FY rate was 16.6. Mining had the highest injury and illness rate among the major industry divisions in FY 2002/03 at 38.9.
- The divisions of industry with the highest percentage of accidents were Services (28%), Manufacturing (15%), and Retail Trade (15%).
- Sprain and strain injuries (42,850) accounted for 43.7% of the total cases reported in FY 2002/03. Over 22% of the cases were cuts, lacerations and punctures (9.2%) and contusions, crushes and bruises (13.1%).
- The most frequent types of accidents in Pennsylvania in FY 2002/03 were due to overexertion (33.0%), resulting in a sprain or strain in 79.1% of the overexertion cases. The second leading cause of injury resulted in a sprain or strain in 57.1% of the bodily exertion cases. Cuts, lacerations or punctures were the result in 28.9% of all "struck-by" accidents and 49.6% of all "struck-against" accidents.
- Injuries to the upper extremities (arms, wrists, hands, fingers, shoulders) accounted for over 31.8% (31,138) of the total cases reported in FY 2002/03. Back injuries alone (19,437) represented over 19.8% of the cases. Injuries to legs and fingers represented 18.1% of the total.
- Industry divisions with the highest number of work-related fatalities were TPU (27), Services (25) and Public Administration (21).
- Almost half (46,614) of the 98,042 cases reported in FY 2002/03 came from eight of the Commonwealth's 67 counties. Those counties, which represent 47% of Pennsylvania's workforce, were Philadelphia (13,783), Allegheny (8,701), Montgomery (4,760), Lancaster (4,738), Bucks (4,078), Delaware (3,681), Berks (3,772), and York (3,102).
- Injuries by Body Part Affected:
 - Neck: 2,467 (2.5%)
 - Head: 7,066 (7.2%); Eyes: 2,751 (2.8%); Face: 764 (0.8%)
 - Upper Extremities: 31,138 (31.8%); Arms: 5,701 (5.8%); Wrists: 3,849 (3.9%); Hands: 5,125 (5.2%); Fingers: 6,091 (6.2%); Shoulder: 6,190 (6.3%)
 - Trunk: 25,974 (26.5%); Chest: 1,865 (1.9%); Back: 19,437 (19.8%); Abdomen: 2,995 (3.1%)
 - Lower Extremities: 22,647 (23.1%); Leg: 11,690 (11.9%); Knee: 8,617 (8.8%); Ankle: 5,287 (5.4%); Foot: 3,379 (3.4%); Toes: 857 (0.9%); Hips: 954 (1.0%)
 - Multiple Parts: 7,954 (8.1%)
 - Body Systems: 794 (0.8%)

Source: Pennsylvania Bureau of Workers' Compensation, Department of Labor and Industry

Pennsylvania Work Injuries, Illnesses and Fatalities

Calendar Year 1916 (10- Year Intervals) through Fiscal Year 2002/03

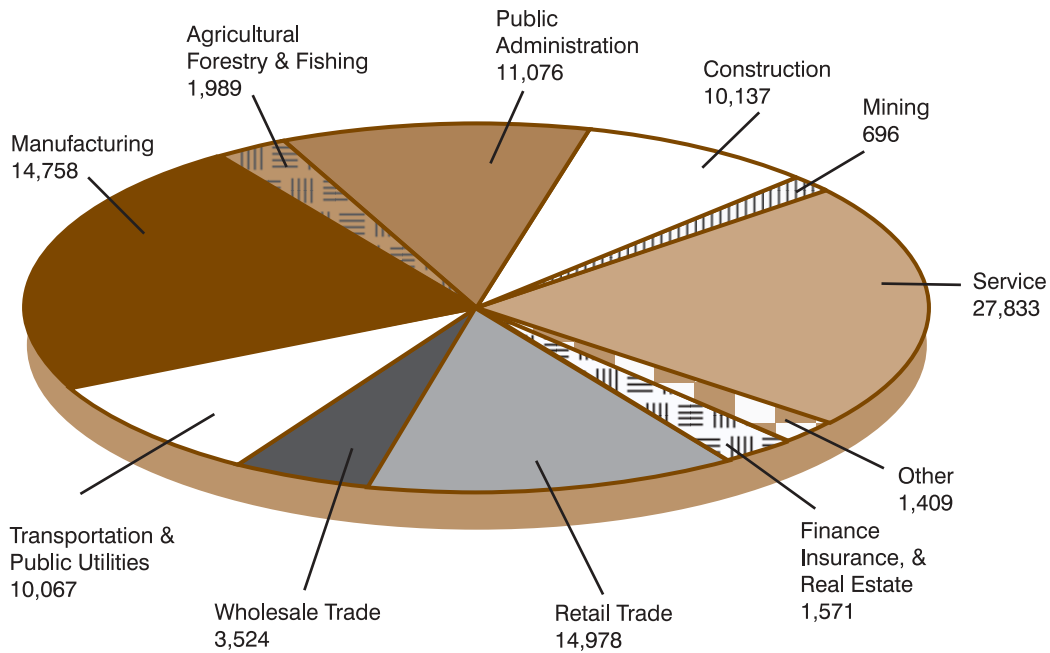
	YEAR*	TOTAL	FATAL**	NONFATAL
	CY 1916	255,616	2,670	252,946
	CY 1920	174,979	2,528	172,451
	CY 1930	144,669	1,752	142,917
	CY 1940	109,475	1,278	108,197
	CY 1950	96,372	909	95,463
	CY 1960	78,947	701	78,246
	CY 1970	99,182	630	98,552
	CY 1980	147,466	364	147,102
	CY 1990	158,030	235	157,795
	FY 1995/96	111,412	139	111,273
	FY 1996/97	94,081	155	93,926
	FY 1997/98	87,339	114	87,225
	FY 1998/99	83,769	105	83,664
	FY 1999/00	81,338	124	81,214
	FY 2000/01	82,813	118	82,695
	FY 2001/02	94,215	146	94,069
	FY 2002/03	98,042	147	97,895

*CY = Calendar Year; FY = Fiscal Year

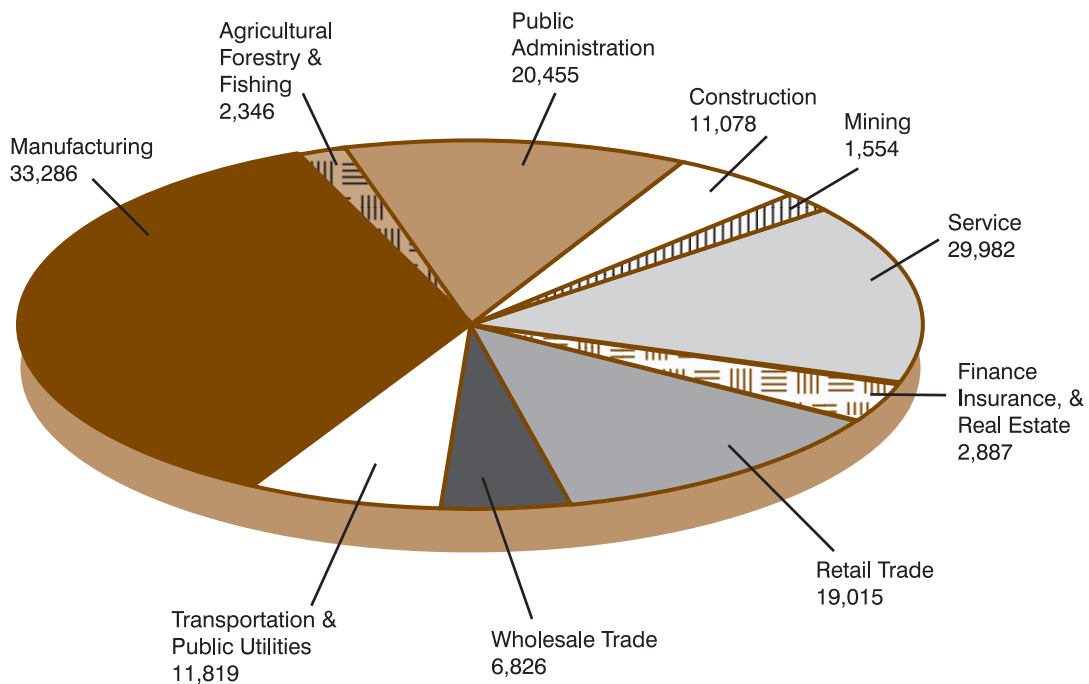
** Represents fatalities that occurred immediately or within a few days of the work event that caused death and are reported to the Pennsylvania Bureau of Workers' Compensation.

Source: Pennsylvania Bureau of Workers' Compensation, Department of Labor and Industry

Reportable Injuries by Industry FY 2002/03

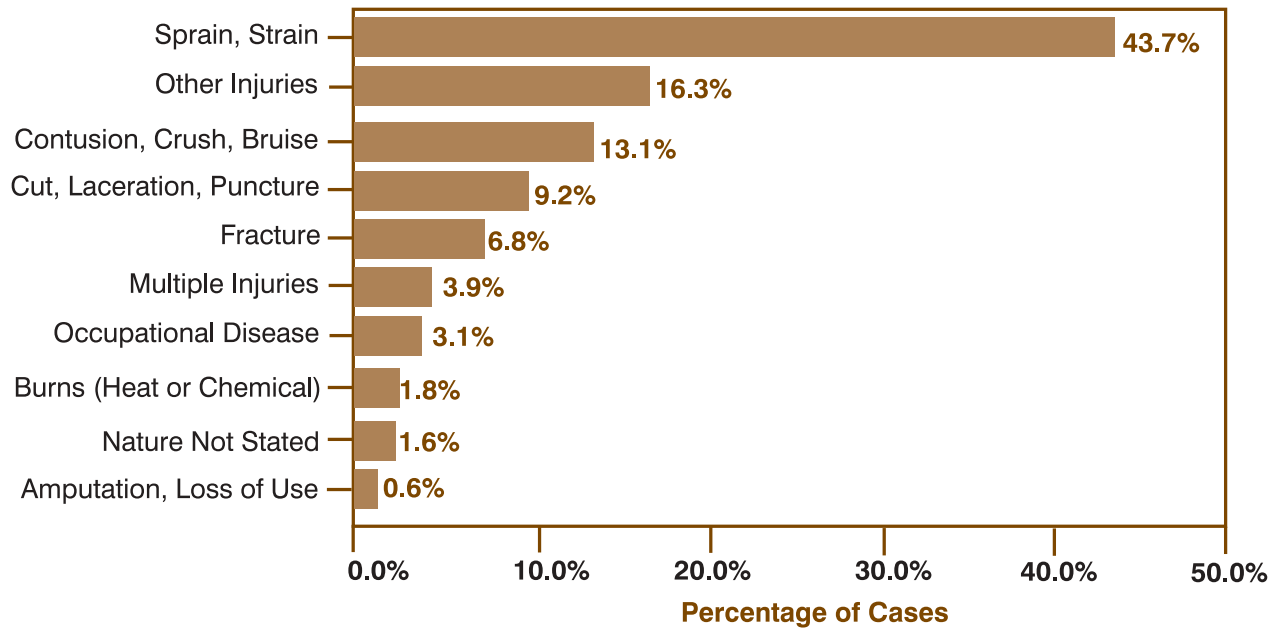


(10-Year Comparison) Reportable Injuries by Industry FY 1992/93

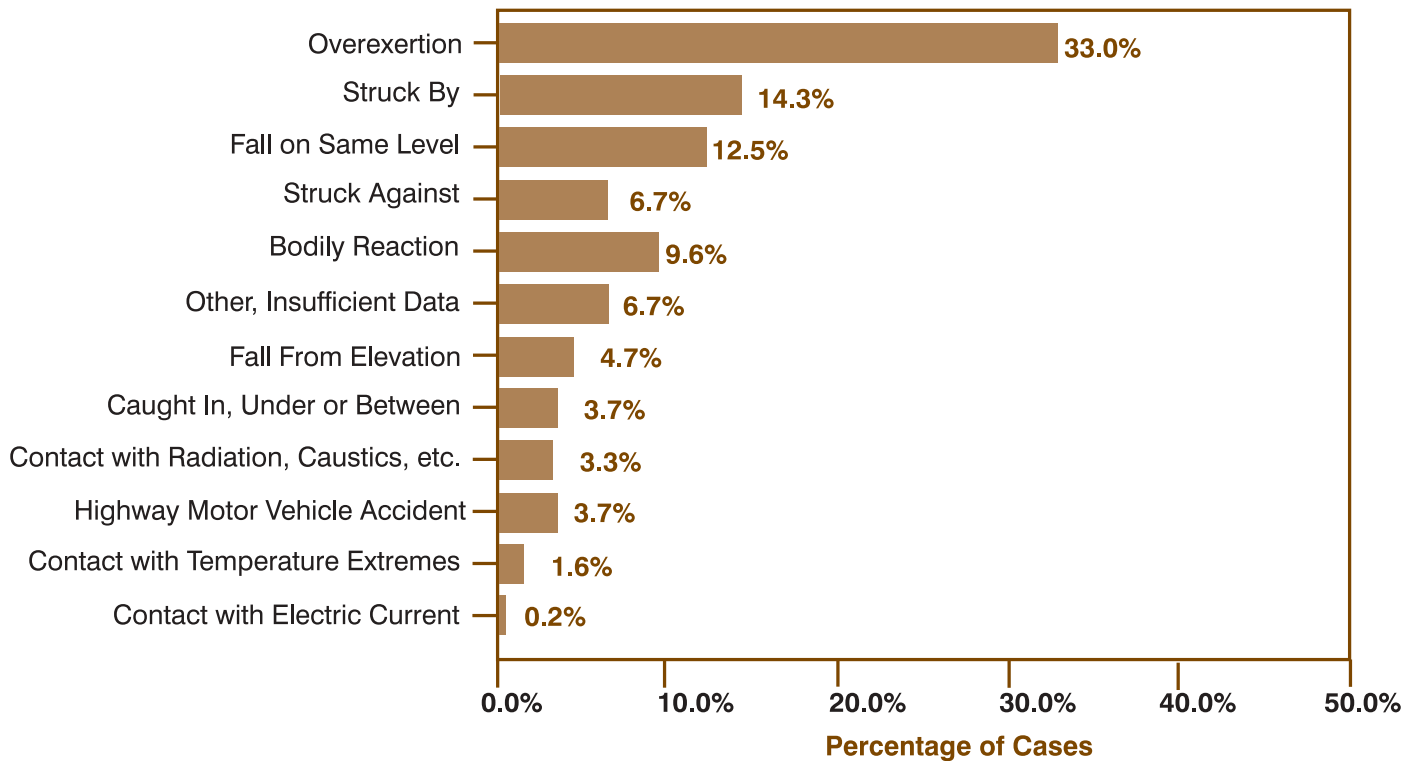


Source: Pennsylvania Center for Workforce Information and Analysis, Department of Labor and Industry

Percent Distribution by Nature of Injury or Illness Fiscal Year 2002/03



Percent Distribution by Type of Accident or Exposure Fiscal Year 2002/03



Source: Pennsylvania Bureau of Workers' Compensation, Department of Labor and Industry

The information provided on this page replaces the table published on page 46 of the *Pennsylvania Workers' Compensation and Workplace Safety Annual Report, Fiscal Year 2002/03*.

New Claims Breakouts
Fiscal Years 2000/01 – 2002/03
(Revised May 2004)

	Fiscal Year 2000/01	% of Total New Claims	Fiscal Year 2001/02	% of Total New Claims	% Change From 2000/01 to 2001/02	Fiscal Year 2002/03	% of Total New Claims	% Change from 2001/02 to 2002/03
New Claims	108,069	100.0%	105,506	100.0%	-2.37%	111,023	100.0%	5.23%
Accepted Claims	63,389	58.7%	56,346	53.4%	-11.11%	57,564	51.8%	2.16%
By Temporary Notice of Comps	19,260	17.8%	19,875	18.8%	3.19%	22,374	20.2%	12.57%
By Notice of Comps	36,655	33.9%	33,135	31.4%	-9.60%	31,691	28.5%	-4.36%
Other	7,474	6.9%	3,336	3.2%	-55.37%	3,499	3.2%	4.89%
Denied Claims	44,680	41.3%	49,160	46.6%	10.03%	53,459	48.2%	8.74%
By Denial	35,920	33.2%	41,390	39.2%	15.23%	45,883	41.3%	10.86%
Denied After Accepting with TNCP	8,760	8.1%	7,770	7.4%	-11.30%	7,576	6.8%	-2.50%

Source: Pennsylvania Bureau of Workers' Compensation, Department of Labor and Industry

Office of Adjudication



Message from David A. Cicola
Director, Office of Adjudication

The 2002/03 fiscal year was an important year for improvements in the adjudication of workers' compensation cases.

First of all, the revised Rules of Administrative Practice and Procedure were adopted to clarify and provide detailed guidance for the litigation of matters before judges and the Workers' Compensation Appeal Board. These are the first changes since the rules were last comprehensively reviewed in 1991.

Second, the Office of Adjudication succeeded in once again reducing the statewide average time to hear and decide workers' compensation cases (88 months, down from 93 months just last year). Additionally, workers' compensation judges continued to decide more petitions than they received in new assignments. As a result, at the end of the 2002/03 fiscal year, more than 1,000 fewer petitions were pending than had been the year before.

Third, we continued to tap the Internet to provide additional conveniences for our customers. This past fiscal year saw the introduction of "Petition To" form submission via the web, as well as the implementation of an online repository of litigation procedures before workers' compensation judges. As we go to press, submission of the Claim Petition on the web is now possible.

In summary, the Office of Adjudication strides confidently into the future with its goals of further improvement, continued innovation, and superior service to Pennsylvania's workers' compensation community.

Sincerely,

A handwritten signature in dark ink, appearing to read "David A. Cicola", written over a light-colored, textured background.

David A. Cicola, Director
Office of Adjudication

Office of Adjudication Overview

Primary Functions

The Office of Adjudication is responsible for administering the process for the adjudication of disputed workers' compensation matters. The Director of Adjudication oversees 87 workers' compensation judges, 3 judge managers, and 24 field offices. The workers' compensation judges conduct hearings in disputed matters and render reasoned decisions in a timely manner. Many judges provide alternative dispute resolution services in contested matters.

Accomplishments 2002/03 Fiscal Year

1. Reduced the statewide average time to hear and decide workers' compensation cases to 8.8 months, down from 9.3 months in 2002, 9.8 months in 1999 and 11.5 months in 1998.
2. Judges decided more petitions than they received in new assignments. Judges received 52,053 new petition assignments and rendered decisions on 53,029 petitions, reducing the number of pending petitions from 37,985 at the end of the 2001/02 fiscal year to 36,807 at the end of the 2002/03 fiscal year.
3. Ended the fiscal year with fewer than 100 petitions closed for more than 90 days prior to decision.
4. Continued to advertise the judges' availability for alternative dispute resolution through the Bureau's newsletter; speaking engagements, the Bureau's website and in meetings with bar associations and other stakeholders.
5. Enacted amendments to the Special Rules of Administrative Practice and Procedure before Workers' Compensation Judges.
6. Initiated a "Resolution Count" at the Spring Garden office to expedite settlements in the Southeastern District.
7. Developed and conducted the 2002 workers' compensation judges' conference. This conference provided continuing education hours required by the Act.
8. Conducted a statewide training conference for field office supervisors.
9. Activated the online "Petition To", which permits electronic filing through the Department's website.
10. Placed workers' compensation judges' procedural summaries (the "Judgebook") onto the Department's website.
11. Assumed responsibility (through the Uniontown office) for management of the CIMS Law Firm Database, requiring verification and correction of over 400 attorney and law firm addresses.
12. Coordinated the scheduling of information technology upgrades for all field offices.
13. Activated online manuals and databases for training and software enhancement.
14. Presented demonstrations of database and training programs at the Innovation Expo 2002.
15. Obtained the Department's recognition of safety committees in the Johnstown and Western District offices.
16. Completed safety renovations in a number of field offices.
17. Completed all online position descriptions and training of key personnel required for ImaginePA.
18. Converted the Adjudication decision database from Word-Pro to Microsoft Word.
19. Completed Microsoft Word training for all clerical staff.
20. Appointed Workers' Compensation Judges to serve in the Allentown and Reading offices.

21. Filled several key administrative and supervisory positions.
22. Obtained new remote hearing sites in several counties.

Future Goals

1. Continue to decide cases within 90 days of the due date cases are concluded and ready for a decision.
2. Further reduce the average length of time to adjudicate cases statewide.
3. Continue to enhance the professional caliber of the judge corps through continuing legal education credits and judges' meetings/conferences.
4. Provide additional mediation training opportunities to judges who are providing alternative dispute resolution to the parties.
5. Reduce the number of petitions in litigation for longer than 18 months.
6. Train judges and support staff in Imagine PA. Provide more

detailed training in Microsoft applications.

7. Open the Reading field office.
8. Obtain Departmental recognition of additional field office safety committees.

9. Provide refresher training in case management software to all clerical workers.

10. Compile and reorganize management and supervisory data to a central online location.



Clockwise from left: Judge Managers Susan Caravaggio, Persifor Oliver, and Thomas Hines.

Office of Adjudication Updates

Compromise and Release Agreements

The parties may settle matters in dispute under the Pennsylvania Workers' Compensation Act by entering into a Compromise and Release Agreement. The agreement must contain detailed information about the settlement. Form

LIBC-755 provides a format for these agreements.

A workers' compensation judge must conduct a hearing and circulate a written decision before the agreement can be effective. The judge may not approve the agree-

ment unless the injured worker understands its full legal significance. During fiscal year 2002/03, workers' compensation judges approved 13,150 Compromise and Release Agreements resulting in payments to injured workers totaling \$607,899,144.41.

Mediation Services

The Office of Adjudication is pleased to offer mediation services to parties who wish to amicably resolve disputes under the Workers' Compensation Act. Under this system, the decision is placed in the hands of the parties, rather than the judge, through a process of self-determination to reach an amicable agreement. The mediator's role is to facilitate the parties' discussion, provide guidance

through the mediation process in identifying each party's interests, and to assist the parties in determining creative solutions for possible settlements.

Parties retain control over the outcome and decide who will mediate their case. There is no cost if workers' compensation judges are selected as mediators. Other potential benefits of this system include:

- Informal sessions
- Open communication between the parties
- Expedition of the claims process
- Limited attorney involvement

Participation in mediation is optional. Judges currently offering mediation services are listed on the next page.



Workers' Compensation Judges Who Mediate

Western District

Aliquippa
Susan Cerpone

Erie
Carmen Lugo
Edward Pastewka
Albert Wehan

New Castle
Alfred Benedict
Perry Jones
Robert Steiner

Pittsburgh
Pamela Briston
David Henry
Cheryl Ignasiak
Eric Jones
Persifor Oliver
Linda Tobin
David Torrey
Kathleen Vallely

Uniontown
Anne Coholan
William Lowman
Washington
Paul Costelnock
Charles Lawton

Central District

Altoona
Robert Vonada

Brookville
Geoffrey Seacrist

Clearfield
Michael Koll

Greensburg
Irving Bloom
Ada Guyton

Harrisburg
Karl Peckmann

Johnstown
David Cicola
Charles Getty

Williamsport
Kenneth Walsh

Eastern District

Allentown
Geoffrey Dlin
Bruce Doman
Hazleton
Wayne Rapkin
Lancaster
Robert Benischek
Kathleen DiLorenzo
Michael Hetrick
Christina Tarantelli

Malvern
Martin Burman
Joseph Hakun
John Liddy
Seymour Nathanson

Pottsville
Paul Baker
James Stapleton

Scranton
Joseph Grady
William Hall
Wilkes-Barre
Joseph Sebastianelli

Workers' Compensation Judges Who Mediate (Continued)

Southeastern District

Bristol
Michael Rosen

NE Philadelphia
Aida Harris
Denise Krass
David Slom
Michael Snyder

Spring Garden
Joseph Hagan
Marc Harrison
Francine Lincicome
Donald Poorman
Pamela Santoro
Robert Simmons

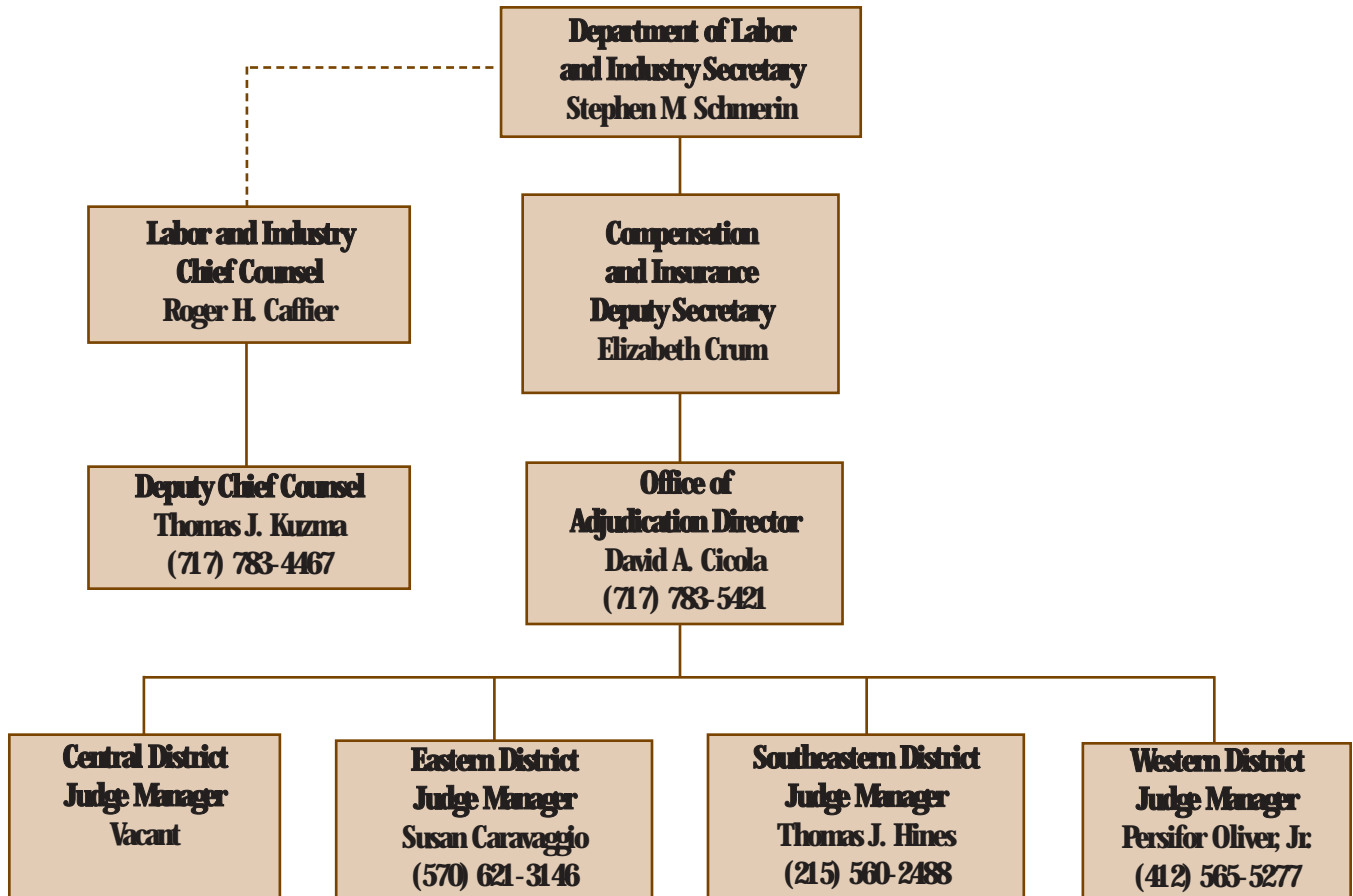
Upper Darby
Joseph Stokes

Attorney Examiner Mediator
Mary Catherine Baur



Office of Adjudication Personnel

Office of Adjudication Organization Chart



Office of Adjudication District Offices*



WESTERN DISTRICT

ALIQUIPPA***

Sheffield Professional Building
2020 Main Street
Aliquippa, PA 15001
(724) 378-1863

ERIE

3400 Lovell Place
13th and Holland Streets
Erie, PA 16503
(814) 871-4632

NEWCASTLE

101 South Mercer Street
New Castle, PA 16101
(724) 656-3084

PITTSBURGH

933 Penn Avenue, Suite 300
Pittsburgh, PA 15222-3817
(412) 565-5277

UNIONTOWN

253 South Mt. Vernon Avenue
Uniontown, PA 15401
(724) 439-7420

WASHINGTON

Millcraft Center
90 West Chestnut Street
Washington, PA 15301
(724) 223-4595

CENTRAL DISTRICT

BUREAU HEADQUARTERS

Room 324
1171 South Cameron Street
Harrisburg, PA 17104-2501
(717) 783-5421

ALTOONA

615 Howard Avenue
Suite 202
Altoona, PA 16601
(814) 946-7355

BROOKVILLE

395 Main Street
Brookville, PA 15825
(814) 849-5382

CLEARFIELD

306 East Locust Street
Clearfield, PA 16830-2415
(814) 765-6398

GREENSBURG

115 West Otterman Street
Greensburg, PA 15601
(724) 832-5310

HARRISBURG

East Gate Center
1010 North 7th Street, Room 319
Harrisburg, PA 17102-1400
(717) 783-4419

JOHNSTOWN

607 Main Street, Suite 100
Johnstown, PA 15901
(814) 533-2494

WILLIAMSPORT

Suite 202
208 West 3rd Street, Rear
Williamsport, PA 17701
(570) 327-3735

Office of Adjudication District Offices*



EASTERN DISTRICT

ALLENTOWN

160 Hamilton Street
Suite 200
Allentown, PA 18101
(610) 821-6554 &
(610) 821-6535

HAZLETON

29th Street Office Complex
Building A, Suite 203
1201 North Church Street
Hazleton, PA 18202
(570) 459-3840

LANCASTER**

315 West James Street, Suite 206
Lancaster, PA 17603
(717) 299-7591

MALVERN

72 Lancaster Avenue, 2nd Floor
Malvern, PA 19355
(610) 251-2878

POTTSVILLE

112 South Claude A. Lord Blvd.
Pottsville, PA 17901
(570) 621-3146

SCRANTON

400 Spruce Street
Suite 500
Scranton, PA 18503
(570) 963-4580

WILKES-BARRE

101-105 N. Main St.
Wilkes-Barre, PA 18701
(570) 826-2577

SOUTHEASTERN DISTRICT

BRISTOL

1284 New Rodgers Road, Box 802
Bristol, PA 19007
(215) 781-3274

PHILADELPHIA

State Office Building
1400 Spring Garden Street
Philadelphia, PA 19130
(215) 560-2488

NORTHEAST PHILADELPHIA

Grant Plaza Business Park
2901 Grant Avenue, Suite 900
Philadelphia, PA 19114
(215) 560-2182

UPPER DARBY

Barclay Square Center, 2nd Floor
1500 Garrett Road
Upper Darby, PA 19082
(610) 284-6913

* See telephone directory on Page 79 for names, telephone numbers and office locations of workers' compensation judges.

** address change

*** phone number change

Office of Adjudication

Statistical Review

Petitions Assigned to Judges (Not Remands)

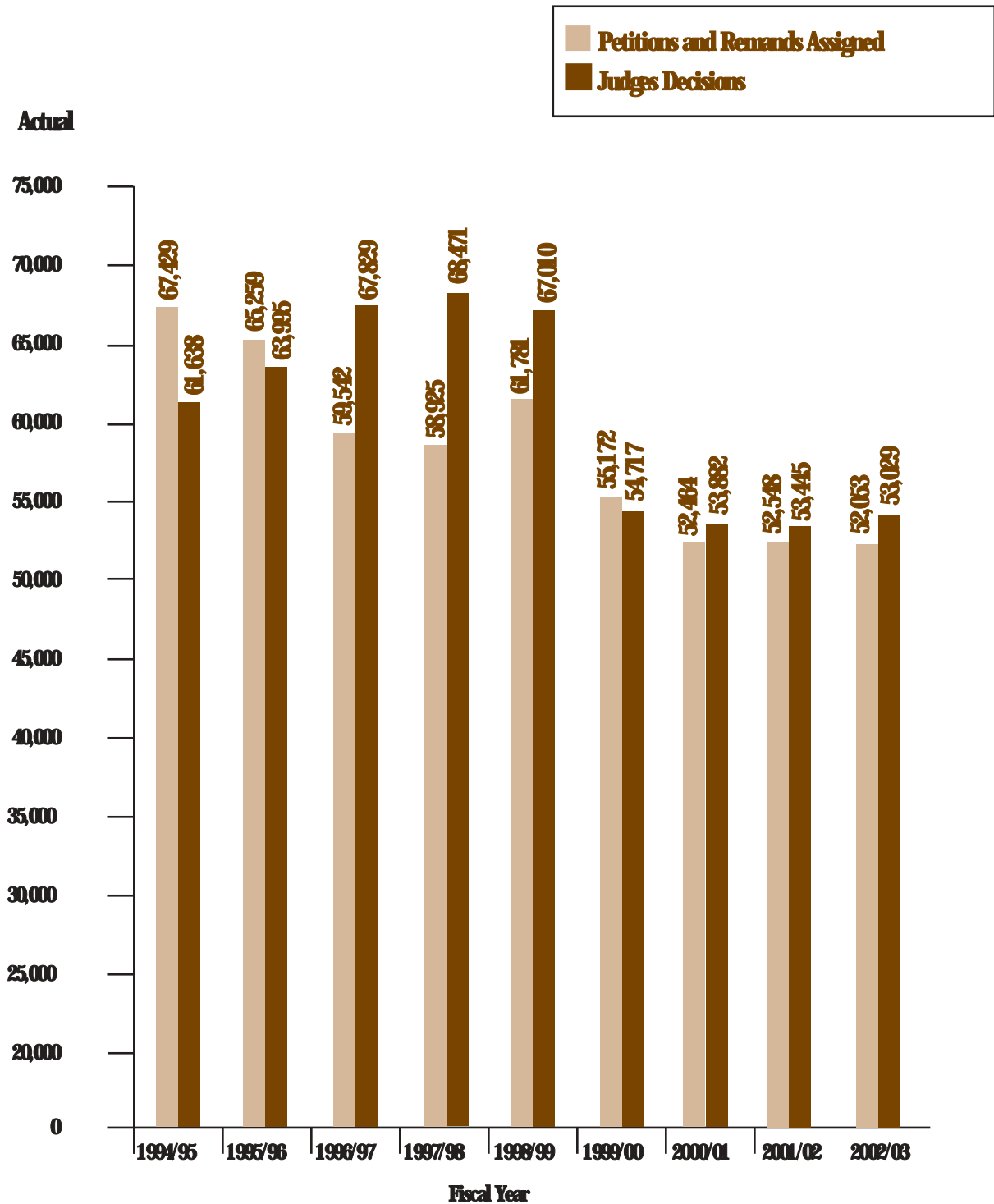
Fiscal Years 1999/00 through 2002/03

Type of Petition	1999/00	2000/01	2001/02	2002/03	2001/02 to 2002/03	
					+/-	%
Claim	11,482	11,344	11,314	11,304	-10	-0.09%
Supersedeas Fund	214	151	85	79	-6	-7.05%
Reinstatement	2,914	2,778	2,917	2,762	-155	-5.31%
Suspension	6,147	5,698	5,806	5,138	-668	-11.50%
Termination	4,564	4,038	4,348	4,194	-154	-3.54%
Penalty	5,618	5,559	5,896	6,195	+ 299	+ 5.07%
Review	3,182	3,210	3,588	3,575	-13	-0.36%
Review/Medical	1,232	1,081	1,073	1,068	-5	-0.46%
Fatal	147	127	134	151	+ 17	+ 12.68%
Commutation	29	24	15	20	+ 5	+ 33.33%
Modification	4,198	3,753	3,646	3,230	-416	-11.41%
Set Aside Final	97	71	79	72	-7	-8.86%
Claim 301(i)	87	118	48	59	+ 11	+ 22.91%
OD Fatal	13	14	11	8	-3	-27.27%
WC/OD Fatal Spec.	5	3	6	8	+ 2	+ 33.33%
Claim 301(g)	0	0	0	0	0	0%
Subsequent Injury	0	0	0	0	0	0%
Utilization Review	2,185	1,745	1,658	1,817	+ 159	+ 9.59%
Joinder	644	600	644	594	-50	-7.76%
Physical Exam	1,938	1,892	1,990	2,164	+ 173	+ 8.69%
Challenge	1,231	1,042	1,044	927	-117	-11.21%
Comp/Release	6,175	6,114	5,605	5,763	+ 158	+ 2.82%
Special Term	1,017	1,597	1,537	1,570	+ 33	+ 2.15%
Expert Interview	168	208	249	597	+ 348	+ 139.76%
Total	53,287	51,167	51,693	51,294	-399	-0.77%

Source: Pennsylvania Bureau of Workers' Compensation, Department of Labor and Industry

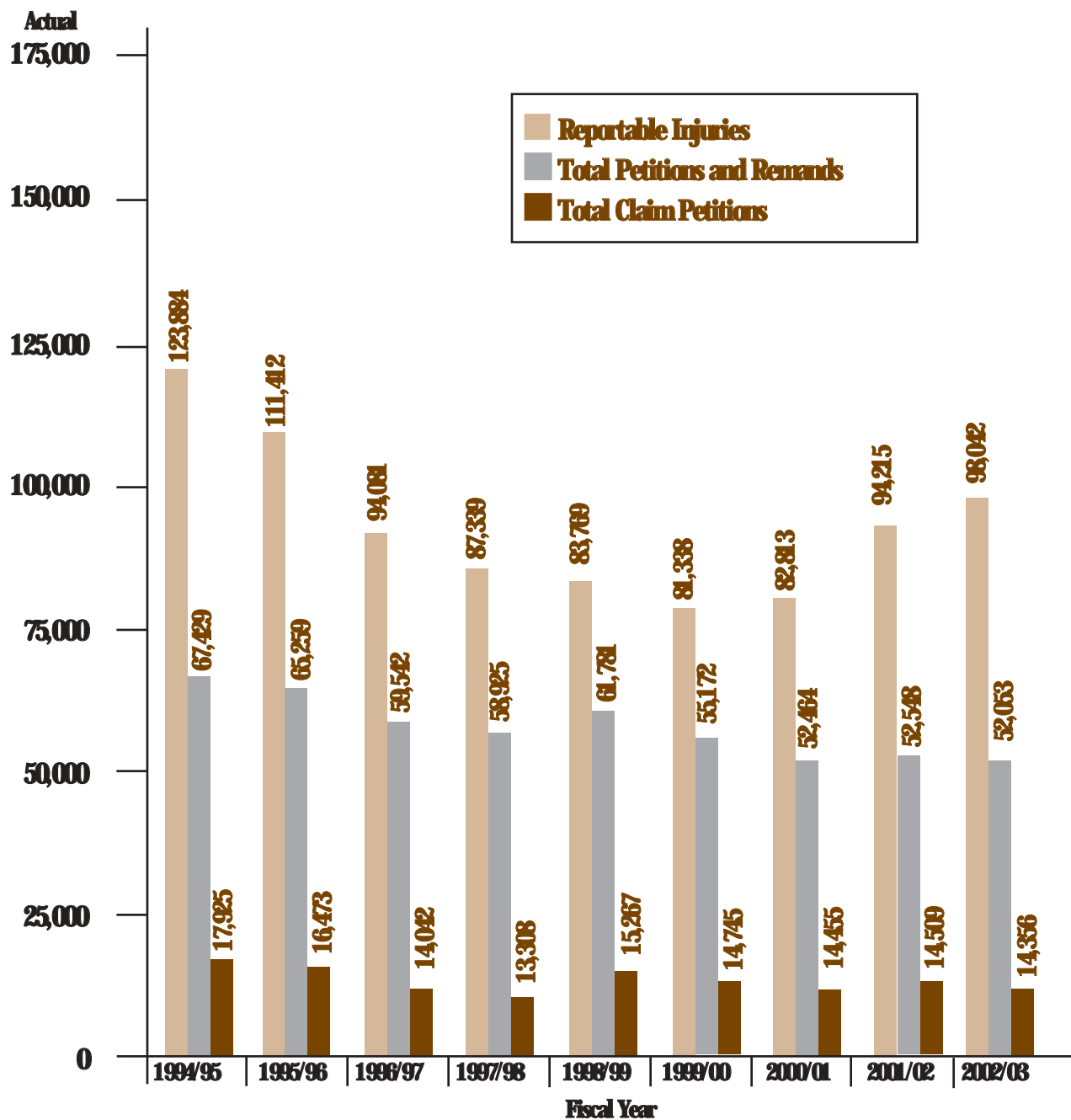
Petitions and Remands Assigned vs. Judges' Decisions

Fiscal Years 1994/95-2002/03



Source: Pennsylvania Bureau of Workers' Compensation, Department of Labor and Industry

Reportable Injuries* vs Total Petitions and Remands vs. Total Claim Petitions** 1994/95-2002/03



*Missed more than one day, shift or turn of work due to injury

** Claim petitions include claim, reinstatement, fatal, set aside final receipt, 301(i), and od fatal.

Source: Pennsylvania Bureau of Workers' Compensation, Department of Labor and Industry

Governor's Award for Safety Excellence

Governor's Award For Safety Excellence



Providing a safe work environment for Pennsylvania's workers requires complete commitment by employers and employees. For this reason, Governor Rendell's safety initiative will provide Pennsylvania employers and employees with the information and technical assistance needed to develop comprehensive safety practices in the workplace. It will also recognize the successful employer-employee joint safety programs, which result in the achievement of safety excellence.

The Governor's Award for Safety Excellence is a competitive award as evidenced by 2003's record high number of nominations received. The information gained from these nominations provides valuable best practices that are shared across the state.

Any Pennsylvania employer is eligible for the Governor's Award for Safety Excellence; nominations for the award are voluntary. Information and criteria used to determine finalists include an estab-

lished joint safety committee with participation from employer and employees; a comprehensive safety plan with a commitment of resources and training trends experienced in workplace injuries/illnesses over the past five years; number, frequency and severity of workplace injuries/illnesses vs. industry standards; and innovation and strategic development of safety policy and approaches.

Initial review of all nominations is conducted by the Governor's Award for Safety Excellence Semi-Finalist Review Committee. If approved by Labor and Industry Department officials, the semi-finalists are contacted for an on-site visit. Site visits are conducted by a member(s) of the Department's safety team for review of the nominee's comprehensive safety program. Site visit reports are written and distributed to the Governor's Award for Safety Excellence Review Committee for the determination of finalists. Recommendations are then for-

warded to the Secretary of Labor and Industry who makes the final determination.

A special luncheon at the annual Governor's Occupational Safety and Health Conference is the stage for announcement of the award winners.

For a copy of the award application, visit the PA PowerPort: www.state.pa.us, PA Keyword: "Work Safe PA."



Air Products & Chemicals, Inc.

International Association of Machinists (IAM) Local 917



Air Products and Chemicals, Inc. (APCI), is an international supplier of industrial gases (namely, nitrogen, oxygen, hydrogen, argon, and helium), related equipment, and specialty and intermediate chemicals. The company employs over 18,000 people worldwide located in over 30 countries. Approximately 4,300 employees work in Pennsylvania—a portion of whom are represented by the International Association of Machinists (IAM), Local 917. APCI employees are focused on providing a safe working environment.

APCI world headquarters is located in Allentown, Lehigh County, on a 375-acre complex where adminis-

tration, research and development and product manufacturing are conducted in 18 manufacturing plants.

APCI's overall safety philosophy is summed up in the statement, "Nothing is more important than safety – not production, not sales, not profits." With the many features of their safety program, one stands out. APCI has a safety helpline, which is staffed 24 hours a day, seven days a week by individuals who are available to provide help to employees of its worldwide facilities. Translators are used as necessary.

In a competitive global marketplace and a competitive global electronics

industry, APCI has demonstrated that they are ready to compete – safely.

In receiving the Governor's Award for Safety Excellence, Air Products and Chemicals has reduced its recordable injury rate by 65% and its lost-time injury rate by 38% since 1998. The 2001 lost-time injury rate of 0.18 translates into 29 lost-time injuries for 18,000 employees. In July 2002, for the fourth consecutive year, Air Products and Chemicals, Inc., achieved the best safety record in the category of total recordables among large-scale chemical manufacturers in the U.S. according to the American Chemistry Council.

American Infrastructure



American Infrastructure, located in Malvern, Chester County, is involved in heavy civil construction, including highway, bridge and wastewater treatment plants, site development, quarries, and asphalt and concrete production, transportation, and paving.

The company is a large organization and is growing – safely. Its 925 employees set standards through commitment to their safety program. American Infrastructure promotes the philosophy that accidents

are not acceptable on any company owned property or job site.

The workplace safety program encompasses a number of initiatives, some of which have been in place for the past 12 years. The program also features a vehicle safety program, where all drivers of company vehicles participate in a defensive driver course, and an in-house rigging competent person course. The goal for this initiative is to utilize outside training resources to certify all pipe field managers and lead employees on their crews. It is designed to ensure a level of compe-

tence and education on each of the pipe crews.

American Infrastructure was recently recognized as one of the "100 Best Places to Work in Pennsylvania."

In receiving the Governor's Award for Safety Excellence, American Infrastructure's recordable accidents have dropped from 64 in 1997 to 27 in 2001. Additionally, the cost per man-hour rate has decreased from \$0.37 per man-hour in 1997 to \$0.12 per man-hour in 2001.

Cabot Performance Materials

International Chemical Workers' Union Locals 619C and 959



Cabot Performance Materials, located in Boyertown, Berks County, manufactures several products used in electronics. The company and its 507 workers at the site, a portion of whom belong to the International Chemical Workers' Union, Locals 619C and 959, take workplace safety very seriously. The company expects to have all employees leave the facility in the same condition they arrived. That is very important considering the materials that employees work with.

Tantalum powder and wire are used to make high reliability capacitors for cellular phones, computers, and numerous other electronic devices. Niobium and barium titanate products are used in the production of high performance capacitors. This is highly dangerous work given the products used in the manufacturing process. Cabot claims to be, for example, the largest user of hydrofluoric acid in North America. A solid focus on safety has developed into a safety culture that is of paramount importance given the dangerous materials employees work with every day.

Cabot's safety program covers all bases and includes the following industrial hygiene program;



process safety management program; hearing conservation program; asbestos program; respirator program; confined space program; hot work procedure; contractor safe work permit procedure; line break procedure; electrical safe work practices procedure; fall protection procedure; ladder safety procedure; TSCA Compliance Program; lock, tag and try procedure;

hazard communication program; powered industrial truck program; emergency response plan; blood-borne pathogen program; incident investigation procedure; contractor safety program; as well as a comprehensive safety, health and environmental training program for all employees, contractors and visitors.

Cabot wants to be the "preferred supplier" and the "preferred employer" and views safety as the key ingredient in achieving these goals.

In receiving the Governor's Award for Safety Excellence, Cabot's recordable injuries have been reduced by over 80% from 1998 through August 2002. From 1999-2001, the company also experienced a 33% reduction in workers' compensation claims for a savings of approximately \$250,000.



Emporium Hardwoods, Inc.



At Emporium Hardwoods, Inc., safety is part of everyone's job. Located in Emporium, Cameron County, Emporium Hardwoods, Inc., is a lumber mill owned by Connecticut-based Rossi American Hardwood and employs 104 workers.

In 1998 the company's first safety committee, representing all departments, was formed. Since then, the committee has worked to implement various safety programs. Upgrading the facility, con-

ducting plant inspections, improving employee communication, increasing management involvement, and providing safety related training are just a few of the areas where Emporium Hardwoods has raised the bar in achieving safety excellence, in effect reducing the number of workplace injuries, while reducing workers' compensation claims at the same time.

The major factors contributing to the success of Emporium Hardwoods' safety program include improved employee communica-

tion, management involvement, safety related education, and asserting the philosophy that "safety is part of everyone's job."

In receiving the Governor's Award for Safety Excellence, Emporium Hardwoods' lost workday rate has decreased from 40 in 1998 to 7 in 2001. In addition, since the inception of its safety committee, the company's workers' compensation costs have decreased by \$50,000 with an additional \$6,000 saved due to the certified safety committee savings.

HealthSouth Rehabilitation Hospital



HealthSouth Rehabilitation Hospital of Altoona, Blair County, is a 70-bed licensed rehabilitation hospital that is dedicated and committed to the care of patients during the rehabilitation phase of their healthcare on both an inpatient and outpatient basis. The hospital's 350 employees provide physical therapy, occupational therapy, speech therapy, therapeutic recreation services, nursing services, and psychological services, in support of HealthSouth's mission to "Get People Back to Work, to Play and to Life."

HealthSouth Corporation is located in Birmingham, Alabama, and was

established in 1984. HealthSouth claims to be the largest provider of outpatient surgery and rehabilitative healthcare services with over 1,900 facilities located in all 50 states as well as Australia, the United Kingdom, and Puerto Rico. HealthSouth Rehabilitation Hospital of Altoona was recently surveyed by the Joint Commission for the Accreditation of Healthcare Organizations and received a 96 percent on the survey. Most importantly, HealthSouth Rehabilitation Hospital has had zero lost workdays for the past five years. This accomplishment is credited to the revamped in-service program and the hospital's proactive approach taken with all injuries. The safety

committee meets monthly to review and discuss all safety programs, accidents and illness programs, develop new policies and procedures, and determine the need for new safety equipment.

In receiving the Governor's Award for Safety Excellence, HealthSouth Rehabilitation Hospital of Altoona has had zero lost workdays for the past five years. This accomplishment is credited to the revamped in-service program and the hospital's proactive approach taken with any and all injuries.

J.E. Morgan Knitting Mills, Inc.



J.E. Morgan Knitting Mills, Inc., and its workers are responsible for the textile manufacturing of knitted and insulated fabrics, from raw yarn, through bleaching dyeing cutting packaging shipping and some finishing and sewing. In 1997, J.E. Morgan Knitting Mills, located in Tamaqua, Schuylkill County, became a division of the Sara Lee Corporation. It is a supplier for major retailers such as Wal-Mart, K-Mart, and J.C. Penney.

For J.E. Morgan workers, safety is a way of life. The company's safety program encompasses a broad spectrum of safety initiatives. Among them are: mandatory safety training for all employees and mandatory 16-hour forklift training and certification. J.E. Morgan has also made significant investments in the Tamaqua facility by installing new weaving machines, which allows for much easier and safer yarn changes. New dyeing vessels were also installed that auto-

matically mix dyes preventing splashes.

The attitude expressed at J.E. Morgan Knitting Mills is that they are far from being satisfied with what has been achieved thus far:

In receiving the Governor's Award for Safety Excellence, OSHA recordables have gone from 194 in 1995 to 31 for 2001. During the same time period, lost workday injuries declined from 96 to 3 and actual lost workdays were reduced from 985 to 131.

J.J. White, Inc.

**Steamfitters' Local Union No. 420, International Brotherhood of Boilermakers,
Iron Ship Builders, Blacksmiths, Forgers and Helpers, Union Local No. 13**

United Brotherhood of Carpenters and Joiners of America, Local Union No. 1050

Laborers' District Council of the Metropolitan Area of Philadelphia & Vicinity, Local Union No. 332

International Union of Operating Engineers, Local Union No. 542 - Philadelphia



J.J. White, Inc., maintains its corporate office in Philadelphia and averages 25 construction projects operating in and around the Philadelphia area, and the Delaware, New Jersey, and Pennsylvania tri-state area on a yearly basis. The company's operations revolve around three areas of contracting including general contracting mechanical contracting and heating ventilating and air conditioning (HVAC) contracting

J.J. White's safety initiative has been continually enhanced since it began in 1992. One of those enhancements was the implementation of "C-Change." C-Change stands for "Change the corporate culture, challenge past practices, and certify our results." The C-Change philosophy, zero tolerance for injuries, accidents, and near miss situations, has certainly worked for J.J. White, Inc. The company has experienced a 50 percent drop in the overall Occupational Safety and Health

Administration's (OSHA) recordable rate and recordable lost time rate.

In receiving the Governor's Award For Safety Excellence, J.J. White, Inc., has achieved a reduction in its experience modification rating. Experience modification rating means that if the number is high, a high lost rate exists. If the number is low, then this shows that the number of lost rates has decreased. J.J. White, Inc.'s experience modification rate dropped from 2.112 in 1992 to 0.677 in 2002.

Marta Track Constructors, Inc.



Anyone who has worked in this industry knows the railroad is a hard, demanding and in some cases unforgiving environment with great potential for hazards.

Marta Track Constructors, Inc., located in historic Eighty-Four, Washington County, and its 250 employees construct new, and rehabilitate existing railroad lines. The company has been involved in all phases of the railroad construction industry for the past 25 years. Construction projects may occur in any of the 50 states. Each project may involve between 10 and 250 employees.

Recent projects include a range of railroad and transit system projects. Among them were the \$75 million Chicago to Cleveland double track project for CSXT, and in Pennsylvania, the Crum Creek Bridge Timber Renewal in Media, Chester County.

Safety is, and always has been, the key priority for the Marta Track team and is one of its five critical company values. Marta Track shares a philosophy of "maximum safe work environment" throughout its organization. Prior to any railroad project, a pre-project safety hazard analysis is conducted. During the course of the workday, a worker may be assigned 10 differ-

ent jobs. That worker would then receive 10 different job safety briefings that day.

Owners, contractors, subcontractors, middle management, and employees of Marta Track are committed to zero injuries.

In receiving the Governor's Award for Safety Excellence, Marta Track, prior to any project, conducts a "pre-project" safety hazard analysis, and a worker's observer system is in place to ensure that employees identify and solve unsafe workable situations or conditions. Marta Track Constructors' commitment to workplace safety is best exemplified in the company's experience modification rate of .893.

McClure Company

Plumbers and Pipefitters Local 520



The McClure Company, one of the largest companies of its type in Central Pennsylvania, is involved in the engineering construction, and maintenance of heating ventilating and air conditioning systems, as well as industrial process piping systems and plumbing services.

McClure, and its 411 workers, a portion of whom are represented by the Plumbers and Pipefitters

Local 520, are located in Harrisburg Dauphin County. They have a very comprehensive safety program that includes new employee orientation.

Here are just a few examples of safety programs that McClure has implemented: a certified safety committee, safety manual, safety audits, incentive programs, OSHA 10-hour training first-aid and CPR training forklift training mandatory drug testing lock-

out/tagout program, blood-borne pathogens training as well as a safety newsletter.

In receiving the Governor's Award for Safety Excellence, McClure Company achieved an experience modification rate of .312 in 2001, decreasing from .391 in 2000. It has worked one million hours without a lost time accident.

Northern Allegheny School District

North Allegheny Federation of Teachers Professional Union, American Federation of State, County, and Municipal Employees (AFSCME) District Council 84 Local 1551, North Allegheny School Bus Drivers Association, North Allegheny Federation of Teachers Para Professional Union



The Northern Allegheny School District, located in Pittsburgh, Allegheny County, consists of seven elementary schools, three middle schools, one intermediate high school, and one high school. The school district has approximately 1,254 employees, a portion of whom are represented by the North Allegheny Federation of Teachers Professional Union, American Federation of State, County, and Municipal Employees (AFSCME) District Council 84 Local 1551, North Allegheny School Bus Drivers Association, and the North Allegheny Federation of Teachers

Para Professional Union. It is the seventh-largest school district in Pennsylvania.

The school district's safety committee, in place since 1992, conducts accident analysis, recommends appropriate safety policies and procedures, conducts physical inspections, and reviews reports of all lost-time and near-miss accidents.

At Northern Allegheny School District, safety is the major concern. The school district concentrates on the health and safety of all employees. For example, Northern Allegheny installed security cameras and an identification card entry sys-

tem at its intermediate school. CPR kits were purchased for use in all seven elementary school playgrounds. Active employee participation is created by open communication between employees and management.

In receiving the Governor's Award for Safety Excellence, Northern Allegheny School District's safety and health program resulted in \$133,544 in savings in insurance premiums. This savings has enabled the school district to apply these additional funds to programs that benefit both employees and students.

Novinger Group

Laborers District Council of Eastern Pennsylvania Local 1180, Cement Masons and Plasterers Local 94, International Union Painters and Allied Trades Finishers Local 411, United Brotherhood of Carpenters and Joiners of America Local 287



The Novinger Group consists of Novinger Inc. and Kelly Systems, and is a large interior/exterior wall systems, ceilings, and flooring contractor located in Harrisburg Dauphin County.

Novinger's 337 workers, a portion of whom are represented by the Laborers District Council of Eastern Pennsylvania Local 1180, Cement Masons and Plasterers Local 94, International Union Painters and Allied Trades Finishers Local 411,

and the United Brotherhood of Carpenters and Joiners of America Local 287, are constantly learning and improving when it comes to safety. The company has a comprehensive safety program that includes new employee orientation, a safety committee, safety manual, safety audits, incentive programs, OSHA 10-hour training first-aid and CPR training a safety newsletter; forklift training and defensive driver training for all vehicle operators. Novinger uses a safety award program to rec-

ognize and encourage safe work practices and to reduce the number of accidents incurred by workers each year.

In receiving the Governor's Award for Safety Excellence, Novinger Group achieved an experience modification rate of .497 in 2001, decreasing from 1.6 in 1998. Additionally, the company's workers' compensation premiums have decreased by \$400,000 over the past five years.

PECO Energy Company



With the demands for the consumption of energy rising safety is a top priority with PECO Energy Company.

PECO Energy Company, a subsidiary of Exelon Corporation, and its 2,800 employees provide electric and natural gas service in southeastern Pennsylvania. PECO Energy and Unicom, of Chicago, Illinois, merged to create the Exelon Corporation, one of the nation's largest electric utilities, with an electric and natural gas distribution customer base of

approximately five million. PECO's service territory for electricity is 1,972 square miles, and its natural gas service territory covers 1,475 square miles.

At PECO, safety is not only a responsibility and priority for its employees, it's a way of life. The company has 10 executive safety committees, a public safety committee and a team level safety committee. Each month these groups hold a total of 90 to 95 safety committee meetings. These committees look at issues such as replacing the employee clothing line with a

new fire-resistant one (shirts, pants, socks, underwear, etc.), and developing a library of safety videos incorporating PECO workers and the worker's family.

In receiving the Governor's Award for Safety Excellence, PECO Energy has reduced its lost workdays from 221 in 1991 to 21 in 2001. PECO Energy's OSHA reportables have been reduced from 300 in 1991 to 41 in 2001. Additionally, PECO's workers' compensation claims have been reduced from \$1,000 to \$176 over the last 10 years.

PolyOne Engineered Films



PolyOne Engineered Films, located in Lebanon, Lebanon County, is a producer of unsupported PVC Vinyl Sheeting used to produce products such as padded toilet seats, notebooks, flooring and pool liners.

PolyOne and its 85 employees have a comprehensive safety program that includes new employee orientation, a certified safety commit-

tee, a safety manual, safety audits, incentive programs, OSHA 10-hour training first-aid and CPR training, a safety newsletter, forklift training, weekly supervisor's safety inspections, fire suppression inspections, lockout/tagout, blood-borne pathogens training as well as a safety alert memo system.

The company's environmentally friendly approach to business won it the 1997 Governor's Award for

Environmental Excellence. PolyOne has also been recognized as one of the Top "100 Places to Work in Pennsylvania."

In receiving the Governor's Award for Safety Excellence, PolyOne Engineered Films has worked 1,537 days without a lost time accident.

Premier Custom Built Cabinetry, Inc.



Premier Custom Built Cabinetry located in New Holland, Lancaster

County, is a manufacturer of custom kitchen and bath cabinetry and other furniture items. Its 58 employees begin the manufacturing process with a raw wood product and end it with finished cabinetry ready for delivery and installation.

The work at Premier involves highly skilled craftspersons who perform complex woodturning bending design, execution, distressing staining and finishing functions. Exotic and rare woods and veneers are used in the intricate production of the end product. Custom colors and finishes are mixed at the



site. Some of the equipment used includes lathes, sanders/saws of all sizes and types, shapers, planers, routers, presses, liquid mixers, etc. Premier Custom Built Cabinetry's safety program consists of a weekly safety discussion at the production

meeting with all employees, and unannounced safety inspections conducted by the safety consultant at least once per month. The inspections include a general site survey, but each also has a specific safety focus which varies from month to month, such as electrical, lockout/tagout, guard usage, etc. The safety program focuses on new employee training in proper use of equipment, and all new employees remain under constant supervision until they can demonstrate proper technique.

In receiving the Governor's Award for Safety Excellence, Premier Custom Built Cabinetry, from its founding in 1991 to 2001, had eight OSHA recordable accidents and three lost-time injuries.



Saint Vincent Health System



Saint Vincent Health System, located in Erie, Erie County is an acute care hospital. The Saint Vincent Medical Group consists of 21 separate practice/provider groups. These groups include the Saint Vincent Medical Group, Albion Family Practice, Children's Health Care-West, Edinboro Medical Center, Children's Health Care-Main, East Harbor Primary Care, Elf Valley Medical Center, Liberty Family Practice, Titusville Internal Medicine, West Ridge Family Practice, Saint Vincent Emergency Services, McClelland Family Practice, Union City Family Practice, Saint Vincent Behavioral

Services, Saint Vincent Family Medicine Center, Saint Vincent Family Medicine Internal Medicine, Saint Vincent Infectious Diseases, Saint Vincent Neuro Surgery, Saint Vincent Fast Track, Saint Vincent Neonatal Services, and Saint Vincent Rehabilitation Service.

Saint Vincent Health System and its 2,141 workers have an impressive safety program. Front-line management is held accountable for safety in each department. The highest priority of management staff is the prompt investigation of accidents and the identification of root causes in an effort to prevent a recurrence. For further reinforcement, these strategies were also added to each manag-

er's job description. A quarterly report is prepared for each department, which details each tracking indicator as well as the actual cost of injuries for the year. This is a method of tracking measurable statistics and sharing them with each department and its workers.

In receiving the Governor's Award for Safety Excellence, Saint Vincent Health Center had 100 lost workdays with an OSHA recordable rate of 9.1 in 2001. Saint Vincent's workers' compensation costs dropped from \$229,300 in 2000 to \$49,700 in 2001. Additionally, Saint Vincent has experienced a savings of over \$112,200 in total dollars saved in overall cost between 2000 and 2001.

Governor's Occupational Safety and Health Conference



This two-day conference brings together individuals with special interest in the field of workplace health and safety to share ideas and to meet innovators in safety program design and technology.

Each fall, over 1,000 safety and health care professionals, business leaders, workers, educators and government leaders from across Pennsylvania attend the Governor's Occupational Safety and Health Conference.

Using labor-management cooperation, these professionals strive toward one common goal – to create a safer workplace, a healthier workforce and to increase awareness of safety issues

in the workplace, the home and throughout local communities.

Featuring nationally known speakers, the conference highlights one-on-one interaction during two days of workshops. Many of the workshops are created based on needs expressed by attendees at the previous year's conference. In addition, workshops with the most interest from attendees are repeated in the second session of the day to ensure that all participants have the opportunity to participate in the workshops of interest to their needs.

The Hershey Lodge and Convention Center, centrally located and near major attractions including historic Lancaster County, the battlefield at

Gettysburg and the Hershey Chocolate Factory, has been home to the conference for the past decade. The convention center was recently renovated and enlarged, in part to provide ample space for this annual conference.



Worksafe PA Advisory Board



Mission: The Pennsylvania Workplace Safety Advisory Board serves as a community forum to provide counsel and direction to the Secretary of Labor and Industry in the review or formulation of safety-related policies, programs, and legislation for the Governor's initiative to make Pennsylvania a safer place to live and work.

Members:

Stephen M. Schmerin
Secretary
Department of Labor and Industry

Carrie Lee Booth
Executive Director, PA Workplace
Safety Advisory Board
Department of Labor and Industry

Elizabeth Crum
Deputy Secretary for
Compensation and Insurance
Department of Labor and Industry

Rocco DiPietro
Facilities Supervisor
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Donald W. Dunlevy
Director/Chairman
United Transportation Union

Dennis Eicker
Vice President
International Brotherhood of
Electrical Workers, Local 5

Bernadette L. Heckman
Vice President
Safety and Control Loss
AV International, Inc.

Steve D. High
President
High Safety Consulting

Robert L. Holman
Principal Engineer
Merck & Co., Inc.

Jack Kupchinsky
Director, Bureau of Workers'
Compensation
Department of Labor and Industry

Jay Lantzy
Director, Office of Labor-
Management Cooperation
Department of Labor and Industry

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Brokerage Professionals, Inc.

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Executive Team Leader
Compliance Management
International

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Vice President and Regional
Manager
Laborers' International Union,
Mid-Atlantic Region

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Director of Safety
Master Builder's Association of
Western PA

Joyce A. McNash
Integrated Disability Management
Medical Risk Manager
United States Steel Corporation

Barb Moody
Workperfect Coordinator
Health South

Edward Neilson
Deputy Secretary for Safety &
Labor Management Relations
Department of Labor and Industry

Worksafe PA Advisory Board (Continued)

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Chief, Health & Safety Division
Bureau of Workers' Compensation
Department of Labor and Industry

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Senior Regional Manager
National Safety Council

Judith A. Resenic, RN
Program Manager
NoviCare Rehabilitation

Jim Susic
Commonwealth Safety Coordinator
Office of Administration

Nick Tour
Works Chairman
Health & Safety Committee USS
US Steel Clairton

Victor Tucci, MD
President
Three Rivers Health & Safety, Inc.

Joe Virsack, MBA, CSP
Manager Consulting
Safety-Health & Environmental

Thomas Ward
Director, Bureau of PENNSAFE
Department of Labor and Industry

Roger Williams
SHAPE - Coordinator
Department of Labor and Industry

Beth Winters, Esquire
Executive Director & General
Counsel
Drug Free Pennsylvania

More Information from the Pennsylvania Bureau of Workers' Compensation

On the Web (www.state.pa.us, PA Keyword "workers comp")

Check us out on the web where you'll find more exciting and innovative workers' compensation features, including

Employer's Report Web Submission

Log on at: www.state.pa.us, PA Keyword "workers comp." From here, click on "Online Services" (upper left-hand side of the page), then "Workers' Compensation Employer's Report of Injury."

This application allows users to file an Employer's Report of Occupational Injury or Disease via the Internet. Approximately 8,000 paper reports are received by the Bureau monthly. Receiving these reports electronically reduces the amount of paper that has to be processed by Bureau staff, the number of data errors via online validation of the data entered by the employer, and mailing costs.

Wage Interest Calculations

Log on at: www.state.pa.us, PA Keyword "workers comp." From here, click on "Online Services" (upper left-hand side of the page), then "Wage Interest Calculations for Workers' Compensation."

This form provides several possible, but not all-inclusive, methods of calculation for various payments and interest for use by insurers, employers, attorneys, third-party administrators, injured workers and other members of the workers' compensation community.

Workers' Compensation Petition To:

Log on at: www.state.pa.us, PA Keyword "workers comp." From here, click on "Online Services" (upper left-hand side of the page), then "Workers' Compensation Petition To:"

This application allows users to file a Petition To: form via the Internet.

Workers' Compensation "Quick Links"

Log on at: www.state.pa.us, PA Keyword "workers comp." Here you'll find more information on subjects such as: Workers' Compensation Act, Medical Fee Schedule, Health and Safety, Claim Forms Completion Guide – Tip Sheets, Obtaining WC Hearing Transcripts, Alternate Dispute Resolution, Kids' Chance, Inc. of Pennsylvania, Bureau Publications, and more!

Workers' Compensation Subpoena

Log on at: www.state.pa.us, PA Keyword "workers comp." From here, click on "Online Services" (upper left-hand side of the page), then "Workers' Compensation Subpoena"

This feature allows users to access the subpoena online, fill in the blanks, print the form, and mail it to a workers' compensation judge along with a written request for the judge to issue the subpoena.

Publications Available from the Bureau of Workers' Compensation:

Employer Information

- ***Employer's Guide to Workers' Compensation Insurance in Pennsylvania***
Information on loss cost multipliers, classification codes, insurance fraud, safety committee incentive program, etc.

To obtain additional copies of the annual report or the publications listed on Pages 75 and 76, contact:

Pennsylvania
Bureau of Workers'
Compensation
1171 South
Cameron St.
Room 324
Harrisburg, PA
17104-2501

Telephone Number:
(717) 783-5421

More Information from the Pennsylvania Bureau of Workers' Compensation

For other information or questions regarding the PA workers' compensation program, write to the bureau or call:

CLAIMS INFORMATION SERVICES

Local calls and calls
outside PA:
(717) 772-4447

toll free inside PA:
1-800-482-2383

TTY (Only people with
hearing loss):
1-800-362-4228

EMPLOYER INFORMATION SERVICES (717) 772-3702

CERTIFIED EMPLOYER NETWORK

For referrals to
employers who have
volunteered to provide
assistance in
establishing workplace
safety
committees, call:
(717) 772-1917

- **Employer's Guide to Self-Insuring Workers' Compensation (LIBC-300)**
Information on how to self-insure your workers' compensation coverage.
- **Employer Information (LIBC-200)**
Includes key aspects of Workers' Compensation Act which relate specifically to employers.
- **Self-Insurance Regulations**
(PA Bulletin, Vol. 25, No. 41, October 14, 1995)
- **Claim Forms Completion Guide - Tip Sheets (LIBC-770)**
Samples of 30 Bureau forms along with instructions on their proper completion.

Injured Workers' Information

- **Workers' Compensation & the Injured Worker (LIBC-100)**
General information on the rights and responsibilities of injured workers under the law.
- **Q & A's about Funded Employment**
General information on funded employment as it relates to workers' compensation recipients.

Medical Cost Containment Information

- **Medical Cost Containment Regulations Reference**
Workers' compensation medical cost containment regulations highlights.

Health and Safety Materials

- **Health and Safety Regulations**
PA Bulletin, Vol. 31, No. 28, July 14, 2001
- **"Application for Certification of Workplace Safety Committee" Completion Guide (LIBC-372)**
- **"Certification Renewal Affidavit of Workplace Safety Committee" Completion Guide (LIBC-372R)**

Miscellaneous

- **Pennsylvania Work Injuries & Illnesses Report - 2002**
Calendar year statistics on PA work-related injuries, illnesses and fatalities.
- **News & Notes**
Bureau newsletters on policies, procedures and updates on the law.
- **Section 305 Prosecutions**
A guide to aid PA's district attorneys in prosecuting employers who fail to carry the required workers' compensation insurance coverage as outlined in Section 305 of the PA Workers' Compensation Act.

More Information from the Pennsylvania Bureau of Workers' Compensation

Join our Mailing List

To receive future issues of the Bureau's annual report and the *News & Notes* newsletter, complete the form below, cut on dotted line and mail to:

**Bureau of Workers' Compensation
Attr: Information Services Section
1171 South Cameron Street, Room 324
Harrisburg PA 17104-2501**

☐ "Please add me to your mailing list for regular receipt of future annual reports and the *News & Notes*"

Name: _____
(name of company or organization, where applicable)

Mailing Address: _____
(street address)

(city) (state) (zip)

County: _____

Please check box which best represents your affiliation:

☐ Employer ☐ Union ☐ Attorney ☐ Health Care Industry

☐ Insurance Industry ☐ Third Party Administrator ☐ Other: _____

Copies of the PA Workers' Compensation Act are available for purchase from:

State Bookstore of PA
Commonwealth
Keystone Building
Plaza Level
400 North Street
Harrisburg, PA 17120
(717) 787-5109

To access the Act online, log on at www.state.pa.us, PA Keyword: "workers comp." From the Quick Links Page, scroll to and click on the "Workers' Compensation Act" hyperlink.

BWC Web
Information:

www.state.pa.us

PA Keyword:
"workers comp"

Telephone Directory

Field Offices

	Street Address & Zip Code	Telephone No
Aliquippa Office	Sheffield Prof. Bldg, 2020 Main St., 15001	(724) 378-1863
Allentown Office	160 Hamilton St., Ste. 200, 18101	(610) 821-6535
Altoona Office	615 Howard Ave., Ste. 202, 16601	(814) 946-7355
Bristol Office	1284 New Rodgers Rd., Box 802, 19007	(215) 781-3274
Brookville Office	395 Main St., 15825	(814) 849-5382
Bureau Headquarters	1171 S. Cameron St., Room 324, 17104-2501	(717) 783-5421
Clearfield Office	306 E. Locust St., 16830-2415	(814) 765-6398
Erie Office	3400 Lovell Place, 13th & Holland St., 16503	(814) 871-4632
Greensburg Office	115 W. Otterman St., 15601	(724) 832-5310
Harrisburg Judges Office	East Gate Ctr., 1010 N. 7th St., Rm. 319, 17102-1400	(717) 783-4419
Hazleton Office	1201 N. Church St., Bldg A, Ste. 203, 18202	(570) 459-3840
Johnstown Office	607 Main St., Ste. 100, 15901	(814) 533-2494
Lancaster Office	315 W. James St., Ste. 206	(717) 299-7591
Malvern Office	72 Lancaster Ave., 2nd FL, 19355	(610) 251-2878
New Castle Office	101 S. Mercer St., 16101	(724) 656-3084
Philadelphia Office	1400 Spring Garden St., State Office Bldg, 19130	(215) 560-2488
NE Philadelphia Office	2901 Grant Ave., Ste. 900, 19114	(215) 560-2125
Pittsburgh Office	933 Penn Ave., Ste. 300, 15222	(412) 565-5277
Pottsville Office	112 S. Claude A. Lord Blvd., 17901	(570) 621-3146
Scranton Office	400 Spruce St., Ste. 500, 18503	(570) 963-4580
Uniontown Office	253 S. Mt. Vernon Ave., 15401	(724) 439-7420
Upper Darby Office	1500 Garrett Rd., Barclay Sq. Ctr., 2nd FL, 19082	(610) 284-6913
Washington Office	Millcraft Ctr., 90 W. Chestnut St., 15301	(724) 223-4595
Wilkes-Barre Office	101-105 N. Main St., 18701	(570) 826-2577
Williamsport Office	208 W. 3rd St., Rear, Ste. 202, 17701	(570) 327-3735

Information Services

Claims Information Services

Inside Pennsylvania (toll free)1-800-482-2383
Local & Outside Pennsylvania(717) 772-4447

Employer Information Services(717) 772-3702

TTY (for hearing and speech impaired)

Inside Pennsylvania (toll free)1-800-362-4228
Local & Outside Pennsylvania(717) 772-4991

Contact PersonnelLocationTitleTelephone No

Arrington, Ollie	Philadelphia DO	WCJ	(215) 560-2488
Bachman, Patricia	NE Philadelphia DO	WCJ	(215) 560-2125
Baker, Paul	Pottsville DO	WCJ	(570) 621-3146
Baldys, Karl	Williamsport DO	WCJ	(570) 327-3735
Bell, Linda	Harrisburg HQ	Supv., Admin. Div.-OCR	(717) 783-5421
Benedict, Alfred	New Castle DO	WCJ	(724) 656-3084
Benischek, Robert	Lancaster DO	WCJ	(717) 299-7591

Contact Personnel	Location	Title	Telephone No
Bivens, Linda	Harrisburg HQ	Sec-Adj. Dir.	(717) 783-5421
Bloom, Irving	Greensburg DO	WCJ	(724) 832-5310
Briston, Pamela	Pittsburgh DO	WCJ	(412) 565-5277
Burman, Martin	Malvern DO	WCJ	(610) 251-2878
Caravaggio, Susan	Pottsville DO	WCJM, Eastern District	(570) 621-3146
Cassidy, John	Pittsburgh DO	WCJ	(412) 565-5277
Cercone, Susan	Aliquippa DO	WCJ	(724) 378-1863
Cicola, David	Johnstown DO	Director, Adjudication	(717) 783-5421
Clark, Charles	Harrisburg DO	WCJ	(717) 783-4419
Cohen, Nathan	Pittsburgh DO	WCJ	(412) 565-5277
Coholan, Anne	Uniontown DO	WCJ	(724) 439-7420
Costelnock, Paul	Greensburg DO	WCJ	(724) 832-5310
Crum, Elizabeth	Harrisburg HQ	Deputy Sec., Comp. & Ins.	(717) 787-5082
Dean, Mary	Harrisburg HQ	Helpline Mgr., Info. Svcs.	(717) 783-5421
Deeley, James	Harrisburg DO	WCJ	(717) 783-4419
Desimone, Francis	Johnstown DO	WCJ	(814) 533-2494
Devlin, Thomas	Philadelphia DO	WCJ	(215) 560-2488
Dietrich, Wayne	Harrisburg DO	WCJ	(717) 783-4419
DiLorenzo, Kathleen	Lancaster DO	WCJ	(717) 299-7591
Dinsmore, Thomas	Harrisburg HQ	Chief, Admin. Division	(717) 783-5421
Dlin, Geoffrey	Allentown DO	WCJ	(610) 821-6535
Doman, Bruce	Allentown DO	WCJ	(610) 821-6535
Dupin, Kathleen	Harrisburg HQ	Info. Officer, Info. Svcs.	(717) 783-5421
Eader, Brian	Harrisburg DO	WCJ	(717) 783-4419
Eppley, Harvey	Harrisburg HQ	Mng. Analyst, Self-Insurance	(717) 783-4476
Evans, Darrel	Harrisburg HQ	Adm. Supv., Mailroom	(717) 783-5421
Fitzpatrick, Anne	Harrisburg HQ	Hearing Officer, Dir. Off.	(717) 783-5421
Fornica, Audrey	Allentown DO	WCJ	(610) 821-6535
Gagai, Phethuruyo	Philadelphia DO	WCJ	(215) 560-2488
Getty, Charles	Johnstown DO	WCJ	(814) 533-2494
Gilbert, Alan	Philadelphia DO	WCJ	(215) 560-2488
Goodwin, Nancy	Philadelphia DO	WCJ	(215) 560-2488
Grady, Joseph	Scranton DO	WCJ	(570) 963-4580
Guyton, Ada	Greensburg DO	WCJ	(724) 832-5310
Hagin, Joseph	Philadelphia DO	WCJ	(215) 560-2488
Hakun, Joseph	Malvern DO	WCJ	(610) 251-2878
Hall, William	Scranton DO	WCJ	(570) 963-4580
Harris, Aida	NE Philadelphia DO	WCJ	(215) 560-2125
Harrison, Marc	Philadelphia DO	WCJ	(215) 560-2488
Henry, David	Pittsburgh DO	WCJ	(412) 565-5277
Hetrick, Michael	Lancaster DO	WCJ	(717) 299-7591
Hines, Thomas	Philadelphia DO	WCJM, Southeastern District	(215) 560-2488
Holmes, Nathaniel	Harrisburg HQ	Chief, Claims Mgmt.	(717) 772-0621
Hooks, Sharon	Johnstown DO	AO, Central District	(814) 533-2494

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Ignasiak, Cheryl	Pittsburgh DO	WCJ	(412) 565-5277
Ingram, Deborah	Harrisburg HQ	Mgr, Admin. Div.	(717) 783-5421
Jefferson, Michael	Harrisburg HQ	Ppty & Cas. Ins. Actuary	(717) 783-4476
Jones, Eric	Pittsburgh DO	WCJ	(412) 565-5277
Jones, Perry	New Castle DO	WCJ	(724) 656-3084
Kelley, Susan	Philadelphia DO	WCJ	(215) 560-2488
Knehr, George	Harrisburg HQ	Chief, Self-Insurance	(717) 783-4476
Koll, Michael	Clearfield DO	WCJ	(814) 765-6398
Knox, Terry	Pottsville DO	WCJ	(570) 621-3146
Kopp, Tania	Harrisburg HQ	Supv, H&S Div	(717) 772-1917
Krass, Denise	NE Philadelphia DO	WCJ	(215) 560-2125
Kupchinsky, John	Harrisburg HQ	Bureau Director	(717) 783-5421
Kutz, Thomas	Wilkes-Barre DO	WCJ	(570) 826-2577
Kuzma, Thomas	Harrisburg HQ	Dep. Chief Counsel, Legal Div.	(717) 783-4467
Laurin, Barbara	Pittsburgh DO	AO, Western District	(412) 565-5277
Lawton, Charles	Washington DO	WCJ	(724) 223-4595
Liddy, John	Malvern DO	WCJ	(610) 251-2878
Liebau, John	Upper Darby DO	WCJ	(610) 284-6913
Lincicome, Francine	Philadelphia DO	WCJ	(215) 560-2488
Longson, Lac	Harrisburg HQ	Ppty & Cas. Ins. Actuary	(717) 783-4476
Lorine, Carl	Upper Darby DO	WCJ	(610) 284-6913
Lowman, William	Uniontown DO	WCJ	(724) 439-7420
Luga, Carmen	Erie DO	WCJ	(814) 871-4632
Maffei, Gerald	Harrisburg HQ	Mgr, Cal. Review-Claims	(717) 772-0618
Makin, Sarah	Upper Darby DO	WCJ	(610) 284-6913
McManus, Joseph	Bristol DO	WCJ	(215) 781-3274
Miller, Tanya	Harrisburg HQ	Admin	(717) 783-5421
Montville, Linda	Wilkes-Barre DO	AO, Eastern District	(570) 826-2577
Mullen, Anna Marie	Altoona DO	WCJ	(814) 946-7355
Mulligan, Angela	Harrisburg HQ	Supv, Admin-Clerical Staff	(717) 783-5421
Nathanson, Seymour	Malvern DO	WCJ	(610) 251-2878
Negley, Len	Harrisburg HQ	Chief, Health & Safety Div	(717) 772-1917
Nyce, Lloyd	Malvern DO	WCJ	(610) 251-2878
Olin, Scott	Philadelphia DO	WCJ	(215) 560-2488
Oliver, Persifor	Pittsburgh DO	WCJM, Western District	(412) 565-5277
Parker, Rosalia	Pittsburgh DO	WCJ	(412) 565-5277
Pastewka, Edward	Erie DO	WCJ	(814) 871-4632
Pearce, Shawn	Harrisburg HQ	Clerical Supv, Self-Insurance	(717) 783-4476
Peckmann, Karl	Harrisburg DO	WCJ	(717) 783-4419
Peleak, Mark	Wilkes-Barre DO	WCJ	(570) 826-2577
Polin, Larry	Harrisburg HQ	Ppty & Cas. Ins. Actuary	(717) 783-4476
Poorman, Donald	Malvern DO	WCJ	(610) 251-2878

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 Redding, Harold.....Harrisburg HQ.....Mgr, Report & Audit Proc.....(717) 772-1636
 Ritter, Sandy.....Harrisburg HQ.....Supv, Physical Recs-Claims.....(717) 787-3361
 Rosen, Michael.....Bristol DO.....WCJ.....(215) 781-3274

Santoro, Pamela.....Philadelphia DO.....WCJ.....(215) 560-2488
 Scott, Beverly.....Harrisburg HQ.....Supv, Petitions-Claims.....(717) 787-3274
 Seacrist, Geoffrey.....Brookville DO.....WCJ.....(814) 849-5382
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 Shaffer, Dan.....Harrisburg HQ.....Self-Ins, Analyst.....(717) 783-4476
 Shallcross, Karen.....Harrisburg HQ.....Claims Mgt.....(717) 772-0619
 Shayhorn, Harry.....Philadelphia DO.....WCJ.....(215) 560-2488
 Simmons, Robert.....Philadelphia DO.....WCJ.....(215) 560-2488
 Slom, David.....NE Philadelphia DO.....WCJ.....(215) 560-2125
 Snyder, A. Michael.....NE Philadelphia DO.....WCJ.....(215) 560-2125
 Spizer, Howard.....Scranton DO.....WCJ.....(570) 963-4580
 Spizzini, Sheri.....Harrisburg HQ.....Admin.....(717) 783-5421
 Stapleton, James.....Pottsville DO.....WCJ.....(570) 621-3146
 Steiner, Robert.....New Castle DO.....WCJ.....(724) 656-3084
 Stokes, Joseph.....Upper Darby DO.....WCJ.....(610) 284-6913
 Strawser, John.....Harrisburg HQ.....Acting Mgr, Compliance Section.....(717) 787-3567

Tarantelli, Christina.....Lancaster DO.....WCJ.....(717) 299-7591
 Titus, Terry.....Harrisburg HQ.....Mgr, Physical Recs/ER-Claims.....(717) 787-3361
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 Torrey, David.....Pittsburgh DO.....WCJ.....(412) 565-5277

Urbany, Susan.....Harrisburg HQ.....Self-Ins. Analyst.....(717) 783-4476

Valley, Kathleen.....Pittsburgh DO.....WCJ.....(412) 565-5277
 Vonada, Robert.....Altoona DO.....WCJ.....(814) 946-7355

Walsh, Kenneth.....Williamsport DO.....WCJ.....(570) 327-3735
 Wehan, Albert.....Erie DO.....WCJ.....(814) 871-4632
 Weiant, Scott.....Harrisburg HQ.....Mgr, H&S Certification/Education.....(717) 772-1917
 Wertheimer, Karen.....Bristol DO.....WCJ.....(215) 781-3274
 Weyl, David.....Harrisburg DO.....WCJ.....(717) 783-4419
 Williamson, Francis.....Harrisburg DO.....WCJ.....(717) 783-4419
 Willis, Kristen.....Harrisburg HQ.....Admin, Assessments.....(717) 783-5421
 Wislmann, Gina.....Harrisburg HQ.....Mgr, Records Mgt.-Claims.....(717) 772-0619
 Wunsch, Eileen.....Harrisburg HQ.....Chief, Health Care Servs. Rev.....(717) 772-1900

Legend

AO.....Administrative Officer
 DO.....District Office
 HQ.....Headquarters
 WCJ.....Workers' Compensation Judge
 WCJM.....Workers' Compensation Judge Manager



Commonwealth of Pennsylvania
Department of Labor and Industry
Bureau of Workers' Compensation
1171 S. Cameron St., Room 324
Harrisburg, PA 17104-2501
www.state.pa.us, PA Keyword: "workers comp"



DEPARTMENT OF
LABOR & INDUSTRY
COMMONWEALTH OF PENNSYLVANIA