

**Commission on Health and Safety and Workers' Compensation**

**MINUTES OF MEETING**

**December 14, 2007**

**Hilton Garden Inn, Placer Room, 14<sup>th</sup> Floor  
Emeryville, California**

In Attendance

Chair Kristen Schwenkmeyer

Commissioners Catherine Aguilar, Allen Davenport, Sean McNally, and Darrel "Shorty"  
Thacker

Executive Officer Christine Baker

Not in Attendance

Commissioners Robert Steinberg and Angie Wei

**Call to Order**

Kristen Schwenkmeyer, 2007 CHSWC Chair, called the meeting to order at 9:05 a.m. She stated that the agenda would be modified and the first presentation would be by John Duncan, Director of the Department of Industrial Relations.

**Comments by the Director of the Department of Industrial Relations  
John Duncan, Director, DIR**

John Duncan stated that he recalls the origin of the Commission as the outgrowth of 1993 workers' compensation reform and the principle of labor-management cooperation. He stated that Executive Officer Christine Baker has been guiding CHSWC from the beginning, ensuring that studies are done with integrity and competence and that groundbreaking work is done.

Mr. Duncan stated that he was pleased to participate recently in a signing ceremony for the first integration of occupational health and group health care into one system, a ground-breaking effort. Senate Bill (SB) 899 authorized employers and unions in carve-out agreements to negotiate integrated care. He stated that the Commission deserves credit for innovative work in this area.

Mr. Duncan stated that a top priority is return to work. It is critical to ensure that injured workers can stay at work or return to work as quickly as possible to minimize losses for workers and employers; therefore, they are looking for incentives for both employees and employers to support return to work. Mr. Duncan stated that there has been a 5% improvement in return to work, but there should be ways to improve on that.

Mr. Duncan then stated that there will still be a need to compensate for permanent disabilities and the rating schedule may need some adjustments. He is confident that Administrative

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Director (AD) Carrie Nevans of the Division of Workers' Compensation (DWC) will carry out any adjustments needed. He noted that regarding apportionment and causation, changes in the law would be interpreted by the courts for some time.

Mr. Duncan stated that another key priority is the fight against fraud. Fraud is ever-present in many different ways. He stated that fraud can be measured, and he looks forward to the results of CHSWC's study with the Department of Insurance (CDI) to examine medical payments to determine the extent of medical provider fraud. He then stated that uninsured employers who go without workers' compensation insurance are a key area of fraud and are shifting costs to everyone else. The Commission's work has demonstrated how records can be matched to determine uninsured employers and how employers commit premium fraud by split class codes and misclassifications. He stated that he is pleased about the work on fraud by the triple EC, the joint task force that the Labor Agency spearheads, but that he believes that work can be enhanced by the matching records work. He stated that he believes that technological innovation should maximize productivity and effectiveness in this work, even in tight budget times.

Mr. Duncan stated that another area of key concern is the insurance market and recent insolvencies. He noted that he is responsible for the Unemployed Employers Benefit Trust Fund (UEBTF), which is second only to the State Compensation Insurance Fund (SCIF) in claim volume. He stated that he looks forward to the Commission's study on the insurance industry in hopes of improvement of this rank. He then stated that California has made many dramatic rapid improvements in the workers' compensation system over the past three years, and he looks forward to the CHSWC's continued examination of the system to support California's effort to meet the needs of both employers and employees.

*Questions from the Public*

Rodger Dillon of the Senate Labor and Industrial Relations Committee asked if Mr. Duncan could elaborate on his comment that the Permanent Disability Rating Schedule (PDRS) "may" need some adjustment, particularly considering some of the Commission's studies. He also asked Mr. Duncan to comment on the number of inspectors in the Department of Labor Standards and Enforcement (DLSE) and other units, which has stayed relatively the same even though the economy is bigger. Mr. Duncan responded that the PDRS is an important and sensitive issue, and the AD is in the process of making the final assessments about the schedule. He stated that he expected there would be some regulatory action in the weeks ahead. He then stated that it is important to leverage technology to identify problems and to have effective enforcement capability particularly in DLSE. He also stated that there public works coverage issues involving labor compliance programs, and a need for inspectors for many areas. He stated that he hoped that the matching records capability can be used to identify problems and improve ways to communicate with employers without relying only on inspections. In addition, he stated that they are looking at multi-agency cooperation during this time of budget cuts. He concluded by stating that fighting the underground economy will be one of the top priorities.

John Bowman of WorkCompCentral stated that Governor Schwarzenegger pulled 24-hour care provision of his health care reform agenda and asked Mr. Duncan's view of this. Mr. Duncan

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responded that there is a health care announcement today in Southern California involving the Speaker of the Legislature and that there have been a lot of conversations and negotiations for some time. He stated that he supports the concept of 24-hour integrated medical care in the right circumstances and has supported this since the start of carve-outs in the construction industry. He also stated that he supports all the areas where employers and employees can work together. Although there are obstacles to all these problems, the recent carve-out with integrated care is innovative and an important achievement. He stated that these are pilots; however, he believes that problems can be solved by a number of innovations.

Chair Schwenkmeyer thanked Mr. Duncan and stated that the Commission looks forward to working with him.

**Minutes from the October 4, 2007 CHSWC Meeting**

Chair Schwenkmeyer requested a vote on the Minutes of the previous meeting.

*CHSWC Vote*

Commissioner Thacker moved to approve the Minutes of the October 4, 2007 meeting, and Commissioner Aguilar seconded. The motion passed unanimously.

**Report on Integration of Medical Benefit Delivery Within a Carve-out**  
**Frank Neuhauser, Survey Research Center, UC Berkeley**

Mr. Neuhauser stated that one of the projects CHSWC and UC Berkeley have been working on is integration of occupational and non-occupational care with the Service Employees International Union (SEIU) and building maintenance contractors where one of the major costs for union employers is group health costs. That is one of the models for integrating care. He stated that the major objectives for a study by the California Program for Access to Care funded by the University were to determine: if employers react to high workers' compensation rates by reducing group health coverage; if administrative costs differ between worker's compensation and group health and if this is a reason for high costs in either; and if integrating occupational and non-occupational medical care would reduce costs and make either occupational or non-occupational care more affordable.

Mr. Neuhauser stated that workers' compensation insurance premiums are sometimes 25% or more of payroll in riskier occupations. The average cost for employers of group health is about 7% of payroll and, in many cases, includes spouses and children. Therefore, some employers are paying several times that much for workers' compensation as they pay for group health, even with family coverage.

Mr. Neuhauser stated that data are only available through 2004 to compare California to the rest of the country. In the past, California has been number one in terms of high premium rate; currently, it is number three. He stated that administrative costs drive the cost of delivering

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benefits. It costs 25 cents in administrative costs in group health to deliver a dollar of medical benefits; in 2006, it cost \$4.40 in the workers' compensation system to deliver a dollar of medical benefits, including hospitals and pharmacies.

Mr. Neuhauser stated that the methods used in the study included taking data from the March supplement to the Current Population Survey, the survey that provides employment and unemployment data and asks whether the worker has medical coverage and then applying a unique cross-walk from census job categories to workers' compensation classes. This cross-walk was developed for a previous study for CHSWC. Next, workers were divided into very low-risk, very low-cost jobs and higher-risk, higher-cost jobs. Then how employer-based health insurance coverage differs by employers' cost for workers' compensation insurance in low-risk jobs and high-risk jobs was examined. In the most expensive class codes, workers' compensation rates are typically 20% or higher; for low-risk class codes, those with workers' compensation premiums of \$1 or less, 65% of low-risk workers get employer-based health insurance. This is about 20 to 30% higher than the percentage of workers covered by employment-based health insurance in high-risk jobs. The gap is even wider 40% to 50% for non-union workers. The workers in low-risk occupations still get about 60-62% coverage for employment-based group health, while non-union workers in high-risk occupations get employment-based health insurance only about 30% of the time.

Mr. Neuhauser stated that California has among the lowest rates of employer-based coverage and is in the bottom three states, having the largest number of uninsured workers and among the lowest rates for employer-based insurance for any state in the country. For low-risk occupations, there is no statistical difference between California and the rest of the country. The lack of coverage for non-union workers in high-risk occupations is the key factor determining the difference. Results of the study indicated that workers in high-risk, high-cost classes are much more often: male, younger, non-citizen, minority and married. These characteristics are similar to demographics associated with lack of health insurance. Further results indicate that the large portion of workers (40-50%) in low-risk industries have similar rates of employer-based insurance in California and across the U.S. Also, the differences between California and the U.S. in employer-based health insurance are entirely driven by lower coverage for non-union workers in high-risk industries with high workers' compensation cost.

Mr. Neuhauser stated that policy implications are that aggressively reducing California's high workers' compensation costs could increase by 3 or 4% the number of workers covered by employer-based health insurance. A different perspective is to look at high administrative costs and why workers' compensation costs are so high in California. In 2006, it cost 25 cents in group health to deliver \$1 of medical benefits to workers; in worker's compensation in 2006, it cost \$4.44 to deliver \$1 of medical benefits. In all the years since reform, 2004 through 2006, it cost \$5.30 to deliver benefits. Comparing the past 10-15 years, 1994-2006, group health stayed at the same rate, and on average, employers are paying \$2.25 in workers' compensation, which is about 9 times the cost in group health.

Mr. Neuhauser stated that a bolder solution to reduce cost would be to integrate occupational treatment and group health and reduce administrative costs; this would yield 35-40% savings on workers' compensation premiums. This approach, however, only works with near universal

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health coverage, which is likely to rely on employment-based health insurance. Employers most affected by the cost of expanded employer coverage are the same ones that will save the most under integration. Mr. Neuhauser then stated that the boldest solution would be to integrate both medical and disability programs. California is one of only five states with a non-occupational disability benefit for all workers. State Disability Insurance and workers' compensation temporary disability could be integrated. Savings for employers from this integration would be near 65% of the cost of workers' compensation premiums and that savings could be used to offer employer-based health insurance to more workers.

Mr. Neuhauser summarized the key points including that: California has among the highest workers' compensation costs in the country; California also has among the lowest rate of employer-based health insurance; medical delivery under workers' compensation is very inefficient; and integrating occupational and non-occupational medical care could pay for a significant fraction of employers' cost of extended health insurance.

*Questions from Commissioners*

Chair Schwenkmeyer asked if there are any suggestions for lowering administrative costs without integration. Mr. Neuhauser responded that in the past, attention in reforms has rarely been paid to streamlining the administrative process. He stated that many procedures that have been required under regulation, such as medical cost containment expenses related to utilization control, are costly and may not need to be required. He stated that another factor driving high costs is that insurers are carrying the liability for workers' compensation for years, which is a very expensive process, and that that can only be addressed through integration with group health.

Commissioner Aguilar asked where the data came from. Mr. Neuhauser responded that the National Association of Insurance Commissioners (NAIC) has commented on the analysis, which was sent to insurance groups and organizations. The data for California for workers' compensation come from the Workers' Compensation Insurance Rating Bureau (WCIRB). The data for others states come from the National Council on Compensation Insurance, Inc. (NCCI) or NAIC. The data for the group health side come from NAIC or any number of states that submit their data to regulatory agencies. The estimates for California on the percent of coverage are from the Current Population Survey.

Commissioner Aguilar asked if data are available for self-insured employers. Mr. Neuhauser responded that there are no data on the workers' compensation side. On the group health side, NAIC estimates that the cost for self-insured employers runs about 14% of total costs as opposed to 20% for insured employers, because self-insured do not pay premium taxes.

Commissioner Aguilar stated that she has seen claims administration over the past 10 years go up over 110%. Mr. Neuhauser stated that that is due to some of the processes of the workers' compensation system and to having to decide whether it is an occupational or non-occupational injury. Commissioner Aguilar agreed that costs are created by litigation over causation.

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*Public Comment*

Rick Meacham, from the California Applicants Attorneys Association (CAAA), asked what the costs for Medicare and Medi-Cal are in regard to administering medical treatment. Mr. Neuhauser responded that the numbers for Medicare and Medi-Cal are much lower than for group health. To deliver \$1 of Medicare benefits, the administrative costs are about 3-4% or about 4 or 5 cents. Mr. Neuhauser stated that this is one of the arguments for having a single-payer system where administrative costs tend to be very low. He also stated that systems like Medicare or universal systems in other countries have very low administrative costs.

Lachlan Taylor, CHSWC, asked about health care service plans that are governed by the Department of Managed Health Care (DMHC). Mr. Neuhauser responded that he does not know who reports to CDI, whether all insurers have to report their financial data to CDI, but the estimates presented were put out periodically by CDI, and they are consistent with estimates put out by NAIC, as well as the estimates published most often in research articles. The estimate is that there are about 20 cents of every premium dollar for administrative costs.

Donald Balzano, of Medex Healthcare and the Industrial Resolutions Coalition, asked which line items are included in health care delivery costs for workers' compensation. Mr. Neuhauser responded that that would include everything that is not direct payment to providers and pharmacists. The benefits to providers, hospitals, and pharmacists are subtracted out, as well as reimbursements to injured workers for self-procured medical. Cost containment expenses, allocated loss adjustment expenses, unallocated loss adjustment expenses, operating profits, and other costs comprise the bulk of the cost overhead for delivering workers' compensation medical treatment.

Mark Gerlach, CAAA, said that the estimates presented include the post-reform period and that the post-reform period should be excluded in the same way that the WCIRB took 1991-1992 data out of estimates because it was unrealistic due to a medical mill. He agreed that rates were way too high and that administrative costs were way too high. However, he stated that the data are not usable in the way presented.

Mr. Neuhauser stated that he disagrees because the worst years were also included in the estimate. He then stated that in 37 states where NCCI has data, it cost \$2.20 to deliver a dollar of benefits in workers' compensation as compared to 25 cents in group health. He stated that this figure is not driven by the reform in California but is characteristic of workers' compensation systems nationwide, as well as true for California over the past three post-reform years. Mr. Neuhauser stated that the national average is still extraordinarily high.

Mr. Gerlach stated that a realistic comparison between the two systems gives a different picture. He also stated that there are unnecessary costs in the system, especially in the area of utilization review. He stated again that the estimates presented were wrong. He stated that benefits in workers' compensation take up about 60-70% of premium and expenses are 20 to 25% of premium. He stated that you cannot get to a point of \$2.20 to deliver a dollar of benefits in workers' compensation. He stated that workers' benefits are being cut drastically and employers are not getting the savings they deserve. He also stated that saving costs in workers'

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compensation will not be able to fund group health. There has never been a program that works to reduce costs. Perhaps the integrated care carve-out program will work, but it is irresponsible to assume and to state that enough money in workers' compensation can be saved to be able to finance group health in the entire state.

Commissioner McNally asked if it is possible to quantify how much of the cost is due to litigation or the threat of litigation in the workers' compensation system. Mr. Neuhauser stated that causation would not have to be litigated in an integrated system. He stated that it is difficult to determine those costs but that a lot of money is spent on defense costs and applicant costs. Commissioner McNally stated that a lot of utilization review may be incurred because of the presence of attorneys in the system and asked if there is a way to quantify that. Mr. Neuhauser stated that this would be difficult to do. The frequency that DMHC does independent medical reviews (IMRs) each year is in the low hundreds; that compares to the thousands of workers' compensation litigation issues each year that require the same kind of attention. In group health, perhaps because health care is contracted, the issues in many cases are resolved up front.

Bill Zachry, Vice President of Corporate Workers' Compensation for Safeway, stated that the way utilization review has been characterized as a cost driver should be looked at again. Carrie Nevans, AD of the DWC, gave recent testimony that there have been 12 legitimate complaints to DWC about utilization review. He also stated that he has seen significant improvement in the quality of care for injured workers.

Mr. Zachry stated that much of the savings that resulted from SB 899 were because of reduction of abuses in the medical system. He would like to characterize utilization review as a cost saver and a way to ensure quality of care. He then stated that there has been significant improvement in return to work due to improved quality of care. There has been a 50-60% reduction in costs for employers in California that put about \$15 billion into the economy, which helped it be robust for the past several years. He also stated that it would make sense to give the AD responsibility for appropriate notification of benefits and let her decide how to approach this issue. Currently, the quantity and kinds of benefit notices can be confusing for injured workers and can cause confusion, litigation and problems.

Mr. Zachry stated that in terms of cost drivers in the system, SCIF went through a situation where they went from 24% of the market to 57% of the market and hired about 1700 claims adjusters. He stated that that might be driving a lot of the expense ratios in California today, especially allocated and unallocated loss adjustment expenses.

Mr. Zachry then stated that Medi-Cal and Medicare and others have electronic adjudication processes. A mandate that physicians bill in accordance with the fee schedule or with the contract they have with the payer, would result in adjudication taking place without requiring a third party to be paid to adjust the bills.

Mr. Neuhauser stated that utilization review is a cost saver. Group health tends to accomplish the same thing through capitated rates, where the providers have an incentive to deliver medical treatment in an efficient way. He also stated that the costs seen in the past several years have been extreme. However, data from across the country and California show that costs are

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consistently high in the workers' compensation, for example, nine times higher than in group health and that this is an indictment of the system not of insurers.

Commissioner Davenport stated that he is pleased to see the report provide research on these critical issues. He stated in conversations about expanding healthcare, that even the cost of 25 cents on the dollar can be reduced if fighting over distribution is stopped and a more acceptable generic product for wider distribution is adopted. He stated that he looks forward to more research in this area and appreciates the work done in the report.

**Executive Officer Report**

**Christine Baker, CHSWC Executive Officer**

Ms. Baker stated that CHSWC staff has been involved in a number of activities since the previous Commission meeting. There have also been several staff changes. Kirsten Stromberg has given notice of retirement, and CHSWC thanks her for her service and wishes her a successful and healthy retirement. Irina Nemirovsky is on pregnancy leave, and CHSWC wishes her and her family well. The staff is now down by 22%. She stated that she will be involved in interviews and examinations to recruit new staff. Ms. Baker stated that the commission wishes Kirsten a successful and healthy retirement.

***CHSWC Selected Indicators Report***

CHSWC staff has worked on the annual "Selected Indicators in Health and Safety and Workers' Compensation: A Report Card for Californians." This is a compilation from the Commission's annual report. The Report Card can be distributed electronically and is available on the CHSWC web site. This is useful and accessible data, and there are several requests for the Report Card. Ms. Baker asked for approval to release the Report Card.

***CHSWC Vote***

Commissioner Aguilar moved to approve the release of the updated 2007 "Selected Indicators in Health and Safety and Workers' Compensation: A Report Card for Californians," and Commissioner Davenport seconded. The motion passed unanimously.

***Worker Occupational Safety and Health Training and Education Program (WOSHTEP)***

The WOSHTEP Advisory Board is submitting its fourth Annual Report in compliance with its mandate in Labor Code Section 6354.7 to prepare an annual written report evaluating the use and impact of the programs developed for WOSHTEP.

From its inception in 2003 through 2007, WOSHTEP has served over 2,500 workers and over 750 employers. To date, WOSHTEP has provided health and safety information and/or training to numerous industries including: janitorial; construction; small manufacturers; corrections and

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rehabilitation; food service or restaurants; health care; telecommunications; agriculture; transportation; and schools.

In 2007, accomplishments included:

- Expansion of WOSHTEP, especially the Specialist course and small business program, to additional areas of the state, including the Central Valley and the San Diego area.
- A new Supplemental module on Workplace Violence Prevention for the WOSH Specialist course.
- Materials necessary for teaching the WOSH Specialist course to unions and employers participating in a carve-out and for use in the construction industry.
- Expansion of the WOSH Specialist Trainers' Network.
- Development of generic health and safety resources and training activities for small businesses across a range of industries.
- Evaluation of the WOSH Specialist course and the Small Business Restaurant Supervisor Safety Training program.
- Two new Young Worker Leadership Academies and the expansion of a network of health and safety youth mentors who are graduates of the previous years' Academies, as well as additional youth-led activities and presentations by graduates of the Academies.

In 2008, all components of WOSHTEP will continue to be offered in Northern, Central and Southern California.

*CHSWC Vote*

Commissioner McNally moved to approve the release of the 2007 WOSHTEP Advisory Board Annual Report, and Commissioner Thacker seconded. The motion passed unanimously.

***Insurance Industry Request for Proposal Regarding Senate Bill 316***

CHSWC is currently interviewing stakeholders in an effort to ensure that critical issues are addressed in development of a Request for Proposal (RFP) to comply with SB 316, Chapter 431, Statutes of 2007, which adds Section 77.7 to the Labor Code requiring CHSWC to examine the causes of the number of insolvencies among workers' compensation insurers within the past 10 years. The legislation makes specific reference to the access to capital between 1993 and 2003. All the requirements are listed in SB 316. Ms. Baker stated that CHSWC staff is developing the RFP and will have it ready for review and approval sometime in February after stakeholder interviews are completed. The RFP will go out for competitive bid, and it is expected that the contract will be awarded sometime in June.

***Integrated Care Grant Extension***

A grant extension has been granted by the California HealthCare Foundation (CHCF) to fund an

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educational and outreach program to inform parties on the benefits of integrated care. Under auspices of the Commission and jointly funded by the CHCF, an education forum would be held.

*CHSWC Vote*

Commissioner Davenport moved to proceed with the grant extension from CHCF, and Commissioner Aguilar seconded. The motion passed unanimously.

***Task Force on Pharmacy Costs***

Ms. Baker stated that as chair of a task force on pharmacy in workers' compensation for the International Association of Industrial Accident Boards and Commissions (IAIABC), a group of Commissions and Divisions of Workers' Compensation that get together every year, CHSWC has the opportunity to be part of the effort to benchmark pharmacy costs across the country as well as in California and compare that to pharmacy costs in group health. There is a recent lawsuit against First Data Bank, and the average wholesale price (AWP) will have to be reconfigured in some way. Ms. Baker asked for approval to use Commission resources to explore this question and work with the IAIABC, which can be done under existing staffing contracts and with technical support from the University of California, Berkeley.

Ms. Baker then stated that CHSWC staff would possibly work with the California Workers' Compensation Institute (CWCI) for data acquisition. There are important questions emerging regarding pharmacy pricing, and the Commission could once again be ahead of the issue.

*CHSWC Vote*

Commissioner Thacker moved to proceed with pharmacy study, and Commissioner Aguilar seconded. The motion passed unanimously.

***Evaluation of the American Medical Association (AMA) Guides***

Ms. Baker stated that there will soon be interest in evaluating through the IAIABC the 6<sup>th</sup> edition of the *AMA Guides*, and CHSWC staff is looking at the feasibility of such a study. Many states are interested in participating in a study, and CHSWC staff could possibly coordinate a comparative study. This fits within the Commission's mandate to look at other states. Ms. Baker asked for approval to explore participation in this study under the auspices of IAIABC. California data would be separate from other states, and the Commission would be responsible for its own analysis. This study also fits within ongoing work on permanent disability, and Ms. Baker stated that she would keep the Commission informed about any potential opportunities for analysis.

*CHSWC Vote*

Commissioner Aguilar moved to proceed with an evaluation of the 6<sup>th</sup> edition of the *AMA Guides*, and Commissioner Thacker seconded. The motion passed unanimously.

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***Data Request from Assembly Labor and Employment Committee***

Ms. Baker stated that the Commission received a letter from the Chair of the Assembly Labor and Employment Committee. CHSWC staff, along with RAND and UC Berkeley, is looking at about available data and is preparing a response as to what might be accomplished per the request. She stated that she would keep the Commission informed as the response to this request proceeds. She stated that acquiring data is always a difficult process and that the questions will be what data can be obtained and what the quality of the data is.

***Report on Health and Safety Advisory Research Meeting***

Ms. Baker stated that CHSWC also held a health and safety advisory research meeting as requested by the Commissioners. A number of stakeholders and interested parties, including Commissioner Aguilar, came together to discuss a research agenda, including labor employers and key researchers. The discussion centered on identifying key issues with respect to health and safety research by the Commission and by partnering with other organizations.

Ms. Baker stated that the report “Improving Workplace Health and Safety in California: A Discussion of Key Areas for Further Research” outlines the areas that the advisory group verified or identified as important. She requested approval to circulate the report to the public for feedback.

***CHSWC Vote***

Commissioner Davenport moved to the release of the draft report “Improving Workplace Health and Safety in California: A Discussion of Key Areas for Further Research” for public comment and feedback, and Commissioner Aguilar seconded. The motion passed unanimously.

Commissioner Schwenkmeyer stated that the Commission is very pleased with the work done by the staff, especially given the small size of the staff.

**Election of 2008 Chair**

Chair Schwenkmeyer stated that she would entertain a motion to nominate the 2008 Commission Chair who would be a labor representative.

***CHSWC Vote***

Commissioner Davenport nominated Commissioner Angie Wei to be the 2008 Commission Chair, and Commissioner Thacker seconded. The motion passed unanimously.

**Public Comment**

Bill Zachry, Chair of the Fraud Assessment Commission (FAC), stated that he appreciates the support and work that the Commission has done on the medical payment study, as the FAC does

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not have the institutional support to do such a study. In addition, CHSWC staff has supported efforts by the Watsonville Law Center to work on programs that will deal with some of the underserved injured workers, including day laborers, and working out a better system for California to ensure that all injured workers are legitimately served. Mr. Zachry stated that the next meeting of the FAC will be June 8, 2008, in Ontario, CA, at the CDI Fraud Division offices.

Sue Borg, president of CAAA, asked if there is a Commission study on how benefits are being off-loaded to other systems and if so, what the status of the study is. Ms. Baker responded that there is a CHSWC study on benefit delivery and cost shifting between unemployment insurance (UI) and state disability insurance (SDI) and workers' compensation. She stated that another study underway is with RAND on return to work with data from Social Security to identify how much of the benefits change and get shifted to Social Security. Although the process of getting data is difficult, these studies are currently in process.

**Adjournment**

*CHSWC Vote*

Commissioner Davenport moved to adjourn the meeting, and Commissioner Thacker seconded. The motion passed unanimously

The meeting was adjourned at 10:30 p.m. The next CHSWC meeting is scheduled for Thursday, February 28, 2008, in Oakland.

Approved:

\_\_\_\_\_  
Angie Wei, Chair

\_\_\_\_\_  
Date

Respectfully submitted:

\_\_\_\_\_  
Christine Baker, Executive Officer

\_\_\_\_\_  
Date