

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
May 14, 2009 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The May 2009 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:03 p.m. at the Clubhouse Inn in Topeka by Board President Michelle Garrett on Thursday, May 14, 2009. Trustees present included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Frances Garcia, Reno County Commissioner and Ralph D. Unger, Decatur County Commissioner.

Staff participating included Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator and Staff Counsel; Mr. Carl Eyman, Deputy Administrator and Loss Prevention Specialist; Mr. Philip J. Rippee, Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates (IMA) appeared by Mr. Gene Miller and Mr. Gus Campuzano.

President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended approval of the agenda with the addition of the three following items: Agenda Item No. 4e, "Legislative Update;" Agenda Item No. 6d, "County Financial Report Format" and Agenda Item No. 10a, "Investment Committee Meeting Schedule." Mr. Wise moved to approve the agenda with the additional items. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of April 16, 2009." Mr. Unger moved to approve the minutes as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Electronic Transfer of Funds." Mr. Parrish itemized the checks requiring Board approval under KWORCC policies and the electronic transfer of funds requiring ratification. Mr. Unger moved to approve the checks and ratify the transfers as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish asked Ms. Bird and Mr. Campuzano to address Agenda Item No. 4b, "Medicare Mandatory Reporting." Mr. Campuzano discussed a requirement for reporting Medicare-eligible claimants to the Center for Medicare and Medicaid Services (CMS). KWORCC is required to register as a "Responsible Reporting Entity" and to identify IMA as the "Account Designee" to submit the data. The reports must be filed electronically on a quarterly basis. Currently, the registration deadline is September 30, 2009 with test data and data submission deadline of December 31, 2009. Ms. Bird added that CMS is still working through issues, including reporting thresholds and data format requirements. She recommended that KWORCC delay registration until there is more clarity in the reporting requirements. She said KWORCC and IMA will work together to ensure compliance.

Next, Mr. Parrish addressed Agenda Item No. 4c, "Loss Cost Multiplier – Sample Tiered System." Mr. Parrish discussed a sample tiered system and how it would affect premium costs for the counties.

Next, Ms. Bird addressed Agenda Item No. 4d, "Give-Away Ideas." Ms. Bird discussed various give-away ideas and received feedback from the Board.

Next, Mr. Parrish addressed Agenda Item No. 4e, "Legislative Update." Mr. Parrish reported that several workers compensation bills were introduced during the legislative session, but no significant legislation passed.

President Garrett then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities identifying several counties that have expressed an interest in joining KWORCC. Marketing activities have included sponsoring activities for three county government events.

President Garrett addressed Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for April 2009. Ms. Swartz moved to accept the reports as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Wise moved to approve check Nos. 13103 through 13149 and the direct debits, all as presented. Mr. Unger seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed two spreadsheets showing the value of KWORCC's equity investments as of May 5, 2009 and May 11, 2009.

Mr. Alexander then discussed Agenda Item No. 6d, "County Financial Report Format." Questions were raised by elected officials from Member Counties about the effect prepaid expenses have on the bottom line in monthly financial statements. Early payment of these expenses causes the pool to appear to be operating at a loss during the early part of the year. Mr. Alexander reviewed some options for changing the format and agreed to prepare examples of how the financial information can be presented more clearly.

A short break was declared in the meeting at 2:42 p.m. The meeting resumed at 2:51 p.m.

President Garrett addressed Agenda Item No. 7, "Claims Report -- IMA." Mr. Miller addressed Agenda Item No. 7a, "Select Claims Review." He reported on several claims and answered questions. He also requested approval on two pending settlements. Mr. Unger moved to approve settlement of claim No. 2007033587 as recommended. Ms. Swartz seconded the motion, which CARRIED unanimously. Ms. Swartz moved to approve settlement of claim No. 2007033952 as recommended. Ms. Garcia seconded the motion, which CARRIED unanimously.

President Garrett then called upon Mr. Miller to address the "Shorman Bill Review Report" under Agenda Item No. 7b for the period of January 1, 2009 through April 30, 2009. He said the report shows the total amount billed is \$1,506,051; the actual paid amount is \$848,762, for a net savings after fees of \$657,288. This is more than 44% of the amount billed for this 4-month period.

Mr. Campuzano then explained the "Policy Year Performance Review" under Agenda Item No. 7c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2007 through 2009. The documents consist of graphs which compare the actual paid and incurred losses to the estimated paid and incurred losses and show the actuarial projections. Mr. Campuzano emphasized these charts should not be considered as a guarantee of either good or poor ultimate loss performance.

President Garrett called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for April, May and June for the loss-prevention staff as well as the breakdown of county visits since the first few months of the year. Ms. Buttron requested advice and coaching on how to designate the responsibility for safety coordination when most department heads do not have the time to take on these responsibilities. Staff agreed to provide ideas and options to help with this problem.

President Garrett addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was no legal report.

Next, President Garret addressed Agenda Item No. 10a, "Committee Reports." There is an investment committee scheduled for noon on July 16, 2009.

Next, President Garrett asked Mr. Eyman to address Agenda Item No. 11, "Trustee Training: Slips, Trips and Falls." Due to time constraints, Mr. Eyman gave a brief summary of the program included in the Board packet. Slips, trips and falls are main causes of KWORCC's injuries. He explained that this material will be emphasized in the county safety meetings he attends and the safety training classes he presents. President Garrett asked Mr. Eyman to provide a more in depth presentation for the Board in the near future.

President Garrett then addressed Agenda Item No. 12, "Other Business." There was no other business to discuss.

There being no further business, Mr. Wise moved to adjourn at 3:35 p.m. Ms. Swartz seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 18th day of June, 2009.

Doyle Alcorn, Secretary
KWORCC Board of Trustees