

DIRECTOR'S MESSAGE

I was appointed director of the Workers' Compensation Administration (WCA) almost one year ago and have greatly appreciated the warm reception that I have received. It has been a time of great transition and change here at the WCA. Many long-time employees – some who had been with the WCA since its inception – have retired, taking with them years of knowledge and experience. Shrinking budgets and tough economic times have created other challenges for us and all state agencies. Three years ago, the WCA had 143 full-time positions; today we have just 124. However, through restructuring and team work, we have managed to meet legislated budgetary cuts without a reduction in force. I am grateful for everyone's hard work and cooperation.

Change can certainly be difficult and challenging, but it can also provide an opportunity to think outside the box and create new and exciting approaches to how we serve the workers and employers of New Mexico. We have reorganized the Administration, creating three main areas: internal operations, external operations and legal. My goal with reorganization was to streamline the management process while continuing to provide quality service to our clients. We were able to do so using the vacancies we had and thus, did not have to affect actual employees.

Our statutory responsibility is to implement the Workers' Compensation Act of New Mexico, and the mission of the laws governed by the Act are to "assure the quick and efficient delivery of indemnity and medical benefits to injured and disabled workers at a reasonable cost to employers" (§ 52-5-1 NMSA 1978). This report details many statistics on workers' compensation claims, costs, case law and agency workload from the 2010 operational year. Some of the highlights include:

- ❖ Paid losses per claim have increased by \$587.43 from 2009 (Table 5.5, p. 26) – claims are becoming more expensive;

- ❖ Residual (Assigned Risk) Market Continues to shrink – having fewer businesses in the residual market is better; a shrinking assigned risk market indicates that we are dealing with high risk businesses, but getting them into the voluntary market;

- ❖ Claims frequency is increasing;

- ❖ Judicial timeliness: the percent of cases resolved within 270 days (Table 1.11, p.12) is down to 10 percent (Table 1.8, p.11). We are trying to address this going forward as noted below.

You can read about much more in the pages ahead. Now I would like to tell you about some of the projects we have initiated since I was appointed director in January of 2011.

Working cooperatively across all bureaus here at the WCA, we are working hard to meet our mission

and improve our service. We need to increase the number of health care providers willing to provide care to workers. Thus, it is imperative that we reduce administrative costs. We need to modernize our systems and we need to reduce delays in the adjudication process. We begin by living up to our 21st century technological potential through implementing e-billing, improving records accessibility and facilitating evidence-based medicine.

We have researched what other states have done and have met with leaders in the workers' compensation community to see how we can best promote e-billing while recognizing the unique needs of our rural care providers. Additionally, we must coordinate in a way that does not unnecessarily increase costs.

Regarding records accessibility, we have met with the New Mexico Health Information Cooperative (NMHIC) to understand what is necessary for our community to have access to digital records. As many of you may know the federal government is encouraging health care providers to have digital medical record systems in place by 2012. Such systems have the potential for easier access and more standardized forms which would reduce delays, and administrative costs.

With regard to the adjudicative process, one of the exciting changes has been the creation of a fifth judicial position. This was accomplished by combining and reducing vacant positions in an effort to funnel our resources where they will have a positive impact on our community.

Additionally, we have moved from a system of scheduling mediators to scheduling rooms. This allows the parties to have more options when rescheduling and thus, hopefully, will reduce the time from filing to mediation.

We've also standardized all of our forms which should make the forms more user friendly. On the horizon we are looking at e-filing and allowing parties to self schedule mediation re-sets through the Internet.

I'm excited to move forward with these changes and I know that together we can build on the progress that we have made, improve the WCA and provide a more effective system for our community.



Ned Fuller, WCA Director

