

What's Inside:

NM WCA Welcomes New Staff	2
NMHSD Notice Regarding Liability Payments	4
NM WCA Contact Information	4

MEETING NOTICE:

The Advisory Council on Workers' Compensation and Occupational Disease Disablement will meet at 9 a.m., Thursday, Jan. 26, 2012, at the Hotel Santa Fe, 1501 Paseo de Peralta, Santa Fe, N.M. Download agenda at: <http://www.workerscomp.state.nm.us/council/docs/agenda.pdf>

ELECTRONIC PUBLICATION:

In an effort to save money under state government budgetary constraints, the NM WCA is no longer printing/ mailing the Quarterly Bulletin. We will continue with **electronic distribution only**. In order to continue receiving the Bulletin electronically, send your e-mail address to: Diana.Sandoval@state.nm.us

NMWCA 2010 Annual Report Now Available: Executive Summary

This year the National Council on Compensation Insurance, Inc. (NCCI) filed assigned risk rates and rating values, and loss cost to cover indemnity and medical benefits and rating values for approval by the New Mexico Insurance Division. The rates were all approved as filed, and will put in place changes beyond 2010-11 that became effective on January 1, 2012 for new and renewal policies. The impact of these changes is threefold: a) overall assigned risk rate level decreases by 5 percent for industrial classes; b) overall rate level decreases by 19.6 percent for F-Classes; and c) there will be an overall average increase of 7.4 percent of the current loss cost level. The assigned risk rate change is due to four factors: i) increased benefits and trends and deterioration of statewide experience, ii) proposed decrease in the uncollectable premium provision, iii) a decrease in assigned risk expenses mainly driven by the use of a longer-term average administrative expenses and a shift toward smaller risks, and iv) a decrease in the assigned risk differential (Karpuk and Chadarevian, 2011). As of January 1, 2012, therefore, the average premium rate for employers in the six key industries in New Mexico (contracting; manufacturing, goods and services, miscellaneous, and office and clerical) increased by 4.2 percent.

Self-insured Coverage Declines

Self-insured coverage of workers continues to decline from the 2006 high levels, and has held steady at a lower average of 30 percent of the total New Mexico workforce for the past three years. Compared to the 2001-07 average coverage of 38.53 percent, this is a substantial decline in market share over a reasonably short time. The lost market share has been picked up mostly by private insurance carriers. In 2010 the voluntary and assigned-risk insurance markets covered 69.78 percent, or 524,867 out of the 752,216 of total covered workforce in New Mexico. This represented an increase of 7.72 percent of the total covered workforce from 2009, and an increase of

11.91 percent of the voluntary and assigned-risk coverage for the same period.

Medical and Indemnity Costs Rise; Direct Earned Premiums Fall

In 2010, an estimated \$283.59 million was paid for workers' compensation medical services and indemnity payments (a 10.56 percent increase) compared to \$256.51 million in 2009. The largest three physician services categories were physical medicine (29.3 percent), surgery (26 percent), and evaluation and management (23 percent). Insurance carriers experienced 17.78 percent increase in paid losses while self-insurers saw a decrease in paid losses of 2.61 percent during the one-year period. Total number of claims (medical plus indemnity) fell by 11.95 percent between 2009 and 2010. During this one-year period insurers' direct earned premiums fell by 7.84 percent while insurers' paid losses increased by 10.02 percent. At the same time estimated payroll costs per \$100 of payroll also fell by 25.85 percent, a situation made worse by the increased and extended unemployment. The estimated paid losses per \$100 of payroll increased by 7.62 percent. Also the average inpatient billed cost fell by 4.57 percent from \$18,309 in 2009 to \$17,473 in 2010, while the average length of stay (days) in treatment facilities increased by 38.10 percent from 4.2 days in 2009 to 5.8 days in 2010. The average room rate for inpatients also increased by 9.98 percent from \$1,222 in 2009 to \$1,344 in 2010. During the same one-year period the number of inpatient claims more than doubled, reaching 111.72 percent higher than the 2009 number of inpatient claims.

Unemployment and Workers' Compensation

New Mexico employment continued to decline in 2010 from the 2008 levels. In 2010 employment was 1.52 percent lower than 2009. This, in part, explains the 11.95 percent decrease in the

NMWCA Welcomes New Staff Members

By Diana Sandoval

The New Mexico Workers Compensation Administration (WCA) recently welcomed several new staff members to the agency, and had several staff position transfers.



Thomas Dow

Thomas Dow was appointed by New Mexico Gov. Susana Martinez and WCA Director Ned S. Fuller to serve as an executive deputy director of the agency and assumed his position on Nov. 28, 2011.

Dow was raised in Milwaukee, Wis. He graduated from Carroll College, Waukesha, Wis., in 1981 with a bachelor of arts degree in political science; and received his juris doctor from the University of Wisconsin, School of Law in 1984.

Moving to New Mexico with his wife, Beverly, Dow was admitted to practice in New Mexico in 1985. He has argued more than 200 jury trials as a trial attorney and has served as an assistant district attorney in Clovis, N.M., from 1985 to 1990, and in Santa Fe from 2008 to 2011.

Dow has also served as chief territorial prosecutor for the U.S. Territory of Ameri-

can Samoa 1990-1992, senior trial attorney and managing attorney in the Roswell Office of the Public Defender Department from 1992-2006, and has served as a legislative analyst for the 2007 and 2008 New Mexico legislative sessions.

Prior to his appointment with the WCA Dow served as the general counsel for Secretary of State Dianna Duran.

Rinda Dewhirst joined the WCA General Counsel Office on Jan. 7, 2012, as a paralegal. Dewhirst was previously a paralegal at the Child Support Enforcement Division. She also has experience in enforcing child support orders and skip tracing. Dewhirst will be tasked with collecting UEF judgments, compliance penalties and responding to subpoenas for records.



Rinda Dewhirst

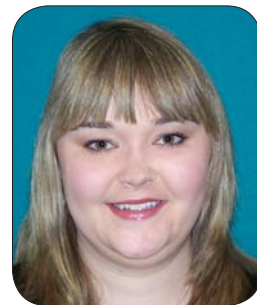
Sharon D. Trujillo became the new payroll and benefits administrator for the WCA on Nov. 28, 2011. Trujillo came to WCA with 17 years of experience in state government in various roles including human resources. Prior to joining the agency, she worked for



Sharon D. Trujillo

New Mexico Department of Health and, more recently, worked for Children, Youth & Families Department.

Camille Sapienz began working as a new docket clerk in the office of the WCA Clerk of the Court on Nov. 28, 2011. Sapienz previously worked as a paralegal for a workers' compensation attorney. Originally from Michigan, she has lived in New Mexico for more than 15 years. Sapienz has a bachelor of arts degree in professional writing and editing and a certificate in paralegal studies, and aspires to obtain a master's degree in the future. She has more than 10 years of customer service experience, five years of clerical experience, and approximately six months of experience working as a paralegal.



Camille Sapienz

Greg Eiffert is the new safety consultant in the WCA's Roswell field office. He transferred to the WCA from New Mexico Department of Transportation (NMDOT), in Roswell, where he was an occupational health safety specialist. Eiffert is a Roswell native now raising two high school-age children.



Greg Eiffert

Several current WCA staff recently transferred positions within the agency. Elizabeth "Liz" Zon, previously the WCA receptionist, was promoted Nov. 28, 2011, to a records clerk position in the WCA's Clerk of the Court office. Zon worked for many

Continued on page 4

NM Workers' Comp. Adm. Quarterly Bulletin

Ned S. Fuller, Director
Diana Sandoval, Editor/Designer

The Bulletin is published in January, April, July and October by the Economic Research Bureau of the New Mexico Workers' Compensation Administration. The Bulletin is available free of charge. Send changes of address and requests to receive the Bulletin to Diana Sandoval in the Economic Research Bureau, New Mexico Workers' Compensation Administration, diana.sandoval@state.nm.us.

Suggestions for articles are welcome; call Diana Sandoval at (505) 841-6052.

Recent issues of the Quarterly Bulletin can be viewed on the Internet at <http://workerscomp.state.nm.us/research/index.php>.

NOTICE

The Advisory Council on Workers' Compensation and Occupational Disease Disability is a task force created by statute, comprised of six members, three representing workers and three representing employers. The primary role of the Council is to advise the governor and legislature on the status of the workers' compensation system in New Mexico. The Advisory Council meets several times a year on an irregular schedule. Scheduled meetings of the Council are announced on a special telephone number, (505) 841-6011, and on the WCA website, <http://workerscomp.state.nm.us/council/index.php>.

NMWCA 2010 Annual Report Executive Summary

Continued from page 1

total workers' compensation claims during the period. First Report of Injury or Illness (FROI) decreased by 2.78 percent from 2009 to 2010. The FROI per 100 workers also fell by 1.32 percent. Indemnity claims, on the other hand, increased by 14.91 percent from 2009 through 2010. Indemnity claims per 100 workers increased by 15.63 percent from 0.64 to 0.74 for the period. Medical-only claims increased by 2.61 percent while total compensable fatalities declined by 35 percent from 20 in 2009 to 13 in 2010. Compensable fatalities per 100,000 workers also decreased by 33.97 percent from 2.62 in 2009 to 1.73 in 2010.

The top 10 indemnity claims in the state in 2010 totaled 945. These claims came from three main sources: local government (444 or 46.98 percent), state government (98 or 10.37 percent) and the private sector (403 or 42.65 percent).

Electronic Filing

Electronic filing of claims and benefits payments is nearing maturity according to the average of the data available for the last four years (2007 to 2010). The agency is working toward full electronic filing, and both insurer groups and third party administrators have contributed to the success of this effort that has matched annual expectations through the years. In 2010, 92 percent of all FROI were filed electronically (electronic data interchange (EDI) and Web-based filing), completing the four-year average at 92.8 percent. An average of 7.1 percent of FROI was filed on paper during the four-year period. During the same four-year period an average of 85 percent of notice of benefit payments was filed electronically. The 2010 electronic filing of benefit payments was 84.8 percent of all filings. Insurance carriers filed more of their reports (90.8 percent) electronically than self-insurers (88.2 percent). These numbers suggest that electronic filing has taken root a decade after the decision was made to introduce EDI and web-based filing.

Injuries and Industries

Back injuries dominated claims for both male workers (10 percent of all claims) and female workers (7.4 percent of all claims) in 2010. For male workers knee injuries were a close second (8.9 percent of all claims) while for female workers "multiple-other body parts injury claims" were second (6.6 percent of all claims). Sprains, strains and tears dominated newly reported indemnity claims for both male (1,835 count = 32.90 percent of all claims) and female (1,352 count=24.20 percent of all claims) workers. This category of the "nature of injury or illness" was followed by contusions (males = 7.20 percent; and females = 6.4 percent) and then fractures (males = 6 percent and females = 3.4 percent of all indemnity claims). Bernalillo County had the largest number of indemnity claims (1,798 count = 32 percent of all claims), followed by Dona Ana County (495 count = 8.9 percent of all claims) and Santa Fe County (442 count = 7.9 percent of all indemnity claims).

The top three occupations in newly reported claims for male workers in 2010 were (1) construction trade workers (9.8 percent of all claims); (2) motor vehicle operators (7.7 percent); and (3) material moving workers (4.8 percent of all claims). For female workers, the top three occupations in newly reported claims in 2010 were (1) building cleaning and pest control workers (3.2 percent); (2) nursing, psychiatric and home health aides (3.2 percent); and (3) retail sales workers (3.2 percent of all claims). Irrespective of the type of injury or the body part injured, males in the age group 40-49 years old (15.4 percent of all claims) reported more indemnity claims than any other age group. The age groups 30-39 years old (13.3 percent) and 50-59 years old (13.3 percent) tied for second place among male workers reporting indemnity claims. For female workers most claims were for the age group 50-59 years old (11.1 percent) with the age group 40-49 years old (10.8 percent) coming in a very close second.

Inside the Workers' Compensation Administration

The Clerk of the Court Bureau documented 2,111 regular complaints filed with the New Mexico Workers' Compensation Administration in 2010, an increase of 4.87 percent compared to the 2,013 regular complaints filed in 2009. Lump sum petitions, however, fell by 29.30 percent from 1,116 petitions in 2009 to 789 petitions in 2010.

The ombudsman program continues to be effective in its traditional role to inform, educate and assist injured workers or family members, employers, insurance providers, health care providers, attorneys and others about their rights and responsibilities under the New Mexico Workers Compensation Act. In 2010 the ombudsman program had 10,065 contacts. Out of the total contacts 3,490 (or 34.67 percent) were submitted disputes or resolvable cases. The ombudsman program worked to resolve 1,134 or 32.49 percent the submitted disputes.

The Office of the General Counsel handled 159 actions in 2010 (compared to 109 in 2009) to bring employers into compliance with the mandatory insurance provisions of the New Mexico workers' compensation Act. There were four penalty prosecutions in 2010 (compared to 12 in 2009), and 39 insurance coverage injunctions (compared to 36 in 2009).

The legal process for contested claims had a better than average performance in 2010. Recommended resolutions accepted prior to trial were 78 percent of claims, 12 percentage points lower than the 90 percent accepted prior to trial in 2009, which was the highest percent acceptance since 2005. There were 1,994 cases resolved at mediation. Thus, 80 percent of all the contested claims accepted and recommended for resolution were resolved in the pre-trial resolution process (without going to trial, and therefore, saving time and avoiding costly litigation).

For electronic access to the full report, and/or individual chapters, visit: <http://www.workerscomp.state.nm.us/research/index.php>.

NMWCA Welcomes New Staff

Continued from page 1



Elizabeth Zon

years as an office clerk at various places, including the Albuquerque Public Schools, where she was an educational assistant. She has attended Central New Mexico College, working toward an associ-

ate's degree in fine arts.

Also in the Clerk of the Court, Kylee Hernandez began working as a docket clerk in May of 2007, and transferred to a records clerk position on Oct. 1, 2011. Hernandez previously worked at the Arapahoe District Court in Colorado for eight years before moving to New Mexico in December 2005 where she began working at the (former) New Mexico Department Of Labor, now known as the Department of Workforce Solutions.



Kylie Hernandez

Gillian Hubka, joined the WCA in

April 2009 as the administration and facilities coordinator supervisor. On October 3, 2011, she moved into the WCA Employer Compliance Bureau and became a compliance officer. Born in London, United Kingdom, Hubka worked with an insurance company in the U.K. for four years prior to moving to the United States in 1981. Prior to joining the WCA, she worked in property management and real estate for 27 years, most recently with Tyson Properties.

And filling the position vacated by Hubka is Jennifer Romero, who was promoted from facilities coordinator to supervisor Nov. 28, 2011.

Recent retirees from the agency include Elaine Trujillo, former deputy director of external operations; Kenneth Herrera, former mediator in the Dispute Resolution Bureau; Gina Torres, former ombudsman in the Las Cruces field office; Cecilia Spinks, former statistician in the Clerk of the Court; Ellen Voss, former Enforcement Bureau secretary; Joan Calcutt, former clerk specialist in the Clerk of the Court; and Lucy Romero, former support staff supervisor in the Dispute Resolution Bureau.



Gillian Hubka

NMHSD Notice Re: Liability Payments

The New Mexico Human Services Department (HSD) has secured the services of Health Management Systems (HMS) to facilitate the recovery of third party liability payments, including cases involving workers compensation claims. Pursuant to New Mexico law §§ 27-2-23 (subrogation) and 27-2-28 (G) (assignment), and federal law 42 U.S.C. § 1396a(a) (25), HSD has the right to recover from liable third parties the amounts expended for related Medicaid benefits provided to the member. Notice to HSD/HMS of a potential settlement is required for all workers compensation cases involving Medicaid recipients. HMS will coordinate with attorneys and/or claim administrators to provide HSD's claim amount and other necessary information. Upon final settlement of WC claims, HMS will coordinate the recovery and/or settlement of the recovery amount. When contacting HMS, please provide the member's Medicaid ID, date of birth, date of accident/loss, and worker's compensation claim number. Questions should be directed to Health Management Systems:

HMS New Mexico Casualty Recovery
PO Box 165596
Irving, TX 75016-5596
Phone (855) 212-0143
Fax (855) 285-3994
Email: NMcasualty@hms.com

NEW MEXICO WORKERS' COMPENSATION ADMINISTRATION OFFICES

MAIN OFFICE

Location & Main Mail Address:

2410 Centre Ave. SE
Albuquerque, NM 87106-4190

Alternate Mailing Address:

PO Box 27198
Albuquerque, NM 87125-7198

Phone Numbers:

Phone: (505) 841-6000
In state toll-free phone:
1-800-255-7965
Fax Clerk of the Court:
(505) 841-6060
Fax Director: (505) 841-6009

REGIONAL OFFICES

Farmington:

3535 East 30th St., 2nd Floor
Farmington, NM 87402
Phone: (505) 599-9746
In state toll-free phone:
1-800-568-7310
Fax: (505) 599-9753

Las Cruces:

1120 Commerce Dr., Ste. B-1
Las Cruces, NM 88011
Phone: (575) 524-6246
In state toll-free phone:
1-800-870-6826
Fax: (575) 524-6249

Las Vegas:

32 NM 65
Las Vegas, NM 87701
Phone: (505) 454-9251
In state toll-free phone:
1-800-281-7889
Fax: (505) 454-9248

Lovington:

100 West Central, Ste. A
Lovington, NM 88260
Phone: (575) 396-3437
In state toll-free phone:
1-800-934-2450
Fax: (575) 396-6044

Santa Fe:

810 West San Mateo,
Ste. A2
Santa Fe, NM 87505
Phone: (505) 476-7381
Fax: (505) 476-7390

Roswell:

Penn Plaza Building
400 N. Pennsylvania
Ave.,
Ste. 425
Roswell, NM 88201
Phone: (575) 623-3781
Fax: (575) 623-0078

WCA HELPLINE-HOTLINE: (toll free in New Mexico)
1-866-WORKOMP 1-866-967-5667

WCA WEBSITE:
www.workerscomp.state.nm.us