

WORKERS' COMPENSATION BOARD

MISSION

To protect the well-being of New York's labor force, most private and public sector employers in New York are required to carry workers' compensation and disability benefits insurance for their employees or demonstrate their ability to self-insure. The Workers' Compensation Board reviews claims for workers' compensation payments and assists in resolving disputed claims. In performing these responsibilities, the Board administers provisions of the following laws: the Workers' Compensation Law; the Disability Benefits Law; the Civil Defense Volunteers' Law; the Volunteer Firefighters' Benefit Law; and the Volunteer Ambulance Workers' Benefit Law.

Because of its broad mission, the Board is responsible for implementing many of the reforms included in the Governor's New York Employment, Safety and Security Act that made historic reforms in the workers' compensation system. The Act improved workplace safety and reduced average workers' compensation rates by approximately 35 percent since enactment of the reforms.

ORGANIZATION AND STAFFING

The Board is headed by a Chairperson selected by the Governor and includes 12 additional full-time members nominated by the Governor and confirmed by the Senate for seven year terms. District offices are located in Albany, Binghamton, Brooklyn, Buffalo, Hauppauge, Hempstead, Manhattan, Peekskill, Queens, Rochester and Syracuse, with administrative offices in Albany. To make the hearing process as convenient as possible, the Board has 30 additional customer service centers located throughout the State. The Board will have a workforce of 1,539 positions for 2006-07.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Board is funded through assessments on the Workers' Compensation and Disability Benefits insurance industry and with revenues produced by various services provided by the Board. The assessments paid by insurers are allocated to three major programs: Disability Benefits; Systems Modernization; and Workers' Compensation.

The 2006-07 Executive Budget recommends approximately \$190 million in support for the Board. The recommended funding will enable the Board to fulfill the Governor's commitment to improve service to businesses and injured workers.

PROGRAM HIGHLIGHTS

The Board continues to improve services by resolving claims in the most efficient and equitable manner possible. For instance, the agency continues to refine its formal and informal adjudication tools and resolve more outstanding claims issues for new and reactivated cases.

The Board's Office of Fraud Inspector General (OFIG) continues to proactively fight Worker's Compensation fraud statewide. During 2004, OFIG received 3,274 fraud complaints, investigated and closed 3,448 fraud cases, submitted 1,716 cases to various authorities for criminal prosecution or other appropriate action and returned \$2.2 million to defrauded victims.

DISABILITY BENEFITS PROGRAM

Disability benefits provide cash payments in lieu of lost wages to temporarily disabled employees. Coverage is required for employers of one or more employees with such selected exceptions as agricultural enterprises and public employers.

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SYSTEMS MODERNIZATION PROGRAM

The Office for Systems Modernization manages a multi-year effort to overhaul the Board's capacity to manage and use information. This program also maintains computerized systems vital to various Board operations and collects and analyzes data that measure performance and identify potential problems. Now that the Board has automated and improved the claims processing operation, its focus continues to be directed to other functional areas in need of automation and re-engineering, including Administration, Research and Compliance and Regulatory Services. When the modernization program is complete, the Board will have a new Workers' Compensation Board Information System that will automate and streamline all business activities. This has already increased productivity by enhancing the Board's capacity to process the millions of pieces of information it receives each year.

WORKERS' COMPENSATION PROGRAM

The Workers' Compensation Board reviews workers' claims for benefits, reports of injury filed by employers and medical reports from physicians and other health care providers. The Board adjudicates all issues and law judges make awards and findings to ensure that an entitled claimant promptly receives benefits and medical treatment. The decisions by the law judges may subsequently be appealed to Board panels and eventually to the courts. The Board, through its Bureau of Compliance, also monitors employers to ensure that they properly provide coverage for their employees and imposes penalties on those employers who fail to do so. In addition, the Board's Regulatory Services Bureau authorizes physicians to treat compensation cases, awards licenses to medical providers and arbitrates disputed medical bills.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	184,196,600	190,046,000	5,849,400	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	184,196,600	190,046,000	5,849,400	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
	Disability Benefits		
Special Revenue Funds - Other	51	51	0
Systems Modernization			
Special Revenue Funds - Other	81	81	0
Workers Compensation			
Special Revenue Funds - Other	1,407	1,407	0
Total	1,539	1,539	0

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STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2005-06	Recommended 2006-07	Change
Special Revenue Funds - Other	184,196,600	190,046,000	5,849,400
Total	<u>184,196,600</u>	<u>190,046,000</u>	<u>5,849,400</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2005-06	Recommended 2006-07	Change
Disability Benefits			
Special Revenue Funds - Other	7,516,000	7,457,000	(59,000)
Systems Modernization			
Special Revenue Funds - Other	36,798,600	38,136,000	1,337,400
Workers Compensation			
Special Revenue Funds - Other	139,882,000	144,453,000	4,571,000
Total	<u>184,196,600</u>	<u>190,046,000</u>	<u>5,849,400</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Disability Benefits	7,457,000	(59,000)	3,723,000	(133,000)
Systems Modernization	38,136,000	1,337,400	4,845,000	198,400
Workers Compensation	144,453,000	4,571,000	73,657,000	1,099,000
Total	<u>190,046,000</u>	<u>5,849,400</u>	<u>82,225,000</u>	<u>1,164,400</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Disability Benefits	3,734,000	74,000	0	0
Systems Modernization	33,291,000	1,139,000	0	0
Workers Compensation	70,099,000	3,478,000	697,000	(6,000)
Total	<u>107,124,000</u>	<u>4,691,000</u>	<u>697,000</u>	<u>(6,000)</u>