

# Workers' Comp

## News for Public Employers



PERMA

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# PERMA 2014 Annual Conference BACK TO BASICS!

The PERMA 2014 Annual Conference and concurrent Annual Member Meeting were held May 22 and 23 at the Sagamore Resort in Bolton Landing, Lake George. For the 19th year in a row, PERMA members from all over the state converged in the pristine Adirondack location to partake in learning, networking, food, drink and fun.

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# Frontlines

BY BRENT WILKES, ARM, CAE

I write this article as we have just completed our annual meeting at the Sagamore Resort on beautiful Lake George. Even when the weather is not perfect, the Sagamore is a bucolic setting.

The meeting was successful with representatives from 101 members present at the meeting. The workshops were completely full as was the awards banquet. The entertainment afterwards was fun and relaxing. Pictures of the event are in this newsletter.

As we closed our fiscal year 2014, the news is generally very good:

### Finances keep getting better and better

The numbers from the 2013 PERMA annual report, now available on our website, are encouraging. Updated figures offer even better financial news:

- Through ten months of the current fiscal year, our net income is \$4.6 million, the best in seven years.
- Cash flow is \$11.6 million to the positive, our best result in nine years.
- New business is \$4.4 million for the year, to date, the best in six years.
- Total assets under PERMA management now exceed \$160 million.
- The surplus recovery plan developed in 2009 has been more successful than originally projected. We estimate the cumulative deficit to be completely eliminated within three years, or FY17.

We've had a good year.

### PERMA grows with the aid of NYSAC and NYSSBA

The strength of our finances, coupled with our strong partnerships with the New York State Association of Counties and the New York State School Boards

Association, has enabled PERMA to realize stable and steady growth. Today, we cover about \$1.2 billion in payroll, which represents over 30,000 employees. In New York's public sector market for workers' compensation, PERMA is a major player, serving municipalities and districts from all over the State, from the Eastern part of Long Island to the South and to the Canadian border beyond Buffalo. The prospects for new members for this summer look better than they have in many years.

### Enhanced oversight from the New York State Workers' Compensation Board (WCB)

PERMA's relationship with the WCB has grown notably over the past few years. Since a number of private sector trusts went bankrupt, the WCB has strengthened requirements and oversight over all self-insured pools. As part of the increased regulatory role, the WCB is conducting a review of PERMA this summer and expects to conduct reviews of all self-insured trusts on a regular basis going forward. Further, the deductible-type programs that PERMA has offered for more than twenty years have come under greater scrutiny. We are now working with the WCB and the New York State Department of Financial Services on prospective new regulations over these programs. We hope to have more information on this by the fall.

### Claims results are favorable

The way in which claims data is collected and maintained has evolved to take advantage of 21st century technology. As a result, PERMA's ability to compare its management of claims to statewide averages has improved. The initial results of such comparisons are favorable for PERMA. We tend to manage claims with more successful and effective outcomes.

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Managed by **NORTHEAST ASSOCIATION MANAGEMENT, INC.**

Public Employer Risk Management Association, Inc. (PERMA), the largest and most successful self-insurance pool for public entities in New York State, has been administered by Northeast Association Management, Inc. (NEAMI) since 1995. NEAMI, with its staff of approximately 70 professionals, provides claims management services, as well as nurse case management, loss control, coverage underwriting, and general member services.



LWEC

*Understanding the complex and confusing workers' compensation terminology*

# COMP TERMS 101

BY RICH HAYES, WCP  
SENIOR DIRECTOR, CLAIMS

## This month's topic ANCR

*To help our members better understand the complex and often confusing world of workers' compensation terminology, this feature is devoted to explaining some of the more common terms in the comp world.*

*Please note: the below discussion only pertains to injuries arising out of a specific accident and not cumulative or occupational diseases that may occur over a period of time.*

ANCR stands for **A**ccident, **N**otice and **C**ausal **R**elationship. It is one of the prime conditions that must be met in order for a claim to be established. To determine ANCR there needs to be:

- an **accident** related to employment that results in an injury;
- a **notification** by the injured worker to their employer of the accident, ideally within 24 hours of occurrence; and
- a direct **relationship** between the accident and the resulting injury and/or disability. Medical evidence is needed to support the connection between a work accident and the injury.

The **causal relationship** portion of ANCR is most open to interpretation. In order for a causal relationship to exist, the injury or resulting disability must have been arising out of, AND, in the course of, employment. The Workers' Compensation Board is given great discretion in determining if this threshold is met.

- "Arises out of" employment means that there needs to be a hazard of employment, or something relating specifically to work (job duty), that caused the injury.
- "In the course of" employment means the accident or injury occurs at a time and place under circumstances relating to the injured worker's employment. Normally, this means the injury happened during the employee's shift while at work.

If only one of the two criteria is met, the accident would not be established under workers' compensation. For example, say a DPW worker skips breakfast prior to his shift. While at work, he starts to feel light-headed and faints to the ground. The "in the course of" employment threshold is met, as he was at work when he passed out,

but there is no evidence that his job duties caused or contributed to his fainting. The cause appears to be due to the worker skipping breakfast. Therefore, this would not be workers' compensation, as the "arising out" of threshold was not met.

If just one or two facts change, so can the compensability determination. What if it was extremely hot the day the worker passed out and he had just finished unloading heavy supplies from his truck? With these new facts, and if supporting medical evidence was provided, it is very likely the claim could be established. Ultimately it is up to the Workers' Compensation Board to decide if a claim would be covered or not.

When the ANCR is established, it is normally followed by the body parts or conditions that have been accepted. For example, an office clerk trips and stubs her right big toe on a stair on her way to a meeting. She tells her employer the same day of the accident. She then goes to her doctor who confirms she stubbed her toe at work and while there, it is discovered she has genetic condition in her hand and is taken out of work for two weeks. In this case, we do have an accident, proper notice and causal relationship, but only for the right big toe. The hand would not be considered work related as there was no accident, notice or relation to her employment.

As many factors can contribute to whether a claim is compensable or not, it is important that you report all potential workers' compensation claims to PERMA for investigation. If there are issues or concerns, our highly experienced case analysts will review and raise any legal issues with the Workers' Compensation Board. Remember, it is the Board that has the broad authority and discretion in deciding if a claim is compensable, not PERMA, NEAMI or the employer. If you ever have any questions on whether something is reportable, please contact us as soon as possible to discuss.

# 2014 ANNUAL CONFERENCE HIGHLIGHTS Continued from page 1

One of the best presentations belonged to the captivating keynote speaker. By extending the conference through lunch on Friday, PERMA was able to secure a presentation by Michael Bazzell, of the FBI Cyber Crimes task force.

We all learned a great deal about how insecure our online presences really are, and the steps we can take to make them safer. These are lessons that can easily be applied to both personal and professional life.

We look forward to next year, but we won't have to wait that long to see each other again. PERMA will be offering a two-day educational conference in November. Details will be provided as soon as they are available.

Thanks to all who attended the 2014 PERMA Annual Conference! We can't wait to see you again!



**In recognition of continuous years of participation in the PERMA Workers' Compensation Program.**

### 15 Years



**Chester Volunteer Ambulance Corp.,**  
represented by Stephen Kalmus



**Town of Ithaca,**  
represented by Jeffrey Hill



**Town of Manlius,**  
represented by Paul Stewart



**Town of Mendon,**  
represented by Mary Fletcher



**Town of Southport,**  
represented by Brian McIlroy



**Village of Speculator,**  
represented by Bonnie Page



**Westchester Joint Waterworks,**  
represented by Doris Lechner

### 20 Years



**Albany Port District Commission,**  
represented by Jim Williams



**Town of Clarkson,**  
represented by Kristin Coon



**Town of Clinton,**  
represented by Raymon Oberly



**Copiague Memorial Library,**  
represented by B'Ann Roth



**Town of Mount Pleasant,**  
represented by Daniel Oderfero



**Town of New Castle,**  
represented by Robert Deary



**Town of Patterson,**  
represented by Susan Brown



**Town of Perfield,**  
represented by Robert Beedon



**Town of Perinton**  
represented by Michael Barker



**Village of Quogue,**  
represented by Christopher Osborne



**Village of South Floral Park,**  
represented by Sally Ponce

# PERMA MEMBER AWARDS

On Thursday evening, awards were presented to those members with exemplary safety and health practices. Here are this year's award winners.



Seth Celotti representing **Essex County** accepts PERMA's NYSAC Pioneer Award from PERMA Board Chair and President, Stephen Altieri and PERMA's Deputy Executive Director, Jeff Van Dyk.



Rose Ann Crispino representing the **Town of Pittsford** accepts PERMA's Wellness In The Workplace Award from PERMA Board Chair and President, Stephen Altieri and PERMA's Deputy Executive Director, Jeff Van Dyk.



## SOME OF THE Highlights

- **A record number of attendees:** 101 member municipalities sent representatives to the conference, which is almost 20% of the PERMA membership.
- **Packed workshops:** Even though a third session was added this year, each workshop still had to have additional chairs added to accommodate the attendees.
- **A record number of award winners:** 24 safety, wellness and longevity winners were present to collect their awards.
- **Good financial news:** Executive Director Brent Wilkes revealed that three years have been eliminated from the Surplus Recovery Plan, thanks to favorable legislation, decreased losses and increased investment income.



Kenneth Bellafiore representing the **Freeport Memorial Library** accepts PERMA's Triple Threat Award from PERMA Board Chair and President, Stephen Altieri and PERMA's Deputy Executive Director, Jeff Van Dyk.



**Vicky Heussi**, Director of Organizational and Staff Development, Essex County Department of Social Services accepts PERMA's Safety Person of the Year Award from PERMA Board Chair and President, Stephen Altieri and PERMA's Deputy Executive Director, Jeff Van Dyk.



Greg Seigfried representing the **Town of Perinton** accepts PERMA's Kenneth Herman Jr. Memorial Award from PERMA Board Chair and President, Stephen Altieri and PERMA's Deputy Executive Director, Jeff Van Dyk.

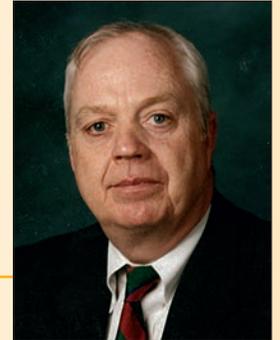


Annie Fields-Chapman representing the **Niagara Falls Housing Authority** accepts PERMA's Most Improved EMF Award from PERMA Board Chair and President, Stephen Altieri and PERMA's Deputy Executive Director, Jeff Van Dyk.

# PERMA's *Inner-workings*



This issue we sat down for an in-depth conversation with **Mike Ritchie**, PERMA's Ambassador working with the Member Services team.



**Workers Comp:** Mike, what's a brief outline of your professional career so far?

**Mike Ritchie:** I retired from public service in 2002 after almost 32 years in local government management positions. Over those years, I had worked for the Village of Scarsdale, Village of Pleasantville, Village of Port Chester, County of Westchester and the City of New Rochelle. Since 2003, I have worked part-time as a project manager with Dolph Rotfeld Engineering in Tarrytown. I assist communities in meeting their obligations under the Clean Water Act of 1972 and the New York State Stormwater General Permit, which indulges my life-long interest in environmentalism.

**Workers Comp:** What initially interested you in local government?

**Mike Ritchie:** I was attracted to a career in professional local government as it allowed me to make a contribution to the community while addressing daily challenges to improve operations and services. I can sincerely say that no two days in my entire career were the same. I have never been bored or lacking for a challenge.

**Workers Comp:** How were you introduced to PERMA?

**Mike Ritchie:** My friend and colleague over at the New York Conference of Mayors, John Galligan, initiated the idea of organizing a group of municipalities into a self-governing entity for workers' compensation coverage back in the 1980's. When it spun off from NYCOM, I was on PERMA's Board of Directors for several years while serving as village manager of Port Chester. With a Board drawn from its membership, I felt PERMA best represented the interests of its members and their employees. I strongly supported the idea that loss control and safety programs could serve municipal interests by reducing injuries and returning employees to productive work.

**Workers Comp:** What aspects of the organization made it noteworthy?

**Mike Ritchie:** I have always been an advocate of organized efforts to share services and coordinate levels of government for the benefit of the taxpayer. Over the years, PERMA has become a prime example of a self-administered shared service that has benefited the public. PERMA's goal of providing immediate and comprehensive care to injured employees is mutually beneficial to both employee and employer.

**Workers Comp:** How do you see your current role as Ambassador with PERMA?

**Mike Ritchie:** As a career-long advocate for professionals in local government, I like to help orient newly-appointed or elected officials to the Best Management Practices of local government. My role with PERMA allows me to continue this practice by offering historic reference of the program, including its origin, mission and governance to local officials.

**Workers Comp:** What other municipal organizations have you been or are you currently involved with?

**Mike Ritchie:** I am a Lifetime Member of the International City/County Management Association (ICMA) and of the New York State City/County Management Association (NYSCMA). For both, I serve in the capacity of Range Rider, assisting managers across the state in working with their boards and councils to benefit their position and promote the role of professional manager.

**Workers Comp:** What do you see as PERMA's future?

**Mike Ritchie:** I think the future is bright for PERMA. As there is more pressure on local government to share and coordinate services in order to control costs, PERMA is ahead of the game and ready to help municipalities meet the "tax cap" challenge. Workers' comp costs can only be controlled in the long term by providing a safer workplace, training employees well, and carefully managing recovery costs when losses occur. I feel strongly that PERMA is constructed and organized to assist in all of those cost controlling measures.

**Workers Comp:** What do you do when not deeply involved in municipal management?

**Mike Ritchie:** I enjoy keeping active with tennis, golf, some traveling and a bit of gardening. And my wife and I have two daughters and four grandchildren that we are fortunate to live close by, and we see them quite frequently.

**Workers Comp:** Thank you, Mike, for taking the time to speak with us about your background and relationship with PERMA. Since you will be assuming member services duties for PERMA members in Westchester, Putnam and Rockland counties, how can you be reached?

**Mike Ritchie:** Members can email me at [mritchie@neami.com](mailto:mritchie@neami.com) or call 888-737-6269, ext. 3077.

# Update PERMA Loss Control

BY JEFF VAN DYK,  
DEPUTY EXECUTIVE DIRECTOR

This past January marked the well-deserved retirements of three long-tenured loss control representatives from Northeast Association Management Inc. (NEAMI), PERMA's long-standing administrator. Change is never easy, particularly when it means the departure of talented staff like Pete Archbold, Dick Ray and Norm Wiley. But this change has given the PERMA Board of Directors the opportunity to re-examine PERMA's loss control services. At its May meeting, the board discussed the future of loss control.

In both the private commercial insurance industry, and the public entity pooling community, loss control is evolving. The Board discussed how to better direct resources, provide more measurable results for members, and increase member engagement. They were also very concerned about maintaining high standards of customer satisfaction.

The PERMA board agreed on a new goal: to become data-driven, both in assigning loss control efforts to members who are at the most risk, and in measuring the outcomes of these efforts. To begin, PERMA will implement predictive analysis. Predictive analysis enables PERMA to categorize members by level of risk (low, mid, high) and tailor loss control services to match individual member needs. As a result, PERMA loss control will be focused on services that can be directly tied to improving outcomes.

Long-term, this means members will see more effective and efficient delivery of on-site loss control services and increasing availability of resources through the PERMA Safety Institute. During the transition period – estimated to be about nine to twelve months – PERMA will not be conducting annual loss control evaluations or Best Practice Assessments, unless specifically requested by the member. Requested evaluations will be completed by one of PERMA's service partners. Once more information becomes available through PERMA's data analysis efforts, regular on-site evaluations will be re-established to meet identified risk needs and goals.

PERMA is truly excited about the new direction of loss control, but we understand members may be concerned about the lack of PERMA presence on-site. There is no need for worry. Frank Laurita will continue in his role as the loss control representative for Long Island. Anna Brouker will continue to provide all in-house loss control services (video and material requests, custom reports, etc.) and will serve to connect members with PERMA's contracted business partners such as Alpen Risk, Petrone and Petrone, P.C., Reditus Safety Solutions and Empire Risk Management, all of whom were introduced in the last newsletter. Courtesy visits that were previously done by loss control representatives will be completed by the NEAMI member services staff, specifically Karen Braman, Johanna Zbytniewski and Mike Ritchie.

Be assured that going forward, as critical needs are identified, PERMA will assign appropriate loss control resources. The hope is that by combining data analysis with the same friendly service members have always received, PERMA can have a real impact on losses, offering our members the greatest value for their workers' compensation dollar.

If you have any questions, please don't hesitate to contact me. I can be reached at [jvandyk@neami.com](mailto:jvandyk@neami.com) or 888-737-6269, ext. 3089.

## PERMA Member Receptions 2014 Schedule

The Member Services department at PERMA will be holding regional receptions all over the state in the fall. These receptions are opportunities to network with your fellow municipal officials, as well as learn more about PERMA's offerings, and ask questions of its representatives.

The first reception this year was held June 26 at the Craftsman Inn in Fayetteville. Attending members shared their concerns and successes with Karen Braman and Johanna Zbytniewski, and all agreed the reception was enjoyable and productive. We hope you can attend one of the below.

- September 18** Lake Clear Lodge and Resort  
Lake Clear, Franklin County
- October 9** Otesaga Resort Hotel  
Cooperstown, Otsego County
- October 16** Four Points by Sheraton  
Plainview, Nassau County
- October 22** The Inn at Saratoga  
Saratoga Springs, Saratoga County
- October 23** Bear Mountain Inn  
Bear Mountain, Rockland County
- November 18** Heron Hill Winery  
Hammondsport, Steuben County
- November 19** Roycroft Inn  
East Aurora, Erie County
- November 20** The Strathallan Hotel  
Rochester, Monroe County

Invitations will be sent, beginning in August. Members are invited to attend any reception, not just one in your region. If you would like more information, please contact [memberservices@neami.com](mailto:memberservices@neami.com) or 888-737-6269, ext. 3088.



P E R M A

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ASSOCIATION, INC.**

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*New York's premier provider  
of workers' compensation  
for public entities.*

# REMINDER

## 2nd quarter payrolls due July 15, 2014 3rd quarter payrolls due October 15, 2014

**Payroll information to comply with the New York Workers' Compensation Board Assessment requirement for the second quarter of 2014 is due to PERMA by July 15, 2014.** Please send a copy of the first page of your NYS-45 form for the second quarter (April-June) with Part A – Box 1 filled in. If the NYS-45 form is not completed by July 15, or if Part A – Box 1 is blank, please forward your total gross payroll for April 1 – June 30, 2014 by the deadline, and forward the form once it has been completed. It is necessary to have your payroll information into PERMA by the July 15th deadline in order for PERMA to file assessment information with the WCB on your behalf.

PERMA must collect accurate payroll data, as the WCB will periodically audit the forms PERMA files against the NYS-45 forms that members file with the NYS Department of Taxation and Finance. The WCB will issue penalties of up to 20% if it determines the reported payroll was inaccurate.

**Forms can be emailed to [jschacht@neami.com](mailto:jschacht@neami.com) or [cwright@neami.com](mailto:cwright@neami.com) or faxed to (877) 737-6232.** If you have any questions, or have received any notice of penalty from the first quarter, please call the audit department at (888) 737-6269. Jennifer Schacht, Senior Payroll Auditor, can be reached at ext. 3013; or you can speak with Cindy Wright, Auditing Assistant at ext. 3070. We will contact the Worker's Compensation Board to rectify any penalty situation.

## Workers' Comp

### News for Public Employers

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### *Frontlines* Continued from page 2

#### Loss control is being re-engineered

New technology and the recent retirement of most of our loss control staff have provided PERMA with an opportunity to re-think how we provide loss control services. New technology allows PERMA to collect and maintain loss data in many different ways, and to sort and compare the data with many variables in the work environment. The fancy name is "predictive analysis." During FY15, we will be exploring how PERMA can apply these new tools to our loss control program, including a review of the innovations that some other municipal programs around the country have implemented. FY15 will be a year of transition. For FY16, we plan to roll out a new loss control service model, one more heavily invested in the loss data from each member and how it can be used to design very specific loss control efforts.

#### Quality of care remains top priority

Underlying the technology, the new regulatory oversight, and the financial numbers, PERMA is still focused on the quality of care that is provided to each injured worker. For over 20 years, PERMA has placed less emphasis on the mere processing of the claim and much more emphasis on the successful management of the claim. We focus on producing the best medical outcome at the most efficient cost. For PERMA, a big part of the management of any claim is the care provided to the injured worker. Care includes competence in managing the claim but it also includes empathy and personal touch.

Recently, we had a claimant with a relatively common injury who was beset with a host of complications leading to a bad, nearly tragic result. Following is an excerpt of an email, received in April, sent by a claimant to the case analyst working on the file:

*"I cannot thank you enough for everything you have done to help me out and expedite certain things during the most trying time in my life. Unfortunately, my life will never be the same and I have lost so much, even more than people can see. I know people have had horror stories with different comp carriers but I can say PERMA at least for me was spot on. There were so many times early on that my passing away due [to] my issues was a huge concern, and PERMA, it seemed, always took my health into consideration and did what was best for me not best for them. Please [send] along my thanks to whomever had a hand in my file, but again, a HUGE thank you to you from me for a job well done.*

*With Sincere Thanks."*

For me, as executive director of PERMA, this email is as much an affirmation of what PERMA does, and how it does it, as an audit report, or a balance sheet or a statement of profit and loss. This is why PERMA exists. This is why PERMA serves over 500 public entities.

