

P e n n s y l v a n i a

*Workers' Compensation
and Workplace Safety*

Annual Report - Fiscal Year 2003/04



Bureau of Workers' Compensation

2003/04 Annual Report Readers' Survey

Please take a few minutes to complete and return this brief survey and help the Bureau continue to produce a quality publication that meets the needs of Pennsylvania's workers' compensation community. (Your answers are confidential; we do not require your name or affiliation.)

Comments are always welcome, but to have your responses considered during production of the 2004/05 Annual Report, please return your completed survey by July 1, 2005, to the following address:

**Bureau of Workers' Compensation
Information Services Section
1171 S. Cameron St., Room 324
Harrisburg, PA 17104-2501**

1. How is the Annual Report used in your organization?

2. What feature(s) do you consider the most useful?

3. What feature(s) do you consider the least useful?

4. Is there a current feature in the Annual Report that you believe could be improved? How should it be improved?

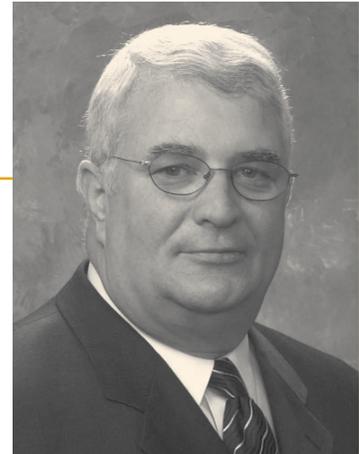
5. Are there certain statistics or a particular area of interest not currently covered that you would like to see reported in the future?

6. Do you have any other comments about the Annual Report?

Thank you for your interest in the Workers' Compensation and Workplace Safety Annual Report!

Message from Stephen M. Schmerin

Secretary of Labor and Industry



Our Pennsylvania Bureau of Workers' Compensation and the Office of Adjudication continue to make great progress for injured workers, employers, and insurers.

The Bureau significantly updated its administrative and technical capabilities during fiscal year 2003/04. In addition, staff underwent numerous training and continuing education programs that added to the efficiency and effectiveness of customer service.

The Bureau's health and safety division participated in nominations and selections for the Governor's Award for Safety Excellence. Five Pennsylvania companies received this award for "outstanding efforts in promoting workplace safety," bringing the cumulative total number of award winners to 74 since the program began. A concerted effort was made to encourage employers to implement a certified workplace safety committee. The results have been encouraging.

The Office of Adjudication continued to expand its alternative dispute resolution services. These optional mediation services, settlement conferences, and informal conferences are helping to expedite claims and foster more open communication between parties in workers' compensation disputes.

Our Pennsylvania Bureau of Workers' Compensation and the Office of Adjudication are committed to continuing progress to serve our many customers in a timely and efficient manner.

Sincerely,

A handwritten signature in black ink that reads "Stephen M. Schmerin". The signature is written in a cursive, flowing style.

Stephen M. Schmerin
Secretary of Labor and Industry



Message from Elizabeth Crum

Deputy Secretary for Compensation and Insurance

During the 2003/04 fiscal year, the Bureau of Workers' Compensation and the Office of Adjudication continued their mission to ensure efficient and effective administration of the Pennsylvania Workers' Compensation Act for all of the citizens of the Commonwealth of Pennsylvania. For example:

- The medical fee hearing office achieved a two-month reduction in the average time between filing of a fee review hearing request and final adjudication of the matter.
- For the first time since 1974, Pennsylvania workers' compensation rules and regulations were comprehensively revised, updated, and simplified.
- There are now over 780,000 Pennsylvania employees covered by state-certified workplace safety committees, with accumulated savings to employers from the 5 percent discount topping \$161 million.
- The Office of Adjudication made improvements across the board, including reducing the statewide average time to hear and decide worker's compensation cases from 9.3 months in 2002 to 8.7 months in 2003. Workers' compensation judges continued to decide more petitions than they received in new assignments.

This annual report provides more information and detail on these and many other accomplishments of the Bureau and the Office of Adjudication during fiscal year 2003/04. I am confident that future accomplishments will continue to reflect enhanced customer service to the citizens of the Commonwealth.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth Crum". The signature is fluid and cursive, with a large initial "E" and "C".

Elizabeth Crum

Deputy Secretary for Compensation and Insurance

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Bureau of Workers' Compensation



Message from John T. Kupchinsky Director, Bureau of Workers' Compensation

One of the Bureau's most important goals for fiscal year 2003/04 was continued outreach and training to Pennsylvania's workers' compensation community. Here are some highlights of our efforts in this area during the past year:

- We continued to assist employers in establishment and renewal of their certified workplace safety committees, helping them realize substantial savings on their workers' compensation insurance premiums.
- We continued to offer specialized training in the areas of health care services, compliance, health and safety, self-insurance, and claims submission. Training sessions were held at the Bureau and at locations throughout the state.
- We expanded information offerings by providing more workers' compensation materials and services on our website. In addition, we disseminated valuable information through our print publications and newsletters and made improvements to several forms.
- The Bureau's December 2003 conference in Lancaster was praised by attendees for providing essential workers' compensation information. More than 800 participants and 80 vendors took part in the two-day event.

Last year, compliance with the 21-day requirement to make payment or deny a claim reached 70 percent. Cumulative employer savings for safety committees topped the \$161 million mark. The Bureau's annual medical access study reported that 83 percent of respondents were either satisfied or very satisfied with the medical care they received for work-related injuries.

The Bureau of Workers' Compensation invites you to explore these and other successes of 2003/04 in this Annual Report. We look forward to an even more successful and productive 2004/05.

Sincerely,

A handwritten signature in black ink that reads "John T. Kupchinsky". The signature is written in a cursive, slightly slanted style.

John T. Kupchinsky, Director
Bureau of Workers' Compensation

Overview

A Brief History of Pennsylvania Workers' Compensation Law

In 1915, the Pennsylvania Legislature enacted the Pennsylvania Workmen's (Workers') Compensation Act (Act). The statute charges the Department of Labor and Industry, Bureau of Workers' Compensation (Bureau), with carrying out the administrative and appeal obligations defined in the Act and specifies compensation for employees who are injured as a result of employment without regard to fault. Amendments eventually merged the compensation for injuries and occupational diseases into this Act. The statute defines the benefits available to Pennsylvania workers, the conditions under which benefits are available, and the procedures for obtaining them.

The workers' compensation system protects both employees and employers. Employees receive medical treatment and are compensated for wage loss associated to work-related injuries and disease, and employers provide for the cost of such coverage while being protected from direct lawsuits by employees.

Workers' compensation coverage is mandatory for most employers under Pennsylvania law. Employers who do not have workers' compensation coverage may be subject to suits by employees and to criminal prosecution by the Commonwealth.

Some employers are exempted from workers' compensation coverage. Exemptions include: people covered under other workers' compensation acts, such as railroad workers, longshoremen and federal employees; domestic servants (coverage is optional); for agricultural workers who work less than 30 days or earn less than \$1,200 in a calendar year from one employer; and employees who have requested and been granted exemption due to religious beliefs or their executive status in certain corporations.

In Pennsylvania, employers can obtain workers' compensation insurance through a licensed insurance carrier or the State Workers' Insurance Fund. In addition, employers can apply to the Bureau to seek approval to self-insure. Self-insurance is granted by the Bureau based on criteria established by the Act and the Department.

Employees are covered for the entire period of their employment. Therefore, coverage begins the first day on the job. Injuries or diseases caused or aggravated by employment are covered under workers' compensation, regardless of the employee's previous physical condition.

Bureau of Workers' Compensation

Mission Statement

The Pennsylvania workers' compensation program was established to reduce injuries and provide wage-loss and medical benefits to Pennsylvania employees who become ill or injured through the course of their employment so they can heal and return to the workforce.

The Bureau is responsible for carrying out the provisions of the Act and related legislation and for fulfilling the overall purpose of Pennsylvania's workers' compensation system. In carrying out the requirements of the Act, the Bureau has several primary roles:

1. Obtain, review, and maintain records on certain loss-time work injuries and benefit documents.
2. Certify individual self-insured employers and self-insured employer pools and determine their monetary security requirements.
3. Resolve areas of contention among the participants in the workers' compensation system.
4. Enforce the provisions of the Act.
5. Promote the health and safety of Pennsylvania's employees in accordance with the 1993 and 1996 amendments to the Act.
6. Enforce the occupational disease provisions of the Act.

Basic Benefits

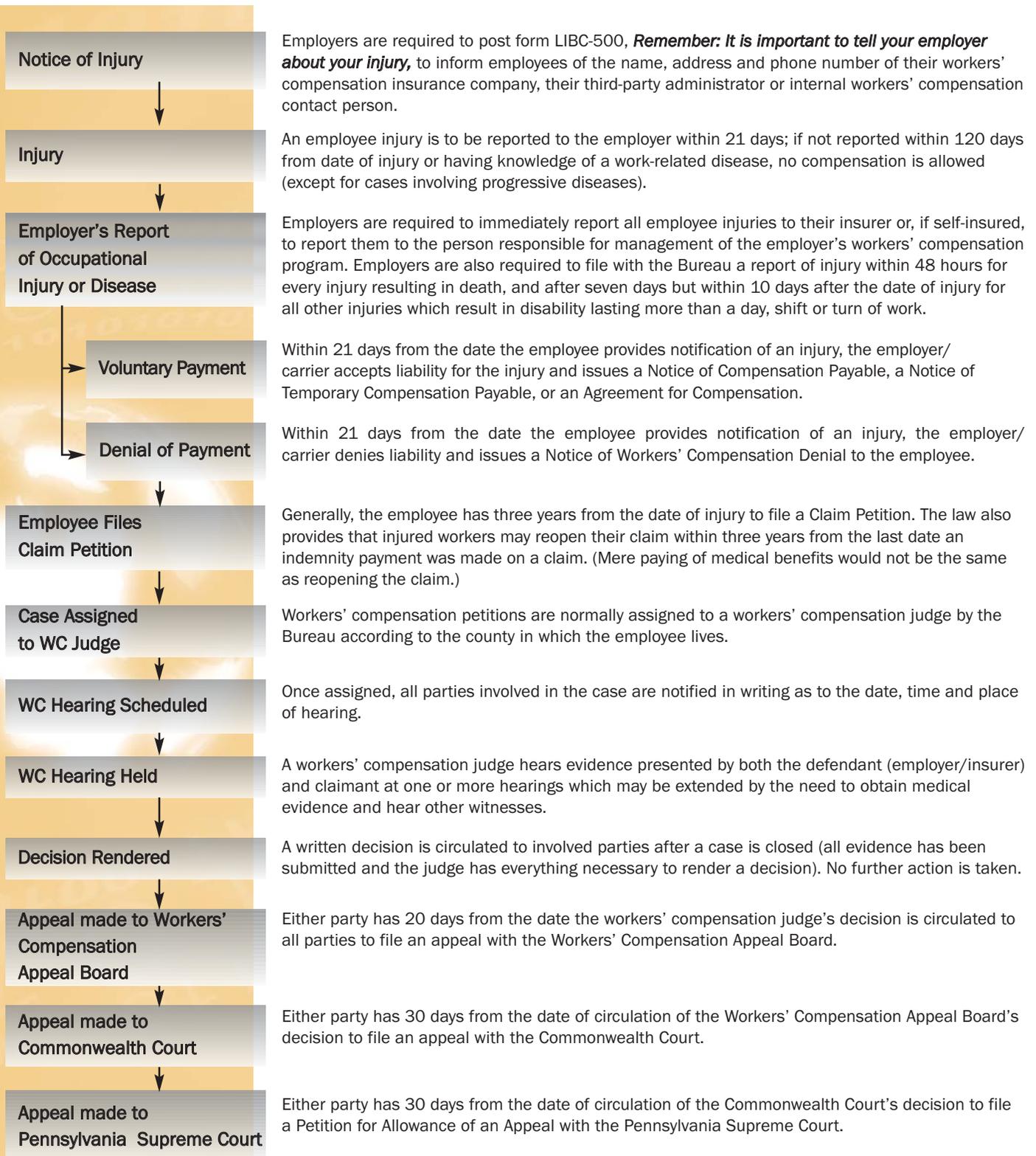
1. **Replacement of Lost Wages.** A portion of the worker's salary – up to a maximum amount provided by law – is paid for the time lost from work as a result of a work-related disability, if the disability lasts longer than seven calendar days. These payments are tax free. The maximum allowable weekly benefit for calendar year 2004 is \$690.00. Partial disability benefits consisting of two-thirds of the gross difference in wage loss for up to 500 weeks are paid to employees who suffer a partial disability resulting from a work-related injury or disease. Benefits can possibly be subject to other reductions or offsets.
2. **Payment of Medical Expenses.** Reasonable and necessary work-related medical expenses are paid regardless of the duration of required treatment and apply even though the employee may not have lost time from work.
3. **Specific Loss Benefits.** Benefits are payable if a work-related injury results in loss of vision, hearing and/or the use of limbs (including fingers and toes). Specific loss benefits are paid without regard to the amount of time lost from work. A separate healing period is also defined for each loss.
4. **Disfigurement Benefits.** Benefits are payable if there is a serious, permanent disfigurement of the head, face or neck.

5. **Death Benefits.** The employee's dependents may claim benefits if a work-related injury or disease results in the employee's death. Also, reasonable burial expenses are payable to a maximum amount set by law.
6. **Adjudication.** If facts concerning a claim are contested or liability is questioned, either the employee or the employer/insurer may request a hearing before a workers' compensation judge to resolve issues. If either party is dissatisfied with the decision and has grounds for an appeal, they may request a review by the Workers' Compensation Appeal Board. Further appeals may be taken through the court system.
7. **Subsequent Injuries.** Additional compensation may be available through the Subsequent Injury Fund. This Fund is administered by the Commonwealth and pays workers who have had a specific loss of use for a hand, arm, foot, leg or eye *and* who incur total disability caused by loss of use of another hand, arm, foot, leg or eye. Then, the Commonwealth makes payments for the duration of the worker's total disability.



Bureau of Workers' Compensation

The Flow of a Pennsylvania Workers' Compensation Claim



Funding for Pennsylvania's Workers' Compensation System

The Pennsylvania workers' compensation program is funded by a spending authorization appropriated by the State Legislature and approved by the Governor. The money for these expenditures comes from four special funds established through assessments:

1. The Workers' Compensation Administration Fund

Purpose: Provides funding for the administrative operations of the Bureau and the Workers' Compensation Appeal Board.

Assessment Amount: For fiscal year 2003/04, the amount assessed totaled \$55,006,166 and represented 9.96 percent of compensation paid in calendar year 2002.

2. The Supersedeas Fund

Purpose: To provide relief to employers/insurers for payments made during litigation of claims contesting whether compensation is payable. When an employer/insurer files a petition for termination, modification, or suspension of benefits, a supersedeas hearing can also be requested. At this hearing, the workers' compensation judge can deny the request or grant a temporary order of partial or total suspension of benefits. If the request is denied, but the final decision of the judge is that compensation was not payable, the employer/insurer may apply to be reimbursed from the Supersedeas Fund for "overpayments" made following the initial denial.

Assessment Amount: For fiscal year 2003/04, the amount assessed was \$27,527,052 and represented 4.86 percent of compensation paid in calendar year 2002.

3. The Subsequent Injury Fund

Purpose: To compensate workers who experience certain losses (for example, arm, hand, leg, foot, eye) subsequent to a prior loss.

Assessment Amount: The total amount of the fund equals the amount expended from the fund in the preceding year. Law requires the fund to have a minimum funding of \$100,000. For the 2003/04 fiscal year, the amounts assessed totaled \$259,959 and represented 0.05 percent of compensation paid in calendar year 2002.

4. The Self-Insurance Guaranty Fund

Purpose: To make payments to any eligible claimant or dependents upon the default of the self-insurer liable to pay compensation or associated costs due under the Pennsylvania Workers' Compensation Act and the Pennsylvania Occupational Disease Act as amended in 1993. This fund is

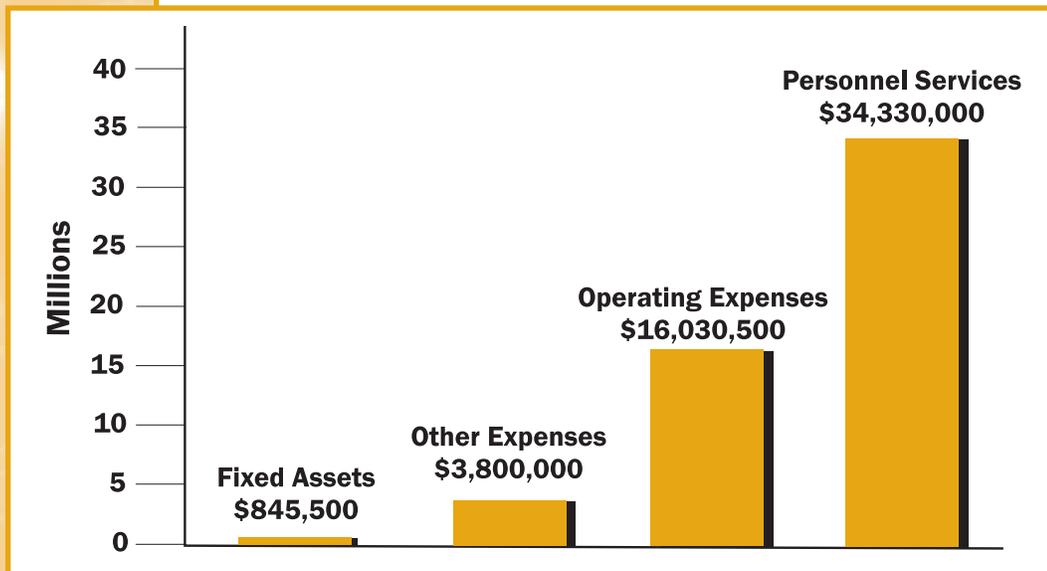
Bureau of Workers' Compensation

used when the securities posted by defaulting companies are exhausted, but can only be used for injuries occurring after the 1993 amendments.

With the passage of Act 53 of 2000, the General Assembly created a restricted account within the Guaranty Fund called the Prefund Account. The purpose of the Prefund Account is to provide for the continuation of benefits to workers who were injured prior to 1993 and whose self-insured employers have gone bankrupt. Originally, the Prefund Account was financed through the transfer of interest earned in the Administration Fund. However, in June 2001 the General Assembly enacted Act 49 which makes the financing of the Prefund Account a budget item of the Administration Fund.

Assessment Determination/Amount: For a new self-insurer starting self-insurance after October 30, 1993, the assessment is .5 percent of its modified manual premium for the 12 months immediately preceding the start of self-insurance. During the 2003/04 fiscal year, all existing and former self-insurers with runoff claims were assessed at the rate of 1 percent of compensation paid in 2002 to fund additional claims that became the responsibility of the Guaranty Fund. The Guaranty Fund assessed \$5,570,841 during 2003/04.

Bureau of Workers' Compensation Administration Fund Budget Fiscal Year 2003/04



Bureau of Workers' Compensation Accomplishments Fiscal Year 2003/04

- Processed 467,322 claim forms.
- Promoted electronic data interchange (EDI) submission of the Employer's Report of Occupational Injury or Disease and increased the number of partnerships utilizing this means.
- Promoted and increased electronic submission of various petition forms and Employer's Report of Occupational Injury or Disease through the Bureau's website.
- Converted 30 percent of remaining physical files to electronic database.
- Maintained the "Request for Records" processing time at an average of 10 days or less from receipt of the request, while processing approximately 22,843 requests.
- Maintained an average petition assignment of less than five days from receipt of a petition.
- Analyzed and counseled insurers and self-insurers to improve their performance regarding compliance of the 21-day rule.
- Conducted external training sessions for forms submission and processing to insurers and third-party administrators (TPAs).
- Processed over 23,400 current workers' compensation judges' decisions.
- Instituted 1,270 new investigations of potential employer failure to insure workers' compensation liability and referred 21 to the Bureau's legal division for prosecution.
- Processed 2,350 corporate executive officer exceptions and 573 religious exemptions for exclusion under the Act as well as 1,839 domestic elections for inclusion under the Act.
- Developed, planned and coordinated the December 2003 Bureau conference. Approximately 800 employers, insurers, health care providers, attorneys and others from the workers' compensation community attended the two-day event, including 80 vendors.
- Investigated 252 potential child labor law violations, which could result in the collection of a 50 percent additional compensation penalty for injured minors while permitted to work in violation(s) of the child labor law.
- Responded to over 75,285 workers' compensation telephone and electronic mail inquiries.
- Researched and responded to 1,987 inquiries regarding the workers' compensation insurance coverage of employers through the Pennsylvania Compensation Rating Bureau database.
- Responded to more than 300 written workers' compensation inquiries received from injured workers.

Bureau of Workers' Compensation

- Published the Bureau's quarterly newsletter, *News & Notes*, to nearly 12,000 employers, insurers, third-party administrators, union representatives, attorneys, health care professionals, and the public.
- Reduced the average time lapse between filing of a fee review hearing request and the scheduled hearing date by more than 30 percent from the prior fiscal year.
- Reduced the average time lapse between filing of the hearing request of a fee review and adjudication by 62 days.
- Received and processed a total of 749 workplace safety committee initial applications and 4,181 workplace safety committee renewal affidavits.
- Established e-mail databases for the various client groups to provide an electronic means of communicating with the workers' compensation safety clients.
- Evaluated the acceptability of accident and illness prevention programs and services of 1,139 insurers and self-insureds through annually required reports.
- Conducted 246 on-site audits of licensed workers' compensation insurer and self-insured employer accident and illness prevention programs and services and certified workplace safety committees.
- Conducted audits of 10 Commonwealth agency accident and illness prevention programs.
- Continued to provide specialized training to over 275 health care providers to enhance understanding of the workers' compensation billing and payment processes and the fee review process.
- Continued to provide specialized training on the appropriate and optimal application of the workers' compensation fee schedule to over 175 repricers and insurers.
- Continued to expand service to the workers' compensation community by providing speakers at 37 educational seminars attended by more than 1,900 individuals.
- Supervised the transfer of four defaulted self-insurers' liabilities involving 55 open claims to their appropriate surety companies.
- Processed 792 renewal applications and 40 new applications for individual self-insurance status, 390 claims status reports of runoff self-insurers, and 18 group self-insurance fund annual reports and rate requests.
- Designed and implemented a system to regularly monitor the claims activity and liabilities of sureties and other parties that have assumed claims payment responsibilities through self-insurance defaults.
- Reduced the number of claims being paid from the Self-Insurance Guaranty Fund from 566 at the beginning of the fiscal year to 438 at the end of the year. Consequently, the total reserves on open claims declined from \$48 million to \$41 million.

Updates

Workers' Compensation Rules Committee

The Workers' Compensation Rules Committee's purpose is to improve the administration of workers' compensation proceedings.

Eighteen members make up the Committee, including: the chairman of the Senate Labor and Industry Committee, the chairman of the House Labor Relations Committee, the director of the Office of Adjudication, the Bureau's deputy chief counsel, the Deputy Secretary for Compensation and Insurance, two Workers' Compensation Appeal Board representatives, four workers' compensation judges (chosen from lawyers and non-lawyers and from metro areas and non-metro areas), four claimant attorneys and four defendant attorneys.

During FY 2003/04, the Secretary of Labor and Industry reconstituted the Workers' Compensation Rules Committee. Although no immediate changes to the rules are planned, the Rules Committee is functioning in an oversight capacity by soliciting and reviewing comments on the effectiveness of the revised Rules in actual practice. Rules Committee Chairman Stanley H. Siegel is the point of contact for receipt of comments from the workers' compensation community on the revised Rules. Comments should be submitted in writing to Mr. Siegel at the following address: Stanley H. Siegel, Esquire; Tucker Arensberg; P.O. Box 867; Lewistown, PA 17044-0867.

Workers' Compensation Advisory Council

The Workers' Compensation Advisory Council was created under Section 447 of the Workers' Compensation Act. The Council is composed of eight members, and the secretary of the Department is the ex officio member. Members are appointed as follows: one employee and employer representative by the President Pro Tempore of the Senate, one employee and employer representative by the Speaker of the House of Representatives, one employee and employer representative by the Minority Leader of the Senate and one employee and employer representative by the Minority Leader of the House of Representatives. Members serve a term of two years or until their successors have been appointed.

The Council reviews requests for workers' compensation funding by the Department and any assessments against employers or insurers related thereto; makes recommendations regarding certification of utilization review organizations and preferred provider organizations; reviews proposed legislation and regulations; and reviews the annual medical accessibility

Bureau of Workers' Compensation

study. Their findings are reported to the governor, the Department secretary and the legislature.

Co-chairs Carlton DeBord (representing labor) and Joseph Scagliotti (representing management) and the rest of the Council hold public meetings to discuss various issues of the Department, Bureau, and legislature.

Kids' Chance of Pennsylvania, Inc.

Kids' Chance of Pennsylvania, Inc. is a nonprofit organization providing college and vocational school scholarships to children of Pennsylvania workers who have been seriously or fatally injured in a work-related accident or illness that has resulted in financial need. Developed and sustained by concerned groups and individuals involved in workers' compensation-related matters since its founding in 1997, Kids' Chance of Pennsylvania has awarded nearly 200 scholarship grants to eligible applicants. In 2004, Governor Ed Rendell endorsed Kids' Chance of Pennsylvania and became the organization's Honorary Chairman.

Support for Kids' Chance of Pennsylvania's operations and scholarships comes directly from tax-deductible charitable contributions made by companies, professional firms, and membership organizations, as well as individuals and community groups. The total amount disbursed to eligible students each year is dependent upon charitable donations received and the qualifications of students who apply. Grants are for one academic year and are generally from \$1,000 to \$1,500. Through a two-year ACE Foundation grant, in 2003 and 2004 Kids' Chance also awarded Kids' Chance ACE INA Scholar grants, generally \$5,000, for eligible applicants demonstrating a high level of both academic promise and financial need.

Applicants must be between the ages of 16 and 25 and be accepted by an accredited, post-secondary educational institution (college or vocational school). The parent's injury, illness, or death must meet the criteria of the Pennsylvania Workers' Compensation Act. Graduate students are not eligible to apply. Kids' Chance grants are sent directly to the educational institution and can be used for tuition, books, supplies, room and board, transportation, and other school-related expenses. The deadline for applications is April 15.

The Kids' Chance mission is now a national effort that was initiated in 1988 by the Workers' Compensation Section of the Georgia Bar. There are currently 25 states in the U.S. that have created independent Kids' Chance organizations.

The Bureau provides Kids' Chance of Pennsylvania with meeting room space and administrative assistance and helps to publicize the organization's efforts via the Bureau's public newsletter, *News & Notes*.

For more information, contact Kids' Chance of Pennsylvania by phone at: (484) 945-2104, by mail at: P.O. Box 543, Pottstown PA 19464, or visit the Kids' Chance website at: www.kidschanceofpa.org.

21-Day Rule Meetings

The Bureau has conducted a study annually since 1999 on compliance with the 21-day requirement of the Workers' Compensation Act to make first payment or deny a claim. Notifications are sent to all companies in the study informing them on how well they performed and whether a meeting or action plan was necessary. Meetings are held to discuss practical problems and solutions that affect a company's compliance. Alternatively, a company is put on a formal action plan to encourage substantial progress in a short period of time. The ultimate goal of the meeting and action plan is to assist the insurer and self-insured employer in making more timely payments to injured workers as evidenced by reporting.

The Bureau is seeking full compliance with the 21-day rule. For more information, please contact Nathaniel M. Holmes, Chief, Claims Management Division.

Total Disability Weekly Workers' Compensation Rates

The following table illustrates the weekly workers' compensation rates used to calculate benefits payable to an injured employee.

1. Statewide Average Weekly Wage & Maximum Compensation Rate Payable (Maximum)

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004*</u>
\$561.00	\$588.00	\$611.00	\$644.00	\$662.00	\$675.00	\$690.00

2. 50% of Statewide Average Weekly Wage

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004*</u>
\$280.50	\$294.00	\$305.50	\$322.00	\$331.00	\$337.50	\$345.00

The compensation rate is 66 2/3% of the employee's average weekly wage. If 66 2/3% of the employee's average weekly wage is greater than the maximum, the rate of compensation payable is equal to the maximum.

If the benefit calculated is less than 50% of the statewide average weekly wage, then the compensation rate shall be the lower of 50% of the statewide average weekly wage or 90% of the employee's average weekly wage. There is no absolute minimum.

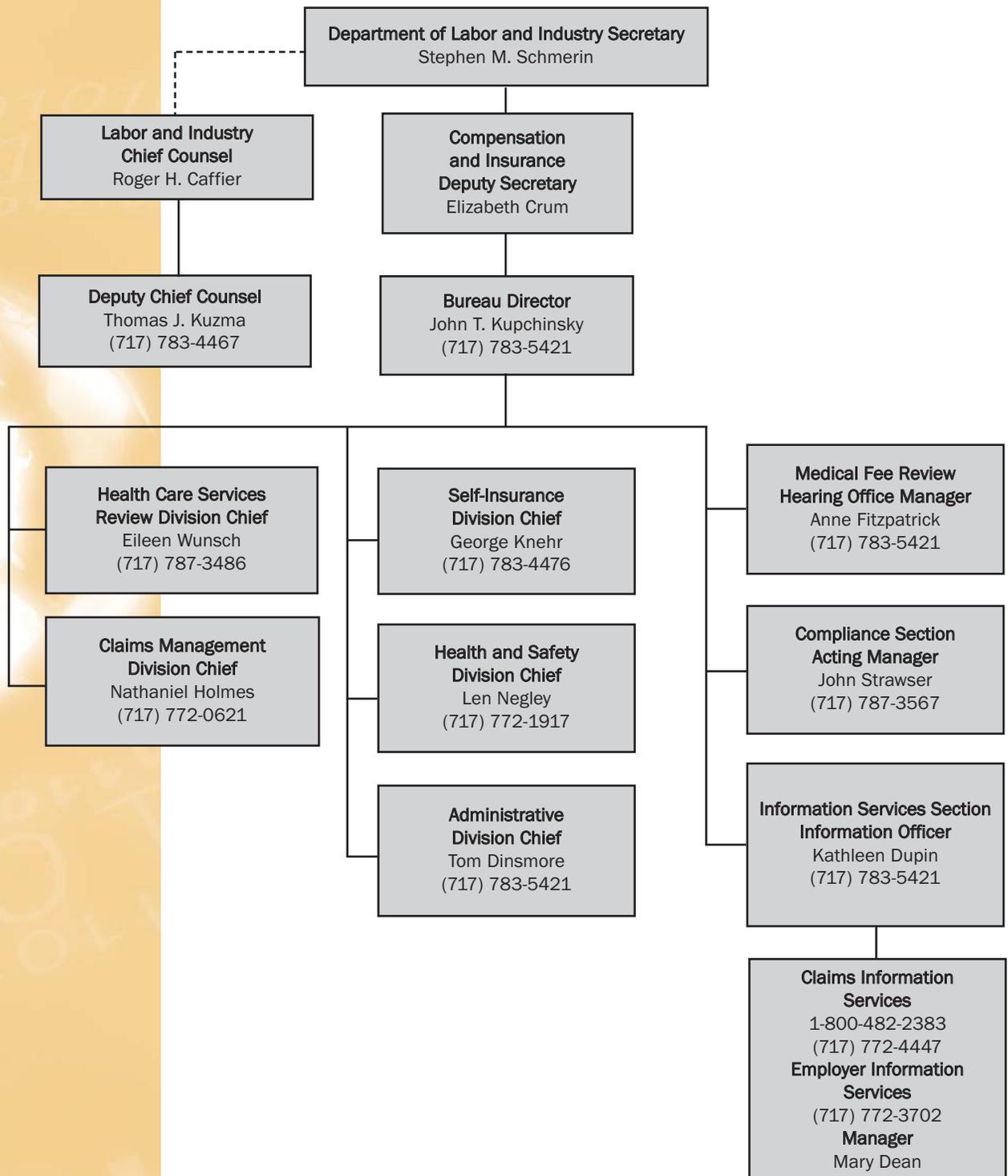
The maximum compensation rate payable is calculated annually and is effective January 1 of each year. The calculation of the average weekly wage is defined by the Act. Corresponding figures for years prior to 1998 are maintained by the Bureau. For partial disability, other calculations and definitions apply.

*For purposes of calculating the update to payments for medical treatment rendered on and after January 1, 2004, the percentage increase in the statewide average weekly wage is 2.2%.

Bureau of Workers' Compensation

Personnel

Department/Bureau Organization Chart



Divisions

Director's Office - Compliance Section

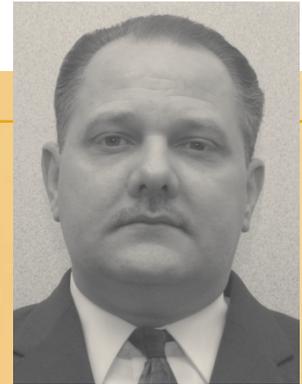
Primary Functions

Ensure compliance with the Workers' Compensation Act, regulations enacted pursuant to the Act, and orders issued by the workers' compensation judges. These functions are accomplished through:

- (a) Educating employers regarding the requirement to insure their workers' compensation liability;
- (b) Investigating reports of alleged employers' failure to insure their liability and prosecuting cases of noncompliance in accordance with the criminal provisions provided by the Act;
- (c) Referring allegations of employee fraud to the appropriate insurance carrier and allegations of employer, insurer or medical provider fraud to the proper prosecuting authority;
- (d) Reviewing all work-related minor injuries to determine if potential child labor law violations existed, referring said violations to the Bureau of Labor Law Compliance for determinations and collecting any additional compensation due to injured minors;
- (e) Notifying survivors of their potential survivor rights under the Act when fatalities occur;
- (f) Reviewing and investigating allegations of insurer, self-insurer or third-party administrator violations of the Act to determine if further action is warranted; and
- (g) Processing statutorily-permissible exceptions, exemptions and elections for inclusion under the Workers' Compensation Act.

Accomplishments: 2003/04 Fiscal Year

1. Mailed the *Employer Information* pamphlet to 18,291 new or modified businesses to better educate employers about their workers' compensation responsibilities, along with certificates of insurance to secure information assuring their compliance; 8,590 businesses failed to respond, so a second mailing was sent.
2. Instituted 1,270 new investigations of potential employer failure to insure workers' compensation liability and referred 21 to the Bureau's legal division for prosecution.
3. Referred 65 complaints of employee fraud to the proper insurance carrier for investigation.
4. Processed 2,350 corporate executive officer exceptions and 573 religious exemptions for exclusion under the Act as well as 1,839 domestic elections for inclusion under the Act.



John Strawser

"Compliance with the law is essential to ensuring that Pennsylvania's workers' compensation system operates fairly and efficiently. To that end, the Bureau's Compliance Section considers education of employers in matters of compliance to be a top priority."

Bureau of Workers' Compensation

5. Investigated 252 potential child labor law violations, which could result in the collection of a 50 percent additional compensation penalty for injured minors while permitted to work in violation(s) of the child labor law.

Future Goals

1. Continue to increase the effectiveness of the compliance section's employer education program by identifying new ways of notifying new, modified and existing businesses of the employer responsibilities.
2. Reduce the time period it takes to investigate and prosecute employers found to have committed violations of Section 305 of the Workers' Compensation Act.
3. Improve communication with prosecuting authorities on the status and outcome of cases being tried and settled.

Director's Office - Information Services Section

Primary Functions

1. Provide employees, employers, the public, workers' compensation professionals, health care providers, government agencies, etc., with accurate and comprehensive workers' compensation information. Information is provided via the *News & Notes* newsletter, the annual report, the Department website, by telephone, feature articles in outside publications and through various Bureau pamphlets and brochures.
2. With Department Press Office approval, provide the media with accurate and timely workers' compensation information. This includes producing informational publications, coordinating interviews and writing press releases.
3. Support the Department secretary, the Bureau director, The Director of Adjudication, and the Bureau staff in their missions.

Accomplishments: 2003/04 Fiscal Year

1. Developed, planned and coordinated the December 2003 Bureau conference. Approximately 800 employers, insurers, health care providers, attorneys and others from the workers' compensation community attended the two-day event. In developing the conference, the Information Services Section was required to: assist in creating the agenda; establish speakers from within the Department of Labor and Industry and from the private sector; coordinate travel arrangements for speakers; collect and assemble handouts; prepare a contract for securing the conference facility; advertise the event on the Department's website, in the Bureau's *News & Notes*, and in other publications; develop and distribute the conference announcement to nearly 12,000 members of the workers' compensation community; data record registrations; arrange for the availability of continuing education credits to conference attendees; communicate with 80 vendors and coordinate vendor exhibits; arrange to have Bureau representatives available at the conference for registration, handouts, and to address the needs of conference attendees.
2. Mailed 99,692 *Workers' Compensation and the Injured Worker* pamphlets to workers for whom the Bureau received an Employer's Report of Occupational Injury or Disease and who lost more than a day, shift or turn of work as a result of that injury.
3. Responded to over 75,285 workers' compensation inquiries. These included 71,116 Helpline telephone calls; 2,897 calls from businesses on the Employers' Information Helpline; and 1,273 e-mail questions.
4. Researched and responded to 1,987 inquiries regarding the workers' compensation insurance coverage of employers through the Pennsylvania Compensation Rating Bureau database.



Kathleen M. Dupin

"Attendees at the Bureau's conference in 2003 praised the event for presenting timely and relevant information on workers' compensation at an outstanding value. We look forward to another successful conference in spring 2005."

Bureau of Workers' Compensation

5. Responded to more than 300 written workers' compensation inquiries received from injured workers.
6. Suggested revisions to form *LTR-004: Notice of Conversion of Temporary Compensation Payable to Compensation Payable* after receiving approximately 140 calls per month from callers seeking clarification of the form. The suggested revisions include rewording sections of the form, making it less confusing and clarifying a claimant's rights to additional compensation. These revisions are pending implementation by the Claims Management Division.
7. Published the Bureau's quarterly newsletter, *News & Notes*. This publication provides an overview of workers' compensation policies, programs, and updates. It is distributed to nearly 12,000 employers, insurers, third-party administrators, union representatives, attorneys, health care professionals, and the public.
8. Published the Bureau's FY 2002/03 Annual Report. This 82-page document provided a thorough review of Bureau accomplishments, goals, and a comprehensive analysis of workers' compensation key statistics. For 2002/03, the Report was expanded to include coverage of the Governor's Award for Safety Excellence and the Work Safe PA program.
9. Published the quarterly employee newsletter, *Inside Information*.
10. Published articles on Pennsylvania's workers' compensation program in the Pennsylvania Self-Insurer's Association bimonthly newsletter.
11. Participated in editorial board meetings for *UC Issues Update*, the quarterly newsletter of Pennsylvania's Unemployment Compensation Programs. Submitted workers' compensation articles to *UC Issues Update* for publication.
12. Submitted articles for publication to the Pennsylvania Bar Association's Workers' Compensation Section newsletter.
13. Promoted the nonprofit program "Kids' Chance of Pennsylvania, Inc." through newsletter articles and the Bureau's website.

Future Goals

1. Develop, plan, and coordinate Bureau conference scheduled for May 2005 in Hershey, PA.
2. Continue to provide injured workers, employers, the public, workers' compensation professionals, government agencies, and the media with accurate and timely workers' compensation information through newsletters, correspondence, the Helpline, press releases, feature articles, and the Department website.
3. Continue to coordinate insurance information from the Pennsylvania Compensation Rating Bureau to the workers' compensation community.

4. Assist the International Association of Industrial Accident Boards and Commissions (IAIABC) with planning and coordinating their PA conference scheduled for September 2005 in Philadelphia.
5. Coordinate the Governor's Occupational Safety and Health Conference scheduled for October 2005 in Hershey, PA.



Bureau of Workers' Compensation



Anne Fitzpatrick

"Although the number of fee review hearings requested increased significantly during this fiscal period, the average time elapsed between filing of a hearing request and adjudication of the matter was reduced by more than sixty days."

Director's Office - Medical Fee Hearing Office

Primary Functions

1. Management and administration of the Bureau's medical fee hearing program.
2. Administrative hearing and adjudication of disputes arising between health care providers and workers' compensation insurance carriers or self-insured employers with regard to the amount and/or timeliness of the payment of work-related medical expenses.

Accomplishments: 2003/04 Fiscal Year

1. The Fee Review Hearing Office responded promptly to all newly filed hearing requests despite the fact that hearing requests more than doubled during this fiscal period.
2. Reduced the average time lapse between filing of a fee review hearing request and the scheduled hearing date by more than 30 percent from the prior fiscal year.
3. Reduced the average time lapse between filing of the hearing request and adjudication by 62 days.
4. Recommended and successfully pursued via Bureau legal staff reporting of the Commonwealth Court's opinion in *Mark T. Allen M.D. v. Bureau of Workers' Compensation Fee Review Hearing Office (Kemper Insurance)* which affirmed the hearing officer's decision that a health care provider is prohibited from raising objections to an insurer's code change at a fee review hearing where the insurer complied with relevant downcoding authority by providing, in part, proper notice of code change to the health care provider and the provider failed to respond to insurer's notification of the downcoding within the prescribed 10 day response period.

Future Goals

1. Further reduction in the time elapsed between filing of the hearing request and scheduling of the matter for hearing.
2. Continued timely adjudication of fee review matters in accordance with established workers' compensation medical cost containment regulatory authority.

Administrative Division

Primary Functions

1. Prepare yearly budget request for the Administration Fund. Project, analyze and report on the Administration Fund expenditures (which include the Bureau, the Office of Adjudication, the Bureau of Workers' Compensation Appeal Board, the Office of Chief Counsel, the Office of Information Technology, and Labor & Industry bureaus that charge the Fund for services).
2. Issue, collect, and record assessments to replenish the Administration Fund, Supersedeas Fund, Subsequent Injury Fund, Self-Insurance Guaranty Fund, and the Small Business Advocate Fund.
3. Process supply/equipment/furniture requests and procure them for Bureau offices, the Office of Adjudication, and the Workers' Compensation Appeal Board.
4. Provide administrative support to all divisions of the Bureau of Workers' Compensation and the Office of Adjudication.
5. Provide personnel advice and services to Bureau employees and managers.
6. Provide mailroom and optical character recognition (OCR) service to the Bureau.
7. Coordinate Bureau training.

Accomplishments: 2003/04 Fiscal Year

1. Budgeted, monitored, and adjusted the Administration Fund as necessary.
2. Assisted the Claims Management Division in processing petition assignments within five days (mailroom and OCR).

Future Goals

1. Process personnel actions within seven working days of request or other actions.
2. Assist the Claims Management Division in processing petitions within five working days.



Tom Dinsmore

"The Administrative Division has completed implementation of the Commonwealth's new software (SAP) for budget, procurement, and employee self-service. The Division also upgraded the hardware and software for forms processing to the Bureau's image system."

Bureau of Workers' Compensation



Nathaniel M. Holmes

"The Bureau is committed to improving the 21-day rule compliance to ensure everyone's rights are protected."

Claims Management Division

Primary Functions

1. Process, record, and review documents received on workers' compensation claims.
2. Collect statistics regarding workers' compensation injuries.
3. Assign petitions to workers' compensation judges.
4. Pay claims where the Bureau has liability.
5. Evaluate carrier and employer compliance with the reporting requirements of the Workers' Compensation Act.
6. Serve as conservators of the Supersedeas Fund Reimbursement and Second Injury Funds.
7. Act as repository for workers' compensation/occupational disease records.
8. Provide workers' compensation records to claimants, attorneys, and workers' compensation judges. Comply with subpoenas.

Accomplishments: 2003/04 Fiscal Year

1. Processed 467,322 claim forms.
2. Promoted electronic data interchange (EDI) submission of the Employer's Report of Occupational Injury or Disease and increased the number of partnerships utilizing this means.
3. Promoted and increased electronic submission of various petition forms and Employer's Report of Occupational Injury or Disease through the Bureau's website.
4. Converted 30 percent of remaining physical files to electronic database.
5. Maintained the "Request for Records" processing time at an average of 10 days or less from receipt of the request, while processing approximately 22,843 requests.
6. Maintained an average petition assignment of less than five days from receipt of a petition.
7. Analyzed and counseled insurers and self-insurers to improve their performance regarding compliance of the 21-day rule.
8. Conducted external training sessions for forms submission and processing to insurers and third-party administrators (TPAs).
9. Processed over 23,400 current workers' compensation judges' decisions. Former backlog has been eliminated.
10. Processed over 1,300 applications and disbursed payments of over \$27.2 million from the Supersedeas Reimbursement Fund.

Future Goals

1. Conduct informative sessions on the proper usage and timely submission of claims management forms.
2. Make available, via the Internet, the submission of additional claims forms.
3. Increase EDI partnerships within the workers' compensation community.
4. Analyze and counsel the performance of insurers and self-insurers to improve compliance with the 21-day rule.
5. Continue to assign petitions within five business days.
6. Revise Bureau claim forms to meet the changing needs of the workers' compensation community.

Bureau of Workers' Compensation



Eileen Wunsch

"Our educational efforts continue to be our most significant accomplishment. We strive to ensure that all parties understand the medically related areas of workers' compensation. From our daily contact with injured workers, employers, health care providers, and insurers, to our formalized training and in-service educational sessions, we are making a difference. We will continue to expand these efforts as needed because they work."

Health Care Services Review Division

Primary Functions

1. Administer the fee review process for health care providers who are disputing the timeliness or amount of payment received for medical care provided to injured workers.
2. Manage and monitor chargemaster fee schedule data. Under amendments to the Act in 1993, medical reimbursement was capped based on 1994 Medicare rates that are adjusted annually.
3. Authorize Utilization Review Organizations (UROs) to review the reasonableness and necessity of medical treatment when requested by the employer/insurer or injured worker. The Division also trains, audits and monitors UROs in regulatory requirements.
4. Promulgate a list of physicians qualified to perform Impairment Rating Examinations (IREs) and designate initial IRE physician when requested by employers/self-insureds.
5. Provide certification of Coordinated Care Organizations.
6. Act as a liaison to independent consultants performing medical access studies.
7. Provide education and training to employers, insurers and health care providers as requested.
8. Act as a resource for all involved parties.

Accomplishments: 2003/04 Fiscal Year

1. Issued 14,376 fee review decisions and determinations. This is a 24 percent increase over FY 2002/2003.
2. Continued to update the fee schedule quarterly on the Bureau website (except for Table I).
3. Monitored and guided work of chargemaster vendor, RES Solutions, to ensure timely and correct quarterly updates for insurers and self-insureds.
4. Continued to provide specialized training to over 275 health care providers to enhance understanding of the workers' compensation billing and payment processes and the fee review process.
5. Continued to provide specialized training on the appropriate and optimal application of the workers' compensation fee schedule to over 175 repricers and insurers.
6. Processed over 270 certified copies of letters of approval for vocational experts, prior to Caso decision being issued by Pennsylvania Supreme Court.
7. The Department published a Statement of Policy relating to the General Provisions of Act 53 of 2003 which provides guidance regarding the

qualifications of vocational experts under the Act. A stakeholders meeting was held in June to provide input to the Department.

8. Processed and approved 20 annual reports for Utilization Review Organizations/Peer Review Organizations (URO/PRO). There are a total of 20 URO/PROs currently authorized.
9. Reviewed and monitored 4,674 Utilization Review/Peer Review Determinations and reviewer reports.
10. Received, reviewed and approved 7 URO/PRO reauthorization applications.
11. Maintained a reviewer database to monitor URO/PRO reviewer qualifications and updated this information regularly.
12. Processed 7,441 Utilization Review Requests.
13. Converted UR processes to the CIMS system. Also revised and distributed the Utilization Review Request form compatible with CIMS scanning and processing.
14. Conducted biannual meetings for URO/PROs.
15. Received and processed 1,682 IRE Requests for Designation. This is a 15 percent increase over FY 2002/03.
16. Maintained the list of 82 IRE physicians in 158 geographic locations under the new *5th Edition of the AMA Guides to the Evaluation of Permanent Impairment*. This list is also maintained on the Bureau's website.
17. Received and distributed the 2003 Medical Access Study from TLG Research Associates. Study continues to indicate high levels of injured workers satisfied with their medical treatment. Study also indicates that injured workers with Provider Panel Lists have a high satisfaction level and return to work over 30 percent sooner. Education of employers and injured workers remains a need. The study also continues to report late payment as the Health Care Providers main concern.
18. Continued to expand services to the workers' compensation community by providing speakers at 37 educational seminars attended by more than 1,900 individuals. These speaking engagements included 14 in-service training sessions for insurers/self-insurers/TPAs and four in-service training sessions for health care providers.
19. Participated in the annual Bureau Conference in December 2003, providing sessions of insurer information, utilization review, medical payment issues and medical trends.
20. Sent out over 550 fee review information packets and revised the Fee Review Information Brochure.
21. Added Table EF to the Fee Schedule data on the Bureau website, which facilitates correct payments to ASCs.

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Future Goals

Medical Fee Review Section

1. Continue to provide quarterly fee schedule updates and website updates.
2. Provide education and support to health care providers, employers, and insurers as needed and requested. This will continue to include yearly educational training for repricers, insurers, and health care providers at the Bureau.
3. Continue to explore methods of reducing the size and complexity of the chargemaster database and simplifying the update process.
4. Continue to examine and enhance Bureau processes in order to meet the standard of 30-day completion for fee reviews.

Medical Treatment Review Section

1. Authorize and reauthorize URO/PROs as requested and required.
2. Continue monitoring URO/PRO Determination Face Sheet Packages for compliance with the Medical Cost Containment regulations.
3. Conduct random, on-site audits of URO/PRO operations in accordance with Medical Cost Containment regulations.
4. Continue education of insurers, employers, attorneys and injured workers concerning the Utilization Review process and conduct semi-annual meetings for URO/PROs.

IRE Program

1. Update the website IRE list on a quarterly basis.
2. Process Requests for Designation in a timely manner.

General

1. Conduct quarterly meetings with the Insurer/Provider Medical Cost Containment Committee.
2. Obtain stakeholder input for regulation revision.
3. Develop and distribute an educational brochure specifically for injured workers and employers concerning the appropriate use of provider panel lists.
4. Continue to provide education and training through seminars and insurer/provider in-service on Medical Cost Containment issues and processes. Where appropriate, extend these efforts for workers.
5. Monitor contractor's performance and preparation of 2004 Medical Access Study report in accordance with the Act and distribute these upon completion.
6. Participate in the Bureau Conference scheduled for May 2005.

Medical Access Study

The annual Medical Access Study, mandated by Act 44, assesses whether workers have continuing access to quality medical care. Surveys are sent annually to 10,000 randomly selected injured workers, with 20 percent responding.

Results from the 2003 study included the following highlights:

- 69 percent of injured workers now report having posted panel lists to choose from, which is a dramatic increase from 34 percent in 2002.
- Satisfaction with treatment has shown a reversal in trend concerning panel vs. non-panel providers. In the 1999 study, 73.9 percent of the injured workers reported they were Satisfied or Very Satisfied with treatment they received from a panel provider. In 2003, this figure was 88.2 percent. In 1999, 89.7 percent of the injured workers reported they were Satisfied or Very Satisfied with treatment they received when no panel was posted. In 2003, this figure was 76 percent.
- Late payment continues to be the major concern of health care providers.

Based on the overall findings, the 2003 study produced the following recommendations:

- The Bureau should continue education of employers, insurers, health care providers, and repricers.
- The Bureau should consider addressing the late payment issue with insurers/self-insured employers in a systematic way. (The Bureau is developing a process to monitor late payment issues. During 2005 the Bureau will be contacting individual insurers to discuss this issue.)

Bureau of Workers' Compensation



Len Negley

"The state's workplace safety committee certification program has helped employers save millions of dollars in insurance premiums. Last year these savings reached and exceeded the \$160 million mark. Much of those dollars are put back into safety programs, and that means that fewer Pennsylvania workers are being injured."

Health and Safety Division

Primary Functions

1. Evaluate employer applications for certification of employer workplace safety committees for eligibility of workers' compensation insurance premium discounts as allowed under Article X of the Act. Provide assistance and guidance to employers in the establishment of safety committees, in the interpretation of requirements for certification, and in the correction of application deficiencies prior to resubmission.
2. Provide safety committee certification renewal affidavits for certified employers and evaluate submitted affidavits for eligibility for continuing premium discounts.
3. Review annual reports of accident and illness prevention services and programs from Pennsylvania-licensed workers' compensation carriers, self-insured employers, and group self-insurance funds. Formulate recommendations of program or service adequacy for consideration in determining whether to recommend continuance of licensure or self-insurance status.
4. Determine the necessity for, and conduct, on-site audits of accident and illness prevention services and programs and certified safety committees. Configure and monitor deficiency correction programs as necessary to resolve program or service inadequacies.
5. Through written and verbal communications, conference participation, and speaking engagements, disseminate health and safety-related information to members of the regulated community regarding: certification/recertification procedures and requirements; annual reporting process; mandatory program and service elements; and qualification levels of accident and illness prevention service providers.
6. Serve as member of the Work Safe PA Advisory Board, which directs statewide activities and programs aimed at increasing safety awareness and overall workplace health and safety. Participate in the employer nomination and selection processes for the Governor's Award for Safety Excellence.

Accomplishments: 2003/04 Fiscal Year

1. Granted initial certification to a cumulative total of 5,633 workplace safety committees covering over 780,539 employees as of June 30, 2004. The cumulative number of approved workplace safety committee certification renewals totaled 18,459. Approximate employer premium discount savings now total over \$161,000,000.
2. Received and processed a total of 749 workplace safety committee initial applications and 4,181 workplace safety committee renewal affidavits.

3. Conducted surveys to determine the probable participation levels and capability of online filing of health and safety related forms in anticipation of future redesign of data processing systems. Client groups surveyed included workers' compensation insurers, self-insured employers, and employers with state-certified workplace safety committees.
4. Established e-mail databases for the various client groups to provide an electronic means of communicating with the workers' compensation safety clients.
5. Completed the Study Phase of a health and safety data processing system revision project. The envisioned redesigned system would allow online forms filing and editing, enhanced communication capabilities, increased timeliness and effectiveness in providing services and information to customers.
6. Implemented an information exchange process with the Bureau of PENNSAFE to provide offers of additional assistance and training to employers seeking certification of their workplace safety committees.
7. Released all required self-insured, group fund, and insurer required filing reports within required time frames.
8. Evaluated the acceptability of accident and illness prevention programs and services of 1,139 insurers and self-insureds through annually required reports.
9. Conducted 246 on-site audits of licensed workers' compensation insurer and self-insured employer accident and illness prevention programs and services and certified workplace safety committees.
10. Conducted audits of 10 Commonwealth agency accident and illness prevention programs.
11. Conducted an average of 31 on-site audits per month.
12. Completed the data-entry phase of more than seven years of annual insurer report information in anticipation of issuing an "Insurer Data Profile" in FY 2004/05. For selected categories of accident and illness prevention program elements, the profiles will provide each insurer with comparisons of their specific data to that for all reporting insurers.
13. Participated in the process to select and award the Governor's Award for Safety Excellence to five Pennsylvania companies. Conducted several on-site visits.
14. Assisted in the completion and launch of the Department's Return-to-Work Program, which appears on the Department's website. The Work Safe PA Advisory Board initiated the development of the prototype aimed at ensuring that injured employees receive prompt and appropriate medical treatment and rehabilitation during recovery and return to the workplace.



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15. Established the framework and basic design for the PA Safety and Health Training Institute, a web-based compilation and schedule of health and safety-related training and information available from state agencies. The Institute will offer instruction to employers and members of the general public regarding workplace and general safety and health topics including related training and informational sessions scheduled throughout the Commonwealth.

Future Goals

1. Increase outreach efforts to employers and members of the general public through information seminars, conferences, educational events, written publications and web site information concerning the certification process, training and accident and illness prevention programs and services requirements.
2. Promote administration's Work Safe PA initiative through participation in seminars, association meetings, and written publications.
3. Expand promotional and outreach activities to increase applicants for the Governor's Award for Safety Excellence and for the workplace safety committee certification program.
4. Decrease through educational and communication efforts the percentage of employers who fail to achieve certification status.
5. Gain approval and funding to proceed with development and implementation of a revised health and safety data processing system.
6. Conduct a total of 250 audits of the accident and illness prevention programs and services of workers' compensation Insurers, Self-Insured Employers, Group Self-Insurance Funds, and of employers with Certified Workplace Safety Committees.
7. Complete development and release of an insurers' annual data profile report comparing individual insurers to overall "averages" developed from cumulative annual report data. Complete development of a similar data profile for self-insured employers.
8. Complete the development and launch of the Pennsylvania Safety and Health Training Institute including commencing with identified stakeholder groups.
9. Reconfigure health and safety-related information on the Bureau and Department websites to be more customer friendly through topical reorganization, revised description, and improved data linkage.

Legal Division

Primary Functions

1. All legal services provided to the Bureau are coordinated through the Governor's Office of General Counsel. Attorneys representing the Bureau and its support staff are responsible for defending any legal challenges to the Bureau's implementation of the workers' compensation system.
2. Responsible for preparing criminal prosecutions of employers who fail to maintain workers' compensation coverage for workers.
3. Defend claims brought against certain statutorily created funds. For example, the Bureau's Legal Division attorneys represent the Commonwealth in claims against the Supersedeas Fund, the Subsequent Injury Fund, and certain claims under the Occupational Disease Act.
4. Review statutes and regulations (federal and state) that may have an effect on the workers' compensation community. In addition, draft bills, regulations, and statements of policy at the behest of client to either correct deficiencies or make enhancements to the system.
5. Routinely answer inquiries from the public, including written correspondence sent to departmental personnel and telephone calls.

Accomplishments: 2003/04 Fiscal Year

1. *Vocational Experts under Section 306 of the WC Act* - During the 2003/04 fiscal year, the Workers' Compensation Division (WC Division) faced a number of challenges relating to the approval of vocational experts under section 306(b)(2) of the Workers' Compensation Act (Act), 77 P.S. Section 512(2). Initially, these challenges were the result of the Commonwealth Court's decision in *Caso v. Workers' Compensation Appeal Bd. (School Dist. of Philadelphia)*, 790 A.2d 1078 (Pa. Cmwlth. 2001). The Commonwealth Court held that the Department's regulations did not validly approve vocational experts, and that, as a prerequisite to vocational interviews, the Department was required to formally pre-approve individual vocational experts.

In light of the Commonwealth Court's holding in *Caso, infra*, the Department instituted a process by which individuals were permitted the opportunity to verify their qualifications as vocational experts. In turn, the Department forwarded to individuals qualified as vocational experts a letter evidencing the Department's interim approval thereof. This process was then challenged as insufficient in *Struble v. Workers' Compensation Appeal Bd. (Rocky Mountain Garage)*, (No. 978 C.D. 2003; Pa. Cmwlth), wherein, on October 8, 2003, the WC Division presented argument to the Commonwealth Court, *en banc*.

Prior to the issuance of a decision in *Struble*, however, the Supreme Court issued a decision in *Caso v. Workers' Compensation Appeal Bd. (School Dist. of Philadelphia)*, 839 A.2d 219 (Pa. 2003). In an Opinion



Thomas J. Kuzma

"Last year we expanded our efforts to ensure the consistent interpretation of the Workers' Compensation Act and related regulations by intervening and/or submitting amicus briefs in cases pending before the Commonwealth Court and Supreme Court."

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and Order dated December 30, 2003, the Pennsylvania Supreme Court unanimously reversed the Commonwealth Court and held that under section 306(b)(2) of the Act, vocational experts are properly "approved by the Department" when they meet the qualifications expressed in the Department's regulations at 34 Pa. Code Section 123.201-203. The Court's Opinion is consistent with the argument that the Department provided as Amicus Curiae.

With respect to *Struble*, in a memorandum opinion dated March 2, 2004, the Commonwealth Court upheld the Department's interim process for approving vocational experts as appropriate under section 306 (b)(2). The court's decision rested largely on the Supreme Court's reasoning in *Caso*.

Approximately one week prior to the issuance of the Supreme Court's *Caso* decision, however, the Governor signed into law Act 53 of 2003, which provides for vocational interviews by individuals meeting "minimum qualifications established by the department through regulations." The WC Division is currently studying the regulatory means to efficiently implement Act 53.

2. *Supersedeas Fund Reimbursement* - Over the course of the 2003/04 fiscal year, the WC Division has labored to limit the costs and exposures of the Supersedeas Fund (Fund). The WC Division has done so by attempting to streamline the Fund reimbursement review and approval processes, and by contesting reimbursement in a case where the applicant's ability to recover from the Fund was the subject of unresolved questions and interpretations.

Streamlining of Supersedeas Fund reimbursement review and approval processes - The WC Division, in conjunction with the Bureau, re-examined the processes involved in reviewing, approving, and litigating Supersedeas Fund Reimbursement Applications. As a result of such examination, a number of processes were streamlined to increase the efficiency and timeliness of Supersedeas Fund reimbursement approvals or assignment to Workers' Compensation Judges.

State Workers' Insurance Fund v. Workers' Compensation Appeal Bd. (Shaughnessy), 837 A.2d 697 (Pa. Cmwlth. 2003) - In this matter, the Insurer sought Supersedeas Fund reimbursement of alleged overpayments of compensation in the amount of \$193,076.41 in indemnity benefits and \$4,302.88 in medical benefits. At issue was whether the Insurer could obtain overpayments from the Fund where compensation was payable to the injured worker and it was later determined that the uninsured employer was responsible for payment of compensation. The court held that as Fund reimbursement is only available for payments "to a claimant who ultimately is determined not to be entitled" to have received compensation payments, reimbursement from the Fund was not the appropriate remedy for the Insurer to have recouped its overpayments. Instead, the Insurer should have filed a review petition seeking to recoup its overpayments from the responsible

party, thus significantly limiting the Fund's liability in cases where the Insurer has other opportunities to limit its losses. On September 10, 2004, the Supreme Court granted Insurer's request for allocatur in this matter.

3. *Chiconella v. Workers' Compensation Appeal Bd. and Commonwealth of Pa., Subsequent Injury Fund, 845 A.2d 932 (Pa. Cmwlth. 2004)* - In a reported Opinion dated March 12, 2004, the Commonwealth Court affirmed the Workers' Compensation Appeal Board's (WCAB's) decision denying the assessment of penalties against the Subsequent Injury Fund (Fund). The court found, in a matter of first impression, that since the Fund is not included in the Act's definition of "insurer," penalties cannot be imposed against it.
4. *Coordination of Accident and Illness Prevention Program Enforcement* - Pursuant to section 441(a) of the Act, 77 P.S. Section 997, the Bureau formally recommended to Insurance Commissioner Diane Koken that the licenses of thirty licensed insurers be revoked or suspended because these insurers failed to comply with section 1001 of the Act, 77 P.S. Section 1038.1. Under section 1001, the insurers are required to file an Insurer's Annual Report of Accident and Illness Prevention Services (AIPS report) by June 1 of each year. The thirty insurers that were the subject of the Bureau's recommendation failed to timely file their AIPS reports. As a result, the noncompliant insurers soon filed their AIPS report. Additionally, administrative penalties were levied against certain of the noncompliant insurers pursuant to consent decrees containing cease and desist orders. The Insurance Department has agreed to promptly act upon any future Bureau requests for Insurance Department intervention in these matters.
5. *Med-Serv & Eval Co. v. Dep't of Labor & Indus., (Denial of Reauthorization of Utilization Review Organization Status), (Unnumbered; GRAPP matter)* - By decision dated June 28, 2004, Hearing Officer Robert Benischeck denied the appeal of Med-Serv & Eval Company (MS&E), determining that the Bureau did not abuse its discretion in denying MS&E's Reauthorization Application based upon its past performance as a utilization review organization.
6. *Delaware County Regional Water Control Authority (DELCORA) v. Dep't of Labor and Indus., Bureau of Workers' Compensation (Rejection of Application for Certification of Workplace Safety Committee), (Unnumbered; GRAPP matter)* - In a Decision circulated on January 20, 2004, Hearing Officer Robert Benischeck upheld the Bureau's implementation and enforcement of 34 Pa. Code Section 129.1008 (relating to Certification Renewal Affidavit), which requires Workplace Safety Committees to submit their renewal affidavits "between 90 and 15 days prior to the annual renewal of a workers' compensation insurance policy." The Hearing Officer concluded that the last day that

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DELCORA could submit its renewal affidavit to the Bureau was the close of business on December 16, 2002; thus the Bureau did not abuse its discretion in denying DELCORA's renewal. This was the first test of the procedures enunciated in 34 Pa. Code Section 129.1008.

7. The following is a history of the WC Division's successful Section 305 prosecutions for fiscal year 2003:
 - *Commonwealth v. Alan John Guthrie*, (No. 1658 CR 2003; Mercer C.C.P.) - The defendant agreed to plead guilty to a single misdemeanor count and pay a fine of \$1,500 and costs of \$101.
 - *Commonwealth v. Clyde Jordan and American Banana Produce Co.*, (No. CR-0000066-02; Allegheny C.C.P.) - The defendant, Clyde Jordan, pled guilty to 50 misdemeanor counts and was placed in the Accelerated Rehabilitative Disposition (ARD) program. In association with the ARD program, the defendant was given 12 months probation, and ordered to pay the costs of prosecution and serve 50 hours of community service.
 - *Commonwealth v. CNR Landscape Contractors, Inc. and Richard J. Hinderhofer*, (No. 02-06226; Delaware C.C.P.) - The defendant agreed to enter the ARD program. Defendant also agreed to pay a fine of \$12,000, and reimburse the Bureau for its costs of prosecution.
 - *Commonwealth v. Desimone's Personal Care Homes, Inc. and Joseph Desimone*, (No. CR-198-03; Beaver County C.C.P.) - A plea agreement was negotiated and agreed to by the defendant. The terms of the plea agreement are as follows: (1) the defendant pleads guilty to three counts and enters ARD; (2) each count carries two years of ARD to run consecutively for a total of six years; (3) the defendant pays \$38,376 in fines to Beaver County and \$384 in costs to the Commonwealth; (4) the defendant will maintain workers' compensation insurance; (5) if the total amount is paid in two years, there will be no objection to terminating ARD; and (6) if the defendant does not pay the total amount in six years or fails to maintain workers' compensation insurance, all the counts come back in for prosecution.
 - *Commonwealth v. Rose M. Moon d/b/a/ Garden View Associates*, (Nos. CR-0000077-03 and CR-0000079-03; Lycoming C.C.P.) - Defendant Rose Moon pleaded guilty and was placed in the ARD program. Restitution of \$56,158.97 was ordered as part of the ARD.
 - *Commonwealth v. Gordon Beck*, (No. CR-0000063-03; Elk C.C.P.) - Defendant was placed into the ARD program and agreed to pay restitution in the amount of \$4,610.07.

- *Commonwealth v. James Richards (JR Refinishing)*, (No. 1081 of 2002; Philadelphia C.C.P.) - The defendant pled guilty to one count and was ordered to pay restitution of \$90,007.14 and the costs of prosecution. Further, the defendant received seven years probation.
- *Commonwealth v. John Hess*, (No. 2003 00869; Berks C.C.P.) - Defendant was found guilty of one count and was sentenced to 12 months probation, a fine of \$100, and was required to pay restitution of \$12,824.82.
- *Commonwealth v. R&R Mining, Inc.*, (No. CR-0000302-03; Cambria C.C.P.) - The court accepted the defendant's guilty plea and placed him on ARD with restitution to two injured claimants in the amounts of \$89,574.58 and \$75,874.93, respectively.
- *Commonwealth v. Tim Meyers t/d/b/a Custom Lawns/Custom Lawn Care*, (No. CR-125-03; Centre C.C.P.) - The defendant was sentenced to one year probation and ordered to pay restitution and costs totaling approximately \$32,000 upon pleading guilty to one misdemeanor count.

Future Goal

1. Assist our clients to achieve their objectives to the greatest degree possible within the bounds of the law.



Bureau of Workers' Compensation



George Knehr

"The Self-Insurance Guaranty Fund is important to the integrity of the workers' compensation system in Pennsylvania. Along with our claims service company and attorneys, we worked diligently over the past year to reduce the caseload of the Guaranty Fund through settlements and efforts to return injured workers to meaningful employment. We plan to continue these efforts into the future."

Self-Insurance Division

Primary Functions

1. Process and decide applications of individual employers for self-insurance status under Section 305 of the Workers' Compensation Act and Section 305 of the Pennsylvania Occupational Disease Act; set conditions for self-insurance and monitor self-insured employers' compliance with these conditions. As of July 1, 2004, there were 796 employers authorized to self-insure their liability.
2. Process and decide applications of groups of employers to operate as group self-insurance funds under Article VIII of the Act; regulate and monitor the financial conditions of the group funds, including the setting of rates, the maintenance of surplus and the distribution of dividends to members. Eighteen group self-insurance funds are currently operating, covering over 875 employers in the Commonwealth.
3. Collect and tabulate information needed to issue assessments to maintain special funds established under the Act.
4. Administer the Self-Insurance Guaranty Fund and the use of financial security to remedy defaults of self-insurers. The Guaranty Fund and its special Prefund Account, which applies to claimants injured before 1993, provide benefits to approximately 381 claimants. An additional 57 claimants receive benefits from self-insurance security administered and paid through the division.

Accomplishments: 2003/04 Fiscal Year

1. Supervised the transfer of four defaulted self-insurers' liabilities involving 55 open claims to their appropriate surety companies.
2. Processed 792 renewal applications and 40 new applications for individual self-insurance status, 390 claims status reports of runoff self-insurers, and 18 group self-insurance fund annual reports and rate requests.
3. Revised and distributed forms for reporting open case reserves of self-insurers, including updates to the tables for suggestive reserve amounts on permanent-total and fatal injury claims.
4. Designed and implemented a system to regularly monitor the claims activity and liabilities of sureties and other parties that have assumed claims payment responsibilities through self-insurance defaults.
5. Working with the Bureau's contracted claims service company and legal counsel, reduced the number of claims being paid from the Self-Insurance Guaranty Fund from 566 at the beginning of the fiscal year to 438 at the end of the year. Consequently, the total reserves on open claims declined from \$48 million to \$41 million.

Future Goals

1. Continue training self-insurers on the proper completion of forms, the provision of data and the projections of outstanding liabilities.
2. Solicit suggestions for improving objective criteria and standards to qualify for self-insurance and to maintain self-insurance status. Analyze and implement acceptable ideas through policy or regulatory changes as appropriate.
3. Study the feasibility and advantages and disadvantages of setting accounting balance sheet ratio standards for group self-insurance funds.

Bureau of Workers' Compensation

Statistical Review

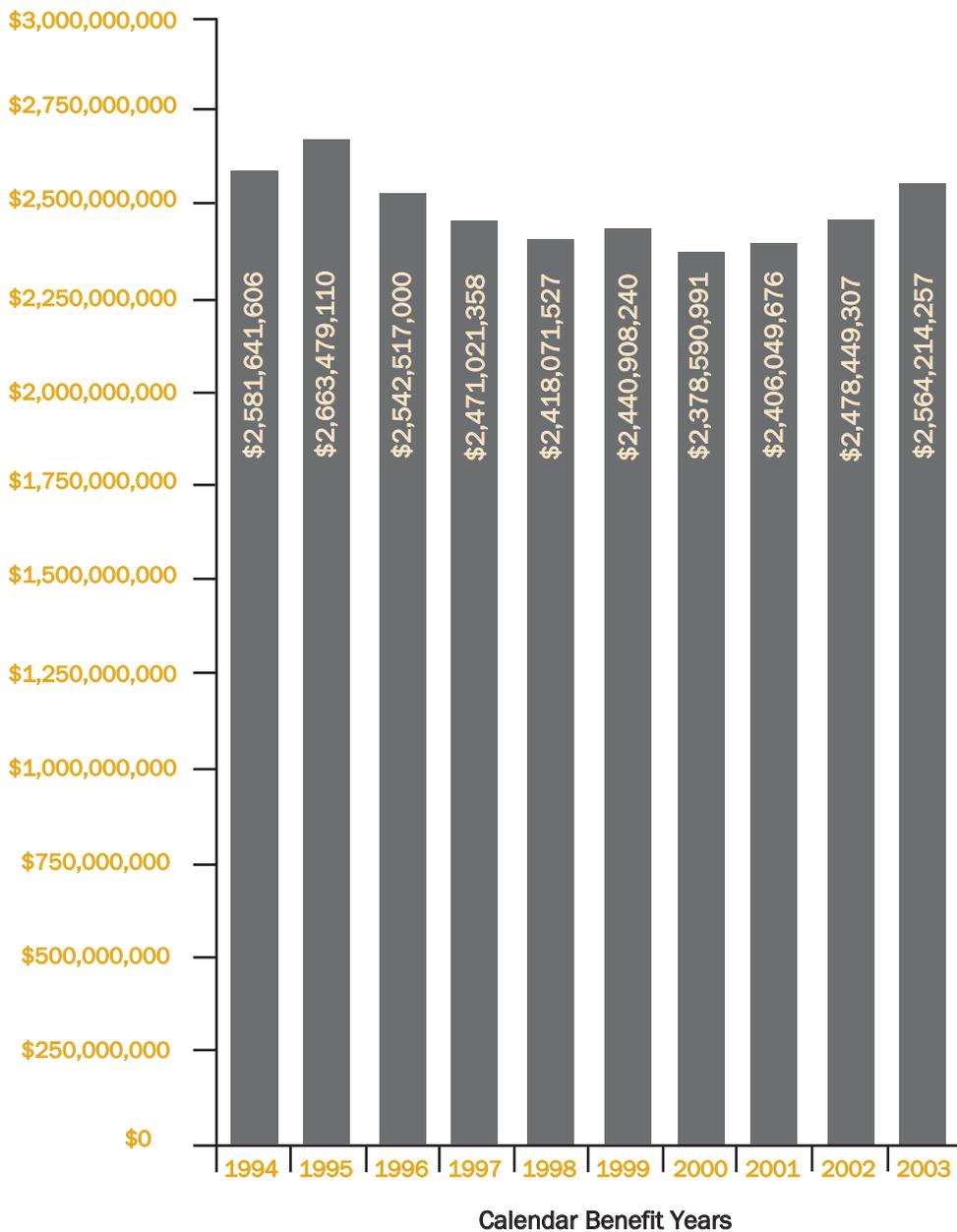
Benefits Paid 2001-2003* Indemnity and Medical Breakdown

2003			
	Indemnity Compensation Paid	Medical Compensation Paid	Total Compensation Paid
Insurance Carriers	\$1,066,606,252	\$752,879,212	\$1,819,485,464 (71.0%)
SWIF**	\$111,467,072	\$69,188,509	\$180,655,581 (7.0%)
Individual Self-Insurers	\$327,897,877	\$194,388,684	\$522,286,561 (20.4%)
Group Self-Insurance Funds	\$18,443,207	\$23,343,444	\$41,786,651 (1.6%)
Total	\$1,524,414,408 (59.4%)	\$1,039,799,849 (40.6%)	\$2,564,214,257 (100%)
2002			
	Indemnity Compensation Paid	Medical Compensation Paid	Total Compensation Paid
Insurance Carriers	\$1,030,275,254	\$730,988,928	\$1,761,264,182 (71.1%)
SWIF**	\$105,029,451	\$52,250,830	\$157,280,281 (6.3%)
Individual Self-Insurers	\$337,811,149	\$190,475,486	\$528,286,635 (21.3%)
Group Self-Insurance Funds	\$14,472,191	\$17,146,018	\$31,618,209 (1.3%)
Total	\$1,487,588,045 (60.02%)	\$990,861,262 (39.98%)	\$2,478,449,307 (100%)
2001			
	Indemnity Compensation Paid	Medical Compensation Paid	Total Compensation Paid
Insurance Carriers	\$981,179,895	\$719,323,853	\$1,700,503,748 (70.7%)
SWIF**	\$108,514,476	\$35,992,106	\$144,506,582 (6.0%)
Individual Self-Insurers	\$360,239,007	\$175,081,315	\$535,320,322 (22.2%)
Group Self-Insurance Funds	\$12,146,582	\$13,572,442	\$25,719,024 (1.1%)
Total	\$1,462,079,960 (60.77%)	\$943,969,716 (39.23%)	\$2,406,049,676 (100%)

*Calendar Years

**SWIF: State Workers' Insurance Fund

Total Workers' Compensation Paid (Medical and Indemnity) 1994-2003



Bureau of Workers' Compensation

Fiscal Year 2003/04 Injury Statistics

- In Pennsylvania, 98,041 work injury and illness cases were reported to the Bureau during FY 2003/04. This year's total was 0% higher than the 98,042 reported in FY 2002/03.
- Pennsylvania's Work Injuries and Illnesses Rate (the number of lost-time work injuries per 1,000 workers) was 17.3 in FY 2003/04. The 2002/03 FY rate was 17.3. Natural Resources and Mining had the highest injury and illness rate among the major industry divisions in FY 2003/04 at 42.5.
- The divisions of industry with the highest percentage of accidents were Trade, Transportation and Utilities (25%), Education and Health Services (17%), and Manufacturing (15%).
- Sprain and strain injuries (42,227) accounted for 43.1% of the total cases reported in FY 2003/04. Over 23% of the cases were cuts, lacerations and punctures (10.1%) and contusions, crushes and bruises (13.0%).
- The most frequent types of accidents in Pennsylvania in FY 2003/04 were due to overexertion (31.5%), resulting in a sprain or strain in 79.8% of the overexertion cases. The second leading cause of injury resulted in a sprain or strain in 56.8% of the bodily exertion cases. Cuts, lacerations or punctures were the result in 29.9% of all "struck-by" accidents and 51.5% of all "struck-against" accidents.
- Injuries to the upper extremities (arms, wrists, hands, fingers, shoulders) accounted for over 31.2% (30,614) of the total cases reported in FY 2003/04. Back injuries alone (19,376) represented over 19.8% of the cases. Injuries to legs and fingers represented 18.2% of the total.
- Industry divisions with the highest number of work-related fatalities were Trade, Transportation and Utilities (25), Construction (18), and Government (15).
- Almost half (47,231) of the 98,041 cases reported in FY 2003/04 came from eight of the Commonwealth's 67 counties. Those counties, which represent 48% of Pennsylvania's workforce, were Philadelphia (15,434), Allegheny (8,600), Montgomery (4,449), Lancaster (4,604), Bucks (3,650), Delaware (3,688), Berks (3,667), and York (3,139).
- Injuries by Body Part Affected:
 - Neck: 2,423 (2.5%)
 - Head: 7,148 (7.3%); Eyes: 2,767 (2.8%); Face: 747 (0.8%)
 - Upper Extremities: 30,614 (31.2%); Arms: 5,437 (5.5%); Wrists: 3,800 (3.9%); Hands: 5,161 (5.3%); Fingers: 6,188 (6.3%); Shoulder: 5,991 (6.1%)
 - Trunk: 25,235 (25.7%); Chest: 1,814 (1.9%); Back: 19,376 (19.8%); Abdomen: 2,722 (2.8%)

Lower Extremities: 21,838 (22.3%); Leg: 10,937 (11.2%); Knee: 8,021 (8.2%); Ankle: 5,016 (5.1%); Foot: 3,335 (3.4%); Toes: 839 (0.9%); Hips: 927 (0.9%)

Multiple Parts: 9,642 (9.8%)

Body Systems: 771 (0.8%)

Not Stated: 369 (0.4%)

Pennsylvania Work Injuries, Illnesses and Fatalities Calendar Year 1916 (10-Year Intervals) through Fiscal Year 2003/04

	YEAR*	TOTAL	FATAL**	NONFATAL
CY	1916	255,616	2,670	252,946
CY	1920	174,979	2,528	172,451
CY	1930	144,669	1,752	142,917
CY	1940	109,475	1,278	108,197
CY	1950	96,372	909	95,463
CY	1960	78,947	701	78,246
CY	1970	99,182	630	98,552
CY	1980	147,466	364	147,102
CY	1990	158,030	235	157,795
FY	1995/96	111,412	139	111,273
FY	1996/97	94,081	155	93,926
FY	1997/98	87,339	114	87,225
FY	1998/99	83,769	105	83,664
FY	1999/00	81,338	124	81,214
FY	2000/01	82,813	118	82,695
FY	2001/02	94,215	146	94,069
FY	2002/03	98,042	147	97,895
FY	2003/04	98,041	111	97,930

*CY = Calendar Year; FY = Fiscal Year

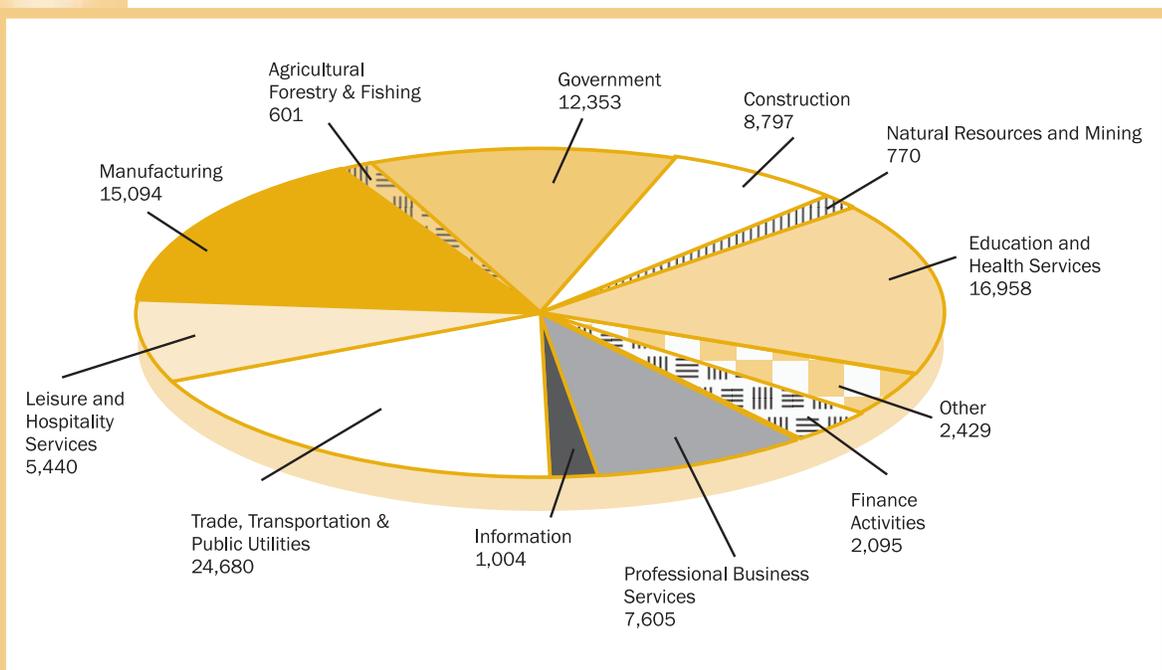
** Represents fatalities that occurred immediately or within a few days of the work event that caused death and are reported to the Pennsylvania Bureau of Workers' Compensation.

Bureau of Workers' Compensation

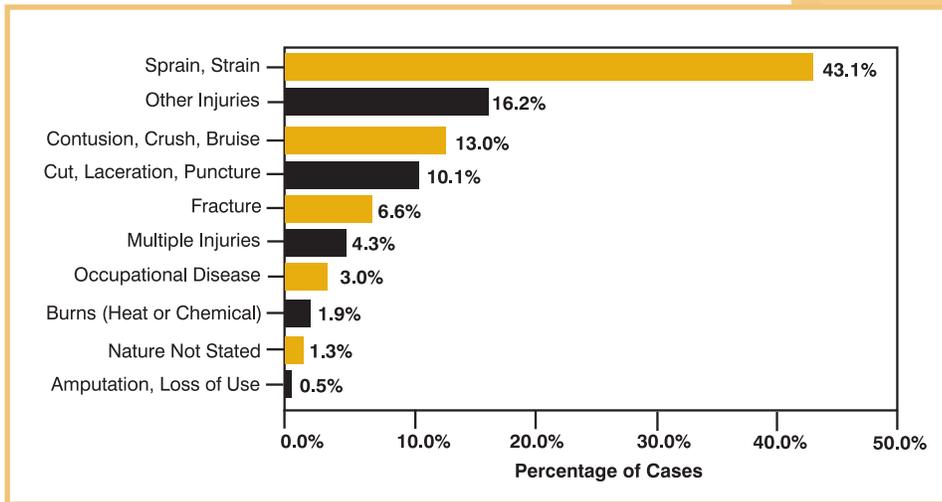
Change in Industrial Coding

The Federal Government has changed the method of defining an employer's industrial classification. Prior to 2002, an employer's industrial classification was defined by using the Standard Industrial Classification (SIC) four-digit coding system. In order to reflect the changing industrial composition of the economy, the Federal Government has moved to a new six-digit coding system called the North American Industry Classification System (NAICS). This allows for an improved grouping of like industries, while developing a more explicit classification for each individual industry. In order for the Pennsylvania Bureau of Workers' Compensation to be compatible with the Federal Government as well as to produce comparable workers' compensation data with other states, all statistical data as of 2003 will be compiled using the NAICS method of coding. No historical data will be provided this year.

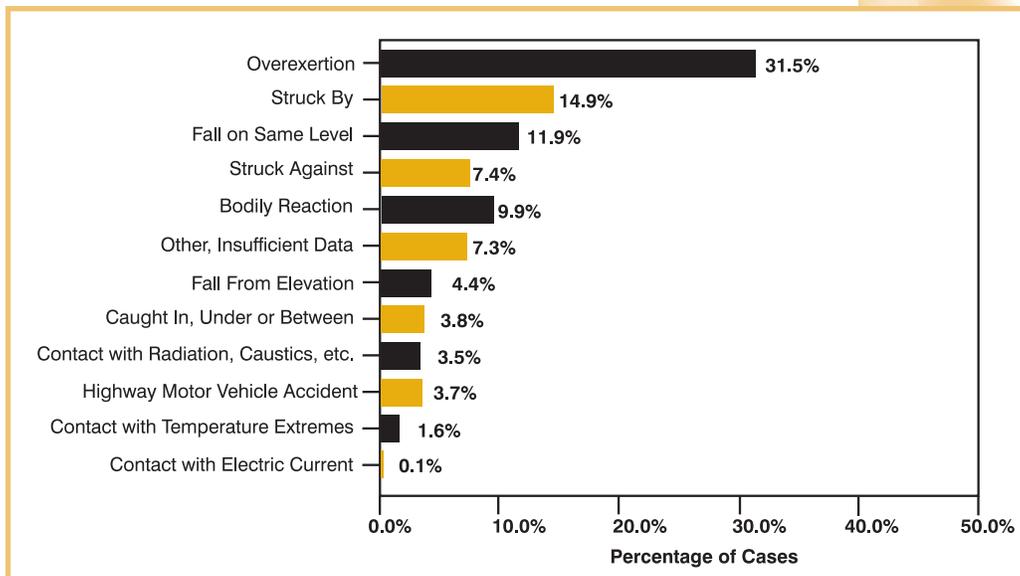
Reportable Injuries by Industry FY 2003/04



Percent Distribution by Nature of Injury or Illness Fiscal Year 2003/04



Percent Distribution by Type of Accident or Exposure Fiscal Year 2003/04



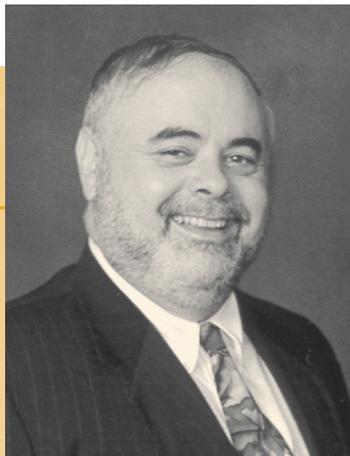
Bureau of Workers' Compensation

New Claims Breakouts Fiscal Years 2001/02 - 2003/04

	Fiscal Year 2001/02	% of Total New Claims	Fiscal Year 2002/03	% of Total New Claims	% Change From 2001/02 to 2002/03	Fiscal Year 2003/04	% of Total New Claims	% Change from 2002/03 to 2003/04
New Claims	105,506	100.0%	111,023	100.0%	5.23%	104,903	100.0%	-5.51%
Accepted claims	56,346	53.4%	57,564	51.9%	2.16%	46,342	44.2%	-19.49%
By Temporary Notice of Compensation Payable	19,875	18.8%	22,374	20.2%	12.57%	17,872	17.0%	-20.12%
By Notice of Compensation Payable	33,135	31.4%	31,691	28.5%	-4.36%	25,319	24.1%	-20.11%
Other	3,336	3.2%	3,499	3.2%	4.89%	3,151	3.0%	-9.95%
Denied Claims	49,160	46.6%	53,459	48.1%	8.74%	58,561	55.8%	9.54%
By Denial	41,390	39.2%	45,883	41.3%	10.86%	53,248	50.8%	16.05%
Denied after Accepting with Temporary Notice of Compensation Payable	7,770	7.4%	7,576	6.8%	-2.50%	5,313	5.1%	-29.87%



Office of Adjudication



Message from David A. Cicola Director, Office of Adjudication

The Office of Adjudication prides itself on the excellence of its staff and its ability to provide top-notch services to Pennsylvania's workers' compensation community.

The 2003/04 fiscal year saw a continued reduction in the number of older petitions and expansion of our offerings in alternative dispute resolution services. Of the workers' compensation judges on our staff, approximately two-thirds currently offer these services. In addition, the mediation practices and procedures of individual judges are now conveniently available on our website.

To better serve the workers' compensation community in Berks County, we opened an office in Reading in August 2004. In the Spring Garden office, we expanded our successful "Resolution Court" to further expedite settlements in the busy Southeastern District, which includes Philadelphia.

Our judges and clerical staff will continue to improve the adjudication system for all participants in Pennsylvania's workers' compensation system. We thank them for their efforts in 2003/04 as we look forward to another productive year.

Sincerely,

A handwritten signature in black ink that reads "David A. Cicola". The signature is fluid and cursive.

David A. Cicola, Director
Office of Adjudication

Overview

Primary Function

The Office of Adjudication is responsible for the resolution of disputed workers' compensation matters. The Director of Adjudication oversees 92 workers' compensation judges, 3 judge managers, 4 administrative officers, and 25 field offices. The workers' compensation judges conduct hearings in disputed matters and render reasoned decisions in a timely manner. Many judges provide alternative dispute resolution services in contested matters.

Accomplishments: 2003/04 Fiscal Year

1. Reduced the statewide average time to hear and decide workers' compensation cases to 8.7 months, down from 9.3 months in 2002, 9.8 months in 1999, and 11.5 months in 1998.
2. Judges decided more petitions than they received in new assignments. Judges received 51,430 new petition assignments and rendered decisions on 52,637 petitions, reducing the number of pending petitions from 36,807 at the end of the 2002/03 fiscal year to 35,428 at the end of the 2003/04 fiscal year.
3. Ended the fiscal year with fewer than 100 petitions closed for more than 90 days prior to decision.
4. Continued to advertise alternative dispute resolution services through the Bureau's newsletter, speaking engagements, the Department's website, and in meetings with bar associations and other stakeholders.
5. Published workers' compensation judges' alternative dispute resolution procedures on the Department's website.
6. Provided additional alternative dispute resolution training to judges.
7. Provided "Resolution Days" to make the alternative dispute resolution process more efficient for participants.
8. Expanded "Resolution Court" at the Spring Garden office to expedite settlements in the Southeastern District.
9. Developed and conducted the 2003 workers' compensation judges' conference. This conference provided continuing education hours required by the Act.
10. Appointed workers' compensation judges to serve in the Philadelphia-Spring Garden, Wilkes-Barre and Reading offices.
11. Established safety committees in the Central, Eastern and Southeastern Districts.
12. Received second year recognition for established Western District and Johnstown BWC/SWIF Safety Committees.

Office of Adjudication

13. Adjudication trainers trained new clerical staff and provided statewide refresher training in work processes and safety.
14. Completed safety renovations in a number of field offices.
15. Installed an Automatic External Defibrillator (AED) in the Pittsburgh Office building lobby.
16. Created a Visitor's Health and Safety Guide for use in all field offices.
17. Completed the Integrated Enterprise System (IES) transition.
18. Worked with the Office of Information Technology (OIT) to initiate conversion of the Adjudication decision database from Lotus Notes to Sybase.
19. Worked with OIT to transfer the Defects and Enhancements Database to Access.
20. Obtained new remote hearing sites in several counties.

Future Goals

1. Continue to decide cases within 90 days of the date cases are concluded and ready for a decision.
2. Further reduce the average length of time to adjudicate cases, with continuing emphasis on reducing petitions in litigation for 18 months or more.
3. Continue to enhance the professionalism of the judge corps through continuing legal education and judges' meetings and conferences.
4. Implement a strategic plan identifying goals, strategies and performance measures for the adjudication system.
5. Afford additional training opportunities to judges who provide alternative dispute resolution services.
6. Publish and distribute a pamphlet describing alternative dispute resolution services available to adjudication participants.
7. Continue to use WCOA trainers to train new staff in CIMS (case management), IES (personal information, leave and travel), and Microsoft applications.
8. Obtain continued recognition of the Johnstown and Western District Safety Committees.
9. Obtain recognition of the Central, Eastern and Southeastern District Safety Committees.
10. Complete safety renovations in additional field offices.
11. Establish safety committees in additional field offices.
12. Relocate field offices as and when necessary.

Judge Managers

In addition to managing their own caseloads, the three judge managers supervise the judges in the Office of Adjudication field offices in their respective regions and the four administrative officers. Among other duties, judge managers are responsible for balancing workloads among judges; reassigning petitions among judges; assigning judges to handle Informal Conferences; performing or assigning other judges to perform hearing duties for judges who are absent; training and evaluating new judges; interfacing with stakeholders; and evaluating the impact of proposed policy and legislative changes.

Administrative Officers

The four administrative officers manage the Office of Adjudication field office facilities and clerical staff supporting the judges in their respective districts. They develop enhancements of the adjudication processes in the field and provide innovative technology, necessary equipment, and appropriate training for field office staff. The administrative officers are Adjudication's liaisons with the various divisions of the Bureau and the Department to provide necessities to the field offices that facilitate processing of judges' hearings and decisions on a timely basis.



*Clockwise from left:
Judge Managers
Susan Caravaggio,
Persifor Oliver, and
Thomas Hines*

Updates

Compromise and Release Agreements

The parties may settle matters in dispute under the Pennsylvania Workers' Compensation Act by entering into a Compromise and Release Agreement. The agreement must contain detailed information about the settlement. Form LIBC-755 provides a format for these agreements.

A workers' compensation judge must conduct a hearing and circulate a written decision before the agreement can be effective. The judge may not approve the agreement unless the injured worker understands its full legal significance. During fiscal year 2003/04, workers' compensation judges approved 13,193 Compromise and Release Agreements resulting in payments to injured workers totaling \$676,836,931.71.

Alternative Dispute Resolution Services

The Office of Adjudication is pleased to offer mediation services, settlement conferences, and informal conferences to parties who wish to amicably resolve disputes under the Workers' Compensation Act. Under this system, the decision is placed in the hands of the parties, rather than the judge, through a process of self-determination to reach an amicable agreement. The neutral person's role is to facilitate the parties' discussion, provide guidance through the process in identifying each party's interests, and to assist the parties in determining creative solutions for possible settlements.

Parties retain control over the outcome and decide who will serve as the neutral. There is no cost if a workers' compensation judge or attorney examiner is selected as the neutral. Other potential benefits of this system include:

- Informal sessions
- Open communication between the parties
- Expedition of the claims process
- Limited attorney involvement

Participation in alternative dispute resolution is optional. Adjudication professionals currently offering alternative dispute resolution services are listed on the next two pages.

Workers' Compensation Judges Who Provide Alternative Dispute Resolution Services

Western District

Aliquippa

Susan Cercone

Erie

Carmen Lugo
Edward Pastewka
Albert Wehan

New Castle

Alfred Benedict
Perry Jones
Robert Steiner

Pittsburgh

Pamela Briston
David Henry
Cheryl Ignasiak
Eric Jones
Persifor Oliver
Rosalia Parker
Linda Tobin
David Torrey
Kathleen Vallely

Uniontown

Anne Coholan
William Lowman

Washington

Charles Lawton

Central District

Altoona

Anna Marie Mullen
Robert Vonada

Brookville

Geoffrey Seacrist

Clearfield

Michael Koll

Greensburg

Irving Bloom
Paul Costelnock
Ada Guyton

Harrisburg

Wayne Dietrich
Brian Eader
Karl Peckmann

Johnstown

David Cicola
Francis Desimone
Charles Getty

Williamsport

Karl Baldys
Kenneth Walsh

Eastern District

Allentown

Geoffrey Dlin
Bruce Doman
Beverly Doneker
Audrey Formica

Hazleton

Wayne Rapkin

Lancaster

Robert Benischeck
Kathleen DiLorenzo
Michael Hetrick
Christina Tarantelli

Malvern

Martin Burman
Joseph Hakun
John Liddy
Seymour Nathanson
Donald Poorman

Pottsville

Paul Baker
James Stapleton

Scranton

Joseph Grady
William Hall

Wilkes-Barre

Thomas Kutz
Joseph Sebastianelli

Workers' Compensation Judges Who Provide Alternative Dispute Resolution Services (continued)

Southeastern District

Bristol

Michael Rosen

NE Philadelphia

Aida Harris
Denise Krass
David Slom
Michael Snyder

Spring Garden

Joseph Hagan
Marc Harrison
Francine Lincicome
Scott Olin
Pamela Santoro
Todd Seelig
Robert Simmons

Upper Darby

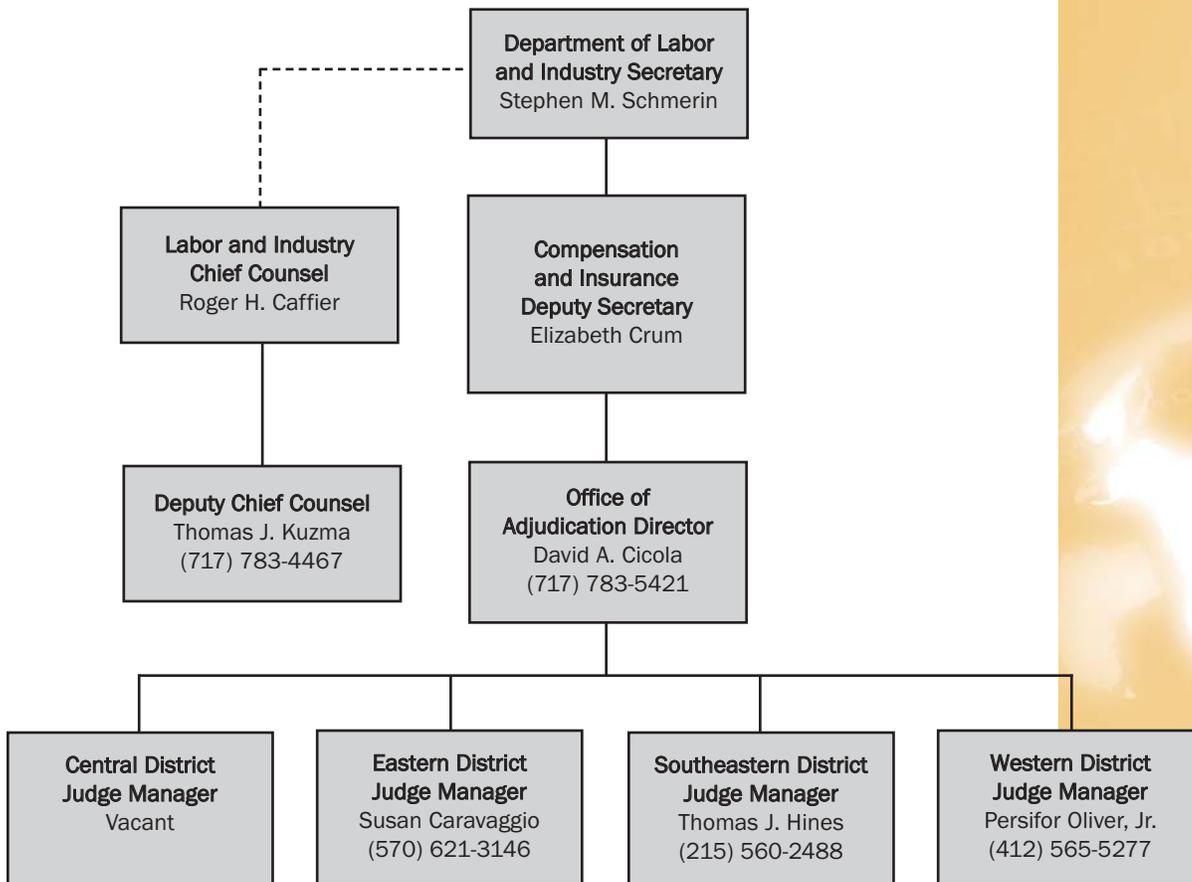
Joseph Stokes

Attorney Examiner Mediator

Mary Catherine Baur

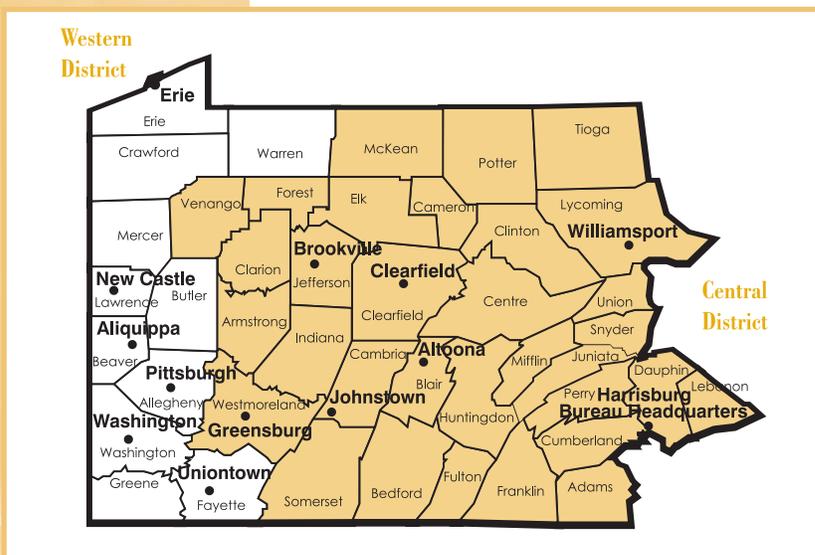
Personnel

Organization Chart



Office of Adjudication

District Offices*



Central District

BUREAU HEADQUARTERS

Room 324
1171 South Cameron Street
Harrisburg, PA 17104-2501
(717) 783-5421

ALTOONA

615 Howard Avenue
Suite 202
Altoona, PA 16601
(814) 946-7355

BROOKVILLE

395 Main Street
Brookville, PA 15825
(814) 849-5382

CLEARFIELD

306 East Locust Street
Clearfield, PA 16830-2415
(814) 765-6398

GREENSBURG

115 West Otterman Street
Greensburg, PA 15601
(724) 832-5310

HARRISBURG

East Gate Center
1010 North 7th Street, Room 319
Harrisburg, PA 17102-1400
(717) 783-4419

JOHNSTOWN

607 Main Street, Suite 100
Johnstown, PA 15901
(814) 533-2494

WILLIAMSPORT

Suite 202
208 West 3rd Street, Rear
Williamsport, PA 17701
(570) 327-3735

Western District

ALIQUIPPA

Sheffield Professional Building
2020 Main Street
Aliquippa, PA 15001
(724) 378-1863

ERIE

3400 Lovell Place
13th and Holland Streets
Erie, PA 16503
(814) 871-4632

NEW CASTLE

101 South Mercer Street
New Castle, PA 16101
(724) 656-3084

PITTSBURGH

933 Penn Avenue, Suite 300
Pittsburgh, PA 15222-3817
(412) 565-5277

UNIONTOWN

253 South Mt. Vernon Avenue
Uniontown, PA 15401
(724) 439-7420

WASHINGTON

Millcraft Center
90 West Chestnut Street
Washington, PA 15301
(724) 223-4595

District Offices*

Eastern District

ALLENTOWN

160 Hamilton Street
Suite 200
Allentown, PA 18101
(610) 821-6554 &
(610) 821-6535

HAZLETON

29th Street Office Complex
Building A, Suite 203
1201 North Church Street
Hazleton, PA 18202
(570) 459-3840

LANCASTER

315 West James Street, Suite 206
Lancaster, PA 17603
(717) 299-7591

MALVERN

72 Lancaster Avenue, 2nd Floor
Malvern, PA 19355
(610) 251-2878

POTTSVILLE

112 South Claude A. Lord Blvd.
Pottsville, PA 17901
(570) 621-3146

READING

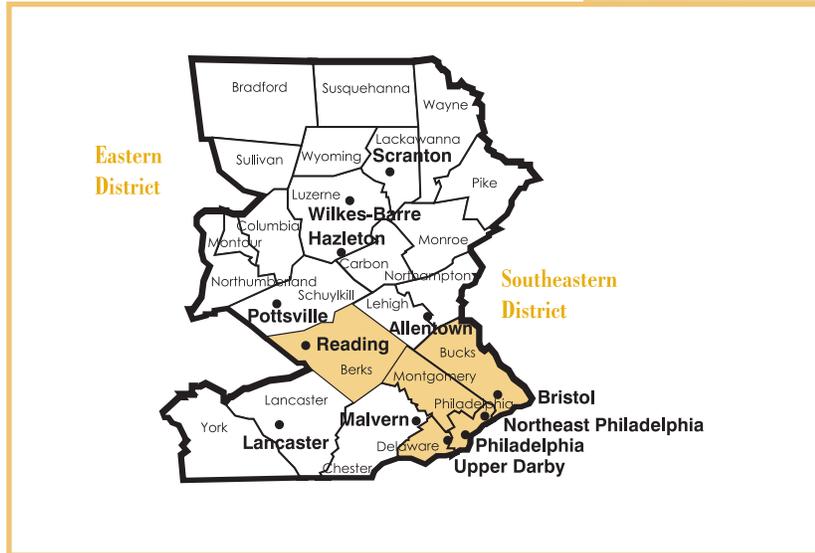
Reading State Office Building
625 Cherry Street, Suite 150
Reading, PA 19602
(610) 621-2370

SCRANTON

400 Spruce Street
Suite 500
Scranton, PA 18503
(570) 963-4580

WILKES-BARRE

101-105 N. Main St.
Wilkes-Barre, PA 18701
(570) 826-2577



Southeastern District

BRISTOL

1284 New Rodgers Road, Box 802
Bristol, PA 19007
(215) 781-3274

PHILADELPHIA

State Office Building
1400 Spring Garden Street
Philadelphia, PA 19130
(215) 560-2488

NORTHEAST PHILADELPHIA

Grant Plaza Business Park
2901 Grant Avenue, Suite 900
Philadelphia, PA 19114
(215) 560-2125

UPPER DARBY

Barclay Square Center, 2nd Floor
1500 Garrett Road
Upper Darby, PA 19082
(610) 284-6913

* See telephone directory on Page 74 for names, telephone numbers and office locations of workers' compensation judges.

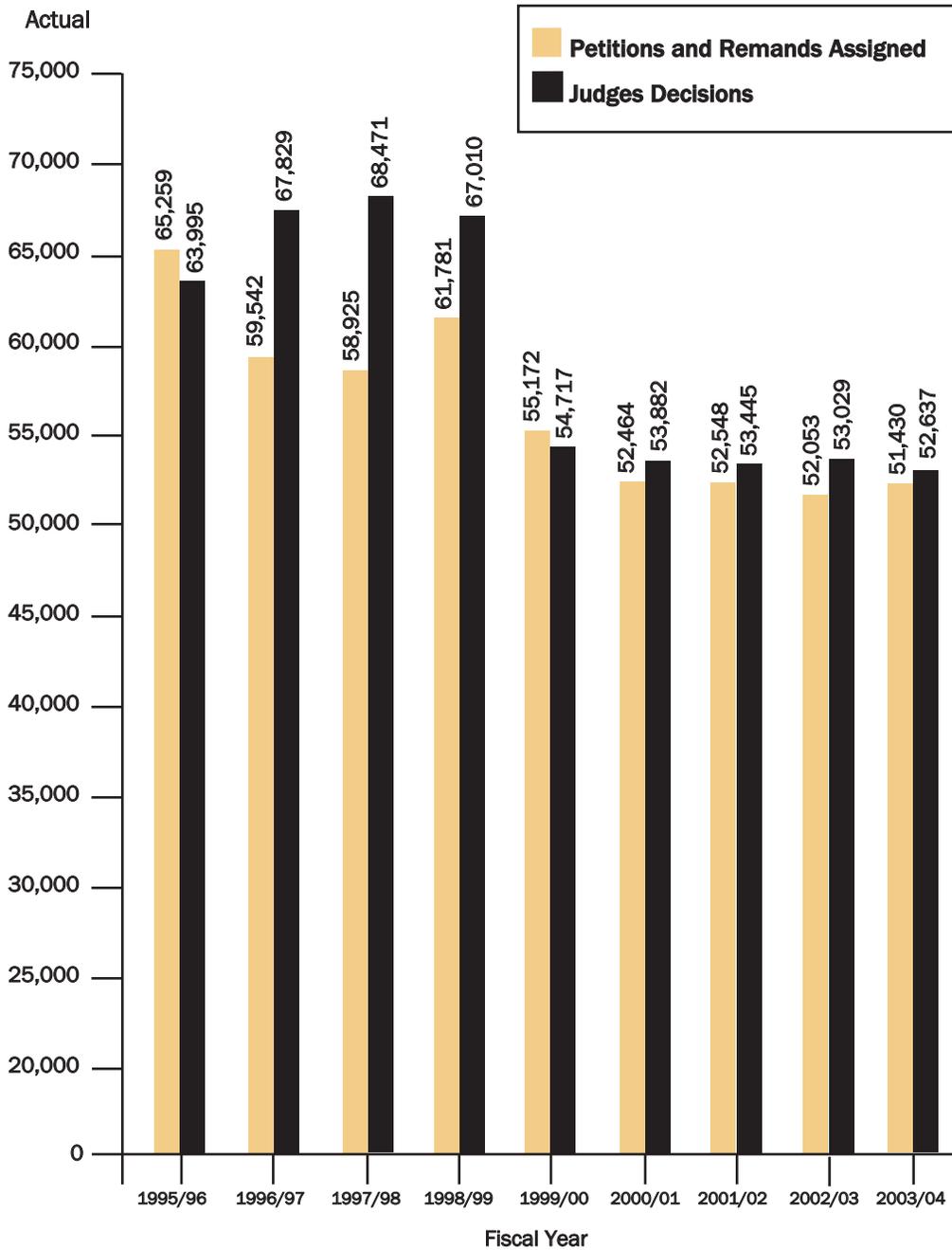
Statistical Review

Petitions Assigned to Judges (Not Remands) Fiscal Years 2000/01 through 2003/04

Type of Petition	2000/01	2001/02	2002/03	2003/04	2002/03 to 2003/04	
					+/-	%
Claim	11,344	11,314	11,304	11,750	+446	+3.94%
Supersedeas Fund	151	85	79	126	+47	+59.49%
Reinstatement	2,778	2,917	2,762	2,717	-45	-1.63%
Suspension	5,698	5,806	5,138	4,543	-595	-11.58%
Termination	4,038	4,348	4,194	3,906	-288	-6.87%
Penalty	5,559	5,896	6,195	6,630	+435	+7.02%
Review	3,210	3,588	3,575	3,632	+57	+1.59%
Review Medical	1,081	1,073	1,068	1,076	+8	+7.75%
Fatal	127	134	151	88	-63	-41.72%
Commutation	24	15	20	12	-8	-40.00%
Modification	3,753	3,646	3,230	2,846	-384	-11.88%
Set Aside Final	71	79	72	45	-27	-37.50%
Claim 301(i)	118	48	59	31	-28	-47.45%
OD Fatal	14	11	8	14	+6	+75.00%
WC/OD Fatal Spec.	3	6	8	14	+6	+75.00%
Utilization Review	1,745	1,658	1,817	1,813	-4	-.22%
Joinder	600	644	594	535	-59	-9.93%
Physical Exam	1,892	1,990	2,163	2,057	-106	-4.909%
Challenge	1,042	1,044	927	878	-49	-5.29%
Comp/Release	6,114	5,605	5,763	6,018	+255	+4.42%
Special Term	1,597	1,537	1,570	1,397	-173	-11.02%
Expert Interview	208	249	597	529	-68	-11.39%
Total	51,167	51,693	51,294	50,657	-637	-1.24%

Petitions and Remands Assigned vs. Judges' Decisions

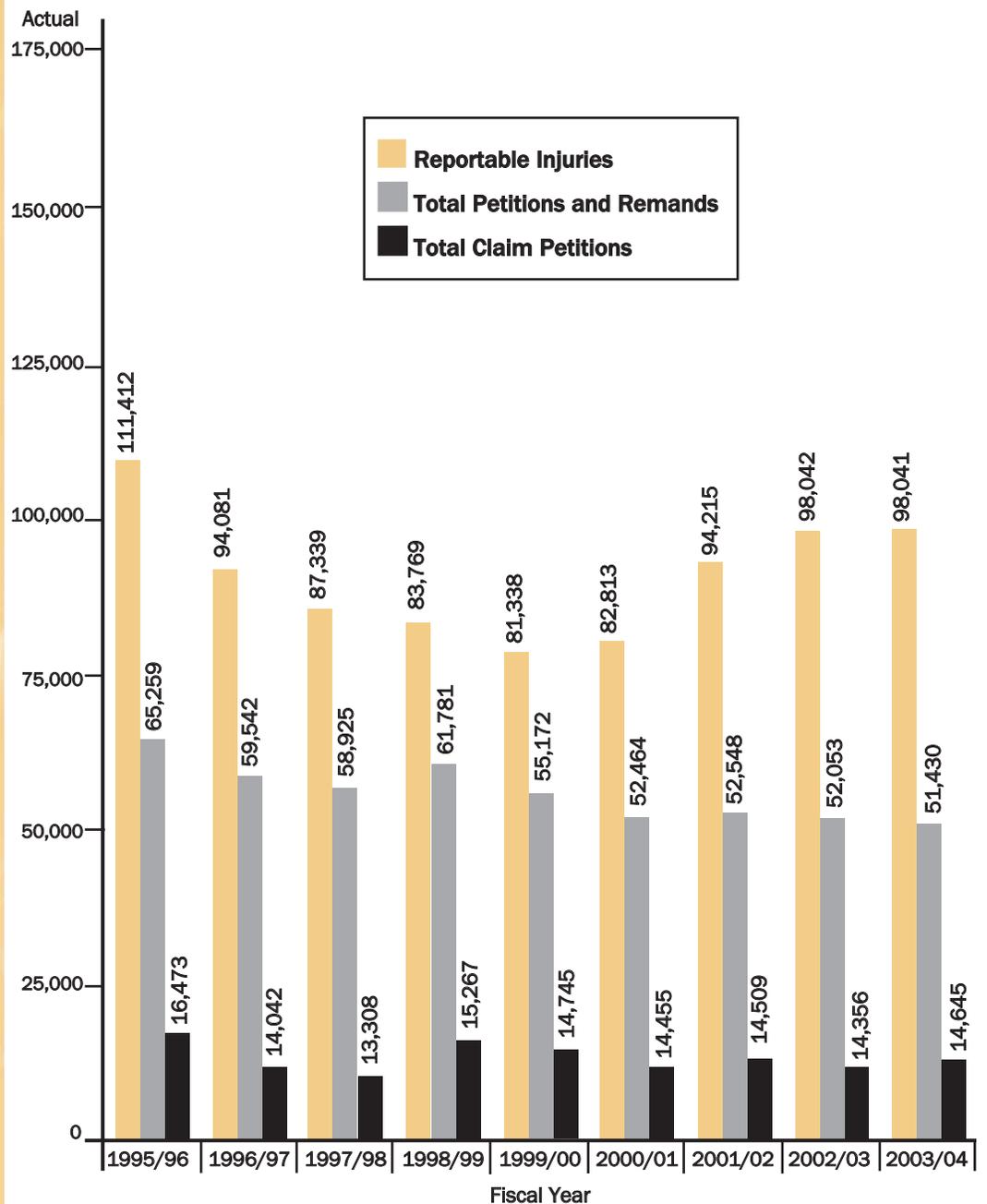
Fiscal Years 1995/96 through 2003/04



Source: Pennsylvania Bureau of Workers' Compensation, Department of Labor and Industry

Bureau of Workers' Compensation

Reportable Injuries* vs. Total Petitions and Remands vs. Total Claim Petitions
1995/96 through 2003/04**



*Missed more than one day, shift or turn of work due to injury.

**Claim petitions include claim, reinstatement, fatal, set aside final receipt, 301(i), and od fatal.



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Governor's Award for Safety Excellence

Providing a safe work environment for Pennsylvania's workers requires complete commitment by employers and employees. For this reason, Governor Rendell's safety initiative will provide Pennsylvania employers and employees with the information and technical assistance needed to develop comprehensive safety practices in the workplace. It will also recognize the successful employer-employee joint safety programs, which result in the achievement of safety excellence.

The Governor's Award for Safety Excellence is a competitive award as evidenced by 2003's record high number of nominations received. The information gained from these nominations provides valuable best practices that are shared across the state.

Any Pennsylvania employer is eligible for the Governor's Award for Safety Excellence; nominations for the award are voluntary. Information and criteria used to determine finalists include an established joint safety committee with participation from employer and employees; a comprehensive safety plan with a commitment of resources and training; trends experienced in workplace injuries/illnesses over the past five years; number, frequency and severity of workplace injuries/illnesses vs. industry standards; and innovation and strategic development of safety policy and approaches.

Initial review of all nominations is conducted by the Governor's Award for Safety Excellence Semi-Finalist Review Committee. If approved by Labor and Industry Department officials, the semi-finalists are contacted for an on-site visit. Site visits are conducted by a member(s) of the Department's safety team for review of the nominee's comprehensive safety program. Site visit reports are written and distributed to the Governor's Award for Safety Excellence Review Committee for the determination of finalists. Recommendations are then forwarded to the Secretary of Labor and Industry who makes the final determination.

A special luncheon at the annual Governor's Occupational Safety and Health Conference in Hershey, PA, is the stage for winner recognition and awards presentations. The five recipients of the award for 2003 appear on pages 65-67.

For a copy of the award application, visit the PA PowerPort: www.state.pa.us, PA Keyword: "Work Safe PA."

Centocor



Centocor is a biopharmaceutical company located in Malvern, Chester County. Centocor's main biotechnology platform is based on monoclonal antibodies. Monoclonal antibodies are derived from clones, or exact copies, of a single cell. Centocor's products have revolutionized the management of heart attacks, unstable angina, coronary angioplasty, Crohn's disease, and rheumatoid arthritis. Their products include Retavase, ReoPro, and Remicade.

Centocor has a comprehensive safety program in place and has demonstrated continuous improvement evidenced by its numerous safety initiatives and performance measures. One example of their continuous improvement initiative was the evaluation of their fleet safety accident rates. Appropriate measures were implemented to reduce the number of accidents. Based on their review, they were able to reduce accidents by 50 percent. Additionally, Centocor has an active safety committee with membership from both labor and management.

Given the hazardous nature of Centocor's business, the company has adopted a comprehensive and effective safety program that is reflected in their safety statistics. Centocor has experienced a dramatic reduction in workers' compensation costs over the past two and a half years. Centocor's OSHA recordable rate in 1996 was 1.65. By 2001, their OSHA incident rate dropped to .59. It is also important to note that while their safety statistics have improved substantially, the number of man-hours worked has increased. In 1996, the nationwide man-hours of this company were 729,456. In 2002, this number increased to 4,809,426.

EME



EME Homer City Generation L.P. and the I.B.E.W. Local 459

EME Homer City, located in Homer City, Indiana County, is one of the largest coal-fired power plants in the mid-Atlantic region of the United States and generates enough electricity to serve the needs of approximately 2 million homes and businesses. The plant is located on 2,400 acres, consists of three units, and began operation in 1969. The plant burns more than 4 million tons of Pennsylvania coal annually. This facility received a Governor's Award for Labor/Management Cooperation in 2001 and continues to have an excellent relationship with the International Brotherhood of Electrical Workers (I.B.E.W.). Additionally, the company was recognized with the "Outstanding Achievement Award" for accident prevention performance from the Western PA Safety Council and the Illinois Safety Council.

At EME Homer City, safety is practiced from the time you arrive until the time you depart. Visible as you arrive is their sign announcing the number of days without a lost time injury. The establishment of aggressive safety goals, performance measures, and the development of numerous safety initiatives and evaluation criteria indicate the company's comprehensive safety program. EME Homer City Generation's joint labor-management safety initiatives provide significant

Workplace Safety

opportunities for employees to contribute to workplace safety through employee interactive workplace safety programs.

One of EME Homer City's most noteworthy accomplishments was exceeding more than 2 million hours without a lost time injury. Since 2000, OSHA recordable injuries declined from 6 to only 1. During 2002, there was one recordable injury with no lost time resulting in an incident rate ratio of .41 percent on a goal of 2.0 percent. This company has also experienced dramatic reductions in both workers' compensation premiums and workers' compensation costs during the last 5 years. During the past several years, over \$256 million has been invested in capital improvements, with additional improvements planned.

Grove Worldwide



Grove Worldwide, located in Shady Grove, Franklin County, is a manufacturer of mobile hydraulic cranes and aerial work platforms. It is a campus style facility that includes 307 acres of land, 27 buildings, and 1,200,000 square feet under roof. The company owns and operates 500 machine tools, 350 welding units, 350 overhead cranes and jibs, and 130 pieces of rolling stock.

Grove Worldwide has a comprehensive safety program in place. Components of this program include job safety analysis, behavioral safety audits, incident investigation, toolbox talks, video safety training, and computerized MSDS database. Additional programs include: hearing conservation, respiratory protection, powered industrial truck certification, lockout/tagout, right to know, new hire orientation, general safety training, welder training, certified crane operator training, return to work/transitional task program, on-site full time occupational health nurse, and industrial hygiene exposure sampling.

Grove Worldwide underwent some major changes in the past two years, including a Chapter 11 bankruptcy filing and acquisition by Manitowoc. Grove reconfigured operations to be more streamlined (process improvement) and cost effective. It is extremely commendable that through all of these dramatic changes, the company has remained focused on safety, as demonstrated by their numbers. Grove Worldwide has demonstrated dedication to making its workplace safer. As a result, workplace incident rates dropped from 13.5 recordable incidents in 1998 to 4.8 in 2002, a 64 percent reduction. Additionally, Grove's lost workday injury rate dropped from 3.7 in 1998 to 1.0 in 2002, a 72.9 percent reduction.

High Concrete Structures, Inc.



Williamsport, Lycoming County

High Concrete Structures, Inc. (HCSI), located in Williamsport, Lycoming County, is a producer of customized pre-cast and pre-stressed concrete members for the construction of parking garages, warehouses, office buildings, stadiums, and arenas.

High Concrete Structure's plan for workplace safety includes a four-pronged approach. First, they strive to provide a safe working environment for all employees. Many improvements have been, and continue to be, made as a result of suggestions from shop floor employees. The work areas are audited periodically through safety and housekeeping tours. Second, the company aims to provide all new/transferred coworkers with appropriate job safety training. Training is conducted through the SWETT (Safe Working Environment Through Training) Program, departmental training plans, and equipment specific training. Third, employees are held accountable for safety in their work areas and in their work behaviors. Corrective action may consist of re-training or discipline. Fourth, HCSI believes in rewarding employees for working safely. Rewards and recognition are distributed through both the SWETT Program and the safety recognition program.

Additionally, High Concrete Structure's safety program includes defensive driver training, vehicle maintenance programs, and a cell phone policy. The company also has a multicultural approach to safety, as 50% of employees are Spanish speaking.

High Concrete Structures received the Governor's Award for Safety Excellence for its commitment to innovative safety programs; and for reducing its OSHA recordable injuries from 11.93 per 100 employees in 2002 to 8.28 per 100 employees in 2003.

Springs Window Fashions, L.P.



Springs Window Fashions, L.P., located in Montgomery, Lycoming County, manufactures window-covering products. Operations include painting, roll forming, and assembly of horizontal, cellular, and vertical blinds made of aluminum, vinyl, PVC, and cloth. Springs Window Fashions, L.P., was approved as an OSHA VPP Star Site on September 12, 2002.

The safety culture at Springs Window Fashions is evident from the moment you walk through the entrance. The main objective of the safety program at Springs is to ensure that every associate has the safest environment to work in by not only providing a safe facility with safe equipment, but also to provide the safety training necessary to make safety awareness a part of everyone's job. Additionally, this company has an impressive ergonomics program that carries through with not only making improvements, but evaluates the improvements after they have been implemented to determine if they are satisfactory and effective.

Through the efforts of a comprehensive safety program and successful labor/management cooperation, Springs Window Fashions reduced its OSHA Recordable Cases from 9.80 in 2000 to 3.90 in 2003 (as of August) per 100 employees. These numbers are well below OSHA's published industry standards. Even their 2002 numbers were phenomenal. In 2003, the company had a total Recordable Cases Incidence rate of 5.38 per 100 employees. As a direct result, the company's workers' compensation costs were over 40 percent less last year than they were five years ago.

Governor's Occupational Safety and Health Conference

This two-day conference brings together individuals with special interest in the field of workplace health and safety to share ideas and to meet innovators in safety program design and technology.

Each fall, over 1,000 safety and health care professionals, business leaders, workers, educators and government leaders from across Pennsylvania attend the Governor's Occupational Safety and Health Conference.

Using labor-management cooperation, these professionals strive toward a common goal: to create a safer workplace and a healthier workforce, and to increase awareness of safety issues in the workplace, the home and throughout local communities.

Featuring nationally known speakers, the conference highlights one-on-one interaction during two days of workshops. Many of the workshops are created based on needs expressed by attendees at the previous year's conference. In addition, workshops with the most interest from attendees are repeated in the second session of the day to ensure that all participants have the opportunity to participate in the workshops of their interest.

The Hershey Lodge and Convention Center, centrally located and near major attractions including historic Lancaster County, the battlefield at Gettysburg and the Hershey Chocolate Factory, has been home to the conference for the past decade. The convention center was recently renovated and enlarged, in part to provide ample space for this annual conference.



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Work Safe PA Advisory Board

Mission: The Pennsylvania Work Safe PA Advisory Board serves as a community forum to provide counsel and direction to the Secretary of Labor and Industry in the review or formulation of safety-related policies, programs, and legislation for the Governor's initiative to make Pennsylvania a safer place to live and work.

Members:

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Department of Labor and Industry

Carrie Lee Booth

Executive Director,
Work Safe PA Advisory Board
Department of Labor and Industry

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and Insurance
Department of Labor and Industry

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Professional
Cocciardi and Associates, Inc.

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United Transportation Union

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Vice President
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Bernadette L. Heckman

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Safety and Loss Control
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High Safety Consulting

Robert L. Holman

Principal Engineer
Merck & Co., Inc.

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Director, Bureau of Workers' Compensation
Department of Labor and Industry

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Vice President and Regional Manager
Laborers' International Union, Mid-
Atlantic Region

Robert McCall

Director of Safety
Master Builder's Association of
Western PA

Joyce A. McNash

Integrated Disability Management
Medical Risk Manager
United States Steel Corporation

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Workperfect Coordinator
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Chief, Employee Benefits & Safety
Division
Department of Labor and Industry

Beth Winters, Esquire

Executive Director & General Counsel
Drug Free Pennsylvania

More Information from the Pennsylvania Bureau of Workers' Compensation

On the Web (www.state.pa.us, PA Keyword: "workers comp")

Check us out on the web where you'll find more exciting and innovative workers' compensation features, including:

Employer's Report Web Submission

Log on at: www.state.pa.us, PA Keyword: "workers comp." From here, click on "Online Services" (upper left-hand side of the page), then "Workers' Compensation Employer's Report of Injury."

This application allows users to file an Employer's Report of Occupational Injury or Disease via the Internet. Approximately 8,000 paper reports are received by the Bureau monthly. Receiving these reports electronically reduces the amount of paper that has to be processed by Bureau staff, the number of data errors via online validation of the data entered by the employer, and mailing costs.

Workers' Compensation Claim Petition

Log on at: www.state.pa.us, PA Keyword: "workers comp." From here, click on "Online Services" (upper left-hand side of the page), then "Workers' Compensation Claim Petition."

This application allows users to file a Claim Petition form via the Internet.

Workers' Compensation Petition To:

Log on at: www.state.pa.us, PA Keyword: "workers comp." From here, click on "Online Services" (upper left-hand side of the page), then "Workers' Compensation Petition To:"

This application allows users to file a Petition To: form via the Internet.

Workers' Compensation "Quick Links"

Log on at: www.state.pa.us, PA Keyword: "workers comp." Here you'll find more information on subjects such as: Workers' Compensation Act, Medical Fee Schedule, Health and Safety, Claim Forms Completion Guide – Tip Sheets, Obtaining WC Hearing Transcripts, Alternative Dispute Resolution, Kids' Chance, Inc. of Pennsylvania, Bureau Publications, and more!

Workers' Compensation Subpoena

Log on at: www.state.pa.us, PA Keyword: "workers comp." From here, click on "Online Services" (upper left-hand side of the page), then "Workers' Compensation Subpoena."

This feature allows users to access the subpoena online, fill in the blanks, print the form, and mail it to a workers' compensation judge along with a written request for the judge to issue the subpoena.

To obtain additional copies of the annual report or the publications listed on Pages 72 and 73, contact:

Pennsylvania
Bureau of Workers'
Compensation
1171 South Cameron St.
Room 324
Harrisburg, PA
17104-2501

Telephone Number:
(717) 783-5421

For other information or questions regarding the PA workers' compensation program, write to the Bureau or call:

CLAIMS INFORMATION SERVICES

Local calls and calls
outside PA:
(717) 772-4447

Toll free inside PA:
1-800-482-2383

TTY (Only people with
hearing loss):
1-800-362-4228

EMPLOYER INFORMATION SERVICES (717) 772-3702

CERTIFIED EMPLOYER NETWORK

For referrals to employers who have volunteered to provide assistance in establishing workplace safety committees, call:
(717) 772-1917

More Information from the Pennsylvania Bureau of Workers' Compensation

Publications Available from the Bureau of Workers' Compensation:

Employer Information

- Employer's Guide to Workers' Compensation Insurance in Pennsylvania *Information on loss cost multipliers, classification codes, insurance fraud, safety committee incentive program, etc.*
- Employer's Guide to Self-Insuring Workers' Compensation (LIBC-300) *Information on how to self-insure your workers' compensation coverage.*
- Employer Information (LIBC-200) *Includes key aspects of Workers' Compensation Act which relate specifically to employers.*
- Self-Insurance Regulations *(PA Bulletin, Vol. 25, No. 41, October 14, 1995)*
- Claim Forms Completion Guide - Tip Sheets (LIBC-770) *Samples of 30 Bureau forms along with instructions on their proper completion.*

Injured Workers' Information

- Workers' Compensation & the Injured Worker (LIBC-100) *General information on the rights and responsibilities of injured workers under the law.*
- Q & A's about Funded Employment *General information on funded employment as it relates to workers' compensation recipients.*

Medical Cost Containment Information

- Medical Cost Containment Regulations Reference *Workers' compensation medical cost containment regulations highlights.*

Health and Safety Materials

- Health and Safety Regulations *PA Bulletin, Vol. 31, No. 28, July 14, 2001*
- "Application for Certification of Workplace Safety Committee" Completion Guide (LIBC-372)
- "Certification Renewal Affidavit of Workplace Safety Committee" Completion Guide (LIBC-372R)

Miscellaneous

- Pennsylvania Work Injuries & Illnesses Report *Calendar year statistics on PA work-related injuries, illnesses and fatalities.*
- News & Notes *Bureau newsletters on policies, procedures and updates on the law.*

■ Section 305 Prosecutions

A guide to aid PA's district attorneys in prosecuting employers who fail to carry the required workers' compensation insurance coverage as outlined in Section 305 of the PA Workers' Compensation Act.

Join our Mailing List

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1171 South Cameron Street, Room 324
Harrisburg, PA 17104-2501

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Please check box which best represents your affiliation:

Employer Union Attorney Health Care Industry

Insurance Industry Third Party Administrator Other: _____

Copies of the PA Workers' Compensation Act are available for purchase from:

State Bookstore of PA
Commonwealth
Keystone Building
Plaza Level
400 North Street
Harrisburg, PA 17120
(717) 787-5109

To access the Act online, log on at www.state.pa.us, PA Keyword: "workers comp." From there, click on Bureau of Workers' Compensation/Office of Adjudication, then WC Act under Publications.

BWC Web Information:

www.state.pa.us

PA Keyword:
"workers comp"

Telephone Directory

Field Offices	Street Address & Zip Code	Telephone No.
Aliquippa Office	Sheffield Prof. Bldg., 2020 Main St., 15001	(724) 378-1863
Allentown Office	160 Hamilton St., Ste. 200, 18101	(610) 821-6535
Altoona Office	615 Howard Ave., Ste. 202, 16601	(814) 946-7355
Bristol Office	1284 New Rodgers Rd., Box 802, 19007	(215) 781-3274
Brookville Office	395 Main St., 15825	(814) 849-5382
Bureau Headquarters	1171 S. Cameron St., Room 324, 17104-2501	(717) 783-5421
Clearfield Office	306 E. Locust St., 16830-2415	(814) 765-6398
Erie Office	3400 Lovell Place, 13th & Holland St., 16503	(814) 871-4632
Greensburg Office	115 W. Otterman St., 15601	(724) 832-5310
Harrisburg Judges Office	East Gate Ctr., 1010 N. 7th St., Rm. 319, 17102-1400	(717) 783-4419
Hazleton Office	1201 N. Church St., Bldg. A, Ste. 203, 18202	(570) 459-3840
Johnstown Office	607 Main St., Ste. 100, 15901	(814) 533-2494
Lancaster Office	315 W. James St., Ste. 206	(717) 299-7591
Malvern Office	72 Lancaster Ave., 2nd Fl., 19355	(610) 251-2878
New Castle Office	101 S. Mercer St., 16101	(724) 656-3084
Philadelphia Office	1400 Spring Garden St., State Office Bldg., 19130	(215) 560-2488
NE Philadelphia Office	2901 Grant Ave., Ste. 900, 19114	(215) 560-2125
Pittsburgh Office	933 Penn Ave., Ste. 300, 15222	(412) 565-5277
Pottsville Office	112 S. Claude A. Lord Blvd., 17901	(570) 621-3146
Reading Office	625 Cherry St., Ste. 150, 19602	(610) 621-2370
Scranton Office	400 Spruce St., Ste. 500, 18503	(570) 963-4580
Uniontown Office	253 S. Mt. Vernon Ave., 15401	(724) 439-7420
Upper Darby Office	1500 Garrett Rd., Barclay Sq. Ctr., 2nd Fl., 19082	(610) 284-6913
Washington Office	Millcraft Ctr., 90 W. Chestnut St., 15301	(724) 223-4595
Wilkes-Barre Office	101-105 N. Main St., 18701	(570) 826-2577
Williamsport Office	208 W. 3rd St., Rear, Ste. 202, 17701	(570) 327-3735

Information Services

Claims Information Services:

- Inside Pennsylvania (toll free) (800) 482-2383
- Local & Outside Pennsylvania (717) 772-4447

Employer Information Services: (717) 772-3702

TTY (for hearing and speech impaired):

- Inside Pennsylvania (toll free) (800) 362-4228
- Local & Outside Pennsylvania (717) 772-4991

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Arrington, Ollie	Philadelphia DO	WCJ	(215) 560-2488
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Baldys, Karl	Williamsport DO	WCJ	(570) 327-3735
Baur, Mary Catherine	NE Philadelphia DO	Attorney Examiner	(215) 560-2125

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Bell, Linda	Harrisburg HQ	Supv., Admin. Div.-OCR	(717) 783-5421
Benedict, Alfred	New Castle DO	WCJ	(724) 656-3084
Benischeck, Robert	Lancaster DO	WCJ	(717) 299-7591
Bivens, Linda	Harrisburg HQ	Sec.-Adj. Dir.	(717) 783-5421
Bloom, Irving	Greensburg DO	WCJ	(724) 832-5310
Bowers, Debra	Philadelphia DO	WCJ	(215) 560-2488
Briston, Pamela	Pittsburgh DO	WCJ	(412) 565-5277
Burman, Martin	Malvern DO	WCJ	(610) 251-2878
Callahan, Bonnie	Philadelphia DO	WCJ	(215) 560-2488
Caravaggio, Susan	Pottsville DO	Acting WCJM, Eastern Region	(570) 621-3146
Cercone, Susan	Aliquippa DO	WCJ	(724) 378-1863
Cicola, David	Harrisburg HQ	Director, Adjudication	(717) 783-5421
Clark, Charles	Harrisburg DO	WCJ	(717) 783-4419
Cohen, Nathan	Pittsburgh DO	WCJ	(412) 565-5277
Coholan, Anne	Uniontown DO	WCJ	(724) 439-7420
Costelnock, Paul	Greensburg DO	WCJ	(724) 832-5310
Crum, Elizabeth	Harrisburg HQ	Deputy Sec., Comp. & Ins.	(717) 787-5082
Dean, Mary	Harrisburg HQ	Helpline Mgr., Info. Svcs	(717) 783-5421
Deeley, James	Harrisburg DO	WCJ	(717) 783-4419
Desimone, Francis	Johnstown DO	WCJ	(814) 533-2494
Devlin, Thomas	Philadelphia DO	WCJ	(215) 560-2488
Dietrich, Wayne	Harrisburg DO	WCJ	(717) 783-4419
DiLorenzo, Kathleen	Lancaster DO	WCJ	(717) 299-7591
Dinsmore, Thomas	Harrisburg HQ	Chief, Admin. Division.	(717) 783-5421
Dlin, Geoffrey	Allentown DO	WCJ	(610) 821-6535
Doman, Bruce	Allentown DO	WCJ	(610) 821-6535
Doneker, Beverly	Allentown DO	WCJ	(610) 821-6535
Dupin, Kathleen	Harrisburg HQ	Info. Officer, Info. Svcs.	(717) 783-5421
Eader, Brian	Harrisburg DO	WCJ	(717) 783-4419
Eppley, Harvey	Harrisburg HQ	Mng. Analyst, Self-Insurance.	(717) 783-4476
Evans, Darrel	Harrisburg HQ	Adm. Supv., Mailroom	(717) 783-5421
Fitzpatrick, Anne	Harrisburg HQ	Hearing Officer, Dir. Off.	(717) 783-5421
Formica, Audrey	Allentown DO	WCJ	(610) 821-6535
Getty, Charles	Johnstown DO	WCJ	(814) 533-2494
Gilbert, Alan	Philadelphia DO	WCJ	(215) 560-2488
Goodwin, Nancy	Philadelphia DO	WCJ	(215) 560-2488
Grady, Joseph	Scranton DO	WCJ	(570) 963-4580
Guyton, Ada	Greensburg DO	WCJ	(724) 832-5310

Telephone Directory

Contact Personnel	Location	Title	Telephone No.
Hagan, Joseph	Philadelphia DO	WCJ	(215) 560-2488
Hakun, Joseph	Malvern DO	WCJ	(610) 251-2878
Hall, William	Scranton DO	WCJ	(570) 963-4580
Harris, Aida	NE Philadelphia DO	WCJ	(215) 560-2125
Harris, Alan	Wilkes-Barre DO	WCJ	(570) 826-2577
Hart, Glenn	Harrisburg HQ	Information Writer	(717) 783-5421
Heidler, Randa	Harrisburg HQ	Supv., Physical Recs/ER-Claims	(717) 787-3361
Henry, David	Pittsburgh DO	WCJ	(412) 565-5277
Hetrick, Michael	Lancaster DO	WCJ	(717) 299-7591
Hines, Thomas	Philadelphia DO	WCJM, Southeastern District	(215) 560-2488
Holmes, Nathaniel	Harrisburg HQ	Chief, Claims Mgmt.	(717) 772-0621
Hooks, Sharon	Johnstown DO	AO, Central District	(814) 533-2494
Ignasiak, Cheryl	Pittsburgh DO	WCJ	(412) 565-5277
Ingram, Deborah	Harrisburg HQ	Mgr., Admin. Div.	(717) 783-5421
Intrieri, Marie	Harrisburg HQ	Sec., Claims Mgt.	(717) 772-0621
Jefferson, Michael	Harrisburg HQ	Ppty. & Cas. Ins. Actuary	(717) 783-4476
Jones, Eric	Pittsburgh DO	WCJ	(412) 565-5277
Jones, Perry	New Castle DO	WCJ	(724) 656-3084
Kelley, Susan	Philadelphia DO	WCJ	(215) 560-2488
Knehr, George	Harrisburg HQ	Chief, Self-Insurance	(717) 783-4476
Knox, Terry	Reading DO	WCJ	(610) 621-2370
Koll, Michael	Clearfield DO	WCJ	(814) 765-6398
Krass, Denise	NE Philadelphia DO	WCJ	(215) 560-2125
Kupchinsky, John	Harrisburg HQ	Bureau Director	(717) 783-5421
Kutz, Thomas	Wilkes-Barre DO	WCJ	(570) 826-2577
Kuzma, Thomas	Harrisburg HQ	Dep. Chief Counsel, Legal Div.	(717) 783-4467
Laughman, Tammy	Harrisburg HQ	Supv., Cal. Review-Claims	(717) 772-0618
Laurin, Barbara	Pittsburgh DO	AO, Western District	(412) 565-5277
Lawton, Charles	Washington DO	WCJ	(724) 223-4595
Liddy, John	Malvern DO	WCJ	(610) 251-2878
Liebau, John	Upper Darby DO	WCJ	(610) 284-6913
Lincicome, Francine	Philadelphia DO	WCJ	(215) 560-2488
Longson, Lac	Harrisburg HQ	Ppty. & Cas. Ins. Actuary	(717) 783-4476
Lorine, Carl	Upper Darby DO	WCJ	(610) 284-6913
Lowman, William	Uniontown DO	WCJ	(724) 439-7420
Lugo, Carmen	Erie DO	WCJ	(814) 871-4632
Maffei, Gerald	Harrisburg HQ	Mgr., Cal. Review-Claims	(717) 772-0618
Makin, Sarah	Upper Darby DO	WCJ	(610) 284-6913
McManus, Joseph	Bristol DO	WCJ	(215) 781-3274
Miller, Tanyia	Harrisburg HQ	Admin.	(717) 783-5421
Montville, Linda	Wilkes-Barre DO	AO, Eastern District	(570) 826-2577

Contact Personnel	Location	Title	Telephone No.
Mullen, Anna Marie	Altoona DO	WCJ	(814) 946-7355
Mulligan, Angela	Harrisburg HQ	Supv., Admin-Clerical Staff	(717) 783-5421
Nathanson, Seymour	Malvern DO	WCJ	(610) 251-2878
Negley, Len	Harrisburg HQ	Chief, Health & Safety Div.	(717) 772-1917
Nyce, Lloyd	Malvern DO	WCJ	(610) 251-2878
Olin, Scott	Philadelphia DO	WCJ	(215) 560-2488
Oliver, Persifor	Pittsburgh DO	WCJM, Western Distict	(412) 565-5277
Parker, Rosalia	Pittsburgh DO	WCJ	(412) 565-5277
Pastewka, Edward	Erie DO	WCJ	(814) 871-4632
Peckmann, Karl	Harrisburg DO	WCJ	(717) 783-4419
Peleak, Mark	Wilkes-Barre DO	WCJ	(570) 826-2577
Polin, Larry	Harrisburg HQ	Pty. & Cas. Ins. Actuary	(717) 783-4476
Poorman, Donald	Philadelphia DO	WCJ	(610) 251-2878
Puhala, Brian	Reading DO	WCJ	(610) 621-2370
Rabold, William	Harrisburg HQ	Mgr., Audits	(717) 783-5421
Rapkin, Wayne	Hazleton DO	WCJ	(570) 459-3840
Redding, Harold	Harrisburg HQ	Mgr., Report & Audit Proc.	(717) 772-1636
Reitz, Shellie	Harrisburg HQ	Sec.-Bureau Director	(717) 783-5421
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Legend

AO	Administrative Officer
DO	District Office
HQ	Headquarters
WCJ	Workers' Compensation Judge
WCJM	Workers' Compensation Judge Manager



DEPARTMENT OF
LABOR & INDUSTRY
COMMONWEALTH OF PENNSYLVANIA

**Commonwealth of Pennsylvania
Department of Labor and Industry
Bureau of Workers' Compensation
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