

2021 Annual Report:

Advisory Council on Workers' Compensation and Occupational Disease Disablement

Presented to:
The Honorable
Michelle Lujan Grisham,
Governor

The Honorable Russell Toal,
Superintendent of Insurance

and
Senate President Pro – Tempore
Speaker of the House
Senate Majority Floor Leader
House Majority Floor Leader
Senate Minority Floor Leader
House Minority Floor Leader
Chair, Senate Finance Committee
Chair, Senate Judiciary
Chair, Senate Corporations and
Transportation Committee
Chair, House Appropriations and
Finance Committee
Chair, House Commerce & Economic
Development Committee
Chair, House Judiciary



Submitted by:
Courtenay Eichhorst, Chair
Kevin J. McGinley, Vice Chair
Darrell Deaguero, Member
Marni Goodrich, Member
Sara Ranney, Member
Lillian Santillanes, Member

Annual Report of the Advisory Council on Workers' Compensation and Occupational Disease Disablement - 2021

The Advisory Council on Workers' Compensation and Occupational Disease Disablement is a statutory body created by the Workers' Compensation Law of New Mexico. Members are appointed by the Governor to represent both employers and workers. Our duty is to report annually to the Governor and Legislature concerning the state of the workers' compensation system and to make recommendations regarding rules and legislation.

Mission

The mission of the Advisory Council on Workers' Compensation and Occupational Disease Disablement is:

- to monitor the performance of the workers' compensation and occupational disease and disablement system;
- to make recommendations to the Governor, Legislature, regulatory agencies and participating industries, related to the adoption of rules and legislation and the method and form of statistical data collections;
- to ensure the quick and efficient delivery of indemnity and medical benefits to injured and disabled workers at a reasonable cost to employers.

Council Members

The Workers' Compensation Act requires that the Advisory Council on Workers' Compensation and Occupational Disease Disablement consist of three employer representatives and three worker representatives. It is important that appointments to the Workers' Compensation Advisory Council comply with the Workers' Compensation Act in identifying qualified leadership and in maintaining the essential balance between employer and worker interests to ensure the long-term integrity of the workers' compensation system for New Mexico.

In addition to the six appointed members, the Director of the Workers' Compensation Administration serves as an ex officio, non-voting member. In July 2021, one newly appointed member, Marni Goodrich, joined the Council.

Courtenay Eichhorst, Darrell Deaguero and Sara Ranney represent labor, while Marni Goodrich, Kevin McGinley and Lillian Santillanes represent business.

Council Chair Eichhorst is business manager of U.A. Local 412 and Council Vice Chair McGinley is president of McGinley Construction, Inc., a residential and commercial remodeling firm. Business representative and Vice Chair Kevin McGinley serves at the governor's discretion although his term has expired.

Darrell Deaguero and Sara Ranney represent labor, while Marni Goodrich and Lillian Santillanes represent business. Deaguero is president of Laborers Union, Local 16, the construction workers' union. Ranney is with the International Association of Firefighters Local 244, and is an engine company lieutenant. Goodrich is business administrator at Yearout Mechanical, a full-service design-build mechanical and plumbing services provider. Santillanes is president of Structural Services, Inc., a steel erection firm.

Status of the Workers' Compensation Administration

The New Mexico Workers' Compensation Administration (WCA) has been fully engaged to meet its primary goal of making a better workplace for New Mexico through responsive and effective services. The WCA's mission is: *To assure the quick and efficient delivery of indemnity and medical benefits to injured workers at a reasonable cost to employers.*

2021 Legislative Efforts

In the 2021 60-day legislative session, there were many proposed bills related to workers' compensation, but SB 261 and HB 268 got the most calls and comments. Advisory Council members discussed the bills in a council meeting on February 23, 2021, where they made public comments about the measures. In that meeting, the council members officially opposed HB 268. Council unanimously supported SB 261, which would provide additional support to firefighters injured on the job.

Reallocation of Funds

Over the last 15 years, millions have been transferred out of the WCA to other New Mexico state agency funds. The Council continues to oppose the issue of reallocating funds taken from the workers' compensation assessment, which is supposed to be for purposes of funding the workers' compensation system. As of the writing of this report, the New Mexico Department of Workforce Solutions has stated that it will not request funds from the WCA fund. The Advisory Council agrees with this development and stands firm in its belief the fund should be exclusively reserved and not be diverted from its intended purpose, which is to support the workers and employers of New Mexico through the Workers' Compensation Administration. These funds are raised through assessments on workers and employers and the council feels strongly the money should stay with WCA for the betterment of both workers and employers. We hope that these transfers end once and for all.

2022 Legislative Initiatives

The Advisory Council had a legislative committee meeting in 2021 which included Courtenay Eichorst, Sara Ranney and Kevin McGinley from the council, as well as stakeholders from the business and labor communities, insurers and health care providers and workers' compensation attorneys. The goal was to see what items business and labor could agree upon to put forth with the Legislature. The

Advisory Council will continue to hold further meetings to discern issues of interest but does not plan on taking on any regulatory issues during the upcoming short, fiscal legislative session in 2022. The council will continue to follow industry issues that may arise.

Independent Study of Disability Benefits in the New Mexico Workers' Compensation System

The New Mexico Workers' Compensation Administration, with the full endorsement of the Advisory Council, attempted to pursue an independent study with the hope to address the following question: How can we improve the way we calculate and compensate permanent disability for workers' compensation in New Mexico to result in easier-to-understand, more consistent benefit amounts without significantly raising system-wide costs?

Following the proposal period in which only one proposal was received, it was apparent that the funding allocated was not adequate as the quote came in significantly higher than the approved \$250,000 special appropriation. This Council would support continued efforts and a larger allocation for completion of an independent study of this nature.

Workers Compensation Advisory Council and Director Appointments

The council congratulates newly appointed Director Robert Doucette, who started in this position on December 6, 2021. We are ready to assist him with moving forward with improving the workers' compensation environment in New Mexico. We look forward to working with him for the betterment of the workers' compensation system in the state.

The council would like to thank Leigh Martinez, who has served as interim acting director prior to the appointment of Director Robert Doucette. Ms. Martinez has shown exceptional professionalism and has kept the functions of the agency moving smoothly. Her deep understanding of workers' compensation, borne of her years at the agency, have served both her and the community. We cannot thank her enough.

Conclusion

The New Mexico Workers' Compensation Administration is currently stable. We, the members of the Advisory Council on Workers' Compensation and Occupational Disease Disablement are dedicated to remaining responsive to the dynamic challenges of the overall system.

This report was approved via email communication on December 14, 2021.

Respectfully submitted:





Sara Ranney



Lillian Santillanes

