2022 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: Lillian Santillanes, Chair Darrell Deaguero, Vice Chair Courtenay Eichorst, Member Marni Goodrich, Member Buffy Johnson, Member Sara Ranney, Member

Annual Report of the Advisory Council on Workers' Compensation and Occupational Disease Disablement – 2022

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 April 2022, one newly appointed member, Buffy Johnson, joined the Council.

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

Council Chair Lillian Santillanes is president and owner of Structural Services, Inc., a steel erection firm. Vice chair Darrell Deaguero is president of Laborers Union, Local 16, the construction workers' union.

Courtenay Eichorst is business manager of U.A. Local 412. Sara Ranney is with the International

Association of Firefighters Local 244 and is an engine company lieutenant. Marni Goodrich is business administrator at Yearout Mechanical, a full-service design-build mechanical and plumbing services provider. Buffy Johnson is owner of Home Instead Senior Care in Las Cruces, as well as Buffy Johnson Consulting.

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.*

2022 Legislative Efforts

In the 2022 30-day legislative session, there were no proposed bills related to workers' compensation. The council's legislative committee members took time to meet with legislators to discuss possible legislation for the 2023 legislative session.

Reallocation of Funds

Over the last 16 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. The New Mexico Department of Workforce Solutions did not request funds from the WCA fund in its FY24 budget, nor did the WCA include the transfer in its FY24 budget request. 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. 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 as legislative proposals. The Advisory Council will continue to hold further meetings to discern issues of interest to see if there are any issues from labor or business that the Council might support during the upcoming 2023 60-day legislative session.

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 at their December 8, 2022 public meeting.

Respectfully submitted:

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