

State of Arkansas

A. WATSON BELL, CHAIRMAN
KAREN H. McKINNEY, COMMISSIONER
PHILIP A. HOOD, COMMISSIONER

D. ALAN McCLAIN
CHIEF EXECUTIVE OFFICER

DAVID GREENBAUM
CHIEF ADMINISTRATIVE LAW JUDGE



FORT SMITH DIVISION
616 GARRISON - ROOM 207
FORT SMITH, AR 72901
TELEPHONE 479-783-7970
TOLL FREE 1-800-354-2711

SPRINGDALE DIVISION
244 SOUTH 40TH
SPRINGDALE, AR 72762-3845
TELEPHONE 479-751-2790
TOLL FREE 1-800-852-5376

MIKE BEEBE, GOVERNOR
WORKERS' COMPENSATION COMMISSION

324 Spring Street
P.O. Box 950
Little Rock, Arkansas 72203-0950
Telephone 501-682-3930 / 1-800-622-4472
Arkansas Relay System TDD 1-800-285-1131
www.awcc.state.ar.us

EXHIBIT G

July 31, 2009

Ms. Kim Baxter
Legislative Analyst
Arkansas General Assembly
State Capitol, Room 315
Little Rock, Arkansas 72201

Dear Ms. Baxter:

Enclosed please find the Quarterly Report for April, May, and June, 2009, as required by Act 1179 of 1999.

If I may provide any further information or assistance, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in cursive script that reads "Alan McClain".

D. Alan McClain
Chief Executive Officer

DAM:wd

Enclosure

cc: A. Watson Bell, Chairman
(W/Enclosure)

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QUARTERLY REPORT April, May, June, 2009

The following, as required by Act 1179 of 1999, is a report of activity by the Arkansas Workers' Compensation Commission's Health and Safety Division and the Medical Cost Containment Division.

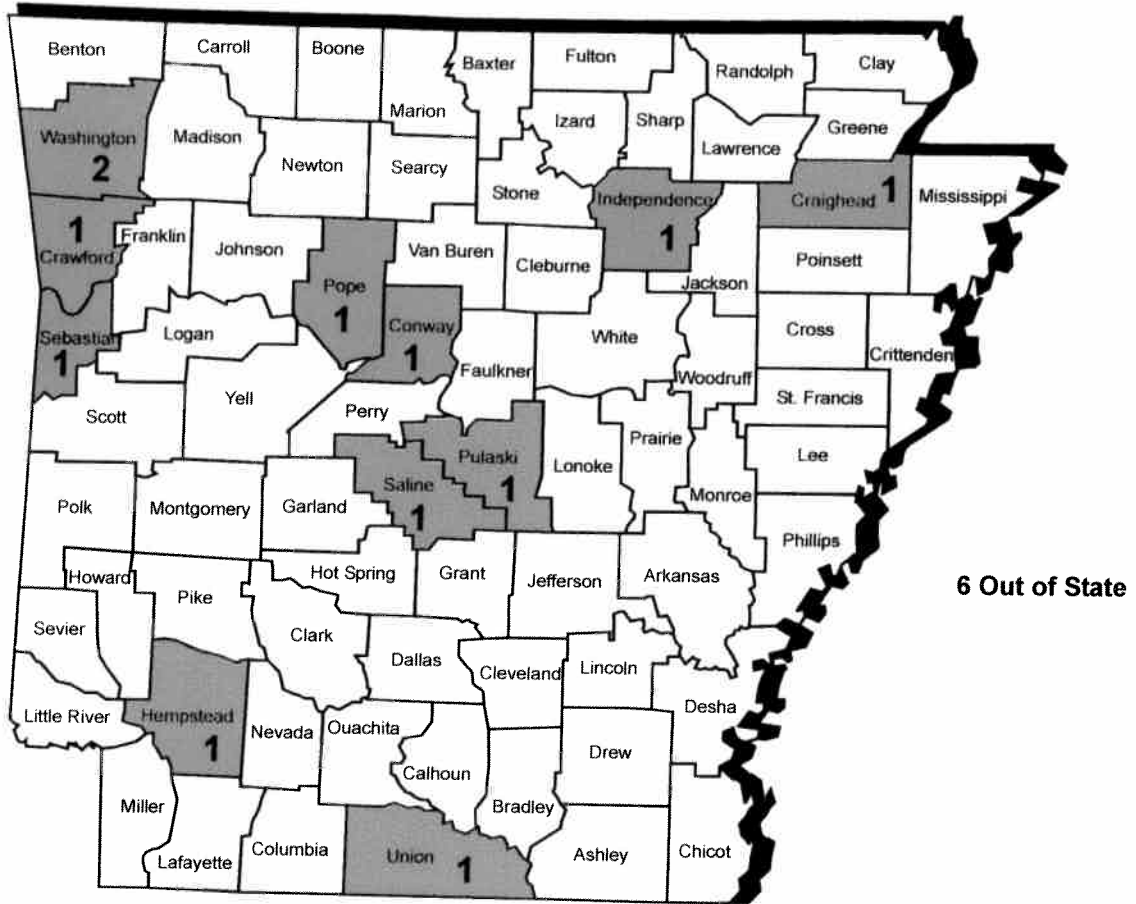
HEALTH AND SAFETY DIVISION

Ark. Code Ann. §11-9-409, as amended by Act 796 of 1993, established the Workers' Compensation Commission's Health and Safety Division to launch educational programs; collect injury data; identify hazardous employers; monitor their progress with follow-up inspections; and monitor accident prevention programs of insurance carriers.

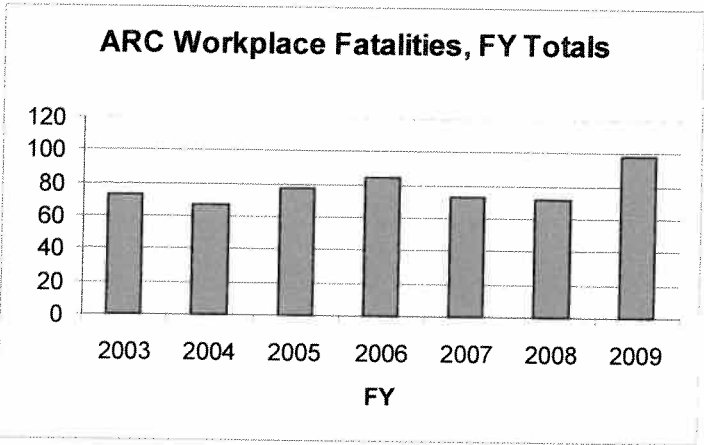
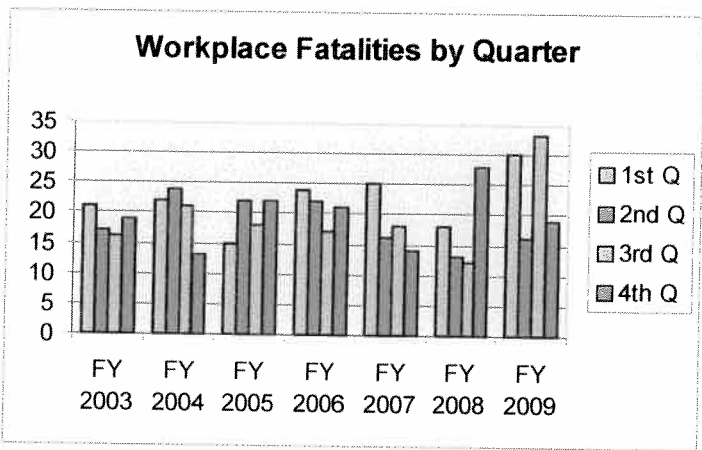
MEDICAL COST CONTAINMENT DIVISION

The Medical Cost Containment Division (MCCD) was established pursuant to Ark. Code Ann. §11-9-517 (1987) and is responsible for the implementation, revision, and compliance of Commission Rules 30, 33, and 34. Rule 30 consists of an inpatient and outpatient medical fee schedule. Rule 33 is our managed care rule, and Rule 34 refers to the Impairment Rating Guide.

**Arkansas Workers' Compensation Commission
Health and Safety Division
Workplace Fatalities Reported to AWCC
4th Quarter, FY 2009**



During the 4th Quarter, FY 2009, 19 fatalities were reported to the Arkansas Workers' Compensation Commission, 1 accident reported with city and county not reported, 6 occurred to businesses located out of the state.



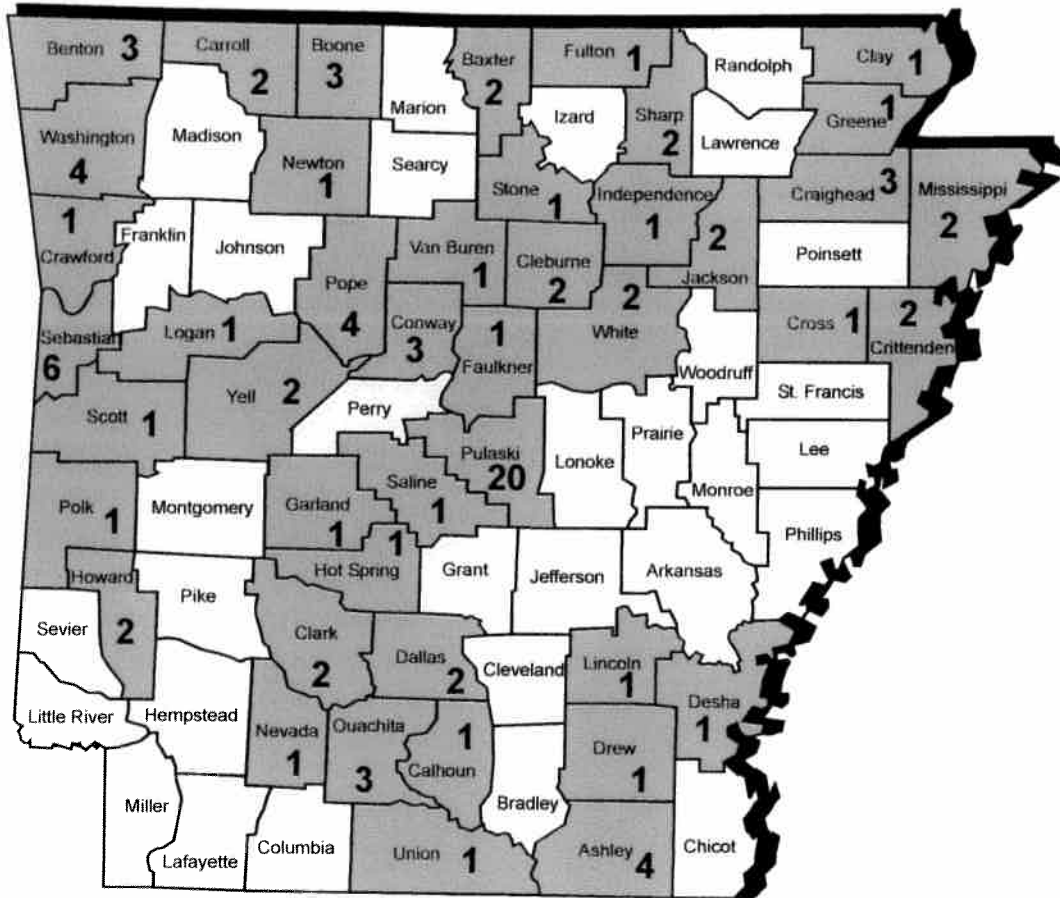
**Arkansas Workers' Compensation Commission
Health and Safety Division
Workplace Fatalities Reported to AWCC
4th Quarter, FY 2009**

| Rep. to AWCC | Employee | Employer | County of Employer | Length of Service (yrs.) | Type of Work | Type of Injury | Age |
|--------------|-----------------------|---------------------------|--------------------|--------------------------|------------------|--------------------|-----------|
| 5/1/2009 | Barbara York | Lake Resort, LLC | Cleburne | 0.03 | Housekeeper | Heart attack | 45 |
| 6/29/2009 | Joseph C. Cannon | City of Plummerville | Conway | 8 | Police officer | Workplace violence | 50 |
| 6/5/2009 | Angela Austin | Focus, Inc. | Craighead | 0.2 | Bus driver | MVA | 26 |
| 2/11/2009 | Carol Whited | Seneca, Inc. | Crawford | not given | Production | MVA | 48 |
| 5/13/2009 | William Crapps | Southern Bakeries LLC | Hempstead | 23 | Driver | MVA | 54 |
| 4/17/2009 | Jimmy Lee Jackson | Independence Co. | Independence | 10 | Laborer | Struck by | 54 |
| 4/18/2009 | James H. Ermer | Mohawk Rubber Co. | Phillips | not given | Production | Exposure/lung dis. | 81 |
| 4/17/2009 | Robert O. Alexander | Mohawk Rubber Co. | Phillips | not given | Laborer | Exposure/lung dis. | 66 |
| 6/23/2009 | Thomas West | Terra Renewal | Pope | 0.1 | Driver | MVA | 39 |
| 5/14/2009 | Mack D. Abbott | AHTD | Pulaski | 22 | Inspector | Struck by | 45 |
| 6/19/2009 | Shane C. Duschen | AMS Staff Leasing | Pulaski | 2 | Service | Fall | 28 |
| 4/13/2009 | J.C. Halcomb | Reynolds Metals, Inc. | Saline | 38 | Machine operator | Exposure/lung dis. | 81 |
| 5/13/2009 | Marvin Berryhill, Sr. | Reynolds Metals, Inc. | Saline | not given | not given | Exposure/lung dis. | 79 |
| 6/17/2009 | Wilbert Phillips | Reynolds Metals, Inc. | Saline | not given | not given | Exposure/lung dis. | 87 |
| 5/22/2009 | David C. Fritschie | E D M Consultants, Inc. | Sebastian | not given | Inspector | Workplace violence | not given |
| 4/1/2009 | Warren A. Porter | Monsanto Chemical | Union | 40 | Laborer | Exposure/lung dis. | 84 |
| 5/28/2009 | Calvin J. Haskins | AR Wholesale Lumber, Inc. | Washington | 6 | Sales | Heart attack | 61 |
| 6/12/2009 | Hancil Hartbarger | Washington Co. | Washington | 22 | HEO | Struck by | 60 |
| 3/5/2009 | Douglas P. Lantroop | Mercer Transportation Co. | Out of State | 1 | Driver | Fall | 61 |

**Arkansas Workers' Compensation Commission
Health and Safety Division
Workplace Fatalities Reported to AWCC
4th Quarter, FY 2009**

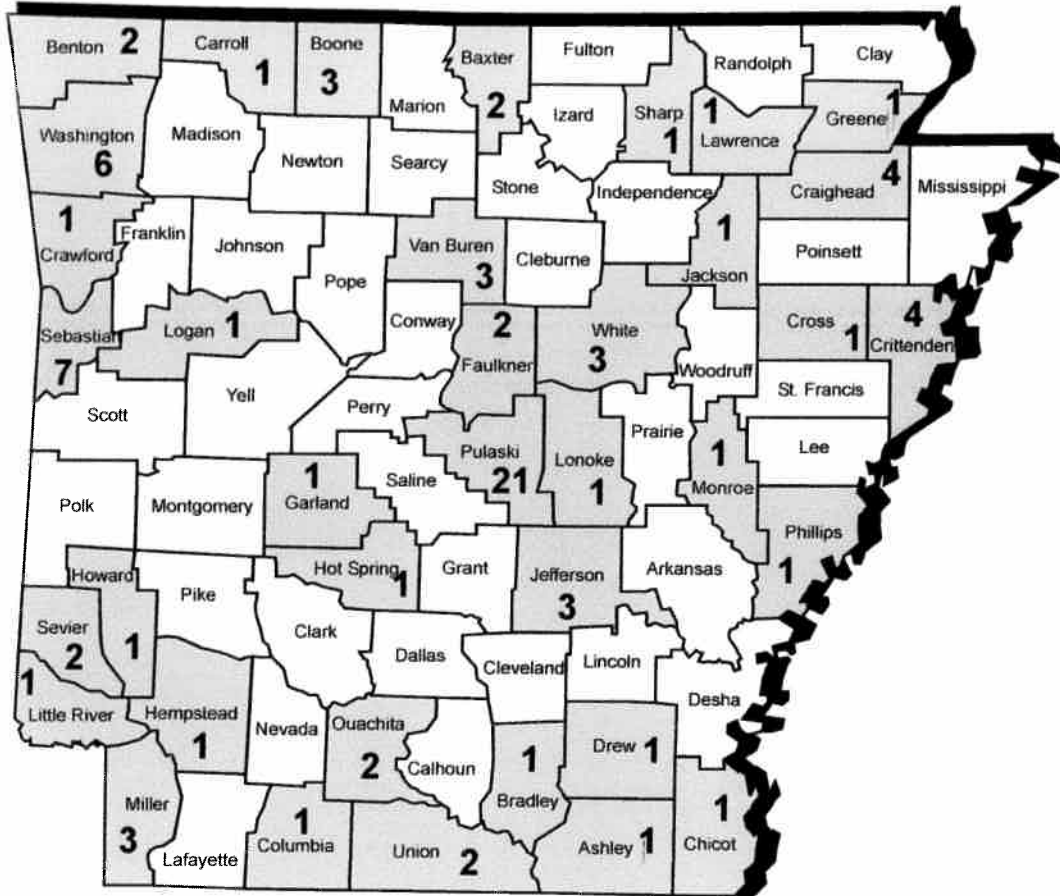
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| 4/18/2009 | Mohawk Rubber Co. | Phillips | not given | Production | Exposure/lung dis. | 81 |
| 4/17/2009 | Mohawk Rubber Co. | Phillips | not given | Laborer | Exposure/lung dis. | 66 |
| 6/23/2009 | Terra Renewal | Pope | 0.1 | Driver | MVA | 39 |
| 5/14/2009 | AHTD | Pulaski | 22 | Inspector | Struck by | 45 |
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| 4/13/2009 | Reynolds Metals, Inc. | Saline | 38 | Machine operator | Exposure/lung dis. | 81 |
| 5/13/2009 | Reynolds Metals, Inc. | Saline | not given | not given | Exposure/lung dis. | 79 |
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| 5/22/2009 | E D M Consultants, Inc. | Sebastian | not given | Inspector | Workplace violence | not given |
| 4/1/2009 | Monsanto Chemical | Union | 40 | Laborer | Exposure/lung dis. | 84 |
| 5/28/2009 | AR Wholesale Lumber, Inc. | Washington | 6 | Sales | Heart attack | 61 |
| 6/12/2009 | Washington Co. | Washington | 22 | HEO | Struck by | 60 |
| 3/5/2009 | Mercer Transportation Co. | Out of State | 1 | Driver | Fall | 61 |

**Arkansas Workers' Compensation Commission
Health and Safety Division
Employers Placed in the Rule 32 Program
4th Quarter, FY 2009**



During the 4th Quarter, FY 2009, 99 places of employment were placed in the Rule 32 Program. Employers are identified for the Rule 32 Program if they have a higher-than expected number of compensable claims for their industry group. Employers placed in this program are encouraged to work with their workers' compensation insurance carrier, in-house staff, or other professional safety sources to develop management tools which will help them run safer workplaces and minimize workers' compensation costs through the use of such tools as return-to-work programs, drug-free workplace programs, claims management, etc.

**Arkansas Workers' Compensation Commission
Health and Safety Division
Employers Completing the Rule 32 Program
4th Quarter, FY 2009**



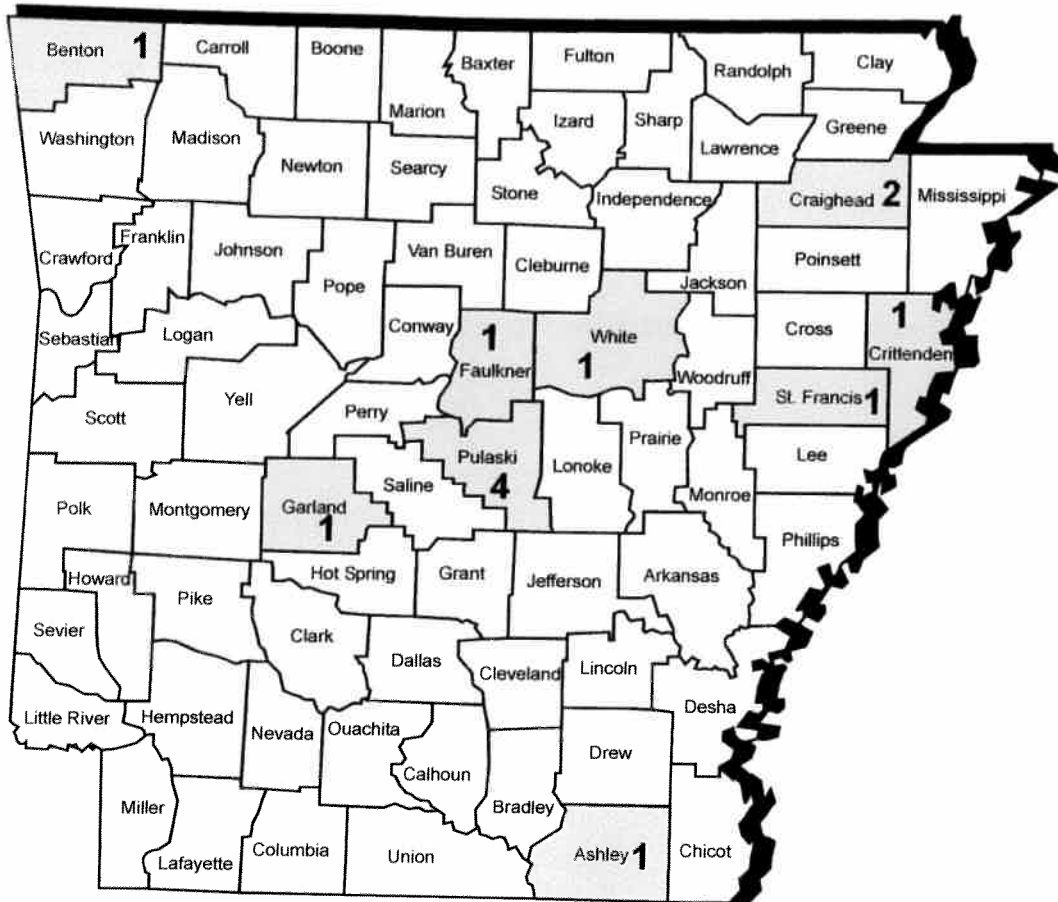
During the 4th Quarter, FY 2009, 90 employers successfully completed the Rule 32 Program.

**Arkansas Workers' Compensation Commission
Health and Safety Division
4th Quarter, FY 2009
Rule 31: Accident Prevention Services Program
Arkansas Workers' Compensation Insurance Companies**

The Accident Prevention Services (APS) group conducts audits of all insurance companies writing workers' compensation insurance policies in Arkansas. During the 4th Quarter, FY 2009, the APS group inspected the following companies:

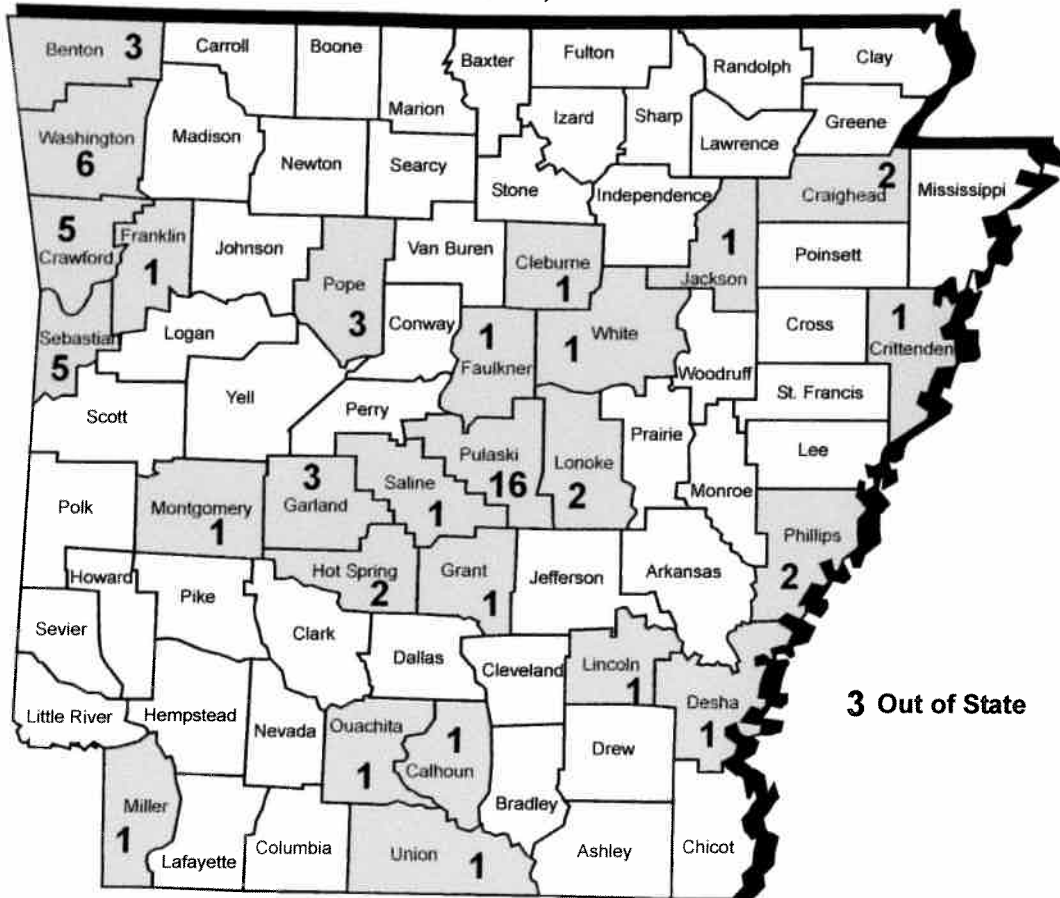
| Company | Account Premiums | No. of Policyholders |
|--|-------------------------|-----------------------------|
| First Comp Insurance Company | \$13,321,477.00 | 5,486 |
| SUA Insurance Company | \$214,362.25 | 23 |
| Insurance Company of the West/ICW | \$125,518.86 | 2 |
| Farmland Mutual Insurance - Nationwide Agribusiness Insurance Company | \$1,144,567.00 | 34 |
| Great West Casualty | \$604,516.00 | 38 |
| Penn National Mutual Casualty Insurance Co. | \$2,475.00 | 7 |
| Starnet Insurance Company | \$413,661.00 | 46 |
| C N A Insurance Companies - Continental Casualty Company, Transportation Insurance Co., National Fire Insurance Company of Hartford, American Casualty Company of Reading, PA, Valley Forge Insurance Co., The Continental Insurance Company, | \$13,586,131.00 | 1287 |
| Protective Insurance Company | \$304,091.00 | 110 |
| Sentry Insurance Company - Sentry Casualty I Company, Sentry Insurance A Mutual Company, Middlesex Insurance Co., Sentry Select Insurance Co. | \$3,283,138.00 | 39 |
| Bituminous Insurance Companies - Bituminous Casualty Corporation, Bituminous Fire & Marine Insurance Co., | \$5,964,652.00 | 264 |
| Tower Insurance Company of New York | \$174,795.00 | 11 |
| Cincinnati Insurance Companies - The Cincinnati Indemnity Company, The Cincinnati Insurance Company, The Cincinnati Casualty Company | \$6,189,450.00 | 880 |
| Argonaut Insurance Company - Argonaut Southwest Insurance Company, Argonaut Midwest Insurance Company | \$2,405,980.00 | 246 |

**Arkansas Workers' Compensation Commission
Health and Safety Division
Presentations and Speaking Engagements
4th Quarter, FY 2009**



The AWCC Health and Safety staff receive frequent requests to speak on a variety of topics related to loss control, drug-free workplace programs, and related topics. If your constituents would like to host a program by the Health and Safety staff on these or other subjects, please contact Patricia Burge at 501-682-2063 or pburge@awcc.state.ar.us.

Arkansas Workers' Compensation Commission
Health and Safety Division
Voluntary Drug Free Workplace Program
New Approvals and Renewals
4th Quarter, FY 2009



During the 4th Quarter, FY 2009, the following Arkansas companies received approval of their Voluntary Drug Free Workplace Programs:

**Arkansas Workers' Compensation Commission
Health and Safety Division
Voluntary Drug Free Workplace Program
New Approvals and Renewals
4th Quarter, FY 2009**

| COMPANY | CITY | COUNTY |
|---|--------------|---------------|
| Collier International | Bentonville | BENTON |
| Freedom Fire Pro, LLC | Rogers | BENTON |
| Insul-Bead Corp. | Gravette | BENTON |
| A & B Timber Inc. | Hampton | CALHOUN |
| FL Davis Building Center #14761 | Greers Ferry | CLEBURNE |
| Nettleton Concrete Works, Inc. | Jonesbor | CRAIGHEAD |
| Sartin Services Complete | Jonesboro | CRAIGHEAD |
| Farmers Cooperative | Van Buren | CRAWFORD |
| Malone's Mechanical, Inc. | Van Buren | CRAWFORD |
| Quality Petroleum, Inc. | Van Buren | CRAWFORD |
| T.A.W., Inc. | Alma | CRAWFORD |
| Wilson Brothers Construction Co. Inc. | Alma | CRAWFORD |
| Toyota Tsusho America, Inc. | Marion | CRITTENDEN |
| Riceland Foods Inc. | MCGehee | DESHA |
| Detco Industries | Conway | FAULKNER |
| McCormick Asphalt Paving and Excavating, Inc. | Ozark | FRANKLIN |
| Backertrack Trailers | Hot Springs | GARLAND |
| Baxley Equipment Company | Hot Springs | GARLAND |
| Quality Petroleum, Inc. | Hot Springs | GARLAND |
| Crouse Truck Parts & Equipment Co., Inc. | Sheridan | GRANT |
| Diamond State Trucking | Malvern | HOT SPRING |
| Price LogPro, LLC | Malvern | HOT SPRING |
| Jaco Construction Company | Newport | JACKSON |
| River Man, Inc. | Star City | LINCOLN |
| S.M.S. Trucking, Inc. | Cabot | LONOKE |
| Underground Utilities Contractors, Inc. | Cabot | LONOKE |
| Quality Petroleum, Inc. | Texarkana | MILLER |
| Steve Standridge Insurance, Inc. | Mount Ida | MONTGOMERY |
| Weatherly Truck Lines Inc. | Bearden | OUACHITA |
| Farmers Supply | Marvell | PHILLIPS |
| Hoffinger Industries, Inc. | West Helena | PHILLIPS |
| Fletcher Oil Co., Inc. | Russellville | POPE |
| Van Horn Construction | Russellville | POPE |
| Zebcom | Russellville | POPE |

**Arkansas Workers' Compensation Commission
Health and Safety Division
Voluntary Drug Free Workplace Program
New Approvals and Renewals
4th Quarter, FY 2009**

| COMPANY | CITY | COUNTY |
|---|-------------------|--------------|
| A.E.D.D. | Little Rock | PULASKI |
| AlarmTec Systems | Sherwood | PULASKI |
| Arnold & Blevins Electric Co. | North Little Rock | PULASKI |
| Collier International | Little Rock | PULASKI |
| Fraley Roofing, Inc. | North Little Rock | PULASKI |
| Goff Distribution | Little Rock | PULASKI |
| J.W. Heavrin, Inc. | Little Rock | PULASKI |
| Matson, Inc. | Little Rock | PULASKI |
| Quality Petroleum, Inc. | Little Rock | PULASKI |
| Quality Petroleum, Inc. | North Little Rock | PULASKI |
| Quality Wholesale Bldg Products, Inc. | North Little Rock | PULASKI |
| RP Power LLC | North Little Rock | PULASKI |
| Three Lakes Distributing | Little Rock | PULASKI |
| Tire Curing Bladders, LLC | Little Rock | PULASKI |
| TRL-Truck Centers of Arkansas | North Little Rock | PULASKI |
| Warrior of Arkansas, Inc. | Mabelvale | PULASKI |
| J & S Mfg. Co., Inc. | Bryant | SALINE |
| C & H Wholesale Tire | Fort Smith | SEBASTIAN |
| Capital Structures | Fort Smith | SEBASTIAN |
| Harris Company of Fort Smith, Inc. | Fort Smith | SEBASTIAN |
| National Truck Staffing | Fort Smith | SEBASTIAN |
| Weldon, Williams and Lick | Fort Smith | SEBASTIAN |
| Anthony Forest Products | El Dorado | UNION |
| Advantage Recycling, Inc. | Johnson | WASHINGTON |
| Fayetteville Mechanical Contractors, Inc. | Fayetteville | WASHINGTON |
| Fochtman Enterprises, Inc. | Fayetteville | WASHINGTON |
| Lightning Electric Inc. | Fayetteville | WASHINGTON |
| National Home Centers, Inc. | Springdale | WASHINGTON |
| ORC Products | Springdale | WASHINGTON |
| Skinner Construction Inc. | Beebe | WHITE |
| Service Electric Company | Chattanooga | Out of State |
| SIMMCO | Brownsville | Out of State |
| The McBurney Corporation | Norcross | Out of State |

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QUARTERLY REPORT FOR APRIL MAY JUNE 2009

Medical Cost Containment

The Medical Cost Containment Division (MCCD) was established pursuant to Ark. Code Ann. §11-9-517 (1987) and is responsible for the implementation, revision and compliance of Commission Rules 30, 33, and 34. Rule 30 consists of an inpatient and outpatient medical fee schedule. Rule 33 is our managed care rule and Rule 34 refers to the Impairment Rating Guide. In the last quarter the following activities occurred regarding these rules:

Rule 30

Rule 30 was revised effective May 15, 2000. The AWCC adopted the Medicare RBRVS Medical Fee Schedule with Arkansas specific reimbursement multipliers. The new Medical Fee Schedule is available electronically from the AWCC Home Page. Since the Medical Fee Schedule is available electronically we are no longer printing a medical fee schedule.

Administrative Review

Rule 30 contains an Administrative Review Process. This process allows providers or carriers to request assistance from the Medical Cost Containment Division regarding disputes. Each administrative review requested consists of an investigation, desk audit by department staff and the issuance of an order, which determines the disputed issue. During this quarter there were 30 review requests processed, six (6) review requests granted, and 15 orders issued. The ongoing issues in dispute consist of nonpayment, untimely payment, penalty request, and reimbursement disputes.

Balance Billing

Rule 30 also contains a prohibition against balance billing by providers. The balance billing process involves: receipt of an allegation of balance billing by a claimant, carrier, employer, self-insured, etc.; notice being sent to all involved parties; an investigation; an audit; and a determination order being issued. During this quarter the MCCD received "zero" balance billing allegations.

Investigations

There were approximately 145 investigations conducted this quarter.

Rule 33

We currently have 11 certified MCOs.

Medical Reports

As a result of a meeting held between the Chief Legal Advisor, the Medical Cost Containment Administrator, and the Chief Administrative Law Judge, the Medical Cost Containment Division is obtaining medical records for carriers or employers that have been unable to do so from the provider. In the past the legal advisors would write to the provider requesting medical records. If the provider did not respond then the Chief Administrative Law Judge would issue a subpoena in order to obtain the records. We thought perhaps there was another approach, especially since the MCCD staff has numerous medical contacts. We have thus far been able to call the provider and obtain the records without any problems.

This quarter we received five (5) cases involving disputes over obtaining the medical records.

Change of Physician

To expedite Change of Physician (COP) requests and to comply with recent legislative changes new procedures and policies have been implemented. COP requests are sent to the Clerk of the Commission who then forwards them to the Medical Cost Containment Division (MCCD) for processing. If a WCC file has been established, the MCCD calls the carrier/self-insured employer to determine if a Managed Care contract exists. When a response is received and a contract exists, the contract is reviewed to determine if it complies with Rule 33 and if appropriate internal policies were followed. MCCD will review the claimant's medical records and determine an appropriate provider if the claimant has not requested a specific provider. An appropriate provider will be chosen on a case-by-case basis. If the request is to the claimant's treating physician, MCCD must determine if the provider meets the statutory requirements for the regular treating physician. If claimant requests a particular provider, MCCD checks to see if the provider meets the required statutory requirements. Once an appropriate provider is chosen, MCCD will determine that the provider is a member of either the carrier/employer's MCO if a contract exists, or a certified MCO if no contract exists. MCCD will contact the provider and ask if the provider will treat the claimant. MCCD will issue an order stating this is the claimant's one time only change of physician. This order will contain the provider's name and address. All parties will be copied. If either party objects to the MCCD order, they can appeal to an Administrative Law Judge (ALJ).

This quarter the MCCD received 132 COP requests. MCCD has issued 147 orders and 42 requests were either returned to open general files, withdrawn, controverted, resolved, or returned to the Clerk of the Commission's office for other action.

Audits

Requests are received from the ALJ Division as well as outside entities (i.e., caseworkers, attorneys, etc.) for medical bill audits.

This quarter the MCCD received and processed two (2) audits.

Rule 34

There have been no changes at this time in Rule 34. Legislation was written to extend the legislative mandate regarding an impairment rating guide.

Speaking Engagements

During this quarter no engagements/activities were attended: