

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
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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

October 28, 2010

EXHIBIT D

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 July, August, and September, 2010, 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,


D. Alan McClain
Chief Executive Officer

DAM:wd

Enclosure

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

State of Arkansas

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October 28, 2010

QUARTERLY REPORT
July, August, September, 2010

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.

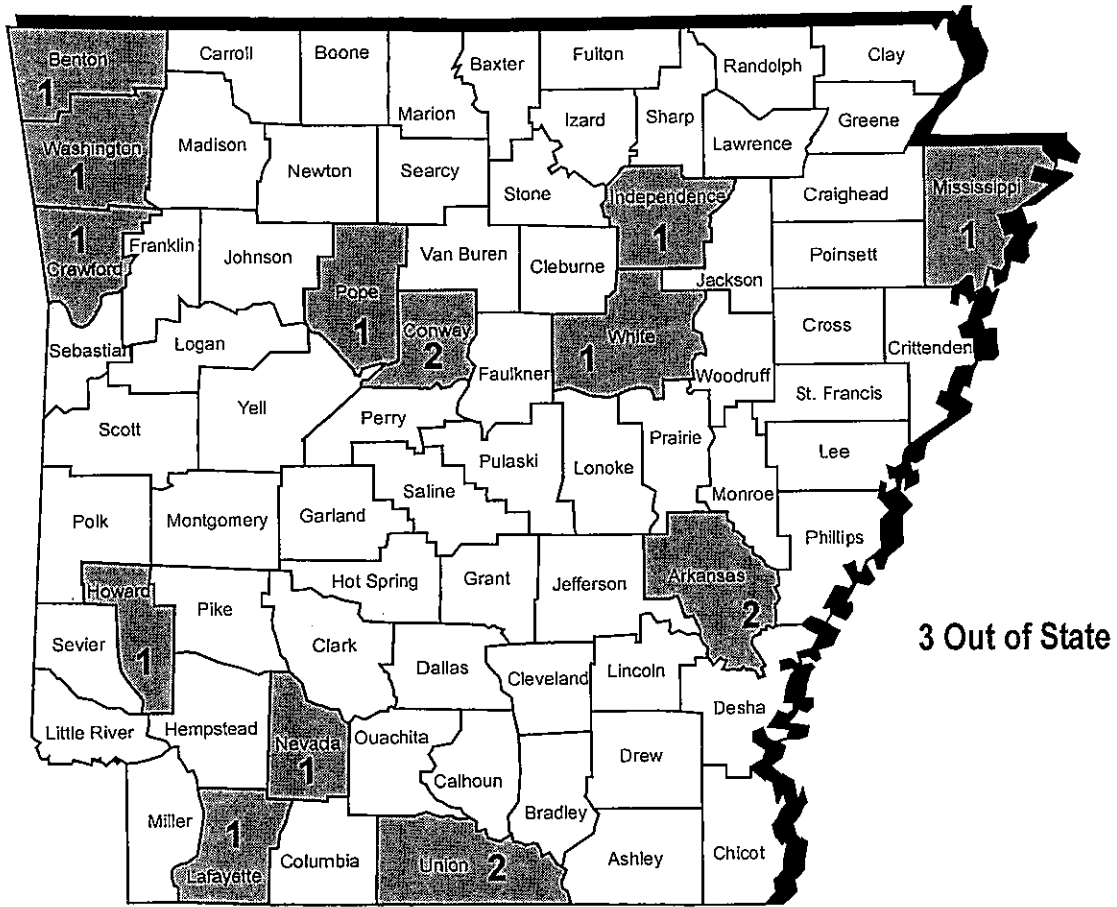
HEALTH AND SAFETY DIVISION

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

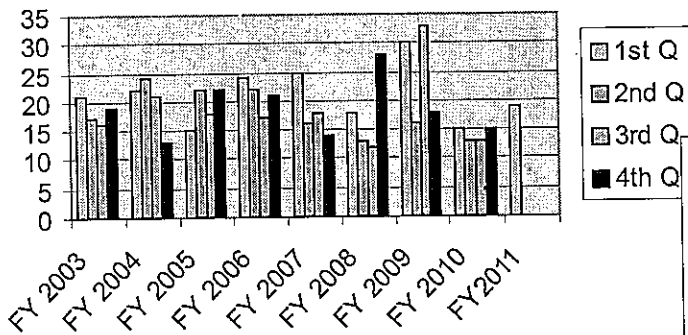
The Medical Cost Containment Division (MCCD) was established pursuant to Ark. Code Ann. §11-9-517 (1987) and is responsible for the implementation, revision, and compliance of Commission Rules 30, 33, and 34. Rule 30 consists of an inpatient and outpatient medical fee schedule. Rule 33 is our managed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

**Arkansas Workers' Compensation Commission
Health and Safety Division
Workplace Fatalities Reported to AWCC
1st Quarter, FY 2011**

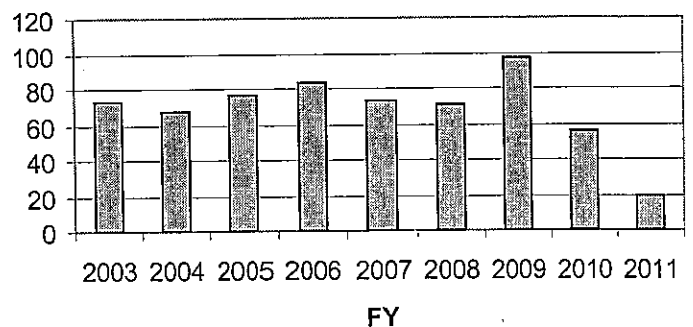


During the 1st Quarter, FY 2011, 19 fatalities were reported to the Arkansas Workers' Compensation Commission, 3 accidents reported occurred to businesses located out of the state.

Workplace Fatalities by Quarter



ARC Workplace Fatalities, FY Totals



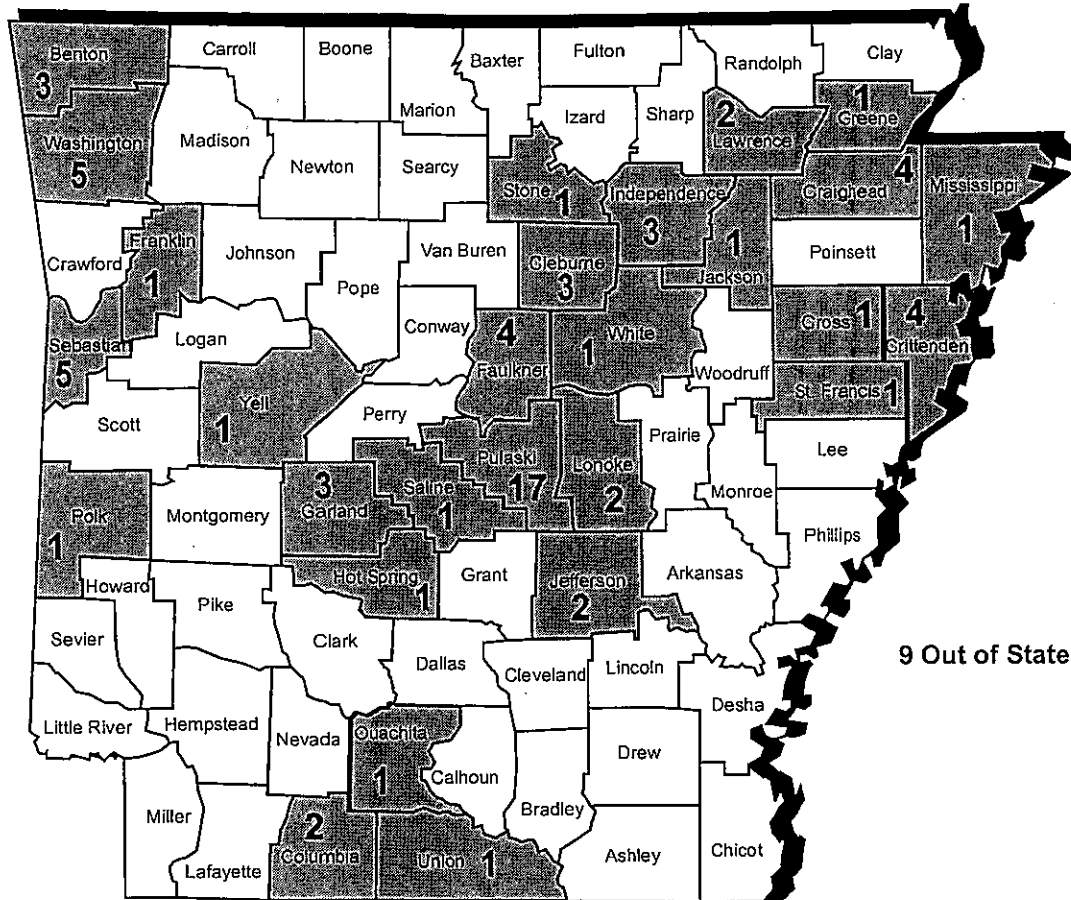
**Arkansas Workers' Compensation Commission
Health and Safety Division
Workplace Fatalities Reported to AWCC
1st Quarter, FY 2011**

Rep. to AWCC	Employee	Employer	County of Employer	Length of Service (yrs.)	Type of Work	Type of Injury
08/12/10	Christopher Kyle Hargrove	S&B Irrigation	Arkansas	Not given	Equipment operator	Drowning
08/16/10	Monique A. Harper	Producers Rice Mill	Arkansas	0.01	Utility	Engulfment
08/22/10	Michael Lewis	Stock Building Supply	Benton	1.2	Truck driver	Crushed
07/26/10	Roy Franklin Davis	Johnny Reams	Conway	0.04	Labor	Caught in
07/12/10	James Loveless	Wayne Smith Trucking	Conway	1.2	Driver	Heart attack
07/29/10	Frank Murphy	Wal-Mart	Crawford	6.2	Associate	Heart attack
08/19/10	Jeremy Royal	Bypass Diesel and Wrecker, Inc.	Howard	0.2	Mechanic	MVA
08/04/10	Glenn Sutherland	Premium Transportation Staff	Independence	1.4	Driver	Fall
08/03/10	Christopher Wayne Adam	Arkansas Forestry Commission	Lafayette	2.4	Forest Ranger	MVA
07/12/10	Mac Leonard	Melvin McCoy Trucking	Mississippi	Not given	Driver	Unknown
08/27/10	Jarome Toland	No Way Pulpwood	Nevada	Not given	Driver	MVA
09/02/09	Justin Collins	Americold Realty Trust	Pope	2.2	Forklift driver	Struck by
08/06/10	Colburn Crotty	Americable	Union	4.5	Technician	Electrocution
09/22/10	Derry D. Alderson	Advantage Human Resourcing	Union	0.02	Hydroblaster	Seizure
08/06/10	Jason Guiles	WSE Transportation, LLC	Washington	0.4	Driver	Heart attack
08/04/10	Justin Clark	Bald Knob McDonalds	White	0.2	Manager	Drowning
08/20/10	Eric Ross	RPC, Inc.	Out of State	Not given	Manager	MVA
09/23/10	Kenneth Meyer, Jr.	Air Evac EMS, Inc.	Out of State	7.6	Not given	Multiple
09/23/10	Kenneth Robertson	Air Evac EMS, Inc.	Out of State	3.0	Not given	Multiple

**Arkansas Workers' Compensation Commission
Health and Safety Division
Workplace Fatalities Reported to AWCC
1st Quarter, FY 2011**

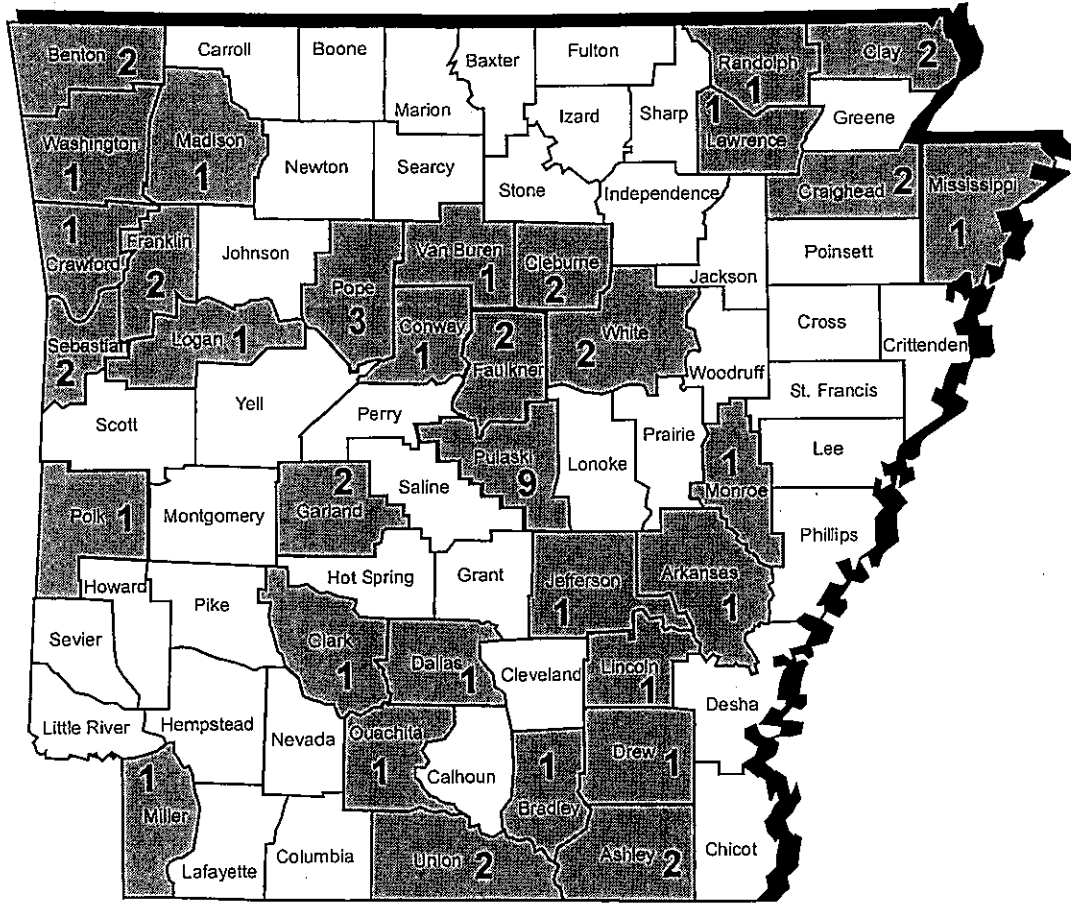
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08/16/10	Producers Rice Mill	Arkansas	0.01	Utility	Engulfment
08/22/10	Stock Building Supply	Benton	1.2	Truck driver	Crushed
07/26/10	Johnny Reams	Conway	0.04	Labor	Caught in
07/12/10	Wayne Smith Trucking	Conway	1.2	Driver	Heart attack
07/29/10	Wal-Mart	Crawford	6.2	Associate	Heart attack
08/19/10	Bypass Diesel and Wrecker, Inc.	Howard	0.2	Mechanic	MVA
08/04/10	Premium Transportation Staff	Independence	1.4	Driver	Fall
08/03/10	Arkansas Forestry Commission	Lafayette	2.4	Forest Ranger	MVA
07/12/10	Melvin McCoy Trucking	Mississippi	Not given	Driver	Unknown
08/27/10	No Way Pulpwood	Nevada	Not given	Driver	MVA
09/02/09	Americold Realty Trust	Pope	2.2	Forklift driver	Struck by
08/06/10	Americable	Union	4.5	Technician	Electrocution
09/22/10	Advantage Human Resourcing	Union	0.02	Hydroblaster	Seizure
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09/23/10	Air Evac EMS, Inc.	Out of State	7.6	Not given	Multiple
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**Arkansas Workers' Compensation Commission
Health and Safety Division
Employers Placed in the Rule 32 Program
1st Quarter, FY 2011**



During the 1st Quarter, FY 2011, 82 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
1st Quarter, FY 2011



During the 1st Quarter, FY 2011, 54 employers successfully completed the Rule 32 Program.

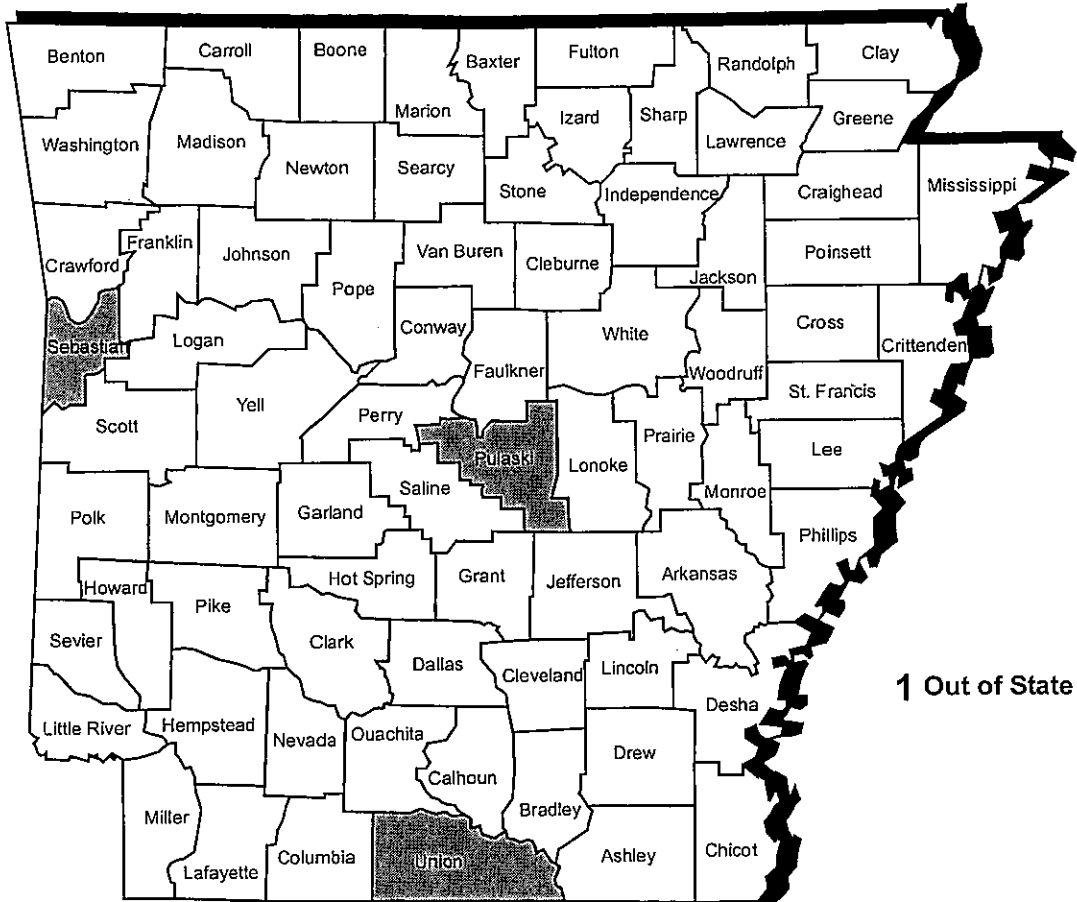
**Arkansas Workers' Compensation Commission
Health and Safety Division
1st Quarter, FY 2011**

**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 2nd Quarter, FY 2010, the APS group inspected the following companies:

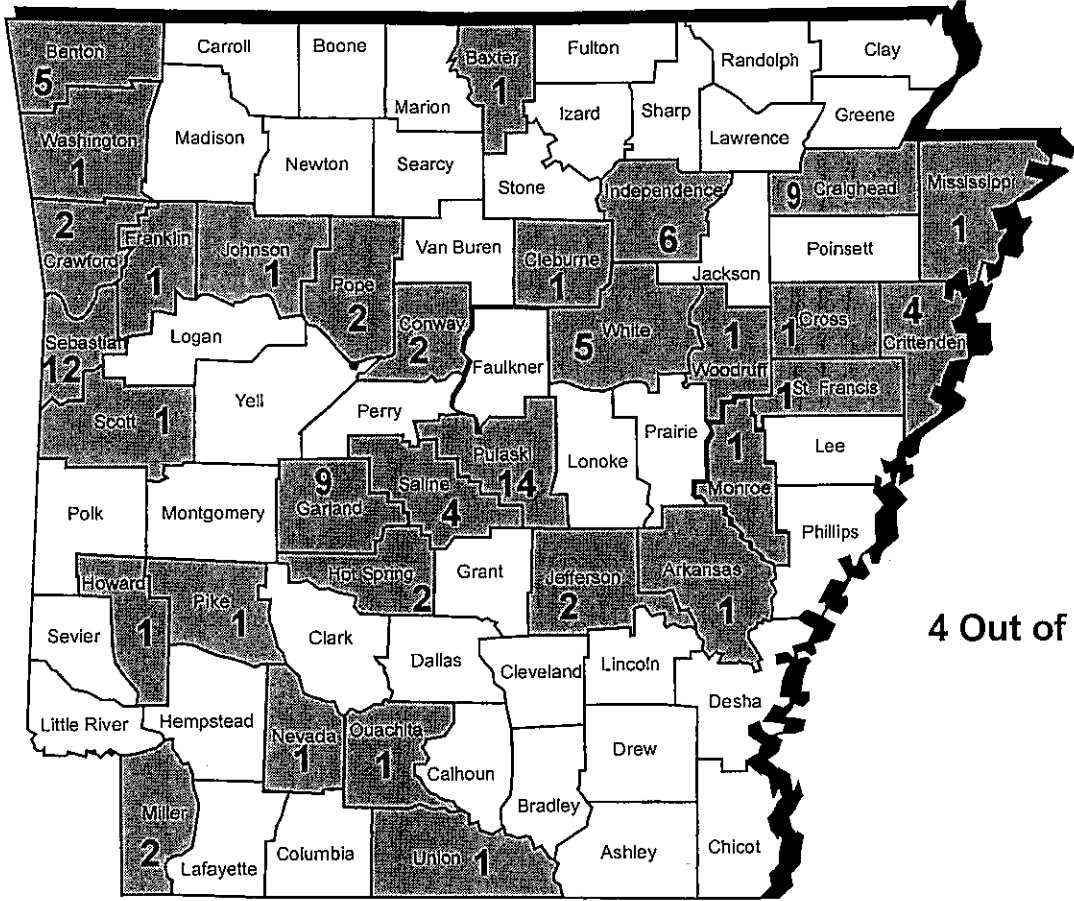
Company	Account Premiums	No. of Policyholders
Wausau Insurance Group - Wausau Business Insurance Co., Wausau Underwriters Insurance Co., Employers Insurance Company of Wausau	\$9,010,582.00	367
Federated Mutual Insurance - Federated Service Insurance Co.	\$2,923,718.00	340
Guarantee Insurance	\$4,117,355.00	490
Westfield Insurance Company - Ohio Farmers Insurance Co.	\$11,509.00	9
Argonaut Great Insurance	\$349,138.00	133
Zurich American Insurance Group - American Zurich Insurance Company, Assurance Company of America, Maine Bonding & Casualty Insurance Co., Maryland Insurance Co., American Guarantee & Liability Insurance Co., National Standard Insurance Co., Fidelity & Deposit Insurance Co., Maryland Casualty Company, Northern Insurance Company of New York, Zurich American Insurance Company of Illinois, Zurich American Insurance Co.	\$29,072,868.00	1419
Triangle Insurance	\$75,236.00	7
Great Divide Insurance	\$15,332.00	8
Sompo Japan Insurance Company of America	\$609,533.00	16
Transguard Insurance Company of America	\$15,322.00	10
Hanover Insurance Group - Hanover American, Allmerica Financial Benefit Insurance, Massachusetts Bay Insurance, Nova Casualty Company	\$519,963.00	172
Meadowbrook Insurance Group - Star Insurance, Williamsburg National Insurance Co.	\$331,493.00	121
Vanliner Insurance Company	\$15,939.00	9
WorkFirst Casualty Insurance	\$252,459.00	14

**Arkansas Workers' Compensation Commission
Health and Safety Division
Presentations and Speaking Engagements
1st Quarter, FY 2011**



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
1st Quarter, FY 2011**



4 Out of State

During the 1st Quarter, FY 2011, 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
1st Quarter, FY 2011**

COMPANY	CITY	COUNTY
Delta Plastics of the South	Stuttgart	ARKANSAS
Guy Kings & Sons, Inc.	Mountain Home	BAXTER
Built-Well Construction	Bentonville	BENTON
Marck Industries, Inc.	Rogers	BENTON
Bella Vista Village POA	Bella Vista	BENTON
Mary's Painting	Rogers	BENTON
Harris Baking Company	Rogers	BENTON
Bobby Kennedy Construction	Quitman	CLEBURNE
Hamilton Aggregates, Inc.	Morrilton	CONWAY
Mobley Contractors	Morrilton	CONWAY
Valley View Group, Inc.	Jonesboro	CRAIGHEAD
RGB Mechanical	Jonesboro	CRAIGHEAD
Brand Custom Hauling	Bono	CRAIGHEAD
Sartin Services Lawncare & Nursery, Inc.	Jonesboro	CRAIGHEAD
Marck Recycling and Waste	Jonesboro	CRAIGHEAD
Hedger Brothers Incorporated	Jonesboro	CRAIGHEAD
Delta Materials Handling, Inc.	Jonesboro	CRAIGHEAD
Atlas Asphalt	Jonesboro	CRAIGHEAD
Star Transportation, LLC	Jonesboro	CRAIGHEAD
Tankersley Food Service	Van Buren	CRAWFORD
JR's Trucking	Van Buren	CRAWFORD
TAG Truck Enterprises, LLC	Memphis	CRITTENDEN
Tri-State Truck Center, Inc.	Memphis	CRITTENDEN
Arkansas Distributing Co., LLC	West Memphis	CRITTENDEN
Petro Tank Lines, Inc.	West Memphis	CRITTENDEN
Heartland Equipment Inc.	Wynne	CROSS
Wiederkehr Wine Cellars, Inc.	Wiederkehr Village	FRANKLIN
CJ Horner, Inc.	Hot Springs	GARLAND
Baxley Equipment	Hot Springs	GARLAND
Veranda Marine	Hot Springs	GARLAND
Selected Funeral and Life Insurance Company	Hot Springs	GARLAND
SAV A LOT	Hot Springs	GARLAND
Arkansas Ophthalmology Clinic, P.A. dba Wallace Eye Clinic	Hot Springs	GARLAND
Gigerich Electrical, Inc.	Hot Springs	GARLAND
Aluma Weld Inc.	Hot Springs	GARLAND
Back Track Trailers	Hot Springs	GARLAND
DLM Div Systems Inc.	Malvern	HOT SPRING
Price LogPro, LLC	Malvern	HOT SPRING
Rock City Mechanical Co., LLC	Nashville	HOWARD
Wade's Heating, Air Conditioning and Electric	Batesville	INDEPENDENCE
Ronnie Dowdy, Inc.	Batesville	INDEPENDENCE
SNL Distribution Services Corp.	Batesville	INDEPENDENCE
SNL Distribution Services	Batesville	INDEPENDENCE
White River Materials	Batesville	INDEPENDENCE
Costner Excavating, Inc.	Batesville	INDEPENDENCE
Building & Utility Contractors Inc.	Redfield	JEFFERSON
Reynolds Construction Co.	White Hall	JEFFERSON
Cove Creek Construction	Clarksville	JOHNSON
Morgan Plumbing, Inc.	Texarkana	MILLER
Truman Arnold Companies	Texarkana	MILLER
JMS Russel Metals Corp	Blytheville	MISSISSIPPI

**Arkansas Workers' Compensation Commission
Health and Safety Division
Voluntary Drug Free Workplace Program
New Approvals and Renewals
2nd Quarter, FY 2010**

COMPANY	CITY	COUNTY
SAV A LOT	Brinkley	MONROE
J.D. & Billy Hines Trucking, Inc.	Prescott	NEVADA
Tim Jordan Co.	Camden	OUACHITA
Blackmon Oil, Inc.	Glenwood	PIKE
Roto-Rooter	Russellville	POPE
Industrial Power	Russellville	POPE
Good Shepherd Ecumenical Retirement Center	Little Rock	PULASKI
East Harding, Inc.	Little Rock	PULASKI
Anderson Engineering Consultants, Inc.	Little Rock	PULASKI
Your Employment Service Staffing dba Hughes Staffing	North Little Rock	PULASKI
Central Flying Service	Little Rock	PULASKI
Thompson Electric	Mabelvale	PULASKI
Chiefseahawk Transportation	North Little Rock	PULASKI
Little Rock Christian Academy	Little Rock	PULASKI
Country Club of Little Rock	Little Rock	PULASKI
Coulson Oil	North Little Rock	PULASKI
Horton's Electric, Inc.	North Little Rock	PULASKI
Powers of Arkansas, Inc.	North Little Rock	PULASKI
Hospice Home Care	Little Rock	PULASKI
Penepime of Arkansas	Maumelle	PULASKI
BR McGinty	Bryant	SALINE
Fleming Electric, Inc.	Bryant	SALINE
Fleming Network Services, Inc.	Bryant	SALINE
C & F Steel Erectors, Inc.	Benton	SALINE
RB Transport, Inc.	Waldron	SCOTT
CSK Hotels	Fort Smith	SEBASTIAN
Glidewell Construction Inc.	Barling	SEBASTIAN
Steve Beam Construction	Barling	SEBASTIAN
Forsgren, Inc./Main Office	Fort Smith	SEBASTIAN
Fort Smth Airport Commission	Fort Smith	SEBASTIAN
Forsgren, Inc./Work Site	Fort Smith	SEBASTIAN
Go Ye, Inc.	Fort Smith	SEBASTIAN
A-One Staffing	Fort Smith	SEBASTIAN
Alpha Packaging	Greenwood	SEBASTIAN
Eastern Tank Services, Inc.	Fort Smith	SEBASTIAN
Lovvorn Wholesale Lumber Corp	Fort Smith	SEBASTIAN
Lovvorn Trucking Corp.	Fort Smith	SEBASTIAN
Arkansas Concrete Co.	Forrest City	ST FRANCIS
Norman Transport, Inc.	El Dorado	UNION
Boston Mountain Solid Waste District	Prairie Grove	WASHINGTON
Southern Pipeline Construction Co., Inc.	Searcy	WHITE
SAV A LOT	Searcy	WHITE
Delk Construction Company	Bald Knob	WHITE
Yarnell Ice Cream Co.	Searcy	WHITE
American Bronze Craft	Judsonia	WHITE
White River Rural Health/ARcare	Augusta	WOODRUFF
Midland Engineering	South Bend	OUT OF STATE
Casey Hyman Plumbing Inc.	Pensacola	OUT OF STATE
RWB Construction LLC	Arkoma	OUT OF STATE
The McBurney Corporation	Norcross	OUT OF STATE

MEDICAL COST CONTAINMENT DIVISION

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 14 review requests processed, six (6) review requests granted, and 9 (nine) 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

Investigations: There were 120 investigations conducted this quarter.

Rule 33

We have 11 certified Managed Care Organizations.

Medical Reports

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 MCCD is obtaining medical records from the provider for carriers or employers that have been unable to do so. 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 four (4) cases involving disputes about obtaining the medical records.

Change of Physicians

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 MCCD for processing. If an AWCC file has been established, the MCCD calls the carrier/self-insured employer to determine if a Managed Care contract exists. This call is followed with a letter which is faxed and mailed to all parties. 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. 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. 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 set up an appointment for 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 appointment date. All parties will be copied. If either party objects to the MCCD order, it can appeal to an Administrative Law Judge (ALJ).

This quarter the MCCD received 131 COP requests. MCCD issued 130 orders, and 37 requests were either returned to open general files, withdrawn, controverted, resolved, or returned to the Clerk of the Commission's office for other action.

Quarterly Report
October 28, 2010

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

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

Speaking Engagements: During this quarter there were no engagements/activities attended: