

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

July 30, 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 April, May, and June, 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,

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

D. Alan McClain
Chief Executive Officer

DAM:wd

Enclosure

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

State of Arkansas

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April 30, 2010

QUARTERLY REPORT
April, May, June, 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.

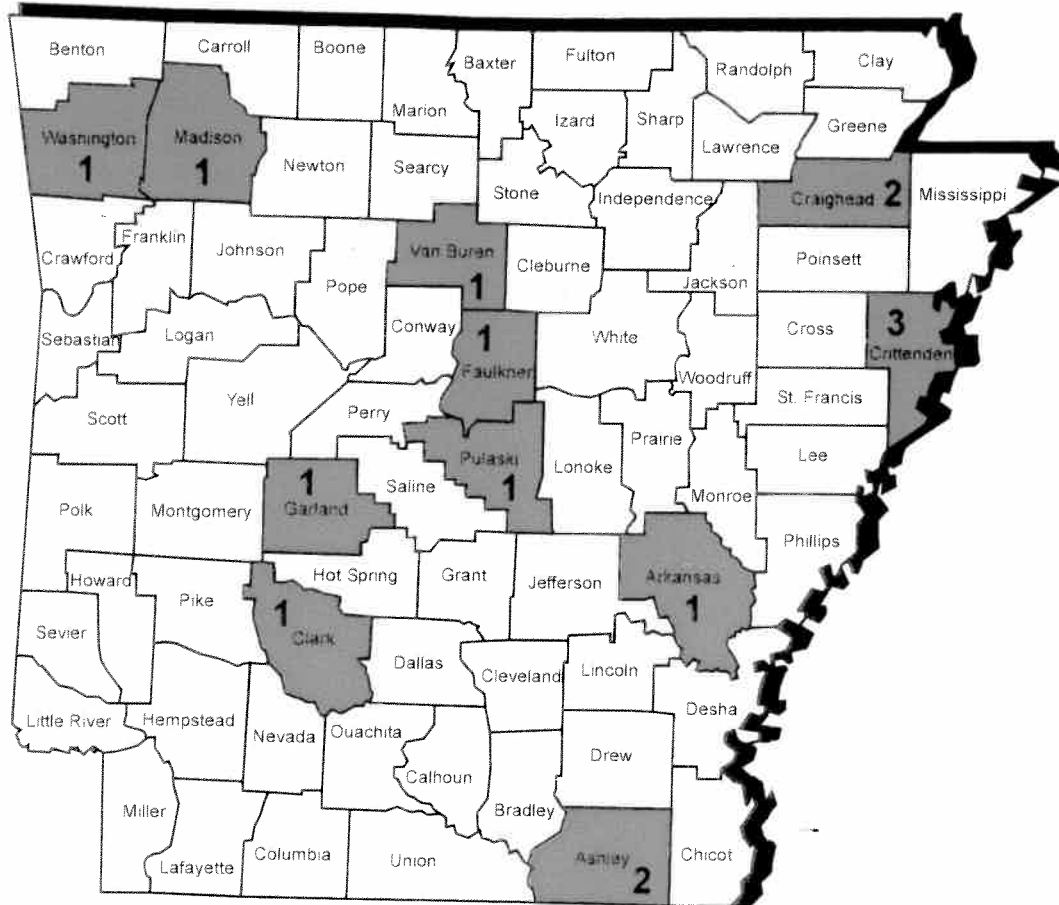
HEALTH AND SAFETY DIVISION

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

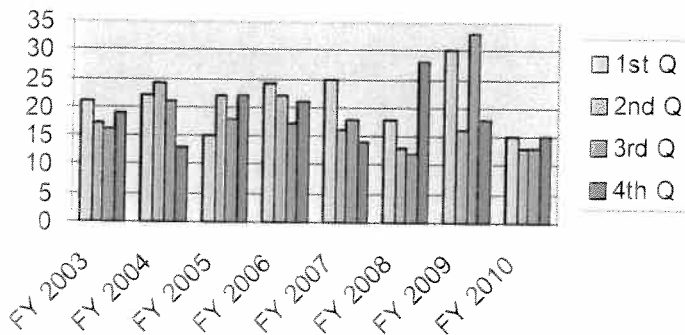
The Medical Cost Containment Division (MCCD) was established pursuant to Ark. Code Ann. §11-9-517 (1987) and is responsible for the implementation, revision, and compliance of Commission Rules 30, 33, and 34. Rule 30 consists of an inpatient and outpatient medical fee schedule. Rule 33 is our managed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

**Arkansas Workers' Compensation Commission
Health and Safety Division
Workplace Fatalities Reported to AWCC
4th Quarter, FY 2010**

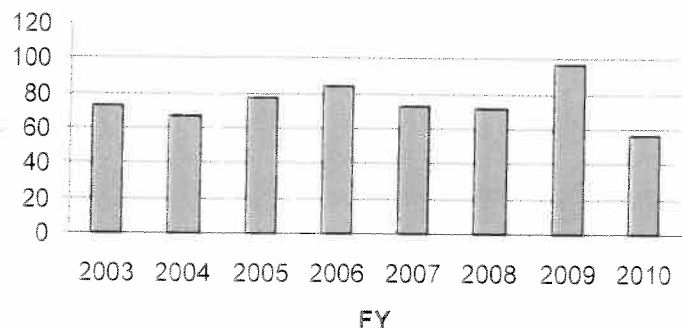


During the 4th quarter, FY 2010, 15 fatalities were reported to the Arkansas Workers' Compensation Commission, for an annual total of 56 fatalities. It should be noted that FY 2010 had the least number of fatalities reported in the eight-year span covered by the summary statistics provided in this report.

Workplace Fatalities by Quarter



ARC Workplace Fatalities, FY Totals



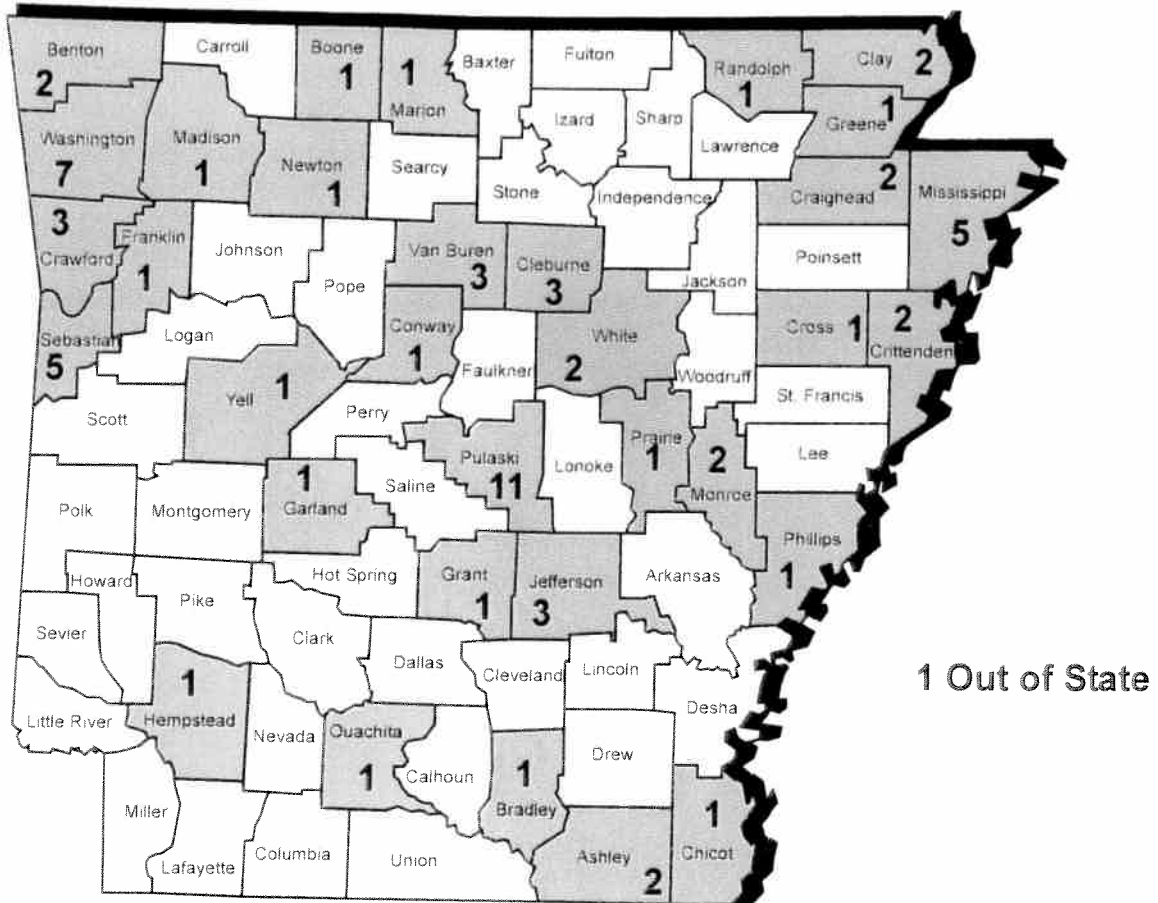
**Arkansas Workers' Compensation Commission
Health and Safety Division
Workplace Fatalities Reported to AWCC
4th Quarter, FY 2010**

Rep. to AWCC	Employee	Employer	County of Employer	Length of Service (yrs.)	Type of Work	Type of Injury
05/11/10	Dale Nichols	Aufderheide Flying Service	Arkansas	13.0	Pilot	Plane crash
05/11/10	Michael New	ICM	Ashley	Not given	Welder	Exposure
06/15/10	Jason Rotton	Standridge Flying Service	Ashley	0.7	Pilot	Plane crash
06/24/10	Winston Wardlaw	Camp Winnomocka	Clark	0.1	Counselor	MVA
04/02/10	Jerry DeWayne McLaughlin	Garry Meadows Construction Co.	Craighead	11.8	Driver	MVA
06/04/10	Shawn Watson	Richard Baugh Construction	Craighead	0.3	Driver	MVA
05/25/10	Robert Paudert	City of West Memphis	Crittenden	6.7	Policeman	Workplace violence
05/25/10	Thomas Evans	City of West Memphis	Crittenden	8.2	Policeman	Workplace violence
06/17/10	Juanita Hall	Omni Distribution, Inc.	Crittenden	0.6	Production	Heart attack
5/20/10	Ruben Castillo	Saxon Enterprises	Faulkner	1.6	Floorhand	Heart attack
5/20/10	Scott Flemming	Superior Senior Care	Garland	Not given	Care Coordinator	Workplace violence
05/25/10	Sam Starnes	Long Valley Timber	Madison	0.4	Tree topper	Struck by
06/09/10	Danny Trawick	Dassualt Falcon Jet	Pulaski	26.1	Sr. Designer	Heart attack
04/06/10	Wendy Freeman	Southside Bee Branch School District	Van Buren	13.4	Teacher	Fall
04/21/10	Dean Bigelow	P.A.M. Transport	Washington	1.6	Driver	MVA

**Arkansas Workers' Compensation Commission
Health and Safety Division
Workplace Fatalities Reported to AWCC
4th Quarter, FY 2010**

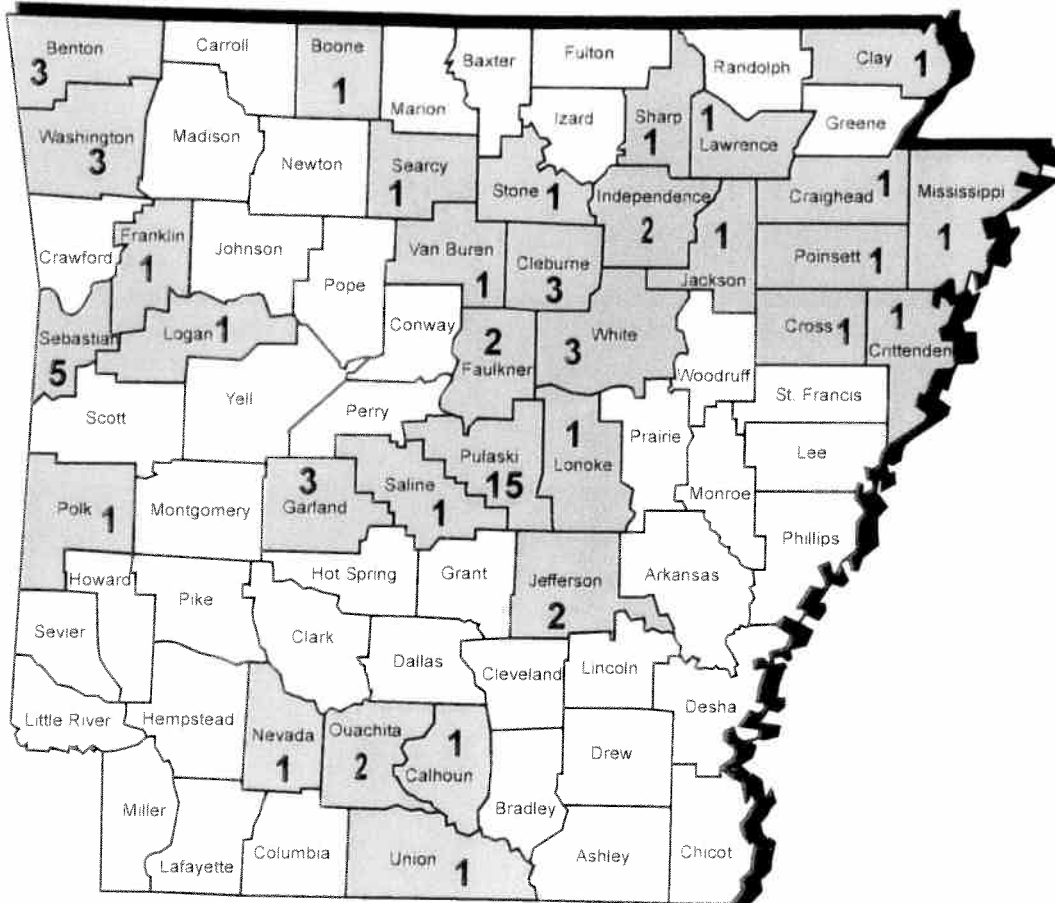
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05/11/10	Aufderheide Flying Service	Arkansas	13.0	Pilot	Plane crash
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04/21/10	P.A.M. Transport	Washington	1.6	Driver	MVA

**Arkansas Workers' Compensation Commission
Health and Safety Division
Employers Placed in the Rule 32 Program
4th Quarter, FY 2010**



During the 4th Quarter, FY 2010, 73 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 2010**



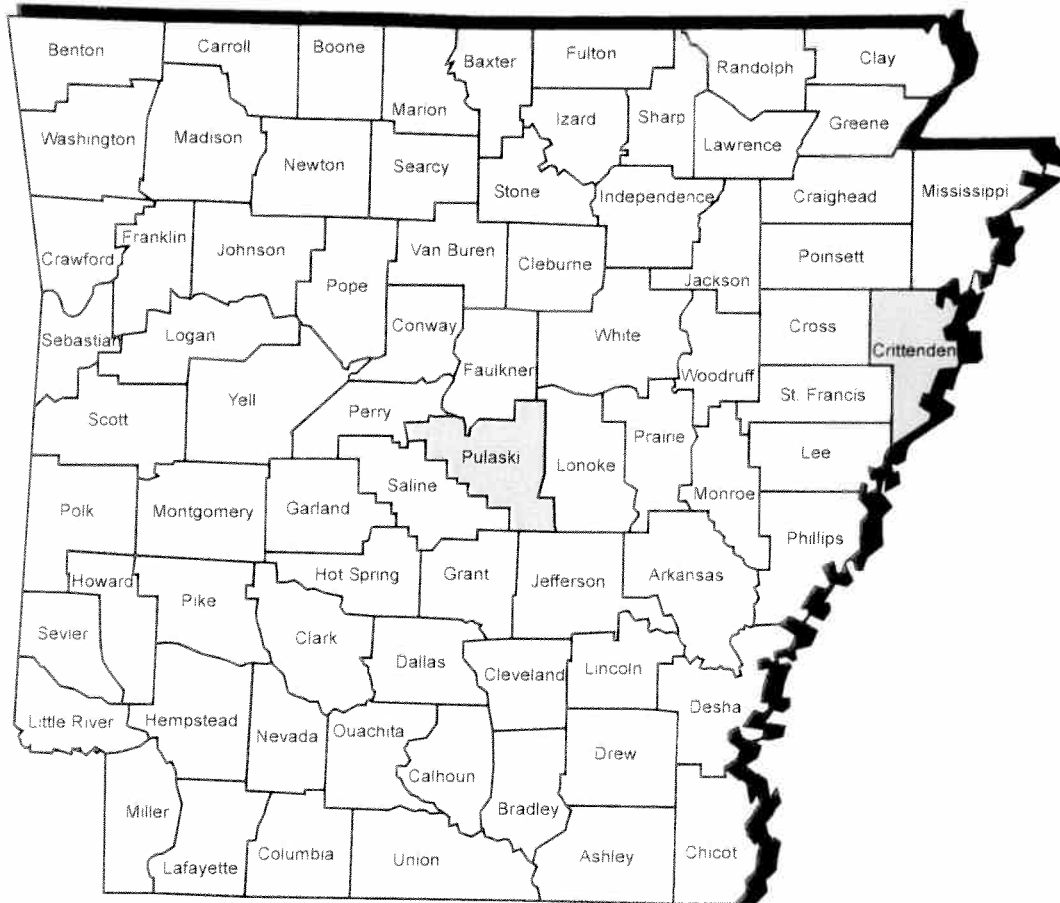
During the 4th quarter, FY 2010, 64 employers successfully completed the Rule 32 Program.

**Arkansas Workers' Compensation Commission
 Health and Safety Division
 4th Quarter, FY 2010
 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's compensation insurance policies in Arkansas. During the 4th Quarter, FY 2010, the APS group inspected the following companies:

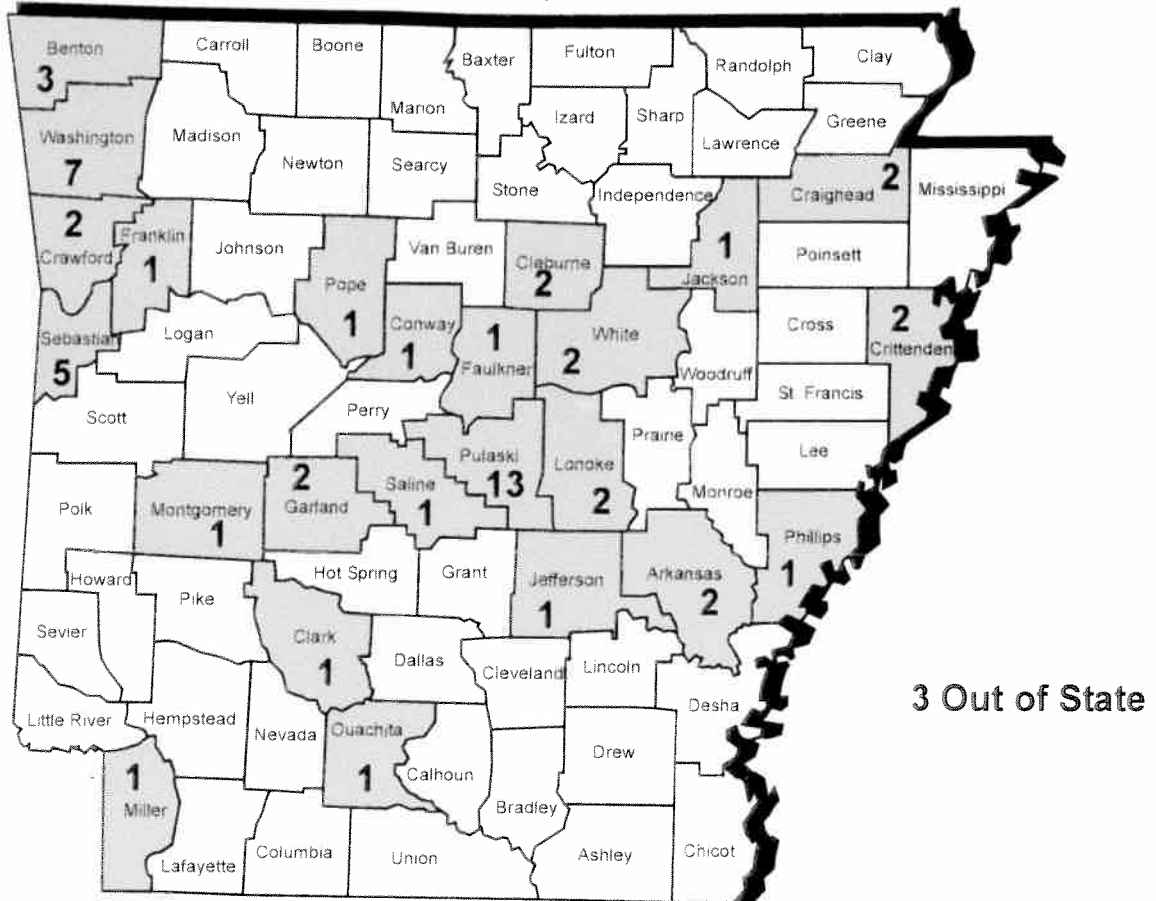
Company	Account Premiums	No. of Policyholders
Lemic Insurance Company	\$571,089.00	120
Retailers Casualty Insurance Company	\$393,780.00	53
EMC Property & Casualty Company	\$99,950	1
Selective Insurance Company of America	\$349,612.00	2
Harleysville Insurance Group - Harleysville Mutual Insurance Co., Harleysville Worcester Insurance Co., Harleysville Insurance Co., Harleysville Preferred Insurance Co.	\$800,674.00	241
Delos Insurance Company	\$840,114	236
Berkshire Hathaway Homestate Companies - Cypress Insurance Co., Cornhusker Casualty Co.	\$4,990,424.00	392
Bridgefield Casualty Insurance Company	\$11,395,804.00	799
Petroleum Casualty Company	\$9,748	1
Dallas National Insurance Company	\$44,568	3

**Arkansas Workers' Compensation Commission
Health and Safety Division
Presentations and Speaking Engagements
4th Quarter, FY 2010**



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 2010**



During the 4th Quarter, FY 2010, 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 2010**

COMPANY	CITY	COUNTY
Riceland Foods, Inc.	Stuttgart	ARKANSAS
Specialized Services Transportation	Stuttgart	ARKANSAS
Freedom Fire Pro, LLC	Rogers	BENTON
Shaw Material	Lowell	BENTON
Collier International	Bentonville	BENTON
J & J Lumber Company, Inc.	Amity	CLARK
F.L. Davis Home Center	Heber Springs	CLEBURNE
F.L. Davis Building Center	Greers Ferry	CLEBURNE
TXD Transport	Morrilton	CONWAY
Construction Network	Jonesboro	CRAIGHEAD
Jonesboro Country Club	Jonesboro	CRAIGHEAD
Wilson Brothers Construction	Alma	CRAWFORD
Quality Petroleum, Inc.	Van Buren	CRAWFORD
Toyota Tsusho America, Inc.	Marion	CRITTENDEN
United Auto Delivery & Recovery, Inc.	Memphis	CRITTENDEN
ICC Builders, Inc	Vilonia	FAULKNER
McCormick Asphalt Paving and Excavating, Inc.	Ozark	FRANKLIN
Three Lakes Distributing	Hot Springs	GARLAND
Quality Petroleum, Inc.	Hot Springs	GARLAND
White River Beverage	Newport	JACKSON
Three Rivers Distributing	Pine Bluff	JEFFERSON
Underground Utilities Contractors, Inc.	Cabot	LONOKE
Underground Utilities	Cabot	LONOKE
Quality Petroleum, Inc.	Texarkana	MILLER
Steve Standridge Insurance, Inc.	Mount Ida	MONTGOMERY
Weatherly Truck Lines, Inc.	Bearden	OUACHITA
Hoffinger Industries, Inc.	West Helena	PHILLIPS
Source Logistics, Inc.	Russellville	POPE
Shaw Material	Little Rock	PULASKI
Quality Wholesale Building Products, Inc.	North Little Rock	PULASKI
Centry Industries, Inc.	Little Rock	PULASKI
Diamond International	North Little Rock	PULASKI
Fraley Roofing, Inc.	North Little Rock	PULASKI
J.W. Heavrin, Inc.	Little Rock	PULASKI
Matson, Inc.	Little Rock	PULASKI
Tire Curing Bladders, LLC	Little Rock	PULASKI
Arkansas Enterprises for the Developmentally Disabled, Inc.	Little Rock	PULASKI
Quality Petroleum, Inc.	Little Rock	PULASKI
Arnold & Blevins Electric	North Little	PULASKI
Collier International	Little Rock	PULASKI
TRL-Truck Centers of Arkansas	North Little Rock	PULASKI
J & S Mfg. Co., Inc.	Bryant	SALINE
National Truck Staffing	Fort Smith	SEBASTIAN
LeakNot, Inc.	Fort Smith	SEBASTIAN
C&H Wholesale Tire	Fort Smith	SEBASTIAN
Weldon, Williams and Lick	Fort Smith	SEBASTIAN
Harris Company of Fort Smith, Inc.	Fort Smith	SEBASTIAN
Mountain Mechanical Contractors, Inc.	Fayetteville	WASHINGTON
Paschal Heat & Air Conditioning Co., Inc.	Springdale	WASHINGTON
Advantage Recycling	Johnson	WASHINGTON
Fayetteville Mechanical Contractors, Inc.	Fayetteville	WASHINGTON
Multi-Craft Contractors, Inc.	Springdale	WASHINGTON
Lightning Electric, Inc.	Fayetteville	WASHINGTON
Fochtman Enterprises, Inc.	Fayetteville	WASHINGTON
Circle K of Arkansas	Rose Bud	WHITE
Skinner Construction Inc.	Beebe	WHITE
Cornerstone Detention Product	Tenner	Out of State
Service Electric Company	Chattanooga	Out of State
Summitt Helicopters, Inc.	Cloverdale	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 18 review requests processed, eight (8) 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

Investigations: There were approximately 136 investigations conducted this quarter.

Rule 33

We currently have 11 certified Managed Care Organizations.

Medical Reports

This quarter we received three (3) cases involving disputes about obtaining the medical records.

Change of Physicians

This quarter the MCCD received 134 COP requests. MCCD issued 130 orders, and 33 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 nine (9) audits.

Rule 34

There have been no changes at this time in Rule 34.

Speaking Engagements

During this quarter there were no engagements/activities attended.