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**New York State Office of the State Comptroller**  
Thomas P. DiNapoli

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Division of State Government Accountability

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# **Assessment of Costs to Administer the Workers' Compensation Program for the Two Fiscal Years Ended March 31, 2013**

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## **Workers' Compensation Board**

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Report 2014-S-43

April 2015

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# Executive Summary

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## Purpose

The purpose of this performance audit is to determine whether the Workers' Compensation Board (Board) has adequate procedures in place to accurately report its assessable expenses related to administration of Sections 50(5), 151, and 228 of the Workers' Compensation Law and Section 60 of both the Volunteer Firefighters' and the Volunteer Ambulance Workers' Benefit Laws. We performed our audit pursuant to legislative mandates included in these statutes, which direct that the Comptroller and the Chair of the Board ascertain the annual amount of expenses incurred in the administration of these Laws. Our audit covered the period April 1, 2011 through March 31, 2013.

## Background

The primary responsibility of the Board is to ensure that employees who are unable to work due to injury or illness are compensated under programs covering both occupational and non-occupational disabilities and sickness. Coverage for these benefits, with limited exception, is to be provided by employers. The Board is also responsible for tracking its costs to administer the Workers' Compensation Program (Program) and assessing these costs on participating insurance carriers, self-insurers, and self-insured political subdivisions of the State.

## Key Findings

- The Board has adequate procedures in place ensure that it accurately identifies and reports its assessable expenses in all material respects.
- The Board made minor calculation errors in the fiscal year 2011-12 assessment, resulting in a net understatement of \$144,592 in the total assessment of about \$204 million. The errors were partially attributable to insufficient staff training.
- The Board lacks a formal review process to ensure the procedures for preparing the assessment are properly executed and monitored.

## Key Recommendations

- Ensure the adjustments noted in this report are included in the 2013-14 assessment.
- Provide additional training on procedures affecting self-insurance expense calculations.
- Implement a formal supervisory review process to ensure assessment procedures are properly executed and monitored.

## Other Related Audits/Reports of Interest

[Workers' Compensation Board: Statement of Assessable Expenses for the Three Fiscal Years Ended March 31, 2011 \(2012-S-71\)](#)

[Workers' Compensation Board: Controls Over Cash Advance Accounts \(2014-S-12\)](#)

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**State of New York**  
**Office of the State Comptroller**

**Division of State Government Accountability**

April 15, 2015

Mr. Robert E. Beloten  
Chair  
Workers' Compensation Board  
328 State Street  
Schenectady, NY 12305

Dear Mr. Beloten:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage government resources efficiently and effectively and, by so doing, providing accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit entitled *Assessment of Costs to Administer the Workers' Compensation Program for the Two Fiscal Years Ended March 31, 2013*. This audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution; Article II, Section 8 of the State Finance Law; and the legislative mandates included in Sections 50(5), 151, and 228 of the Workers' Compensation Law and Section 60 of both the Volunteer Firefighters' and the Volunteer Ambulance Workers' Benefit Laws.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

*Office of the State Comptroller*  
*Division of State Government Accountability*

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This report is also available on our website at: [www.osc.state.ny.us](http://www.osc.state.ny.us)

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## Background

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The Workers' Compensation Board (Board) was established under Article 8, Section 140 of the Workers' Compensation Law. The Board has 13 members appointed by the Governor with the advice and consent of the Senate. The primary responsibility of the Board is to ensure that employees who are unable to work due to injury or illness are compensated under programs covering both occupational and non-occupational disabilities and sickness. The Board also ensures that required payments are made for those covered under the Volunteer Firefighters' Benefit Law and the Volunteer Ambulance Workers' Benefit Law and certain injuries sustained by civil defense volunteers.

Coverage for these benefits, with limited exception, is to be provided by employers. Costs to administer the Workers' Compensation Program (Program) are recovered via assessments by the Board on participating insurance carriers, the State Insurance Fund, self-insurers, and self-insured political subdivisions of the State. The Board and the State Comptroller are required by law to ascertain the recoverable expenses. Recoverable expenses include direct costs of personal service, maintenance and operation, employer fringe benefit contributions, rental for space in State-owned or State-leased buildings, and the services and expenses of central service agencies. Recoverable costs are allocated between programs as explained below.

- **Workers' Compensation (Section 151)** – The Board receives and processes workers' compensation claims. The Board adjudicates these claims and makes findings and awards to injured claimants. All costs incurred by the Board in administering the Program are recovered by assessing all companies writing workers' compensation policies and those firms and municipalities authorized as self-insurers. Depending on the type of insured employer, the specific amount assessed each company is based on either its proportionate share of the total compensation paid, direct written premium, standard premium, or pure premium as prescribed in the respective sections of the Law.
- **Disability Benefits (Section 228)** – The Disability Benefits Program provides eligible employees with cash payments to partially replace earnings lost during periods of temporary incapacity caused by off-the-job sickness or injury. Coverage is required to be provided by all employers, with certain exceptions for agricultural and governmental employers. Municipalities may elect to self-insure. Employers must either provide statutory coverage or participate in a plan that provides benefits that are at least as favorable as statutory coverage. The Board must approve all plans. To recover its costs of administering the Disability Benefits Program, the Board assesses all insurance companies and self-insurers providing coverage for disability benefits. The individual assessments are based on each provider's portion of the total payroll for all employees who were covered during the calendar year preceding the assessment. The term "payroll" includes the first \$7,000 of each employee's earnings.
- **Self-Insurers (Section 50)** – The Workers' Compensation Law allows an employer to be self-insured for the purpose of providing workers' compensation. In these cases, the employer must furnish proof of financial ability to pay such compensation. The self-insurer is required to deposit securities, cash, a Letter of Credit, or a surety bond with the Board

to cover its potential liability. The Board also determines the amount and type of security each self-insurer will deposit. For 2011-12 and 2012-13, the assessment was based upon the self-insured's proportionate share of the total indemnity payments made.

- **Volunteer Firefighters (Section 60) and Volunteer Ambulance Workers (Section 60)** – The Volunteer Firefighters' and the Volunteer Ambulance Workers' Benefit Laws provide that volunteer firefighters and ambulance workers be covered for injuries they sustain when performing their authorized duties. Section 60 of each Law specifies that all costs related to administration are to be recovered from insurance carriers providing coverage to members of volunteer fire departments and volunteer ambulance workers. Determination of such costs is to be based on each carrier's proportionate share of the total indemnity benefit payments for that fiscal year.

The Board prepares its Consolidated Statements of Costs to Administer the Workers' Compensation Program on a modified cash basis of accounting. Generally, cash receipts are recognized when received and cash disbursements are recognized when paid. However, the Board includes disbursements made during each April through June against outstanding encumbrances of the previous fiscal year as assessable costs for that prior year.

As a result of the change from the State's Central Accounting System to the new Statewide Financial System on April 1, 2012, the financial information that the Board developed, and which is presented in the Schedules included in this report, has also changed. For example, the Distribution of Administrative Cash Disbursements by Insurer Category Schedule reports assessable expenses by specific account for the 2012-13 year. This Schedule reports expenses by functional area (object codes) for the 2011-12 year.

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## Audit Findings and Recommendations

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Overall, we found that the Board had adequate procedures in place to accurately identify and report its assessable expenses for the two years covered by our audit. However, we also noted that the Board made minor calculation errors in the fiscal year 2011-12 assessment that resulted in a net effect of expenses relating to the self-insurance carriers (Section 50(5)) being understated by \$144,592. Board officials agreed to correct these errors as part of the 2013-14 assessment.

### Preparation of Consolidated Statements of Costs to Administer the Workers' Compensation Program

We found the Board accurately prepared, in all material respects, the Consolidated Statements of Costs to Administer the Workers' Compensation Program for the two years ended March 31, 2013, which are presented as Exhibits A and B to this report. The Board also provided the supplementary information included in this report, some of which was not audited by us. Specifically, the State Comptroller is required by law to ascertain the recoverable expenses. Therefore, we focused our work on the assessable expenses and did not audit the Supplementary Information – Receipts Schedules included in this report.

We also noted that the Board overstated the General Refunds line expense relating to defaulted self-insurers by \$279,697 because new procedures were not adequately communicated to the person preparing the assessment. The Board also understated prior period adjustments by \$424,289, due to insufficient supervisory review. These two errors resulted in a net understatement of \$144,592 for the 2011-12 assessment. The Board intends to make these corrections in the 2013-14 assessment.

### Recommendations

1. Ensure the adjustments noted in this report are included in the 2013-14 assessment.
2. Provide additional training on procedures affecting self-insurance expense calculations.
3. Implement a formal supervisory review process to ensure assessment procedures are properly executed and monitored.

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## Audit Scope and Methodology

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We audited whether the Board has adequate procedures in place to accurately report its assessable expenses pursuant to Sections 50(5), 151, and 228 of the Workers' Compensation Law and Section 60 of both the Volunteer Firefighters' and the Volunteer Ambulance Workers' Benefit Laws. Our audit covered the period April 1, 2011 through March 31, 2013.

We conducted our performance audit in accordance with generally accepted government auditing

standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. The Comptroller also appoints members to certain boards, commissions, and public authorities, some of whom have minority voting rights. In addition and more specific to this audit, Sections 50(5), 151, and 228 of the Workers' Compensation Law and Section 60 of both the Volunteer Firefighters' and the Volunteer Ambulance Workers' Benefit Laws each require the Comptroller and the Chair of the Workers' Compensation Board to ascertain the total amount of expenses incurred in the administration of these laws. Ascertaining the expenses requires reliance on the State's accounting system, which is maintained in part by the Comptroller. These duties may therefore be considered management functions for purposes of evaluating threats to organizational independence under generally accepted government auditing standards. Because the focus of our performance audit was primarily on the Board's efforts to identify and report appropriate costs and not on calculating the costs themselves, in our opinion, these threats and functions do not affect our ability to conduct an independent audit of the Board's performance.

To achieve our audit objective, we reviewed relevant laws, regulations, policies, and procedures and interviewed Board officials. We also examined the Board's internal controls related to preparing the appropriate cost reports. We also applied audit procedures to the annual assessment statements prepared by the Board. These audit procedures included analytical reviews to identify areas of risk and unique transactions that warrant additional consideration, as well as tests of selected transactions and such other procedures as we considered necessary in the circumstances. We also substantiated the assessable costs presented in these statements by tracing them to financial records maintained by the Board and by the State Comptroller.

## Authority

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This audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution; Article II, Section 8 of the State Finance Law; and the legislative mandates included in Sections 50(5), 151, and 228 of the Workers' Compensation Law and Section 60 of both the Volunteer Firefighters' and the Volunteer Ambulance Workers' Benefit Laws.

## Reporting Requirements

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We provided a draft version of this report to Workers' Compensation Board officials for their review and comment. Their comments have been considered in preparing this final report. Officials agreed with our recommendations and reported that the adjustments we recommended



have now been made to the most recent assessment. Their response is attached in its entirety at the end of this report.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Chair of the Workers' Compensation Board shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

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## Contributors to This Report

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## Division of State Government Accountability

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### Vision

A team of accountability experts respected for providing information that decision makers value.

### Mission

To improve government operations by conducting independent audits, reviews and evaluations of New York State and New York City taxpayer financed programs.

## Exhibit A

**New York State Workers' Compensation Board**  
**Consolidated Statement of Costs to Administer the Workers' Compensation Program**  
**for the Fiscal Year Ended March 31, 2013**

	<b>Section 151: Workers' Compensation Law</b>	<b>Section 228: Disability Benefits Law</b>	<b>Section 50: Self-Insurers</b>	<b>Section 60: Volunteer Firefighters' Benefit Law</b>	<b>Section 60: Volunteer Ambulance Workers' Benefit Law</b>	<b>Totals</b>
Total Cash Disbursements	\$177,512,286	\$5,897,779	\$27,299,210	\$893,351	\$118,834	\$211,721,460
Less: Total Cash Receipts	(8,264,584)	(3,178)	(3,106)	(421)	(56)	(8,271,345)
<b>Net Disbursements</b>	<b>\$169,247,702</b>	<b>\$5,894,601</b>	<b>\$27,296,104</b>	<b>\$892,930</b>	<b>\$118,778</b>	<b>\$203,450,115</b>
Adjustments – DOH	130,015	0	0	0	0	130,015
<b>Total Current Assessment</b>	<b>\$169,377,717</b>	<b>\$5,894,601</b>	<b>\$27,296,104</b>	<b>\$892,930</b>	<b>\$118,778</b>	<b>\$203,580,130</b>
Prior Period Adjustments						
Miscellaneous Adjustment	0	0	21,242	0	0	21,242
Uninsured Employers Fund Assessment	30,000,000	0	0	0	0	30,000,000
<b>Total Costs to Be Assessed on Participating Carriers</b>	<b>\$199,377,717</b>	<b>\$5,894,601</b>	<b>\$27,317,346</b>	<b>\$892,930</b>	<b>\$118,778</b>	<b>\$233,601,372</b>

Note. DOH - Department of Health.

## Exhibit B

**New York State Workers' Compensation Board**  
**Consolidated Statement of Costs to Administer the Workers' Compensation Program**  
**for the Fiscal Year Ended March 31, 2012**

	<b>Section 151: Workers' Compensation Law</b>	<b>Section 228: Disability Benefits Law</b>	<b>Section 50: Self-Insurers</b>	<b>Section 60: Volunteer Firefighters' Benefit Law</b>	<b>Section 60: Volunteer Ambulance Workers' Benefit Law</b>	<b>Totals</b>
Total Cash Disbursements	\$175,721,683	\$7,071,881	\$26,062,985	\$846,768	\$80,825	\$209,784,142
Less: Total Cash Receipts	(5,172,153)	(2,473)	(550,198)	(216)	(21)	(5,725,061)
<b>Net Disbursements</b>	<b>\$170,549,530</b>	<b>\$7,069,408</b>	<b>\$25,512,787</b>	<b>\$846,552</b>	<b>\$80,804</b>	<b>\$204,059,081</b>
Adjustments – DOH	153,988	0	0	0	0	153,988
<b>Total Current Assessment</b>	<b>\$170,703,518</b>	<b>\$7,069,408</b>	<b>\$25,512,787</b>	<b>\$846,552</b>	<b>\$80,804</b>	<b>\$204,213,069</b>
Prior Period Adjustments	58,292	250	131,246	0	0	189,788
<b>Total Costs to Be Assessed on Participating Carriers</b>	<b>\$170,761,810</b>	<b>\$7,069,658</b>	<b>\$25,644,033</b>	<b>\$846,552</b>	<b>\$80,804</b>	<b>\$204,402,857</b>

Note. DOH - Department of Health.

## Supplementary Information - Disbursements

### New York State Workers' Compensation Board Distribution of Administrative Cash Disbursements by Insurer Category for the Fiscal Year Ended March 31, 2013

	Section 151: Workers' Compensation Law	Section 228: Disability Benefits Law	Section 50: Self- Insurers	Section 60: Volunteer Firefighters' Benefit Law	Section 60: Volunteer Ambulance Workers' Benefit Law	Totals
<b>Direct Cash Disbursements</b>						
Personal Service	\$79,404,205	\$2,768,902	\$2,739,465	\$419,920	\$55,858	\$85,388,350
<b>Maintenance and Operations</b>						
Supplies and Materials	\$3,460,295	\$121,619	\$140,395	\$18,299	\$2,434	\$3,743,042
Travel	369,646	15,088	14,275	1,955	260	401,224
Contractual Services	46,251,303	1,317,428	2,233,164	199,194	26,497	50,027,586
Equipment	4,977,588	173,573	172,240	26,323	3,502	5,353,226
Contractual Services - SI	0	0	20,514,461	0	0	20,514,461
<b>Subtotals</b>	<b>\$55,058,832</b>	<b>\$1,627,708</b>	<b>\$23,074,535</b>	<b>\$245,771</b>	<b>\$32,693</b>	<b>\$80,039,539</b>
<b>General State Charges</b>	40,938,133	1,427,552	1,412,376	216,496	28,798	44,023,355
<b>Total Direct Cash Disbursements</b>	<b>\$175,401,170</b>	<b>\$5,824,162</b>	<b>\$27,226,376</b>	<b>\$882,187</b>	<b>\$117,349</b>	<b>\$209,451,244</b>
<b>Indirect Cash Disbursements</b>	2,111,116	73,617	72,834	11,164	1,485	2,270,216
<b>Total Cash Disbursements</b>	<b>\$177,512,286</b>	<b>\$5,897,779</b>	<b>\$27,299,210</b>	<b>\$893,351</b>	<b>\$118,834</b>	<b>\$211,721,460</b>

**New York State Workers' Compensation Board**  
**Distribution of Administrative Cash Disbursements by Insurer Category**  
**for the Fiscal Year Ended March 31, 2012**

	<b>Section 151: Workers' Compensation Law</b>	<b>Section 228: Disability Benefits Law</b>	<b>Section 50: Self-Insurers</b>	<b>Section 60: Volunteer Firefighters' Benefit Law</b>	<b>Section 60: Volunteer Ambulance Workers' Benefit Law</b>	<b>Totals</b>
<b>Direct Cash Disbursements</b>						
Personal Service	\$78,655,423	\$3,693,433	\$3,309,137	\$423,348	\$40,410	\$86,121,751
<b>Maintenance and Operations</b>						
Supplies and Materials	\$389,678	\$19,691	\$17,132	\$2,097	\$200	\$428,798
Travel	454,030	23,679	19,102	2,444	233	499,488
Equipment Rentals	10,586	535	445	57	5	11,628
Equipment Maintenance	3,978,691	201,047	167,389	21,415	2,044	4,370,586
Structure Repairs	99,613	5,034	4,191	536	51	109,425
Real Estate Rents	10,971,214	554,386	461,573	59,050	5,637	12,051,860
Fuel, Light, Power	893,729	45,161	37,600	4,810	459	981,759
Postage & Shipping	1,392,483	70,363	58,584	7,495	715	1,529,640
Misc. Printing	65,195	3,294	2,743	351	33	71,616
Telephone	1,145,969	57,907	48,212	6,168	589	1,258,845
Misc. Contractual Services	34,253,258	927,773	1,914,815	98,245	9,378	37,203,469
Equipment	2,319,075	16,123	13,424	1,717	164	2,350,503
General Refunds	397,350	0	18,296,511	0	0	18,693,861
Interest	4,484	227	206	24	2	4,943
Training	76,184	3,850	3,205	410	39	83,688
Civil Service Recovery	261,616	13,220	11,007	1,408	134	287,385
Archives	18,207	920	766	98	9	20,000
<b>Subtotals</b>	<b>\$56,731,362</b>	<b>\$1,943,210</b>	<b>\$21,056,905</b>	<b>\$206,325</b>	<b>\$19,692</b>	<b>\$79,957,494</b>
<b>General State Charges</b>						
Retirement	\$9,521,781	\$338,813	\$400,594	\$51,249	\$4,892	\$10,317,329
Unemployment Insurance	134,556	4,788	5,661	724	69	145,798
Social Security	5,556,351	197,712	233,763	29,906	2,855	6,020,587
Survivors Benefits	63,320	2,253	2,664	341	33	68,611
Dental & Health Insurance	19,827,150	705,509	834,154	106,716	10,187	21,483,716
Compensation Insurance	1,947,097	69,284	81,917	10,480	1,000	2,109,778
Employee Benefit Fund	870,653	30,980	36,630	4,686	447	943,396
<b>Subtotals</b>	<b>\$37,920,908</b>	<b>\$1,349,339</b>	<b>\$1,595,383</b>	<b>\$204,102</b>	<b>\$19,483</b>	<b>\$41,089,215</b>
<b>Total Direct Cash Disbursements</b>	<b>\$173,307,693</b>	<b>\$6,985,982</b>	<b>\$25,961,425</b>	<b>\$833,775</b>	<b>\$79,585</b>	<b>\$207,168,460</b>
<b>Indirect Cash Disbursements</b>	<b>2,413,990</b>	<b>85,899</b>	<b>101,560</b>	<b>12,993</b>	<b>1,240</b>	<b>2,615,682</b>
<b>Total Cash Disbursements</b>	<b>\$175,721,683</b>	<b>\$7,071,881</b>	<b>\$26,062,985</b>	<b>\$846,768</b>	<b>\$80,825</b>	<b>\$209,784,142</b>

## Supplementary Information - Receipts (Unaudited)

### New York State Workers' Compensation Board Cash Receipts by Insurer Category for the Fiscal Year Ended March 31, 2013

Type of Cash Receipt	Section 151: Workers' Compensation Law	Section 228: Disability Benefits Law	Section 50: Self- Insurers	Section 60: Volunteer Firefighters' Benefit Law	Section 60: Volunteer Ambulance Workers' Benefit Law	Totals
Hospital Arbitration Post – Section 13g-6n	\$1,258	\$0	\$0	\$0	\$0	\$1,258
Medical Arbitration Post – Section 13g-4n	43,521	0	0	0	0	43,521
Chiropractic Arbitration Post – Section 13l-6n	3,681	0	0	0	0	3,681
Psychology Arbitration Post – Section 13m-7n	564	0	0	0	0	564
Podiatry Arbitration Post – Section 13k-6	0	0	0	0	0	0
Unnecessary Delay of Claims – 25-3c-WC	7,871	0	0	0	0	7,871
Unnecessary Delay of Claims – 25-3c-DB	0	0	0	0	0	0
Hospital Records Penalty – Section 13g	200	0	0	0	0	200
Failure to Make Payment – Section 25-2bh	11,928	0	0	0	0	11,928
Failure to File C-2 – Section 110c	86,750	0	0	0	0	86,750
Failure to File Medical Report – Section 12.300	0	0	0	0	0	0
Adjournment Penalty – Section 25-3d	3,936	0	0	0	0	3,936
Fraudulent Practices – Section 114-a3	102,250	0	0	0	0	102,250
Finance Charges – Section 55	0	0	0	0	0	0
Medical Bureau License Fees	9,800	0	0	0	0	9,800
Laboratory License Fees	1,700	0	0	0	0	1,700
IME Reg Fees	1,750	0	0	0	0	1,750
Subpoena Fees	11,482	400	0	0	0	11,882
Photocopy Fees	258,240	0	0	0	0	258,240
Publication Fees	943	33	33	5	1	1,015
General Refunds	7,597,010	0	0	0	0	7,597,010
Surplus Equipment Sales	0	0	0	0	0	0
Parking Fees	5,404	0	0	0	0	5,404
Failure to File GP	0	0	0	0	0	0
Reimbursements – Section 50- 5f	0	0	358	0	0	358
Wi-Fi Royalties	37,596	0	0	0	0	37,596
Interest Fund – 339-B7	78,700	2,745	2,715	416	55	84,631
<b>Total Cash Receipts</b>	<b>\$8,264,584</b>	<b>\$3,178</b>	<b>\$3,106</b>	<b>\$421</b>	<b>\$56</b>	<b>\$8,271,345</b>

**New York State Workers' Compensation Board  
Cash Receipts by Insurer Category  
for the Fiscal Year Ended March 31, 2012**

Type of Cash Receipt	Section 151: Workers' Compensation Law	Section 228: Disability Benefits Law	Section 50: Self- Insurers	Section 60: Volunteer Firefighters' Benefit Law	Section 60: Volunteer Ambulance Workers' Benefit Law	Totals
Hospital Arbitration Post – Section 13g-6n	\$20,786	\$0	\$0	\$0	\$0	\$20,786
Medical Arbitration Post – Section 13g-4n	85,713	0	0	0	0	85,713
Chiropractic Arbitration Post – Section 13l-6n	19,308	0	0	0	0	19,308
Psychology Arbitration Post – Section 13m-7n	1,969	0	0	0	0	1,969
Podiatry Arbitration Post – Section 13k-6	746	0	0	0	0	746
Unnecessary Delay of Claims – 25-3c-WC	11,145	0	0	0	0	11,145
Unnecessary Delay of Claims – 25-3c-DB	0	0	0	0	0	0
Hospital Records Penalty – Section 13g	0	0	0	0	0	0
Failure to Make Payment – Section 25-2bh	9,920	0	0	0	0	9,920
Failure to File C-2 – Section 110c	0	0	0	0	0	0
Failure to File Medical Report – Section 12.300	0	0	0	0	0	0
Adjournment Penalty – Section 25-3d	2,000	0	0	0	0	2,000
Fraudulent Practices – Section 114-a3	57,650	0	0	0	0	57,650
Finance Charges – Section 55	0	0	0	0	0	0
Medical Bureau License Fees	9,800	0	0	0	0	9,800
Laboratory License Fees	2,300	0	0	0	0	2,300
IME Reg Fees	500	0	0	0	0	500
Subpoena Fees	13,035	584	0	0	0	13,619
Photocopy Fees	465,441	0	0	0	0	465,441
Publication Fees	1,347	63	57	7	1	1,475
General Refunds	4,365,450	0	0	0	0	4,365,450
Surplus Equipment Sales	0	0	0	0	0	0
Parking Fees	16,575	0	0	0	0	16,575
Failure to File GP	3,000	0	0	0	0	3,000
Reimbursements – Section 50-5f		0	548,505	0	0	548,505
Wi-Fi Royalties	46,584	0	0	0	0	46,584
Interest Fund – 339-B7	38,884	1,826	1,636	209	20	42,575
<b>Total Cash Receipts</b>	<b>\$5,172,153</b>	<b>\$2,473</b>	<b>\$550,198</b>	<b>\$216</b>	<b>\$21</b>	<b>\$5,725,061</b>



## Supplementary Information - Miscellaneous Adjustments

### New York State Workers' Compensation Board Miscellaneous Adjustments to Assessments by Insurer Category for the Fiscal Year Ended March 31, 2013

Applicable to Workers' Compensation Adjustments	Section 151: Workers' Compensation Law	Section 228: Disability Benefits Law	Section 50: Self-Insurers	Section 60: Volunteer Firefighters' Benefit Law	Section 60: Volunteer Ambulance Workers' Benefit Law	Totals
DOH – Inpatient Hospital Rates	\$130,015	\$0	\$0	\$0	\$0	\$130,015
Assessment Adjustments	0	0	21,242	0	0	21,242
UEF Assessment	30,000,000	0	0	0	0	30,000,000
<b>Totals</b>	<b>\$30,130,015</b>	<b>\$0</b>	<b>\$21,242</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,151,257</b>

Note. DOH - Department of Health; UEF - Uninsured Employers Fund.

### New York State Workers' Compensation Board Miscellaneous Adjustments to Assessments by Insurer Category for the Fiscal Year Ended March 31, 2012

Applicable to Workers' Compensation Adjustments	Section 151: Workers' Compensation Law	Section 228: Disability Benefits Law	Section 50: Self-Insurers	Section 60: Volunteer Firefighters' Benefit Law	Section 60: Volunteer Ambulance Workers' Benefit Law	Totals
DOH – Inpatient Hospital Rates	\$153,988	\$0	\$0	\$0	\$0	\$153,988
Assessment Adjustments	58,292	250	131,246	0	0	189,788
<b>Totals</b>	<b>\$212,280</b>	<b>\$250</b>	<b>\$131,246</b>	<b>\$0</b>	<b>\$0</b>	<b>\$343,776</b>

Note. DOH - Department of Health.

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# Agency Comments

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## Workers' Compensation Board

ANDREW M. CUOMO  
Governor

ROBERT E. BELOTEN  
Chair

April 7, 2015

Mr. John Buyce  
Audit Director  
Office of the State Comptroller  
Division of State Government Accountability  
110 State Street – 11<sup>th</sup> Floor  
Albany, NY 12236-0001

Dear Mr. Buyce:

Please accept this letter as our response to your draft report of the audit entitled *Assessment of Costs to Administer the Workers' Compensation Program for the Two Years Ended March 31, 2013*. We have reviewed the key findings in your report. As noted, the Board has adequate procedures in place to ensure that we accurately identify and report our assessable expenses in all material respects. We adjusted the 2013-14 assessment to address the minor calculation error related to the 2011-12 assessment cycle. We have also developed a more robust review process and trained staff to ensure the assessments are properly executed.

Please let us know if you require any further information.

Sincerely,

Robert E. Beloten