

VIII. BUREAU ADMINISTRATION

A. In general

In the past the administrative apparatus of the Michigan workers' compensation system was sadly underfunded. For example, Wisconsin, which is approximately half the size of Michigan, spent just about as much as this State on its system, while California, about two and a half times the size of Michigan, spent over five times as much. Probably the major reason for its inadequate funding was that the Michigan system had to rely exclusively on general appropriations from the State Legislature. Workers' compensation agencies in over thirty other states are funded in whole or in part by special assessments against insurance carriers and self-insured employers.

The differences in the levels of state funding can be detected simply by walking into the offices of the various workers' compensation agencies in St. Paul, Madison, Columbus, and Detroit. The offices in the first three cities are brightly painted, cheerful, and inviting. Clients have comfortable surroundings in which to wait until their case is reached. In stark contrast the Detroit facilities are bleak and dreary. Claimants must await their turn in a large, spare room that exudes all the cordiality of a prison's visitation center.

Modern equipment and support staff have similarly been lacking in the Bureau. Until recently many ALJs had to type their own decisions on manual machines. No dictating equipment was available. Bureau records were not computerized, and data essential for efficient administration and intelligent assessment of proposed reforms were simply unobtainable.

Hopes that much of this depressing situation might be changed were raised by the 1983 amendment requiring each party to an approved redemption to pay a \$100 fee to help defray the costs of the Bureau and the Appeal Board in administering the statute. On the basis of the estimate that there would continue to be about 16,500 redemptions a year, it was calculated that this new fee would produce an annual income of about \$3.3 million. The Bureau is now in the process of implementing a highly commendable plan, spread over the next five fiscal years, to add additional staff (including new ALJs), fully automate all Bureau programs, establish a management services unit, improve the monitoring of employers' insurance arrangements, expedite claims processing, and provide enhanced public information and education. In view of my own limited acquaintance with the Bureau's management and administrative problems, I am willing to defer to its judgment on most of the steps necessary to remedy existing deficiencies. There are two particular points, however, that individual injured workers have brought to my attention, which I believe deserve a special word.

B. Public Information and Consultants

As the Bureau itself recognizes, there is a serious lack of knowledge concerning the workers' compensation system on the part of employers, employees, and the public generally. As just mentioned, that is one of the areas the Bureau intends to cover in its five-year program. I only wish to underscore my endorsement of this initiative, and to urge the Bureau to review periodically whether it is actually spending enough in this endeavor. I am convinced from my own conversations with a few intelligent, articulate disabled workers that, despite their full capacity to understand a simple explanation of the law, they found it excruciatingly difficult to secure the necessary information about their rights. The Bureau staff is well intentioned but overburdened and harassed by the numbers seeking their assistance. More good literature of the "plain English" variety is an imperative.

Beyond that, from all I can gather the Bureau could use more persons to deal directly with the public, especially disabled workers, both at the informal inquiry stage and at the mediating stage, after a hearing has been sought. Effective intervention by consultants may often avoid more formal proceedings before an ALJ, with increased outlays of time and litigation fees. According to my latest information, there are only a couple of consultants or mediators in the Detroit office, and I think the Bureau should consider the advisability of adding several more.