

**Industrial Commission’s Advisory Committee
On Workers’ Compensation
Minutes
February 11, 2026**

Members Present:

Dave Anderson
Jamie Arnold
Stephaine Butler
Dr. Cody Heiner
Andrew Marcham
Shellie Martin
Amanda Reginer
Matt Pappas
Kelly Paananen
Mark Peterson
Kelli Segroves
Brian Whitlock

Members Absent:

Alex Garca
Joe Maloney
Ex-Officio: Representative James Hotlzclaw
Ex-Officio: Senator Tammy Nichols

Industrial Commission:

Claire Sharp, Chair
Aaron White, Commissioner
Patti Vaughn, Acting Director
Kamerron Slay, Commission Secretary

Opening Remarks and Introductions:

Mr. Arnold led the meeting and opened the meeting at 9:00 a.m. Mr. Arnold reminded attendees to sign in and next requested introductions from Committee members and public attendees.

Minutes of November 19, 2025:

The minutes of the November 19, 2025, meeting were presented for review and approval. Upon the motion of Shellie Martin, seconded by Dave Anderson, the minutes of November 19, 2025, were approved. The motion was carried by unanimous vote.

Industrial Commission Report:

Legislative Update. Chair Sharp stated that this legislative session focuses primarily on the budget. Executive branch agencies have been instructed to delay or reduce low-priority expenditures and identify cost-saving measures. Chair Sharp emphasized JFAC's objective of structuring a balanced budget within which the agencies must operate. Chair Sharp noted that the Commission is in a relatively favorable position, as it operates mainly on dedicated funds with some general fund appropriation. The agency’s JFAC budget hearing is scheduled for February 19th, during which several critical supplemental requests will be presented. These requests include securing a maintenance contract for the IRIS technology project, increasing spending authority for the Peace Officer and Detention Officer Temporary Disability Fund, and enhancing allocations towards the Annual Seminar on Workers’ Compensation and CIWCS, as well as technology replacements and data storage. Chair Sharp also mentioned that, as of this month, the PODO Fund has exceeded its appropriations. Chair Sharp then opened the floor for questions; none were raised.

8 Year Rule Review. Commissioner White outlined the administrative rules review schedule for the next eight years as it relates to the Commission. The review schedule is as follows:

- 2029 – Administrative Rules of the Crime Victims Compensation Act
- 2032 – Administrative Rules Under the Workers' Compensation Law and Peace Officer and Detention Officer Temporary Disability Fund Act.

Commissioner White mentioned that reports from other states have indicated that workers' compensation scams are occurring. These reports indicate that scammers are using Zoom to conduct fake hearings with judges, attorneys, and bailiffs, and then to secure an award settlement, asking injured workers for money up front to release the funds. This week, the Commission received a call from a constituent who got a letter impersonating the Commission, instructing them to send money to receive their workers' compensation award. The Commission will issue a Public Service Announcement (PSA) on social media and post to the agency's website this afternoon to alert constituents to these scams.

CY Comp Rate Adjustments. Mr. Arnold indicated that the item would be deferred to another meeting.

Status Conferences Case Proceedings. Referee Robinson presented draft minor changes to the Judicial Rules of Practice and Procedures (JRPs). Referee Robinson mentioned that these changes are partially due to the recent ISC decision, *Miklos v. L&W Supply*. In *Miklos*, the claimant claims his due process rights were violated, and the ISC requested that the Commission record its proceedings. Referee Robinson explained that the purpose of these changes is to clarify what the commission considers a "proceeding" and contested telephone conferences.

Referee Robinson pointed out that the changes to the JRP, which clarify the separation by defining the proceedings at the start, outline all types of hearings that are typically recorded. Referee Robinson noted that, due to our narrow definition of "proceedings," it was necessary to remove instances where "proceedings" referred to contested matters that were used elsewhere in the JRP, as they conflicted with the new definition. Referee Robinson indicated that while this may appear to be a substantial number of changes, the majority involved deletions. Referee Robinson asked if there were any questions. Mr. Kessinger indicated that the court's concern in *Miklos* was the significant delay of the case. The Commission is now proposing changes to Rule 8, stating that telephone conferences will no longer be considered proceedings. These status conferences lack recordings or proper documentation, leading to frustrations similar to those noted in *Miklos*. Mr. Kessinger indicated that the prolonged nature of these cases, with differing views on the reasons for delays, provides no reliable record for ruling. Mr. Kessinger stated that it remains unclear how this proposal addresses the court's concern in *Miklos*. However, recording requests for emergency hearings, particularly when contested, may provide more transparency and accountability moving forward.

Mr. Kessinger mentioned that they have not yet discussed status conferences, and routine status conferences are often when cases get postponed. During these conferences, one party may state they're not ready, resulting in no recording or written documentation, just a new date. Mr. Kessinger has opposed this several times during status conferences.

Mr. Kessinger expressed concern that cases get postponed without any record of it. There's no documentation showing that one party is prepared and the other party is not, even if the hearing has been scheduled for over a year. Mr. Kessinger indicates that this is the issue central to what the court lamented; it's unclear what happened and how these changes address this concern.

Referee Robinson acknowledged Mr. Kessinger's request for recordings of every status conference but noted that the Commission disagrees. The disagreement stems from the simple and summary nature of workers' compensation cases. They understand the frustration caused by a two-year delay. Unfortunately, the Commission believes that ongoing status conferences do not need to be recorded unless contested. If contested, they should be recorded. According to current rules, which may change, there is no requirement to record regular status conferences intended to advance the case.

Referee Robinson mentioned that if the Commission must document every status or telephone conference, it might lead to fewer such conferences being held. Instead of recording and transcribing 15-minute telephone conferences for potential appeals to the ISC, decisions will now be communicated in writing. This change addresses ISC's concern by providing clear written explanations for all decisions, especially why certain cases were denied, ensuring a comprehensive record for review. Referee Robinson also suggested that a potential solution would be to make every case contested, ensuring it would be recorded. Mr. Arnold moved to form a subcommittee to look at court recordings, seconded by Mr. Kessinger. The motion carried by unanimous vote. *Subcommittee Members: Michael Kessinger (Chair), Kelli Segroves, Matt Pappas, Mark Peterson, Mike Kessinger, Dana Ryden, John Hummel, Sonnet Robinson, Jamie Arnold*

JRP Rule 19 Update. Ms. Vaughn indicated that with the proposed changes to the JRPs from Adjudication, Benefits identified an opportunity to propose modifications to the medical fee dispute process. She stated that the proposed amendments to Rule 19 would clarify that the medical fee dispute process applies only to accepted workers' compensation claims. If a claim is denied, the medical dispute process is not the appropriate venue.

Ms. Vaughn also mentioned that motions and all other supporting documents could be submitted to the Commission via email, which was a primary reason for wanting these changes. Ms. Young, a Medical Fee Analyst, observed that in many medical fee disputes, one party might make an unverifiable claim. This change would permit the Commission to request additional information for clarification purposes when necessary. Additionally, Ms. Vaughn highlighted the proposed change concerning the compensation for costs and expenses. This amendment incorporates existing policy memo language into the JRP, which has been in place for ten years. It clarifies that when a motion is filed, unless the payer's response demonstrates that the payment was made before the motion was filed, the penalty will be applied to the underpayment at the time of filing. Any late payments can be deducted from the ordered amount, but this does not affect the penalty. Ms. Vaughn asked if there were any questions; there were none.

Referee Openings. Referee Ryden discusses current openings, noting the Commission is still recruiting and exploring options, with hopes for positive news soon. She also mentioned that during a recent IAIABC call with Western states, it's not only the state that is struggling to find

qualified applicants. The Commission is actively working on this issue and will provide updates soon.

IRIS Modernization Update. Mr. Linnarz provided an update on the IRIS modernization project, stating that all five workers' compensation modules are now complete, live, and functioning. He mentioned they are working on the CVCP portal and expect to start filing applications for CVCP services within the next month or two. He also reported that 28 out of 31 milestones for the IRIS 2.0 initiative, aimed at enhancing administrative functions, have been achieved. Additionally, Mr. Linnarz announced the launch of the attorney portal, which is available on our website. Furthermore, they are developing a portal for Rehab to facilitate the referral process, currently in testing and ready for queries. Mr. Arnold expressed appreciation that the portal now allows filing Complaints, enabling verification of whether cases have reached the Commission. Mr. Kessinger asked about the portal, and Ms. Vaughn responded that if he contacts the settlements email, they can assist him in connecting.

Subcommittee Reports:

Subcommittee on Peace Officer and Detention Officer (PODO) Temporary Disability Fund. Mr. Wagener indicated that the subcommittee met on January 12th, during which Mr. Arnold and Mr. Peterson presented draft language. However, the draft didn't resolve the issue that, if it's later determined that the injured Peace Officer's case is compensable under the Fund, the initial workers' compensation benefits must be remitted from the injured worker to the municipality or employer. He highlighted the hardship for injured workers who must pay thousands of dollars to cover overpayments. Mr. Wagener stated that this issue is usually addressed in most workers' compensation cases by deducting overpayment from the award. Based on the current language, this is currently not possible for PODO cases. Mr. Wagener mentioned they are exploring solutions and a potential language that would also consider PERSI contributions. Mr. Wagener indicated that they are gathering the additional information and will meet after it is received.

Subcommittee on Referee Pay. Mr. Pappas mentioned that the subcommittee convened a few weeks ago to discuss referee pay. He echoed Referee Ryden's concerns about the difficulty of finding qualified candidates for additional referee positions. The current situation is compounded by inflation, which is challenging the ability to attract new referees despite having two openings.

Mr. Pappas explained that the subcommittee reviewed approaches from other states, noting that each state handles referee compensation differently. In some states, referees have roles similar to district judges or court officials, leading to discrepancies in pay structures. Mr. Pappas acknowledged, as Chair Sharp mentioned, that the legislature has mandated budget constraints and that efforts are underway to address them for the next fiscal year. However, budget changes require legislative approval, making it challenging to recruit attorneys from the industry to serve as Referees under the current circumstances.

Mr. Pappas mentioned that pay adjustments are needed for all 7 Referees: 2 IDOL Appeal referees, and 5 Workers' Compensation Referees. The subcommittee had discussed filling one of the two Referee openings and reallocating the funds, but this could lead to permanently losing the 5th position. The subcommittee discussed consulting with legislators familiar with workers'

compensation to gain support from, and progress is ongoing. Mr. Pappas noted that a 10-20% pay increase is necessary to remain competitive, as neighboring states face similar problems. The subcommittee is actively working with the legislature to move this process forward, despite the political complexities involved. Mr. Pappas asked if there were any questions; there were none.

Subcommittee on Court Reporters. Mr. Arnold indicated that the subcommittee examined the cost of court reports and found that most local court reporters are within expected costs. However, issues arise with out-of-state contracts where the firm requesting the deposition hires a court reporter, often resulting in fees three to four times higher due to additional charges. Mr. Arnold indicated that commentary from the ITLA list serve highlighted related concerns, and the subcommittee is currently exploring other options through the Commission. Mr. Arnold said that the subcommittee will probably not meet again unless there is a new need, at which time they may reconsider meeting. Referee John Hummel echoed this sentiment, highlighting the extensive costs associated with hearing transcripts and interpreters.

Other Issues/Announcements:

Public Comment: Mr. Wagener noted that the Legislature is focused on thoroughly cleaning up the code. He mentioned Idaho Code 72-602, which concerns employers' notice of injury and reports. Mr. Wagener pointed out that this section of the statute is now obsolete due to EDI reporting and is no longer widely used. Specifically, under subsection number 5, failing to comply is considered a misdemeanor. Mr. Wagener and Mr. Arnold proposed forming a subcommittee to review and update Idaho Code 72-602 for the 2027 session.

Chair Sharp outlined the available options, which include addressing the matter as an agenda item or forming a subcommittee. Chair Sharp noted that the Commission had prepared a list of legislative ideas but was moving forward with three, emphasizing that they were proceeding in accordance with the Legislature's schedule. Chair Sharp indicated that since Idaho Code 72-602 was included in the list of ideas, they have a starting point. Mr. Wagener inquired about the submission timeline. Ms. Slay responded that the agency will not be informed of the timeline until after the legislative session concludes. Shellie Martin moved to form a subcommittee, seconded by Andrew Marcham. The motion was carried by unanimous vote. *Subcommittee Members: Chris Wagener (Chair), Patti Vaughn, Dave Anderson, Matt Pappas, Mark Peterson, Shellie Martin, Andrew Marcham, and Jamie Arnold.*

Ms. Martin requested clarification on the dates for the remainder of the year. Ms. Slay confirmed that the dates were accurate, indicating that these were the only times the Coral room was available, and all meetings for the rest of the year would take place in this room.

Mr. Peterson inquired about the status of the third Commissioner. Chair Sharp responded by stating that, if she had to predict, an update would likely not be available until after the session. She explained that the process requires time and that the legislative session occupies much of the Executive branch's capacity and resources.

Mr. Marcham proposed establishing a subcommittee to examine the complexities surrounding Neel and to define the circumstances under which Neel is applicable. Mr. Kessinger requested clarification on the specific aspects that the subcommittee would be investigating. Mr. Marcham

acknowledged the complexity of Neel, noting that there is some ambiguity regarding its application. Upon the motion of Mr. Marcham, seconded by Mr. Peterson, the subcommittee on Neel was formed. *Subcommittee Members: Andrew Marcham, Mark Peterson, Shellie Martin, Kelli Segroves, John Hummel, Jamie Arnold/Matt Vook, Darin Monroe, Patti Vaughn, and Jen Poole.*

Next Meeting Date: May 20, 2026

Adjournment:

Mr. Anderson moved to end the meeting, seconded by Andrew Marcham. The meeting ended at 10:11 a.m.