

# LOVE CANAL MEDICAL FUND, INC. ANNUAL REPORT 2000

## I. INTRODUCTION

This is the report of the Board of Directors for the Love Canal Medical Fund, Inc. (LCMF) for the year 2000. The following two paragraphs describe the creation of the Love Canal Medical Trust Fund and the Love Canal Medical Fund, Inc.

### A. Creation of the Love Canal Medical Trust Fund: Beneficiaries

On December 20, 1983, the Supreme Court, State of New York, County of Niagara, approved a settlement agreement between the plaintiffs and the defendants in the case of **Urban et al. v. Occidental Chemical Corporation et al.** The settlement agreement called for the establishment of the Love Canal Medical Trust Fund for the benefit of the living plaintiffs of the lawsuit. The purpose of the Medical Trust Fund is to provide future benefits to plaintiffs who incur medical expenses related to medical problems which reasonably could have been associated with exposure to toxic chemicals emanating from a former landfill in Niagara Falls, New York, known as the ALove Canal.® Individuals who are eligible for benefits from the Love Canal Medical Trust Fund are limited to those thirteen hundred twenty-eight (1328) plaintiffs who entered into the settlement agreement. The Articles of Incorporation state that the Medical Trust Fund should be in existence until the last eligible recipient is deceased, which is likely to be 80 years from inception.

### B. Creation of the Love Canal Medical Fund, Inc.

On January 4, 1985, the same Court ordered the establishment of a not-for-profit corporation to be named the "Love Canal Medical Fund, Inc." to administer the Love Canal Medical Trust Fund, subject to the Court's supervision. The Court ordered that the Fund receive from the settlement the amount of one million (\$1,000,000) dollars and directed that the Fund report to the Court annually concerning its activities, and that all expenditures be approved by the Court. The Fund's Certificate of Incorporation was filed with the Secretary of State, State of New York, on August 5, 1985. All of the Board's actions are subject to Court approval.

## II. Background and Administration of the Love Canal Medical Fund

Love Canal Medical Fund applied for and was granted tax exempt status under Section 501(C)4 of the Internal Revenue Code in 1989. Federal Form 990 is filed with the Internal Revenue

Service annually. A copy is available upon request. LCMF received tax-exempt status from New York State sales tax in 1991. Payment of medical expenses from LCMF to beneficiaries is tax exempt.

*A. Board Members*

The initial members of the Board of Directors were appointed by the New York State Supreme Court. Additional Board members have been appointed by the Board and approved by the Court. Half of the Board of Directors consist of one-time residents of Love Canal and half are experts in professions related to administration of the Fund. All Directors volunteer their services. A current list of the Board of Directors is included at the end of this report.

*B. Medical Benefits Plan*

The Board of Directors of the Love Canal Medical Fund were directed by the Court to develop and submit to the court for approval, a Medical Benefits Plan containing a procedure for the distribution of benefits to the beneficiaries of the Love Canal medical Trust Fund. In response, the Medical Benefits Plan was prepared first in 1987 and later updated in 1994, 1996, and 1999. The Plan is not an insurance policy. It should be relied upon by beneficiaries as their primary or sole source for reimbursement of medical expenses. Nor should it be considered a substitute for health insurance.

The Medical Benefits Plan describes the conditions, provisions, exclusions, and limitations of the coverage provided by the LCMF for medical expenses incurred by beneficiaries for medical conditions which reasonably could be associated with exposure to toxic chemicals found at the Love Canal toxic waste site. The Plan also covers preventive and diagnostic procedures in order to detect early on medical conditions that could reasonably be associated with exposure to toxic chemicals. These medical conditions could have been present at the time of residency in Love Canal, or they may be any of many medical conditions that may have developed since moving away from the area.

The Plan will pay up to a maximum of \$10,000 per beneficiary per year for covered medical expenses subject to a list of exclusions and limitations. Beneficiaries are directed to the Medical Benefits Plan Booklet for a list of these exclusions and limitations. Coverage provides for one annual routine physical examination per beneficiary per year.

*C. Submitting and Payment of Claims*

A procedure was established to review, approve, and pay claims. Claims are submitted on forms provided by the LCMF and included in the Medical Benefits Plan Booklet. Claims are received and processed by Albert F. Stager, Inc. These claims are assigned a file number, so that the identity of the claimant is not known to Board members. The processed claims are then sent to the LCMF Board. Claims are reviewed by the full Board, or its authorized Committee between Board meetings, to discuss and vote on each claim. The Board's decisions are then given to Albert F. Stager, Inc., who responds to the beneficiaries and issues payment of claims that are approved. Stager may contact

people to clarify questions raised by the Board or to obtain additional information. People whose claims are denied are also contacted by Albert F. Stager, Inc., given the reason for the denial, and a description of the appeals process. Albert F. Stager has processed claims for the LCMF since the program was established.

*D. [Claims for Board Members](#)*

Some members of the Board of Directors are beneficiaries of the Fund. The Court ruled that Board members who are beneficiaries are entitled to payment of their medical claims. Procedures were established so that Board Members who have a claim against the Fund do not review or vote on their own claims. They are excused from that portion of the meeting. Claims paid to Board members are taken from the principal of the fund and not the earnings of the fund, as directed by the New York State Supreme Court.

*E. [Appeals Board](#)*

The Fund established an Appeals Board in 1990. The purpose of the Appeals Board is to review any claim appealed by a beneficiary that has been rejected for payment based on medical reasons. The LCMF Board of Directors reviews appeals of claims rejected for other reasons. The Board decides on all policy issues. The Appeals Board may also be contacted for expert opinion when required. Members of the Appeals Board are not paid

*F. [Financial Matters](#)*

Merrill Lynch manages the investments of the Love Canal Medical Fund. The funds of the Love Canal Medical Trust Fund are invested primarily in U.S. Government securities and to a small degree in Mutual Funds and Certificates of Deposit. All financial matters are approved by the Board of Directors and by the NY State Supreme Court. A statement describing the account status is sent by Merrill Lynch to the Treasurer and Chairman of the Board each month.

*G. [Reporting to the New York State Supreme Court](#)*

The Love Canal Medical Fund Board reports annually to the Supreme Court of the State of New York concerning its activities and all financial matters. The Court reviews and approves the budget and expenditures annually.

### **III. Year 2000 Activities**

*A. [Meetings](#)*

In the year 2000, the Love Canal Medical Fund Board met in March, August, and November in Niagara Falls, New York.

*B. Benefits Paid*

The amount of benefits paid to beneficiaries in the year 2000 was \$88,280.00. The total amount of benefits paid from inception of the Fund including the year 2000 is \$381,170.00.

*C. Financial Statement*

Investment income for the year 2000 was \$141,486. Total expenses, including beneficiary payments were \$117,815. Net income was \$23,651. Total of fund balances at the end of the year was \$1,982,843. An audit of the financial records of Love Canal Medical Fund for the year 2000 was conducted by Donald Litwin, CPA. A copy of the audit is available upon request.

*D. Medical Benefits Plan*

In the year 2000, the Medical Benefit Plan was revised retroactive to January 1999. The revisions were approved by the Court and the revised Plan was mailed to all beneficiaries at their last known address. The changes were put in place until December 31, 2003, at which time they would be re-evaluated by the Board. The changes were:

1. Prescription coverage was increased to an annual limit of \$2,000.
2. Coverage for mental health testing and treatment expenses was increased to an annual limit of \$2,000.
3. Reimbursement for the annual physical was increased from \$150.00 per person per year to \$250.00 per person per year.
4. One deductible of \$100.00 will be applied to all beneficiaries, eliminating a separate deductible for participants who do not have insurance coverage (previously \$300 per person per year).
5. Medical conditions as well as birth defects leading to hearing loss that reasonably could be associated with exposure of toxic chemicals at Love Canal are also covered.

*E. Outreach Activities*

1. A serious commitment was made in 2000 to expand outreach efforts to beneficiaries. The most important way this was done was through the preparation and distribution of the Love Canal Medical Fund Bulletin. The Bulletin provides a way to get information to beneficiaries such as changes in medical coverage and procedures for submitting claims. They have also helped us keep track of beneficiaries who move, change names or are deceased. The Bulletin was mailed out three times during 2000. The Bulletin included an announcement that positions were open on the LCMF Board of Directors for residents and several nominations were received.

2. Further efforts were made to make it easier for participants/beneficiaries to contact LCMF. The Board established an e-mail account through Adelphia Power Link. The address is [lcmf@adelphia.net](mailto:lcmf@adelphia.net). A telephone line was established in 2000. The number is 716-773-6578. The Board decided to use an answering machine because it did not want to pay the extra cost for a person to answer the phone. Beneficiaries were encouraged to leave a message which was checked daily.

3. A continuing effort was made to locate beneficiaries who move or whose mail is returned as nonforwardable.

**LOVE CANAL MEDICAL FUND  
BOARD OF DIRECTORS  
SERVING IN 2000**

|                       |            |
|-----------------------|------------|
| Janice Alexander      | - Resident |
| Joseph Dunmire        | - Resident |
| Lois Gibbs            | - Resident |
| Sheila Graziano, Esq. | - Expert   |
| Luella Kenny          | - Resident |
| Stephen Lester, MS    | - Expert   |
| Adeline Levine, PhD   | - Expert   |
| Joan Matty, RN, MS    | - Expert   |
| Pauline Pilipauskis   | - Expert   |
| Barbara Quimby        | - Resident |
| Carol Segal, MD       | - Expert   |
| Virginia Troy, RN, MS | - Expert   |

**LOVE CANAL MEDICAL FUND OFFICERS**

|              |                    |
|--------------|--------------------|
| Luella Kenny | - Chairperson      |
| Lois Gibbs   | - Vice-Chairperson |

Sheila Graziano  
Joseph Dunmire

- Secretary  
- Treasurer