

Alaska State Legislature

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SENATOR JAMES KAUFMAN

Sponsor Statement for SB 147 – Bill Version A

"An Act relating to reemployment rights and benefits; and providing for an effective date."

This bill seeks to address critical shortcomings in Alaska's Workers' Compensation system.

Alaska's worker's compensation premium rates are the 4th highest in the nation. However, the maximum plan cost of \$13,300 set in the year 2000 has not been adjusted for inflation, making the amount often insufficient in meeting statutory requirements. The current system also limits workers' flexibility in moving to different occupations.

Alaska's attempts at ensuring quick, efficient, fair, and predictable compensation to injured workers at a reasonable cost to employers has not been working. In recent years, an average of 140 out of 550 evaluations performed each year were found eligible for the current system's rehabilitation plan, yet only an average of 13 workers fully finished the plan.

The Alaska workers' compensation plan has spent an average of ten million dollars supporting these injured workers over the same period. This is clearly not an efficient system. The Alaska Workers' Compensation Act last was updated in 2000 and again in 2005 with the addition of job relocation benefits, but it is long past due that we address the other shortcomings of the system.

The primary objective of this legislation is to ensure that injured workers receive swift and fair access to indemnity and medical benefits while also promoting efficient return-to-work programs. SB 147 would transition from an emphasis on retraining to an emphasis on stay-at-work/early return-to-work. By updating the system to better align with modern realities, we can reduce the economic burden of workplace injuries and illnesses on Alaskans, improve employment retention, and get more Alaskans back to work in our communities.

Employees and employers have a shared desire to get a worker rehabilitated and back to work as quickly as possible after an injury occurs. This legislation intends to facilitate this by setting clearer guidelines regarding the responsibilities of all stakeholders.

Alaska can be a tough place to work, and injuries do occur. It is important we as a state help these injured workers rehabilitate with fair and predictable compensation. That way, we can hopefully keep these workers in our state and do our duty as a government of protecting its citizens. I hope you will support this important legislation.