

# Alaska State Medical Association

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February 22, 2010

Honorable Kurt Olson  
State of Alaska  
House of Representatives  
Chair, House Labor and Commerce Committee  
State Capitol, Room 24  
Juneau, AK 99801

RE: HB 346 – Workers Compensation Advisory Board

Dear Representative Olson:

The Alaska State Medical Association (ASMA) represents physicians statewide and is primarily concerned with the health of all Alaskans.

ASMA opposes HB346 as it is currently written. ASMA feels it is critical to have a greater presence on this advisory board. This is particularly true if the rumored “sunset” of the Medical Services Review Committee (MSRC) takes place. At a minimum, the physician community should have an equal number of voting representatives as does organized labor and employers. Additionally, ASMA recommends that those physician representatives be evenly split between proceduralists (eg. surgeons) and generalists (eg. general internists).

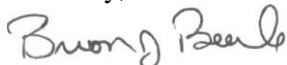
Testimony provided on HB314 indicated that the percentage of total Workers Compensation that relates to medical care cost is up to 72% based on the latest data for 2008. This was termed an increase in “medical severity”, a term used in the Workers Compensation technical world that encompasses a number of complex and related factors. The amount paid to a particular medical care provider is but one of the components. Other more complex components such as the trend in the injury severity, the frequency which a certain service is provided, and the trends in the change of treatment type mix (eg. a movement from a “watchful waiting” course of treatment to more complex surgical treatment) have a material effect on the total cost. (ie, the “medical severity”).

These other factors may be influenced by such elements such as treatment guidelines and the comparative effectiveness of the various treatment algorithms. The development of the comparative effectiveness for each of the numerous treatments algorithms for the possible injuries or diseases is in its infancy.

The expertise of the physician community is necessary to provide the meaningful input necessary for the Workers Compensation Board to make informed decisions. The Legislature realized this when it created the MSRC for the purpose of providing advice on the appropriateness, necessity, and cost of medical and other related services.

ASMA stands ready to assist you in these complex issues.

Sincerely,



By: Brion Beerle, MD, President  
For: The Alaska State Medical Association