

ALASKA STATE LEGISLATURE

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Session: January – April
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Official Business

Sponsor Statement **Committee Substitute for House Bill 346 (L&C)**

“An Act establishing the Workers’ Compensation Advisory Council; abolishing the Medical Services Review Committee; and providing for an effective date.”

Since the mid-1980’s an informal workers’ compensation advisory committee has operated in Alaska. This “Ad-Hoc” committee was comprised of representatives from organized labor and from the Workers’ Compensation Committee of Alaska – an industry group organized to lobby for changes to Alaska’s Workers’ Compensation Act. The Ad-Hoc Committee was instrumental in effecting the huge changes made to the Act in 1988. However, since then, the committee has been unable to achieve any success in large part due to their lack of any statutory legitimacy.

In 2005 the legislature amended AS 23.30.095 to create a Medical Services Review Committee to advise the commissioner of the Department of Labor and Workforce Development in the area of medical costs and related services in workers’ compensation. In November 2009, the Committee issued its final report and recommendations. One of the recommendations was the establishment by statute of a Workers’ Compensation Advisory Council to advise the commissioner and legislature in the area of workers’ compensation.

Similar councils have been created and operate quite effectively in other states. These councils are charged with recommending statutory changes to the legislature as well as regulations to departments in the area of workers’ compensation. The purpose of the council is to improve workers’ compensation systems by drawing together representatives from all workers’ compensation stakeholders who gather and analyze data and information, discuss and debate options and make recommendations regarding problems facing the effectiveness of workers’ compensation systems.

This bill creates a council similar to that found in many other western and mid-western states. The council is comprised of 11 voting and 5 non-voting members: four voting members drawn from organized labor, four voting members drawn from various employer groups and three voting members from the various medical societies. Non-voting members provide expertise and are drawn from the insurance industry (2 members), the legislature (one from each legislative body) and the commissioner or his designee.

I urge your support of this bill.