



Workers' Compensation Committee of Alaska

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March 6, 2014

The Honorable Kurt Olson
House of Representatives
Alaska State Capitol
120 Fourth Street
Juneau, AK 99801-1182

RE: HB 316

Dear Representative Olson:

The Workers' Compensation Committee of Alaska (WCCA), an employer advocacy organization, wants to thank you for all your efforts in trying to achieve some meaningful workers' compensation reform. Though we support HB 316 as written we do have the following concerns and recommendations:

- While HB316 reduces medical costs initially, other states that set medical fee schedules with no treatment guidelines have found after the fees are reduced, treatment frequency and modalities increase. We believe the same will happen in Alaska and recommend treatment guidelines and frequency standards be developed to ensure treatment is reasonable, necessary and begets positive outcomes for the patient in a reasonable timeframe.
- The board should take input from the Medical Services Review Committee (MSRC) to set the relative value multiplier, as the MSRC has representatives from the medical community (as well as business and labor) and the Board does not. We feel medical community representation will bring more of their buy-in to the relative value multiplier.

Thank you for allowing us to share our concerns and recommendations. We look forward to continue working with you on Alaska's workers compensation reform. In that vein, we recommend two additional changes to the workers' compensation system that we feel will have positive outcomes for injured workers and will reduce costs to employers immensely:

- **AS 23.30.095(a) needs to be completely rewritten.** The Alaska Supreme Court in its Weidner v. Hibdon, [989 P.2d 727 (1999)] decision set precedent of virtually automatic coverage for medical costs in the first two years after a workplace injury. The Hibdon decision has completely changed the application and meaning of the law.
- Eliminate the vocational rehabilitation system as it currently exists.

Thank you again for your efforts to help Alaska business!

Very truly yours,

Chuck Brady
President
Workers Compensation Committee of Alaska