

Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304 • (907) 561-2063 (fax)

April 9, 2014

Honorable Kurt Olson
Alaska House of Representatives
State Capitol Room 24
Juneau, AK 99801

RE: House Bill 316 April 9 Proposal

Dear Representative Olson:

Thank you for your continued efforts to reform the workers compensation system and for your willingness to work with the Alaska State Medical Association ("ASMA"). The medical community are Alaska businesses many of which are "small businesses" that employ thousands of people, contribute to the economy and also understand the cost of workers' compensation from a business cost perspective. In short, we appreciate the cost impact of workers' compensation insurance and are not opposed to looking for responsible ways to reduce the cost burden to businesses while protecting patient care.

In our letter of March 12 commenting on HB 316 we outlined our concerns regarding the establishment of a fee schedule around the broad goals of accountability, policy and process.

We believe that the proposal establishes a sufficient public process that will assure accountability. Specifically, we believe having the Medical Services Review Committee ("MSRC") develop the fee schedule conversion factor or factors will allow for a robust public process and that having the Commissioner of Labor involved in approving the work of the MSRC will provide appropriate accountability. Our main concern along with having Commissioner level approval was ensuring that the development of the conversion factor allowed for a robust public process and your proposal accomplishes this goal.

The last item that we raised was the establishment of the policy that the fee schedule is attempting to implement. We appreciate that this is a difficult task to draft into a statute and will continue to work with you on this as the bill moves through the process. We also appreciate the statements on the record reflecting agreement with these general principles. Workers' Compensation fee schedules should not result in subsidized care and should reflect the need for medical providers to earn a profit. We continue to believe that the legislature should clearly articulate this policy.

Thank you for your efforts and ASMA supports your latest proposal moving forward.

Sincerely,



Jana Cole, MD
President – Alaska State Medical Association