

May 13, 2021

Representative Ivy Sponhholz,
Representative Zack Fields, and the
Members of the House Labor and Commerce Committee
Alaska State Capitol
Juneau, Alaska 99801

Dear Representatives Sponholz, Fields and Committee Members,

The Alaska Municipal League Joint Insurance Association (AMLJIA) opposes HB204.

The AMLJIA is a joint insurance arrangement organized under AS 21.76 with 157 member municipalities and school districts pooling for workers' compensation coverage. Local government bears the single largest exposure to changes in workers' compensation law as it applies to first responder employees such as firefighters, EMTs, and police.

HB204 proposes to add breast cancer to the laundry list of cancers that is already too broad in our opinion. All of these are chronic diseases that often have genetic and lifestyle choices as their cause. Breast cancer is a common "life disease" that according to the American Cancer Society afflicts thirteen percent of women without regard to occupation (1 in 8).

The presumption is unnecessary and potentially costly. Currently, if a firefighter contracts cancer and claims that it is work-related, it is up to the employer to demonstrate that it is not. These claims are covered by workers' compensation already. By creating a strict presumption, the claim will most often be covered by the workers' comp. system, even when it is not work-related.

We all know women (and to a lesser degree men) who have battled breast cancer. Very likely none were fire fighters.

If we are destined to get breast cancer added to the presumption list, maybe you can at least narrow the field to those who do not carry BRCA1 or BRCA2 mutations. The National Institutes of Health reports that carriers of BRCA1 or BRCA2 mutations have a lifetime risk of 49 to 87 percent for developing breast cancer.

There is no more expensive way to pay for an injury or illness than our current workers' compensation system. Health programs are able to control medical costs through negotiated agreements with health care providers. Workers' compensation cannot. It is interesting to note that both workers' compensation and health benefits are generally provided by the employer, at least with respect to the career firefighter.

We have made some excellent strides in bringing down the costs of workers' compensation in recent years, dropping Alaska from the most expensive in the nation to the tenth most expensive according to the *2020 Oregon Workers' Compensation Premium Rate Ranking Summary* (January 2021). Clearly, we still have a lot of room for improvement, but the attention that Alaska has paid to our workers'

compensation system and the efforts of policy makers, employers, and others have resulted in steady progress. We urge you not to impede this progress with another generous benefit to firefighters for a largely hereditary disease.

Rather than saddle local governments with the additional workers' compensation costs, Michigan's solution was to create a "first responder presumed coverage fund" that it pays for and administers from the state general fund. We might want to consider this instead of continuing to impose on Alaska's local government tax payers.

Thank you.

A handwritten signature in black ink, appearing to read "Kevin", with a stylized flourish at the end.

Kevin Smith
Executive Director

