

Legislative Workers' Compensation Working Group

Report to the Legislature

DRAFT

December 12, 2018

Authority and Charge

The Legislative Workers' Compensation Working Group (LWCWG) was established by House Bill 79 (HB 79), which passed during the second session of the 30th Alaska State Legislature and was signed into law by the governor on August 24, 2018. The LWCWG was established for the purpose of reviewing the state's workers' compensation system, consulting with stakeholders, and recommending improvements to laws relating to workers' compensation. The stakeholders specified in the legislation were:

- (A) the Department of Commerce, Community, and Economic Development (DCCED);
- (B) the Department of Labor and Workforce Development (DOLWD);
- (C) the medical services review committee established under AS 23.30.095(j);
- (D) organized labor;
- (E) school district administrators; and
- (F) the state's business community.

The LWCWG was directed to submit a report of its findings and draft legislation by December 1, 2018 for consideration during the First Regular Session of the Thirty-First Alaska State Legislature. This report constitutes the findings and proposed action recommended by the LWCWG. Due to time constraints, the date of the governor signing the law, changes in the leadership of the executive branch, and the limited ability to receive feedback from stakeholder groups, the LWCWG will not be submitting draft legislation. Instead, the committee provides in this report recommendations on topics that warrant further consideration by the legislature during the upcoming session.

Committee Action

The LWCWG met on November 9, 2018 and heard presentations from the following stakeholders:

- ♦ Marie Marx, Director, Workers' Compensation Division (DOLWD)
- ♦ Lori Wing-Heier, Director, Division of Insurance (DCCED)
- ♦ Vince Beltrami, President, Alaska AFL-CIO (Organized Labor)
- ♦ Ben Mulligan, Vice President, Alaska Chamber, and Chuck Brady President, Workers' Compensation Committee of Alaska (State's Business Community)

Committee staff contacted superintendents of each school district via email. Testimony received from school district administrators and their representatives were distributed to committee members and publicly posted on-line.

Committee staff also contacted Marie Marx in her role as Chairperson of the Workers' Compensation Medical Services Review Committee. The Medical Services Review Committee did not have a meeting during the working period of the WCLWG and did not provide official feedback.

Recommendations

After its public meeting and consideration of the comments and testimony of the parties listed above, the WCLWG identified the following topics as priority items to be addressed by the Legislature:

- 1) **Dispute resolution.** All stakeholders expressed an interest in a more efficient and timely dispute resolution process – paying claims, completing treatment, and returning to work quickly are universal goals.
- 2) **Partial but Permanent Impairment (PPI) and Death Benefits.** The permanent partial impairment (PPI) benefit cap was last increased in 2000 and the current death benefit cap for dependent parents, siblings, or grandchildren when there is no surviving spouse or children was last increased in 1966.

While committee members agreed that the Legislature should address these topics, stakeholders identified additional workers' compensation topics. The committee members agreed that the following topics may merit consideration:

- 1) **Reemployment benefits.** Reemployment benefits are intended to provide retraining and education for injured workers who cannot return in the same type of employment due to an injury.
- 2) **Medical Treatment Guidelines.** Medical treatment guidelines have been adopted in some jurisdictions and are intended to standardize medical treatment and costs.
- 3) **Attorney's Fees.** Attorneys fee limits have been adopted in some jurisdictions.