

ALASKA STATE LEGISLATURE

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North to the Future

Senator Cathy Giessel
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Sponsor Statement **Senate Bill 112 Workers Compensation Reform**

Alaska's workers' compensation system is a vital and basic safety net for our neighbors, families, and friends. However, the unsustainable costs of the system, combined with the complexity and inefficiency of resolving cases, is unbearable to both the Alaskan business and the Alaskan worker.

Reforming workers' compensation and refocusing on helping the injured worker is not only an important initiative: it is urgent. Alaska has one of the highest cost workers' compensation programs in America. This burden of high costs falls on school districts that divert education funding; it falls on local governments that must choose between ploughs, police, or fire service; it falls on Alaskans businesses with limited money to invest and grow our economy; and it falls on Alaskan workers, who are part of a program with some of the worst outcomes at returning the injured to effective work.

Senate Bill 112 proposes innovative changes. Instead of focusing on the old dichotomy setting worker and employer against each other, Senate Bill 112 recognizes workers need jobs and businesses need healthy workers. Senate Bill 112 doesn't focus on blaming a group; instead, it looks at what is not working, changing it, and innovating win-win approaches.

Senate Bill 112 brings the focus back to the injured worker. By identifying best practices for medical treatment of an injury and using objective medical evidence to build a solid foundation for recovery, the worker is put on the best possible road to effective work return. The opioid crisis touches injured workers too. Senate Bill 112 has solutions to protect those injured Alaskans from medications that have adverse side effects, and limiting the exposure to opioids, lowering the chance of developing an addiction.

Sometimes, a worker is injured and will never be able to return to their previous career. Senate Bill 112 adopts a worker centered payment method, successfully used in other states, that effectively covers the workers expenses, and provides vocational rehabilitation specialists to identify the next, best career for them.

Differences arise between workers and employers, but both sides want a fair, transparent, timely, and professional process to resolve them. Senate Bill 112 proposes changing the old conflict focused process that is costly, lengthy, and corrosive to the worker and employer. Instead of devotion to arguments and court time, Senate Bill 112 advocates using administrative law judges, and capping attorneys' fees to prevent unnecessary and unproductive litigation.

Alaska is facing the longest recession in history. Workers need stable jobs with family supporting wages. Businesses need quality workers to succeed. By innovating how we get injured workers back on the job, and save our businesses, governments, and schools critical funds, Senate Bill 112 reforms government for the better. I respectfully ask for your support.