

Workers' Compensation Reemployment Benefits: HB 303

House Finance Committee

March 22, 2018



ALASKA DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT
COMMISSIONER HEIDI DRYGAS



Workers' Compensation

What is Workers' Compensation?

A system of insurance that protects workers and employers from some of the losses caused by on-the-job accidents and job-related illnesses



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Workers' Compensation

The “Grand Bargain”

An employer provides prompt, necessary medical and wage loss benefits to an injured worker for a work-related injury.

In exchange, the injured worker receives limited benefits and gives up the right to sue the employer.



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Workers' Compensation

MISSION

To ensure the quick, efficient, fair and predictable delivery of indemnity, medical, and vocational rehabilitation benefits to injured workers at a reasonable cost to employers

Quick

Efficient

Fair

Predictable

Reasonable
cost



Workers' Compensation

Benefits Provided

- Medical Care
- Indemnity (Wage Loss) Benefits
- Death Benefits
- Reemployment (Retraining) Benefits



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Reemployment Benefits

Intended to return an injured worker to work when the worker cannot return to the job of injury or to jobs for which the worker has relevant training or experience.



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Current Challenges

- Mandatory reemployment benefits eligibility evaluations
- Maximum plan cost of \$13,300
- Retraining plans focus on quickest return to work option, regardless of worker's interest in that vocational goal
- Declining pool of rehabilitation specialists
- No rehabilitation specialist fee schedule



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Workers' Compensation

HB 303

- Improves the delivery of reemployment benefits to injured workers
- Provides eligible employees with more choices in reemployment goals and plans
- Encourages injured employees' early return to work
- Helps employers control costs



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Reemployment Benefits Eligibility Statistics FY17

- **564** injured workers were referred for a reemployment benefits eligibility evaluation
- **148** injured workers were determined eligible for reemployment benefits
- **14** injured workers completed reemployment plans



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Reemployment Benefits Settlement Statistics FY17

164 injured workers settled reemployment benefits

- **48** of those injured workers settled reemployment benefits before an eligibility determination was made
- **80** of those injured workers settled reemployment benefits before completing a retraining plan
- **36** of those injured workers settled reemployment benefits after being found ineligible for benefits

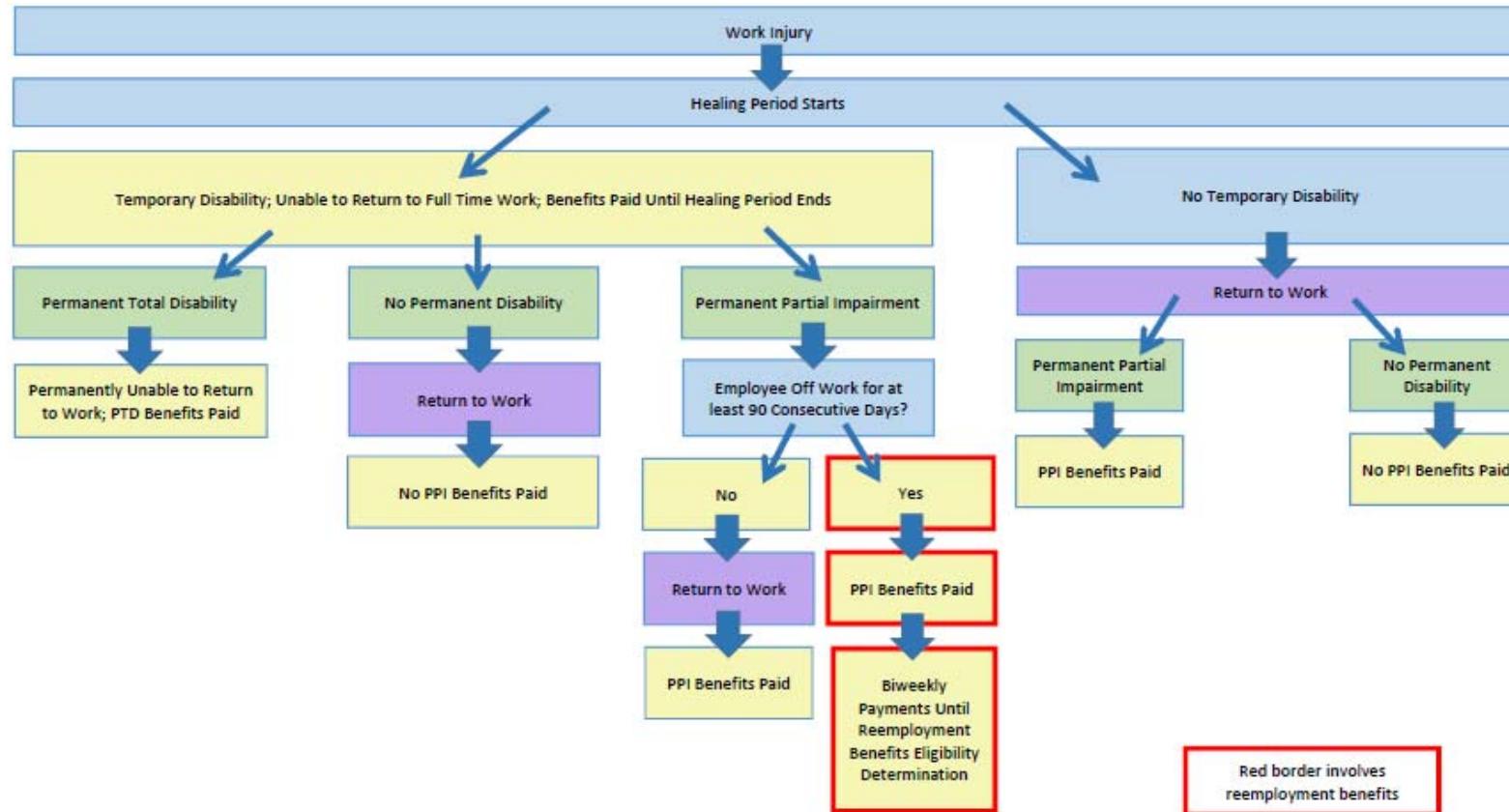


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Workers' Compensation

Alaska Reemployment Benefits Flow Chart: Current Law



WE'RE PREPARING ALASKANS
FOR THE JOBS OF TODAY—AND
TOMORROW.

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