

3/29/11 HB 13 Support  
Misty Steed

At this point it's the best thing for everyone if this bill passes. I would say it's the lesser of two evils. If it doesn't pass workers compensation rates will increase substantially. If the bill does pass the rates will increase at a slower rate.

My heartache is this bill was a modified version of what the Medical Services Review Committee proposed last year. That was a true cost containment measure. The current bill allows for physicians rates to increase at will. Right now, AK spends 76 cents on every dollar of workers compensation benefits to a healthcare provider. This is the worst rate in the nation. The state hired NCCI to run statistics (as they do nationally) and this is what they reported to us this year.

I was told that the bill did not go through last year unmodified because it was an election year and the Governor did not want to make this large of a change. He had Linda Hall with the division of insurance proceed with a modified version. The bill still didn't pass due to labor. They wanted a compromise on something else they didn't get so it got squashed at the last minute. What labor is missing is the fact that if workers compensation rates increase, they will no longer be able to hire new workers. The employers just won't be able to afford it.

At this point it is rather urgent that this bill pass. As you can see, it's not the best option but it's better than no fee schedule. In the very near future, there will need to be modification made to this fee schedule as our rates of increased medical costs cannot continue. Employers will simply not be able to afford the workers compensation rates....the worst in the nation. Not a title I like to see for Alaska.

Please let me know if there is anything I can do on my end. I will help in any way I can.  
Have a wonderful day!  
Misty