



Fairbanks North Star Borough *Office of the Mayor*

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February 28, 2014

Representative Kurt Olson, Chair
House Labor & Commerce Committee
State Capitol, Room 24
Juneau, AK 99801

RE: Support for HB 316 - Workers' Compensation Fees for Medical Treatment and Services

Thank you for the opportunity to comment on the above referenced proposed legislation. The Fairbanks North Star Borough administration supports the proposed changes as identified by the Workers' Compensation Board in Resolution 13-01 dated September 27, 2013, and the subsequent legislative changes proposed in HB316.

The lack of cost containment for workers' compensation related expenses continues to increase the financial burden of this important and necessary program. Having the ability to limit fees and other associated charges to a reasonable amount would be financially beneficial to all state employers. As proposed, allowing the board to adopt a fee schedule using quantified data, based upon federal Centers for Medicare and Medicaid Services scales is a positive change and has our full support.

The Fairbanks North Star Borough Assembly passed a resolution on February 13, 2014 supporting the provisions expressed by the Workers' Compensation Board in its September 27, 2013 resolution. A copy of the Assembly resolution is attached.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Luke Hopkins'.

Luke Hopkins, Borough Mayor
Fairbanks North Star Borough

Attachment: FNSB Assembly Resolution 2014-09

By: Luke Hopkins, Mayor
Introduced: 02/13/2014
Adopted: 02/13/2014

FAIRBANKS NORTH STAR BOROUGH

RESOLUTION NO. 2014 - 09

A RESOLUTION SUPPORTING LEGISLATIVE ACTION TO ADOPT THE
RECOMMENDATIONS CONTAINED IN RESOLUTION 13-01 OF THE ALASKA
WORKERS' COMPENSATION BOARD

WHEREAS, the Alaska Workers' Compensation Board is a public organization that is accountable to the residents, Legislature and Governor of Alaska and that acts as the lead agency for adjudicating disputes under the Alaska Worker's Compensation Act, to ensure quick, efficient and fair payments of benefits to injured workers at a reasonable cost to employers; and,

WHEREAS, despite a 14.2% decline in the frequency of worker's compensation claims over the past 5 years, Alaska has seen its workers' compensation premium rates climb to the highest in the nation; and,

WHEREAS, workers' compensation medical costs have increased 25% over the last 5 years and are the primary driver in the increase in premium with \$0.75 of every \$1.00 spent on workers' compensation benefits being spent on medical cost; and,

WHEREAS, identical medical services paid by a workers' compensation claim versus private insurance or self-pay is often multiples higher; and,

WHEREAS, Resolution 13-01 of the Alaska Workers' Compensation Board identifies changes needed to address the escalating workers' compensation costs while protecting the rights of workers to fair and reasonable compensation when injured while working; and,

WHEREAS, legislative action to implement the changes recommended in Resolution 13-01 of the Alaska Workers' Compensation Board is in the best interest of the Fairbanks North Star Borough, its residents, and its employers.


NOW, THEREFORE, BE IT RESOLVED that the Assembly of the Fairbanks North Star Borough supports legislative action to adopt the recommended changes outlined in Resolution 13-01 of the Alaska Workers' Compensation Board.

46 BE IT FURTHERED RESOLVED that copies of this resolution shall be
47 sent to the Alaska Interior Delegation and the Honorable Governor Sean Parnell.

48
49 PASSED AND APPROVED THIS 13TH DAY OF FEBRUARY, 2014.
50


Karl Kassel
Presiding Officer

ATTEST:


Nanci Ashford-Bingham, MMC
Borough Clerk

51
52 Ayes: Hutchison, Golub, Roberts, Dodge, Davies, Kassel
53 Noes: Lawrence
54 Excused: Sattley, Dukes