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January 2, 2014

State of Alaska Representative  
Andy Josephson  
733 W. 4<sup>th</sup> Ave.,  
Anchorage, AK 99501

Dear Representative Josephson:

The Alaska Workers Compensation Board has proposed legislation for passage in 2014. This legislation may dramatically effect the ability of workers to obtain treatment. Please see attached copy.

My colleagues and I represent Alaska workers who have been injured and are entitled to medical care pursuant to the Alaska Workers' Compensation Act. We are concerned over the impact the Board's proposed legislation will have on the ability of workers to obtain quality medical care.

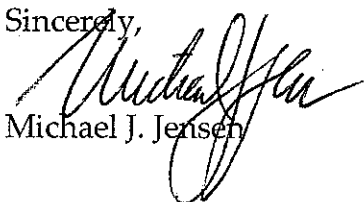
If this proposal is enacted the Board will set the amount doctors, therapist and hospitals will be paid by tying treatment costs to Medicare rates and setting the base rate amount. The Board will determine what medications can be provided to workers and set the prices pharmacies can charge for medications. Specific regulations will be enacted to address the prescription of opioids. It may set the prices for prosthetic devices such as artificial joints, spinal cord stimulators, TNS units, lumbar fixation devices such as screws and plates, artificial limbs and other devices. These costs will only be reimbursed at the manufacturer's invoice price plus a markup amount determined by the Board.

This legislation refers to medical costs being subject to reimbursement not direct payment to the provider. This reimbursement requirement, as well as, tying medical expenses to Medicare rates may shift the cost of medical care from the responsible employer or its insurer to Union health trusts, private insurance, some other form of government insurance such as ANHS, VA, Medicaid or Medicare, the uninsured worker or to be borne by the treating medical provider.

Pursuant to this proposed legislation the Board will be empowered to regulate all fees and charges for medical treatment. This in effect will take away the doctor's discretionary role in the treatment of his or her patient. The unintended effect may be that the Board can second guess the doctor's judgment and mandate the treatment it deems necessary, not the treatment deemed best. Medical care will be replaced by a government program in which treatment is determined not by physicians but by Board members appointed by the Governor.

I am sure the legislature will act thoughtfully when considering this proposed legislation. It should consult with injured workers, Union health trusts, other medical insurers and most importantly the medical community.

Sincerely,



Michael J. Jensen