



ALASKA STATE LEGISLATURE

HOUSE LABOR & COMMERCE COMMITTEE

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Sponsor Statement

House Bill 178

"An Act relating to workers' compensation fees for medical treatment and services; providing for an effective date by amending the effective date of sec. 5, ch. 63, SLA 2014; and providing for an effective date."

For many years Alaska has faced the highest workers' compensation rates in the nation. During the second session of the 28th Legislature, House Bill 316 was passed. The bill was a more sweeping solution to the challenge of the previous medical services fee schedule than we have experienced in many years.

HB 316 tasked the Medical Services Review Committee (MSRC) with setting a conversion factor and a geographic differential to be used in conjunction with a basic fee schedule based on a relative value unit methodology. Once set, the conversion factor will be approved by the Commissioner of the Department of Labor prior to adoption by regulation by the Workers' Compensation Board. All this was to be accomplished by July 1, 2015.

Since passage of HB 316, the MSRC has been reactivated and met numerous times. They have nearly completed their part in establishing the conversion factors. More work remains to be done to ensure the reform can take effect.

House Bill 178 grants a 5 month extension to complete this important step in lowering workers' comp costs in both the public and private sector. Without this extension, time may run out before the comprehensive reforms instituted last year can be implemented.

I encourage you to support this legislation.