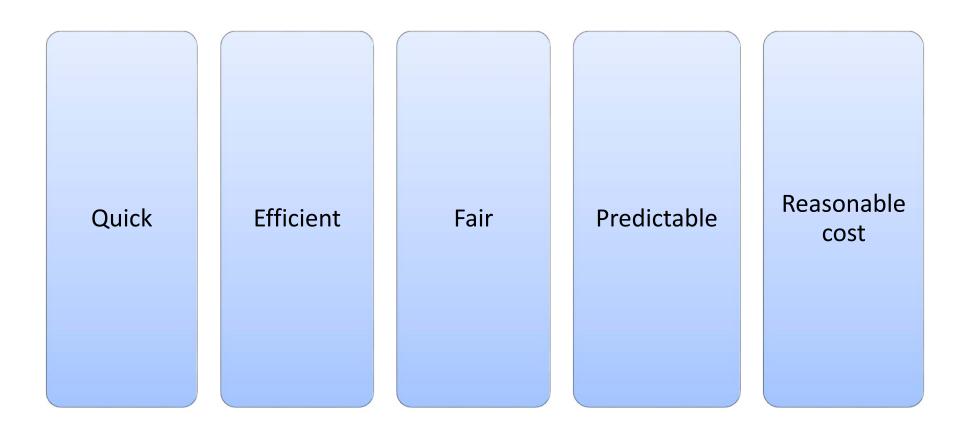
Workers' Compensation: SB 40 Senate Labor and Commerce Committee February 28, 2017









SB 40: Workers' Compensation Efficiencies Bill

- Speed up dispute resolution
- Improve the delivery of medical care to injured workers
- Strengthen provisions to prevent workers' compensation fraud by employers and employees
- Reduce administrative costs
- Ensure adequate funding for the administration of the workers' compensation and workers' safety programs



SPEED UP DISPUTE RESOLUTION: SECS. 10-13, 18-20, 39

Current law

SB 40

A party requests hearing on claim

Board will schedule a hearing shortly after claim is filed

Non-attorneys may represent parties

Non-attorneys may not represent parties

Board must approve attorney fees in settlement agreement

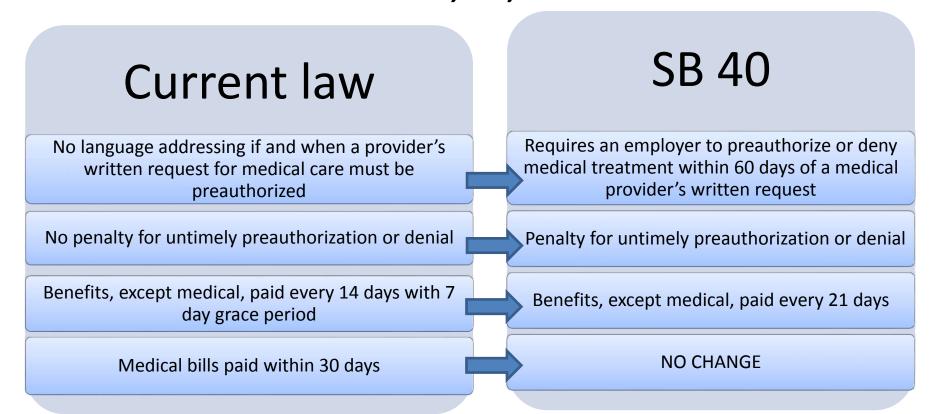
Board does not need to approve if fees are sole issue that needs Board approval

Division petitions Board to assess a civil penalty

Division assesses civil penalty and party may appeal assessment to Board



IMPROVE THE DELIVERY OF MEDICAL CARE: SECS. 16, 22, 24-25





Why the Division is Tackling Misclassification

- Worker safety
- Risk of uninsured losses
- Law-abiding employers bear greater financial burden



STRENGTHEN FRAUD PROVISIONS: SECS. 9, 11, 14, 28-29, 31, 34-38, 40

Current law

SB 40

No definition of misclassification

No affirmative duty to report work or wage-loss benefits

No owner liability for benefits for some business entities and no civil penalty liability

No definition of independent contractor and multifactor balancing test for employee status

Injured worker may file lien at the onset of a claim for benefits but Benefits Guaranty Fund may not

Defines misclassification and when it amounts to fraud

Affirmative duty to report

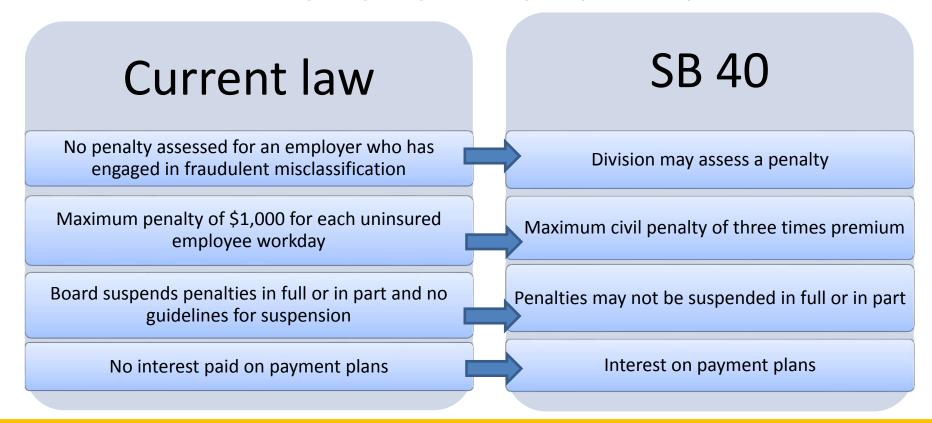
More business entity owner liability for benefits and civil penalties

Defines independent contractor and clarifies statutory definition of employee

Benefits Guaranty Fund may file lien for compensation and civil penalties

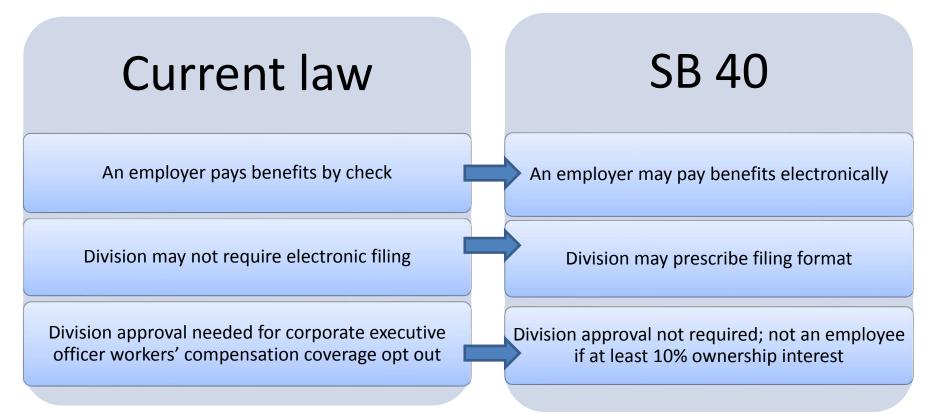


STRENGTHEN FRAUD PROVISIONS CONT.: SECS. 9, 11, 14, 28-29, 31, 34-38, 40



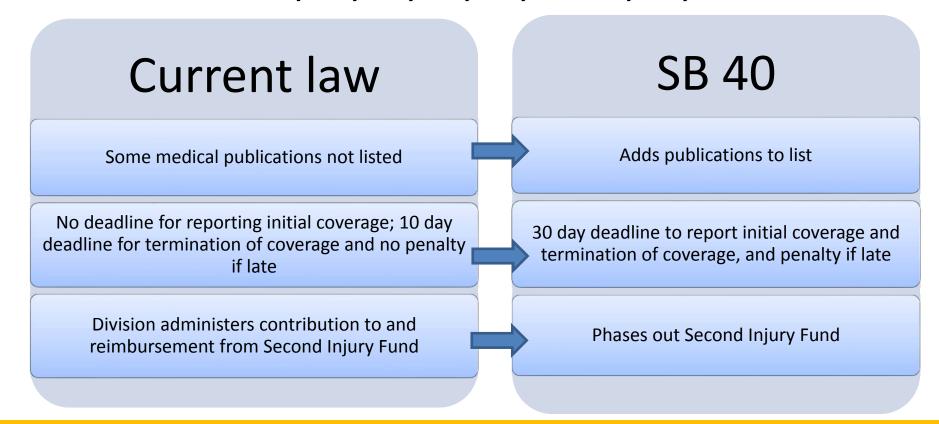


REDUCE ADMINISTRATIVE COSTS: SECS. 2-8, 15, 17, 21, 23, 26-27, 30, 32-33



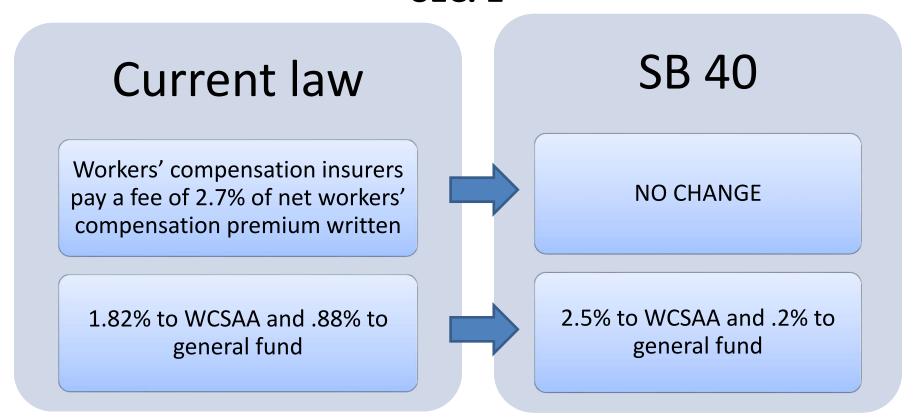


REDUCE ADMINISTRATIVE COSTS CONT.: SECS. 2-8, 15, 17, 21, 23, 26-27, 30, 32-33





ENSURE ADEQUATE FUNDING: SEC. 1





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

Alaska Department of Labor and Workforce Development Commissioner Heidi Drygas

Email: Commissioner.Labor@alaska.gov

Phone: (907) 465-2700



