

H B

159

April 14, 1982

Honorable Kels A. Anderson, Jr.
Alaska State Senate
Pouch V
Juneau, Alaska 99801

Dear Senator Anderson:

Re: House Bill 159

You wrote to our division on April 12, 1982, requesting information about HB 159.

It is true, we have contacted the National Council of Compensation Insurers. We have sent them a copy of the proposed bill and have asked them to put it into their rate calculating methods to see how it would impact the employers' costs for Worker's Compensation. The net result of this computation is that there will be an approximate 9% increase in Worker's Compensation rates as they would apply to the average weekly wage in Alaska.

The unscheduled disability going from 60,000 to 75,000 is a very material factor due to the fact that the greatest amount of the Worker's Compensation dollar flows into the partial permanent disability.

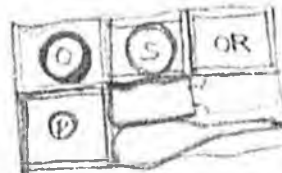
Very truly yours,

Enclosure

Kenneth C. Rouse
Kenneth C. Rouse
Director

KCr/sal/13

cc: Charles R. Webber, Commissioner



2/2



Section 25 P. 12 L 8-29, P. 13 L 1-29, P. 14 L 1-24
Schedule disability up approximately 35%
Unschedule disability of 60,000 to 75,000

Rate Impact + 10%

Section 28 P. 15 L 25 & 26
Burial up from \$1,000 to \$2,500

P. 9 L 25 & 26
Minimum weekly up from \$65 to \$110

P. 17 L 1 & 2
Death minimums up from \$45 to \$75 for widow
from \$15 to \$25 for child
from \$30 to \$50 for children

IN THOUSANDS

Various pages also see Section 30 on page 17 & 18
66 2/3% of injured workers average weekly wage changed to 80%
of injured workers spendable wage

Rate Impact - 1%

Rehabilitation

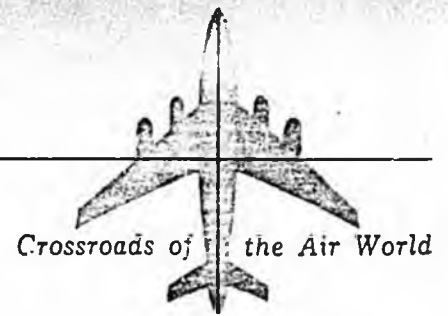
Rate Impact

0%

Total Rate Impact + 9%

Anchorage

CHAMBER of COMMERCE




TO: ALASKA STATE LEGISLATORS
FROM: ANCHORAGE CHAMBER OF COMMERCE - BOARD OF DIRECTORS
SUBJECT: HOUSE BILL 159, AN ACT RELATING TO WORKER'S COMPENSATION
AND PROVIDING FOR AN EFFECTIVE DATE.

Over the past few years, Alaska has managed to earn the distinction of becoming the state with the highest cost in the United States to employers for Worker's Compensation Insurance.

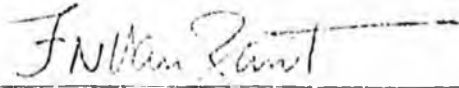
House Bill 159, in its current form, would create additional burdensome costs to the business community by creating another level of bureaucracy to administer rehabilitation programs at the expense of the business community, which can just as well be provided at much lower costs, and with already existing expertise, by private enterprise insurance carriers and rehabilitation professionals.

This Chamber recommends withholding passage of H. B. 159 in its present form. It is recommended that the legislature explore alternatives which can be developed utilizing private enterprise insurance carriers and rehabilitation professionals without the authority to appoint a new Rehabilitation Bureau. Further, no staff increases funded by the General Fund.

APPROVED this 2nd day of April, 1982.



Al Parrish
President



Frank N. Van Zant
Executive Vice President

Bill No. SCS CSHB 159

Date May 10, 1982

Title "An Act relating to Workers' Compensation;
and providing for an effective date."

Contact: J. L. McClintock
465-2790

The Department of Labor and the Alaska Workers' Compensation Board support the provisions of SCS CSHB 159. This bill is the result of an agreement reached by a committee representing employers and labor in the state and reflects over two years of hearings in which testimony was provided by workers, labor groups, employers, insurers, rehabilitation experts, physicians, attorneys and state agency personnel. The Workers' Compensation Board and Division worked very closely with the committee in recommending amendments that provide for a more equitable and efficient workers' compensation system.

The major portion of the bill implements a new plan for the vocational rehabilitation and re-employment of industrially disabled workers which will significantly reduce costs of the system to employers while assisting the injured worker in returning to suitable gainful employment as quickly as possible.

Other changes are primarily procedural or administrative in nature and are aimed towards reducing litigation, clarifying ambiguities in the language of the Act and bringing that language into harmony with the interpretations set forth in Court and Board decisions.

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate CS for CS for House Bill No. 159 (L & C)

Title "An Act relating to workers' compensation, and providing for an effective . . ."

Requested by Senate Labor and Commerce Committee

Date 4/24/82

II. FISCAL DETAIL

Agency Affected Labor

Program Category Affected Worker Protection

BRU, Program, or Subprogram(s) Affected Workers' Compensation

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86 [*]	FY 87
100 PERSONAL SERVICES		61.5	67.7	74.4	81.9	90.0
200 TRAVEL		15.0	16.5	18.2	20.0	22.0
300 CONTRACTUAL		35.7	23.3	25.7	28.2	31.0
400 COMMODITIES		.9	1.0	1.1	1.2	1.3
500 EQUIPMENT		1.6	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	114.7	108.5	119.4	131.3	144.3

FUNDING (Thousands of Dollars)

GENERAL FUND		114.7	108.5	119.4	131.3	144.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1.0	1.0	1.0	1.0	1.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

It is the intent of the Legislature that an injured worker receive rehabilitation services which enhance returning to work as quickly as possible at earnings as close as possible to the worker's gross earnings at the time of the injury. The implementation of a delivery system to provide timely and adequate rehabilitation services is fundamental in meeting this objective.

1. Assumes an inflation rate of 10% per annum after FY '83.

2. Assumes an effective date of July 1, 1982.

Establishment of Rehabilitation Administrator position (new position). Cost \$84.1.
(See attached form 13 for itemized costs.)

IV. DATE 4/24/82

PREPARED BY

Nico Bus

AGENCY

Labor

PHONE

465-2720

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

A Workers' Compensation Officer I reclassification to a Workers' Compensation Officer II with related travel and contractual services. Cost \$11.1

100 Personal Services	\$ 5.5
200 Travel	5.0
300 Indirect	.6
	<u>\$11.1</u>

The data processing operations cost will increase by \$5.0 because of enhancements for a tickler system, and the files expansion to retain the addresses of all claimants.

The printing of 20,000 Employee Information booklets. \$6.0

The design and printing of new forms. \$1.5

Computer program modifications to implement the changes introduced by the bill. \$7.0

Included one-time items in FY '83

Equipment	\$ 1.6
Booklets	6.0
Design and printing of new forms	1.5
Computer programs	7.0
	<u>\$16.1</u>

POSITION TITLE Rehabilitation Administrator				PACKAGE STEP 22A	BARG. UNIT.	LOCATION EBA	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	HP No. N/A	PCN No. New Position	PRIORITY	FORM 12 N/A	PAGE/LINE N/A	LED	

3 TYPE OF EXPENDITURE			AMOUNT
1	2	3	
PERSONAL SERVICES:			
4	SALARY 3714 x 12		44,568
5	BENEFITS .1592		7,095
5	SBS .0613		2,188
7	FIXED BENEFITS 183 x 2		2,196
8	TOTAL PERSONAL SERVICES	01	56,047
9	TRAVEL	02	10,000
10	CONTRACTUAL	03	15,607
11	COMMODITIES	04	850
12	EQUIPMENT	05	1,600
13	OTHER		
14	TOTAL COST		84,104

JUSTIFICATION:
It is the intent of the Legislature that an injured worker receive rehabilitation services which enhance returning to work as quickly as possible at earnings as close as possible to the worker's gross earnings at the time of injury. The implementation of a delivery system to provide timely and adequate rehabilitation services is fundamental in meeting this objective.

The rehabilitation administrator is necessary to develop and implement a workers' compensation rehabilitation program designed to administer and monitor the rehabilitation benefits of industrially injured workers covered by the Alaska Workers' Compensation Act.

Extensive travel within the state is necessary to provide assistance to approximately 12,000 employers in developing programs for re-employment of injured workers and coordinating counselor services with workers, insurers/employers, labor unions, and rehabilitation providers.

- 9. Travel: \$10,000 (20 trips @ \$500 per trip)
- 10. Contractual: Space \$3,100 (to be transferred to DOA)
Auto Lease and Operating Costs \$5,600
Indirect (11.46% x 44,568 = \$5,107)
Other costs which include communications, equipment rental, etc., \$1,800
- 11. Commodities: Cost per position
- 12. Equipment: Desk, desk chair, side chairs, bookcase, file - \$1,600

RECEIPT CODE	FUNDING SOURCE	AMOUNT
5	FED RCPTS. 1002	
6	GR MATCH. 1003	
7	GEN FUND 1004	84,104
9	IEA RCPTS. 1005	
10	PGM RCPTS 1028	
10	OTHER	

11	CONTINUATION		
12	ADDITION	X	FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Labor PROGRAM Worker Protection

WORKERS' COMPENSATION Workers' Compensation

COMPONENT Second Injury Fund

13 REQUEST FOR NEW POSITION.

FY 83

SENATE CS FOR CS FOR HOUSE BILL NO. 159 (L&C)

A BILL

For an Act entitled: "An Act relating to workers' compensation; and providing for an effective date."

SECTION BY SECTION ANALYSIS

- Section 1. This section sets forth the legislative intent of AS 23.30.041 as found in section 3.
- Section 2. This section forgives contributions by the employer or insurance carrier to the second injury fund in those cases in which the total contribution is less than \$20. Contributions of less than \$20 result in administrative costs by the carrier and the Division of Workers' Compensation which offset any positive contribution to the second injury fund.
- Section 3. This section provides for the administration of rehabilitation and establishes fundamental duties and obligations of the parties. Primary responsibility to provide necessary and appropriate rehabilitation services is the employer's. The Board is charged with adopting regulations which will specify those cases when rehabilitation services are warranted. In the event the employer, or carrier, does not voluntarily offer the rehabilitation services, the Rehabilitation Administrator may retain a rehabilitation provider.
- The Rehabilitation Administrator is a new partially exempt position and will be selected and employed by the Board. The intent is to create a strong impartial referee to resolve disputes and provide information prior to entering the rehabilitation process. The administrator's decision may be appealed to the Board by requesting a hearing.
- Vocational rehabilitation services are limited to 37 weeks, with an additional 37 weeks allowed if special circumstances exist. The intent is to quickly return an injured worker to gainful employment. Most direct return to work programs and on the job training programs can be accomplished in less than the initial 37 weeks. Temporary total or temporary partial disability compensation shall be paid to an injured worker during the rehabilitation process. Additionally, the amendment provides that the employer shall pay all costs of a rehabilitation plan and establishes standards for the award of an additional \$200.00 per month for maintenance.
- Section 4. This section adds language necessary because of the addition of AS 23.30.041 found in section 3.

- Section 5. This section allows placement of disabled workers who are being rehabilitated for gainful employment into work situations where the employer is willing to pay some wages to the trainee but is not willing to accept the risk of new injury to the handicapped person. The statute presently is limited to situations in which the trainee is not being paid at all. This section also permits the Board to place eligible persons in rehabilitation programs with an employer in the event a request is not made through the Division of Vocational Rehabilitation in the Department of Education. The amendment additionally provides that an employer may elect to assume liability under this section instead of the state.
- Section 6. This section deals with the employer's failure to insure and provides authority for the issuance of a stop order if an employer fails to file evidence of insurance or obtain a certificate of self-insurance. It also provides for a civil penalty of \$1,000 a day for failure to comply with a stop order, and the employer may not obtain a public contract with the state or a political subdivision of it for three years following the violation.
- Section 7. This section provides authority for the Board to establish time limits for the submission of medical reports by physicians treating injured workers.
- Section 8. This section deletes language which gives the right to the injured worker to have his physician present, paid for by the employer, at an examination requested by the employer or ordered by the Board.
- Section 9. This section directs the Board to adopt and use a schedule determining the existence and degree of permanent impairment consistent with the American Medical Association's Guide to the Evaluation of Permanent Impairment.
- Section 10. This section specifically provides for the release of medical and rehabilitation information relative to the worker's injury to the parties upon request.
- Section 11. This section removes the "presumption of compensability" contained in AS 23.30.120 if the worker fails to provide notice of the injury to the employer within 30 days of its occurrence.
- Section 12. This section provides realistic time frames in the Board hearing process and rids the statute of Board authorization to rule on a claim without benefit of the parties to be heard.
- Section 13. This section reflects changes necessary because of amendments to AS 23.30.235 found in section 20.
- Section 14. This section clarifies and emphasizes the role of the Board in determining the credibility of witnesses and the weight to be accorded medical testimony and reports. The Board's findings are conclusive, even if the evidence is conflicting or susceptible of contrary conclu-

sions. It is the intent of this section to restore to the Board the decision making power granted by the Legislature when it enacted the Alaska Workers' Compensation Act. Credibility is a difficult area to articulate objective standards. Such factors as demeanor, recollection, bias, and motive are best determined by the fact finding agency and not the reviewing court. Because the Board has a certain amount of expertise, particularly in the area of medicine, it has the ability to assign weight to the testimony or reports of the medical community.

Section 15. This section allows an employer who has advanced or overpaid compensation to be reimbursed by withholding up to 20 percent out of each unpaid installment or installments of compensation due.

Section 16. This section changes the method by which the average weekly wage is determined in all jurisdictions for purposes of computing compensation and provides for a consistent and equitable means to adjust compensation rates for claims being paid to out-of-state recipients.

Section 17. This section clarifies the rules under which compensation rates are adjusted for recipients not residing in Alaska consistent with legislative intent and regulations, insures adequate benefit levels for those recipients and provides for an annual adjustment in the compensation rate commensurate with changes in average weekly wages.

Section 18. This section authorizes the Commissioner of Labor to determine the average weekly wage in jurisdictions in which no average weekly wage is computed by the Secretary of Labor.

Section 19. This section clarifies the relationship between workers' compensation and unemployment benefits. Temporary total and permanent total disability compensation are not consistent with the eligibility of an injured worker to receive unemployment benefits, and accordingly, are not payable to an injured worker receiving unemployment benefits. This section does not affect the payment of temporary partial or permanent partial disability compensation to a worker who is receiving unemployment benefits.

Section 20. This section changes the instances when compensation is not payable to an injured worker. If the injury is proximately caused by the worker's willful intent to injure or kill himself or another, or by intoxication by the injured worker then compensation is not payable. Under the present act an employer must prove the injury was occasioned solely as a result of the worker's intoxication.

The worker is still aided by the presumption contained in AS 23.30.120 found in section 13 which presumes the injury was not proximately caused by the intoxication of the injured worker. The term proximately caused means legally caused, i.e., a substantial factor.

- Section 21. This section provides penalties for persons who willfully make false or misleading statements for the purpose of obtaining or denying workers' compensation benefits.
- Section 22. This section provides for criminal sanctions for the failure to secure the payment of workers' compensation.
- Section 23. See comment to Section 22.
- Section 24. This section provides for new definitions.

"Arising out of and in the course of employment" is limited to exclude activities of a personal nature away from employer provided facilities. The intent is to limit the scope of the "bunkhouse rule" or "remote site doctrine" which has evolved in workers' compensation law.

Specifically excluded from coverage are activities of a personal nature not sanctioned by the employer which occur away from employer provided facilities such as personal hunting trips, travel to and from a job site when employer provided housing at the site is available to the worker, travel to a banking facility when check-cashing facilities are available at the remote site, and similar incidents. Travel to and from a job site provided or required by the employer, recreational activities sanctioned by the employer or activities within the confines of or immediately surrounding the "bunkhouse" or premises, are not excluded from coverage.

"Drugs" are defined to mean a controlled substance as provided by law.

"Suitable gainful employment" provides criteria for determining the need for, and the appropriateness of, rehabilitation or a particular rehabilitation plan.

- Section 25. This amendment permits loss reimbursement plans, i.e., deductibles, as other than a deviation under AS 21.39.070.
- Section 26. This section designates the Rehabilitation Administrator as a partially exempt position.
- Section 27. This section repeals provisions that are unnecessary or inconsistent with proposed legislation.
- Section 28. This section requires the board to publish Section 20 and 21 of this Act as part of a document describing the worker's rights and obligations under the Alaska Workers' Compensation Act.
- Section 29. This section provides that section 3, 20 and 24 of this Act apply only to injuries sustained after the effective date of this Act.
- Section 30. This section provides that the Act takes effect July 1, 1982.

SEC 25 P. 12 L 8-29, P 13 L 1-29, P 14 L 1-24

SCHEDULE DISABILITY UP APPROX 35%

P 14 L 25-26

UNCHEDULE DISABILITY UP 60 000 TO 75 000

NET IMPACT + 10%

SEC 28 P 15 L 25+26

BURIAL UP FROM \$1000 TO 2500

P 9 L 25+26

MINIMUM WEEKLY UP FROM \$65 TO \$110

P 17 L 1+2

DEATH MINIMUMS UP FROM \$45 TO \$75 FOR WIDOW

FROM \$15 TO \$25 FOR CHILD

FROM \$30 TO \$50 FOR CHILDREN

VARIOUS PAGES ALSO SEE SEC 300N PAGE 17-18

66 2/3% OF INJURED WORKERS AVERAGE WEEKLY WAGE CHANGED TO

80% OF INJURED WORKERS SPENDABLE WAGE

NET IMPACT - 1%

REHABILITATION

NET IMPACT 0%

TOTAL BILL IMPACT + 9%

ALASKA

EXHIBIT II-D

Overall Effect of Increasing the Maximum Weekly Benefit, Effective 1-1-82

<u>Type of Injury</u>	<u>Percentage of Losses*</u>	<u>Effect(%)</u>
Death	6.1%	+0.2
Permanent Total	2.3%	+0.02
Major Permanent Partial	43.1%	+0.1
(Serious)	(51.5%)	(+0.1)+
Minor Permanent Partial	14.2%	+ .04
Temporary Total	8.4%	+0.2
(Non-Serious)	(22.6%)	(+0.1)+
Medical	25.9%	0.0
Total	100.0%	+0.1+

*Losses for policies becoming effective during the 24 month period ending 3-31-79 on the 7-1-81 law level and developed to an ultimate basis by serious, non-serious, and medical categories.

+Weighted Average

April 14, 1982

Honorable Kels A. Anderson, Jr.
Alaska State Senate
Pouch V
Juneau, Alaska 99801

Dear Senator Anderson:

Re: House Bill 159

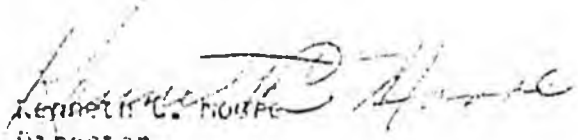
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Enclosure


Kenneth C. Houpe
Director

KU/sal/13

cc: Charles R. Webster, Commissioner

Section 25

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66 2/3% of injured workers average weekly wage changed to 80%
of injured workers spendable wage

Rate Impact - 1%

Rehabilitation

Rate Impact 0%

Total Rate Impact + 9%



Alaska National INSURANCE COMPANY

A policy of service and protection

Dick Block

February 24, 1982

Labor and Commerce Committee
House of Representatives
State of Alaska
Pouch Y
Juneau, Alaska 91011

ATT: Honorable Terry Martin, Chairman

RE: HB 159 - Proposed Amendments to the Current Requirements for
Reporting to the Division of Workers' Compensation

Dear Representatives:

In the last session, the Legislature adopted in Chapter 59 of 1981 Laws (CSHB 94 (Fin)am) which, among other things, amended Section 155 of the Alaska Workers' Compensation Act to materially extend the requirements imposed upon insurance companies to file reports of current cases with the Workers' Compensation Board.

The legislation went into effect July 11, 1981, and spawned one of the most prolific paper burdens faced by the insurance industry today.

It will be the purpose of this letter to urge the Committee to include in HS 159 the attached proposed amendments which would have the effect of materially reducing the reporting obligations of insurance carriers to the Board, but will recognize the need for continuing the provision of relevant information to claimants.

It is my understanding that the Division of Workers' Compensation, shortly after the adoption of that amendment and I believe pursuant to some discussions prior to the legislative enactment of those provisions, developed an extremely complex computer system for digesting all of the reported information.

At the invitation of Jackie McLintock, the Director of the Division of Workers' Compensation, I visited their office and reviewed the computer system, watched it work and tested the data it contains.

Frankly, I must state to the Committee that the computer system works well, provides a wide array of information and is basically a well conceived interacting data processing system for manipulation and presentation of the data that goes into the computer. Although I am frank to admit the workability of the system, I have no information as to its cost or as to the practicality of its function except as I will set forth below.

Shortly after the adoption of the legislation, the Division of Workers' Compensation promulgated some early proposed instructions on how to prepare the necessary forms to make the system operative. The book which is 107 pages long explains in intimate detail how to fill out each of the blanks on each of the several forms.

Even with our limited experience in handling workers' compensation claims under the new system, we can tell you that the precision that is required in filling these forms out and the time consumed in answering the several questions contained on these complex forms is enormous. There is even a provision in the statute and implemented by the Division's set of instructions that requires a form be filed on the anniversary date of the claim even though there has been no change in the status of that claim.

We have two very serious concerns about this new law and the way it is being administered:

1. There is an overriding major concern which we have concerning the recent activities and proposals from the Division of Workers' Compensation and the Board. It is our belief that primary responsibility for the day to day management of all workers' compensation claims lies with the insurance carrier or the self-insurance workers' compensation claims administrator. The Division of Workers' Compensation should exercise its responsibility to resolve disputes through the Board hearing process. We also recognize that the Division of Workers' Compensation has a responsibility to assure that the system is working equitably.

Although we recognize that the Division has specific complaints about particular insurance carriers' handling of some claims, or the handling of some claims by workers' compensation self-insurance claims administrators, we believe that on balance most all of the workers' compensation claims in the state are being handled quickly and fairly and in accordance with the law. The Division of Workers' Compensation has authority, as does the Division of Insurance, to investigate insurance carriers and workers' compensation self-insurance claim administrators and to review claim files to determine that they are being handled properly, and we believe that to be a more effective enforcement mechanism than inordinate reportings by all carriers in all cases.

We reject the notion that the Division of Workers' Compensation should thrust itself into the position of becoming the entity primarily responsible for assuring the rights of the injured worker. If that is carried to its logical extreme, the Division of Workers' Compensation will have as many claim adjusters as there are in the whole industry.

It is our view that the Division of Workers' Compensation, the Board and the Division of Insurance need to have the ability to audit for compliance with the laws and the tools to enforce the laws, but they should not be put into the position of usurping the responsibilities of the private insurance sector in the day to day handling and administering of a very complex act.

2. The whole new reporting mechanism is adding a substantial burden of time and expense to the already expensive cost of handling a workers' compensation case. This additional cost must be loaded into the price of workers' compensation insurance and passed on to the employers. This ordinarily would prove to be no problem to the insurance carrier, however, we are concerned that with the substantially increasing costs on the benefit side of the premium dollar, more and more employers are being forced into alternatives to purchasing workers' compensation insurance. While we cannot attribute last year's legislation and the implementation by the Division of Workers' Compensation concerning these reports as the sole contributing factor to these phenomena, we have observed that the overall increase in cost for workers' compensation has driven employers to either:
 - a. Ignore the law and not purchase workers' compensation insurance;
 - b. Force themselves in some way to qualify for self-insurance status to avoid having to purchase insurance;
 - c. Become involved with groups or alternatives to purchase of single insurance with questionable financial responsibility, or
 - d. In some cases go out of business.

While we recognize that there ought to be periodic reconsideration of the benefit structures and a balancing in light of new public policy of the interest of the injured workers against the cost to employers, we do not feel that it is appropriate to continually increase the expense of the system unless there is some compelling reason to impose new administrative burdens.

We are, of course, concerned that in the last month or so in which the reports have been submitted to the Division, I have been given to understand that the Division has returned forms for minor technical errors and has indicated to the insurance carrier that until the forms were resubmitted correctly the penalty periods would be running. The impact is that for minor technical flaws in filling out the report an insurance carrier could be subjected to severe financial penalties.

We think it is ludicrous that an insurance carrier could be penalized more for failure to submit a report to the Board than for failure to submit the payment to the injured employee.

I have made some effort to try to determine what value this new computer system offers injured workers in the State of Alaska or the Division of Workers' Compensation.

The Division is quick to offer several specific examples of how they have been able to use the terminal access facility to answer questions of claimants who make phone calls to the Division. They also indicate that at some point in time the computer system will enable them to digest data for statistical purposes and also enable them to have immediate access to benefit history for a claimant in order to evaluate compromise and release agreements and other matters coming before the Board.

We believe that the limited value derived from having the computer available does not warrant its substantial expense.

Values of The System

1. Ability to answer claimant's questions.

It is indeed of some value to have access to the history of claim payments when a claimant asks a question of the Division of Workers' Compensation. It should be observed, however, that first not all of the claim payment history is or ever will be in the computer since only changes in payments are required to be reported except at anniversary time. Accordingly, when claimants call prior to an anniversary date only inadequate data will be on the computer and it still will be necessary for the Division to refer a claimant to his insurance carrier to get the full information. Furthermore, the frequency of claimant inquiries at the Division, which they regard as substantial, is miniscule when compared to the number of injured workers in the workers' compensation system.

2. Statistical Data

It is true that the Division has been asked by the legislature and by interested groups to provide statistics on frequency and severity of loss by different classifications in the State of Alaska. In fact, while I was Director of the Insurance Division, I argued that the Division of Workers' Compensation should have that information and in the Richard L. Block & Associates' report of 1980 I recommended that the Division have access to that information. My position in this regard has not changed, and I believe it is appropriate that the Division be able to accumulate relevant statistical information on accident frequency and severity. The computer system which they have devised certainly has the capacity for accumulating that data,

but I would point out that absolutely none of the interim reports filed by the carrier contribute in any way to that information. The only information submitted by a carrier which could be used for statistical purposes is the first notice to the Board of the existence of the accident and the last report filed by the carrier which gives a complete description and evaluation of payments, benefits, cause of loss, etc.

3. Ability to evaluate the propriety of compromise and release claims and other inquiries made by the parties.

The value that the computer will have to determine the propriety of matters coming before the Board on specific cases is, at best, questionable. The fact is that compromise and release claims are submitted to the Board for a variety of factors only a minority of which have anything to do with the amount of payments which have in fact been made to date. A compromise and release agreement submitted to the Board must be approved on the merits of each individual case based on information only some of which will be statistical or financial submitted by the employer and the employee. It is ludicrous to establish a complex computer system to accumulate data on every single claim processed in the State of Alaska in order to provide a facility to approve the few lump sum compromise and release agreements submitted to the Board when those submitting those agreements can provide that information themselves.

Cost of The System

There is little available information on the true cost of operating this computer system, however, a review of the Division's budget would indicate that there are several employees either in the Division of Administration or in the Division of Workers' Compensation who have dedicated their time to processing the paper work to make the computer system operative.

In addition and not reflected in the Division of Workers' Compensation's budget is the computer time and computer programming costs which would be more properly buried in the Data Processing Division's budget.

Further, there is the time of employees devoted to working the system for interested inquirers.

I have been advised by Jackie McIntock that they are up to date currently in processing the paper work which has come in; but, as the system becomes more mature and claim frequencies increase, there is going to have to be a substantial additional burden placed on the Division of Workers' Compensation to process all of these reports. After all, if there are to be three or four reports for every claim, then the claim

processing capabilities of the Division of Workers' Compensation would have to essentially be equal to the claim data processing capabilities of all of the carriers processing workers' compensation claims in this state at any point in time.

It is our conclusion that this expense, whatever it may be, is not justified to obtain the limited benefits which are gained from that system.

There are some other issues upon which I can only speculate.

I did observe in reviewing the system that there is a substantial amount of confidential information in the computer. I am troubled by the fact that because it is in the possession of the State it comes under the freedom of information provisions and thus the privacy of every workers' compensation claimant is potentially violated. It is possible, for example, for anyone to go into a Department of Labor office and ask for information concerning a claimant and find out his wages, what physicians he has been seeing in connection with his injury, what his workers' compensation entitlements are and other pertinent information, all of which would not be available if the information were not filed with the State.

I was interested to observe also that the Division is maintaining a master list of attorneys and keying each attorney into the cases he is handling. It is thus possible to write a program to access a report showing all fees paid to the lawyers in the State, who their clients are and other information which I believe the members of the Bar would be concerned to learn is now publicly available information. Each lawyer is now designated in the system as an employers' lawyer or an employees' lawyer.

A further collateral issue has to do with the maintenance of the law digest portion of their program.

Frankly, the work done in preparing the law digest function on the computer appear to be extremely well done, and they are to be complimented for putting together a very good program. My concern is not that they have built this aspect of the system, but rather they have concentrated their efforts on making available to their own internal staff an excellent means of accessing opinions of the Workers' Compensation Boards in order to help draft future opinions, but they have devoted no time whatsoever to making printed versions of the workers' compensation opinions available to anyone else.

The history of access to Board opinions in this regard is that for those lawyers who had contacts with the Juneau office, photo copies of mimeographed versions of their opinions could be obtained; but no one else in the State could have access to them except the parties to each case. Now I understand that the Juneau office will not make them available even to lawyers in Juneau. This means that the Board intends to rely on prior cases in drafting its future opinions, but the lawyers who must argue before the Boards will not have access to those opinions in any way. It seems to me that it would be more appropriate for the Division of Workers' Compensation to have created a facility to make the opinions available to a private publishing firm in Alaska, who could have developed the digest and made it commercially available to all lawyers and other interested parties. It may be that the Division is considering making the opinions and the digest available to interested parties which would be a step forward, but it strikes me as completely inappropriate that such a function that could be well done by private concerns is being done by a state agency.

Alternative Suggestion

While I believe it is inappropriate for the State to be accumulating this information, there are certain things which I do believe are appropriate for the employee to have and it is interesting to note that no one has drafted any statute requiring this information be made available to the employee. It is true that in the set of instructions promulgated by the Board, they ask that the original report go to the employee.

It is further our concern that the reports are so complex that in their current form they are probably more confusing to the employee than they are helpful.

I attach a proposed alternative to be included in Section 155.

Its salient points are these:

1. The carrier must report to the employee at every change in compensation.
2. The form upon which such reports are made to the employee must meet minimum standards established by the Board but are not prepared on Board forms. This will permit each carrier to design a simple form which meets minimum standards but which are readable and understandable by the claimant.
3. There are penalties imposed upon the carrier for not submitting the reports in a timely fashion, but instead of the penalties being automatic they are imposed upon application by the employee, are paid to the employee and are determined ultimately by the Board.

4. The Board will receive only a first notice from the carrier acknowledging receipt of some information concerning the existence of a claim and a final notice which provides whatever statistical information the Board believes is relevant to monitoring the workers' compensation system. This, of course, is in addition to the notice of injury submitted by the employee.

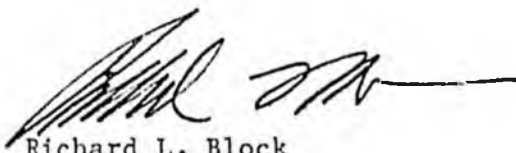
It is our opinion that with the information the Board will be in a position to know all claims have been acknowledged by a carrier and who that carrier is, enabling the Board to refer an injured worker to the proper person handling the workers' compensation claim should any inquiries come to the Division of Workers' Compensation.

Under current law, which we do not propose be changed, an injured worker could file a specific request for hearing before the Board on their workers' compensation claim if they feel they are not being treated properly by the carrier, or may file a claim with the Division of Insurance to investigate whether the insurance company is properly handling the workers' compensation claim and giving it its due attention.

All of the interim reports currently required by Section 155 to be filed with the Board by the carrier would be eliminated.

We regard the change in direction as extremely important and hope the Committee will see fit to adopt the proposed amendment.

Yours cordially,



Richard L. Block
President

RLB/crl

23.30.155 (c) Repeal
23.30.155 (h) Repeal
23.30.155 (m) Repeal
23.30.155 (g) Add

- (i) Within 14 days after receipt of any document which evidences the existence of a claim under this Act, the employer or carrier shall file with the Board and provide to the employee an acknowledgment of claim which shall be on a form prescribed by the Board and which shall be for the purpose of providing both the Board and the claimant with the name and point of contact in the state of Alaska for information concerning the claim, proposed disposition of the claim, and claimants rights and entitlements under the Act.
- (ii) The employer shall notify the claimant of any change in compensation to be paid to claimant. The notice shall be delivered to claimant within 14 days after a last payment before termination or suspension of payments, or with any payment that is less than, more than or being paid pursuant to a different statutory entitlement than any previous payment or which is a resumption of payments. The notice shall be on a form prepared by the employer but which meets minimum standards set by the Board and shall contain:
- 1) Nature of the change in payment.
 - 2) Reason for the change.
 - 3) Amount of the change.
 - 4) Method of calculation.
 - 5) Statutory entitlement being paid, terminated, suspended or modified.
- (iii) Within 14 days after final payment of compensation has been made, the employer shall send to the Board a notice on a form prescribed by the Board stating:
1. Reason for closing the case
 2. Total amount paid for compensation, medical, rehabilitation and allocated loss expense.
 3. Other statistical information as is necessary to determine accident frequency and severity, trends, and which is prescribed by regulation.
 4. Other information which the Board determines necessary to properly administer the workers' compensation system.

(iv) If the employer fails to notify the employee, the Board, upon application of the employee, may assess a civil penalty, payable to the employee of up to \$100.00 for each notice not timely rendered.



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274-7221

April 16, 1982

Senator Bob Mulcahy,
Senate Commerce Committee,

Dear Senator Mulcahy:

I am forwarding the following objections to CSHB, 159, (L & C) and recommended changes.

Section 9, paragraph C, line 14, and following the time set by the Board for notice of subsequent treatments.

This change would increase the Board's authority and potentially cause increase cost if the Board requested reporting requirements. The 1981 version of HB 159 requested reporting after every patient treatment. Research indicated an increase of approximately half a million dollars to the providers in an estimated 100 offices alone, if the 1981 version passed. While the 1982 version has been "soften" the same potential effect could occur.

Since a provider will not get paid from the Workmen's Compensation Carrier unless a report is sent, seems to be enough incentive to report timely.

Page 6, section 10, line 27. Should read:

Physician or surgeon authorized to practice (medicine) under the laws of _____ the word medicine should be deleted.

Page 6,7, line 29 and 1.

(The employee has the right to have a physician paid for by the employer, present at the examination or examinations). This clause is scheduled to be deleted. This should be left in the Original language of the bill. There is no supportive evidence why this clause should be removed.

Section 16, page 9, line 29, 1, 6. Credibility of Witness.

This section gives too much authority to the Board. With a jury trial you have the right to have a prejudice juror removed. Workmens Compensation Members are not unbiased individuals. Board Members cannot be challenged when they have biased opinions. Why should the Workmens Compensation Board have greater powers or be given special privileges beyond other boards and commission in this State. We object to this new section being added. Please delete section 23,30, 122 in its entirety.

Thank you for your consideration.

Sincerely,



Adrian G. Barber D.C.
Chairman of Legislative Committee.
Alaska Chiropractic Society

AGB/ez

TWELFTH LEGISLATURE (Continued)

TITLE: An Act relating to workers' compensation, and providing for an effective . . ."

Agency Affected: Department of Labor

Page 2

1. Assumes an inflation rate of 10% per annum after FY '83.
2. Assumes an effective date of July 1, 1982.
3. The total cost for FY'83 for the four new positions is detailed on attached forms 13. In addition the following items are included in the FY '83 costs.

A Workers' Compensation Officer I reclassification to a Workers' Compensation Officer II with related travel and contractual services. Cost \$16.6

100 Personal Services	\$ 5.5
200 Travel	5.0
300 Auto, Lease, Indirect, etc.	6.1
	<u>\$16.6</u>

The data processing operations cost will increase by \$14.0 because of enhancements for a tickler system, running two systems parallel and the files expansion to retain the addresses of all claimants.

The printing of 10,000 Workers' Compensation Acts and 25,000 Employee Information booklets. \$35.0

The design and printing of new forms. \$2.5

Computer program modifications to implement the changes introduced by the bill. \$20.0

Equipment expense for computer terminals, panelling, cabinets, and files. \$6.0

Included one-time items in FY '83

Equipment	\$10.4
Booklets and Acts	35.0
Design and printing of new forms	2.5
Computer programs	20.0
	<u>\$67.9</u>

Funding Change

Items included in the FY 83 Governor's budget that will change funding sources from General Fund to the Second Injury Fund.

4 positions (including benefits)	\$141.3
Non-personal service costs relating to these 4 existing positions	
200: travel	9.9
300: contractual	25.8
400: commodities	2.3
	<u>179.3</u>

TITLE: An Act relating to workers' compensation, and providing for an effective . . ."

Agency Affected: Department of Labor

Page 3

FY' 83 Component Breakdown:

Workers' Compensation Administration

Second Injury Fund

PS		\$161.8
Travel		20.0
Contract*	\$47.0	75.3
Commodities		3.4
Equipment		10.4
TOTAL	<u>\$47.0</u>	<u>\$270.9</u>

Funding

General Fund

Second Injury

Funding transfer	(179.3)	179.3
Rehabilitation Services/ delivery system	47.0	270.9
	<u>(132.3)</u>	<u>450.2</u>

*\$35,000 Workers Compensation Acts and Information Booklets; \$12,000 Data Processing

**Second Injury Fund is currently being reviewed to determine whether revenues are sufficient to cover the cost of rehabilitation. It may be necessary to amend AS 23.30.040 to increase the maximum percentage contribution rate.

1	POSITION TITLE Rehabilitation Administrator			RANGE/STEP 22A	BARG. UNIT.	LOCATION ERA	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No. N/A	PCN No. New Position	PRIORITY	FORM 12 N/A	PAGE/LINE	

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES SALARY 3714 x 12		44,568
5	BENEFITS .1592		7,095
6	SBS .0613		2,188
7	FIXED BENEFITS 183 x 12		2,196
8	TOTAL PERSONAL SERVICES	01	56,047
9	TRAVEL	02	10,000
10	CONTRACTUAL	03	15,607
11	COMMODITIES	04	850
12	EQUIPMENT	05	1,600
13	OTHER		
14	TOTAL COST		84,104

JUSTIFICATION:

It is the intent of the Legislature that an injured worker receive rehabilitation services which enhance returning to work as quickly as possible at earnings as close as possible to the worker's gross earnings at the time of the injury. The implementation of a delivery system to provide timely and adequate rehabilitation services is fundamental in meeting this objective.

The rehabilitation administrator is necessary to develop and implement a workers' compensation rehabilitation program designed to administer and monitor the rehabilitation benefits of industrially injured workers covered by the Alaska Workers' Compensation Act.

Extensive travel within the state is necessary to provide assistance to approximately 12,000 employers in developing programs for re-employment of injured workers and coordinating counselor services with workers, insurers/employers, labor unions, and rehabilitation providers.

- 9. Travel: \$10,000 (20 trips @ \$500 per trip)
- 10. Contractual: Space \$3,100 (to be transferred to DOA)
Auto Lease & Oper. Costs \$5,600
Indirect (11.46% x 40,000) = \$5,107
Other costs which include communications, equipment rental, etc., \$1,800
- 11. Commodities. Cost per position
- 12. Equipment: Desk, desk chair, side chairs, bookcase, file - \$1,600

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH 1003	
17	100	GEN. FUNC 1001	
18		IND RCPTS. 1005	
19		PGM RCPTS 1028	
20	841	OTHER Second Injury Fund	84,104
21	CONTINUATION		
22	ADDITION	X	

FOR B&M USE ONLY

4A KEY NUMBER

COLUMN NO.

AGENCY Labor

PROGRAM Worker Protection

BRU Workers' Compensation

COMPONENT Second Injury Fund

Page 1 of 4

REVISED DATE

13 REQUEST FOR NEW POSITION

FY 83

1	POSITION TITLE Rehabilitation Administrator			RANGE/STEP 22A	BARG. UNIT.	LOCATION EBA	APPROV. BOV	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No. N/A	PCN No. New Position	PRIORITY	FORM 12 PAGE/LINE N/A	APPROV. LTD	DISAPP.

3	TYPE OF EXPENDITURE	AMOUNT
	1	2
4	PERSONAL SERVICES: SALARY 3714 x 12	44,568
5	BENEFITS .1592	7,095
6	SBS .0613	2,188
7	FIXED BENEFITS 183 x 12	2,196
8	TOTAL PERSONAL SERVICES 01	56,047
9	TRAVEL 02	10,000
10	CONTRACTUAL 03	15,607
11	COMMODITIES 04	850
12	EQUIPMENT 05	1,600
13	OTHER	
14	TOTAL COST	84,104

JUSTIFICATION:
 It is the intent of the Legislature that an injured worker receive rehabilitation services which enhance returning to work as quickly as possible at earnings as close as possible to the worker's gross earnings at the time of the injury. The implementation of a delivery system to provide timely and adequate rehabilitation services is fundamental in meeting this objective.

The rehabilitation administrator is necessary to develop and implement a workers' compensation rehabilitation program designed to administer and monitor the rehabilitation benefits of industrially injured workers covered by the Alaska Workers' Compensation Act.

	RECEIPT CODE	FUNDING SOURCE
15		FED RCPTS. 1002
16		GF MATCH. 1003
17	100	GEN. FUND 1004
18		I-A RCPTS. 1005
19		PGM RCPTS 1028
20	841	OTHER Second Injury Fund 84,104

Extensive travel within the state is necessary to provide assistance to approximately 12,000 employers in developing programs for re-employment of injured workers and coordinating counselor services with workers, insurers/employers, labor unions, and rehabilitation providers.

9. Travel: \$10,000 (20 trips @ \$500 per trip)
 10. Contractual: Space \$3,100 (to be transferred to DOA)
 Auto Lease & Operating Costs \$5,600
 Indirect (11.46% x 44,568 = \$5,107)
 Other costs which include communications, equipment rental, etc., \$1,800
 11. Commodities: Cost per position
 12. Equipment: Desk, desk chair, side chairs, bookcase, file - \$1,600

21	CONTINUATION	
22	ADDITION	X

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Labor PROGRAM Worker Protection

BRU Workers' Compensation

COMPONENT Second Injury Fund

FY 83

13 REQUEST FOR NEW POSITION

Page 1 of 4 REVISED DATE _____

1	POSITION TITLE Workers Compensation Officer II			RANGE/STEP 18A	BARG. UNIT. GRU	LOCATION JBA	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No. N/A	PCN No. New Position	PRIORITY	FORM 12 PAGE/LINE N/A	LEG.		

TYPE OF EXPENDITURE		AMOUNT
1	2	3
PERSONAL SERVICES:		
4	SALARY 3249 x 12	38,988
5	BENEFITS .1592	6,207
6	SBS .0613	2,188
7	FIXED BENEFITS .83 x 12	2,196
8	TOTAL PERSONAL SERVICES 01	49,579
9	TRAVEL 02	5,000
0	CONTRACTUAL 03	14,968
1	COMMODITIES 04	850
2	EQUIPMENT 05	1,395
3	OTHER	0
4	TOTAL COST	71,792

JUSTIFICATION:

It is the intent of the Legislature that an injured worker receive rehabilitation services which enhance returning to work as quickly as possible at earnings as close as possible to the worker's gross earnings at the time of the injury. The implementation of a delivery system to provide timely and adequate rehabilitation services is fundamental in meeting this objective.

The workers' compensation officer is necessary to coordinate with workers, employers, insurers and rehabilitation providers to expedite the retraining and re-employment of injured workers. Travel within the Fairbanks and Northern regions will be necessary to coordinate this effort.

9. Travel: \$5,000 (10 trips @ \$500 per trip)

10. Contractual: Space \$3,100 (to be transferred to DOA) Auto Lease, Maintenance Agreement & Operating Costs \$5,600 Indirect Costs (11.46% x 38,988 = \$4,468) Other costs which include communications, equipment rental, etc. \$1,800

11. Commodities: Cost per position

12. Equipment: Desk, desk chair, side chair, file, work-table, bookcase \$1,395

RECEIPT CODE	FUNDING SOURCE	
	FED RCPTS. 1002	
	GF MATCH. 1003	
100	GEN. FUND 1004	
	I-APPTS. 1005	
	PGM. RCPTS 1028	
841	OTHER Second Injury Fund	71,792

CONTINUATION ADDITION X FOR B&M USE ONLY

MA KEY NUMBER _____ COLUMN NO. _____

AGENCY Labor PROGRAM Worker Protection
 BRU Workers' Compensation
 COMPONENT Second Injury Fund

13 REQUEST FOR NEW POSITION.

FY 83

1	POSITION TITLE Clerk Typist III	RANGE/STEP BB	DARG. UNIT. GRU	LOCATION AWA	GOV.	APPROV.	DIGAPP.
2	TYPE OF POSITION PFT	STATE MONTHS 12	IPP No. N/A	PCN No. New Position	PRIORITY	FORM 12 N/A	PAGE/LINE N/A

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY 1530 x 12	18,360	
5	BENEFITS .1592	2,923	
6	SBS .0613	1,125	
7	FIXED BENEFITS 183 x 12	2,196	
8	TOTAL PERSONAL SERVICES 01	24,604	
9	TRAVEL 02		
10	CONTRACTUAL 03	7,004	
11	COMMODITIES 04	850	
12	EQUIPMENT 05	700	
13	OTHER		
14	TOTAL COST	33,158	

JUSTIFICATION:

It is the intent of the Legislature that an injured worker receive rehabilitation services which enhance returning to work as quickly as possible at earnings as close as possible to the worker's gross earnings at the time of the injury. The implementation of a delivery system to provide timely and adequate rehabilitation services is fundamental in meeting this objective.

The Clerk III position will provide clerical assistance to the Workers' Compensation Officer in the Juneau Second Injury Fund office and will be responsible for providing and coordinating distribution of information from the claim files to the other regions.

RECEIPT CODE	FUNDING SOURCE	AMOUNT
15	FED RCPTS. 1002	
16	GF MATCH. 1003	
17	100 GEN. FUND 1004	
18	I-ARCPTS. 1005	
19	PGM RCPTS 1028	
20	841 OTHER Second Injury Fund	33,158

- 10. Contractual: Space \$3,100 (to be transferred to DOA) Indirect (11.46% x 18,360 = \$2,104) Other costs which include communications, equipment rental, etc. \$1,800
- 11. Commodities: Cost per position
- 12. Equipment: Desk, desk chair \$700

21	CONTINUATION		FOR B&M USE ONLY
22	ADDITION	X	

AGENCY Labor PROGRAM Worker Protection

ORU Workers' Compensation

COMPONENT Second Injury Fund

13 REQUEST FOR NEW POSITION.

FY 83

1	POSITION TITLE Clerk IV				RANGE/STEP 9B	BARG. UNIT. GBU	LOCATION ERA	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No. N/A	PCN No. New Position	PRIORITY	FORM 12 N/A	PAGE/LINE N/A	LEG		

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY 1627 x 12		19,524
5	BENEFITS .1592		3,108
6	SBS .0613		1,197
7	FIXED BENEFITS	183 x 12	2,196
8	TOTAL PERSONAL SERVICES 01		26,025
9	TRAVEL 02		0
10	CONTRACTUAL 03		7,137
11	COMMODITIES 04		850
12	EQUIPMENT 05		700
13	OTHER		
14	TOTAL COST		34,712

JUSTIFICATION:
It is the intent of the Legislature that an injured worker receive rehabilitation services which enhance returning to work as quickly as possible at earnings as close as possible to the worker's gross earnings at the time of the injury. The implementation of a delivery system to provide timely and adequate rehabilitation services is fundamental in meeting this objective.

The Clerk IV position will provide clerical assistance to the Rehabilitation Administrator and Workers' Compensation Officer and will be responsible for maintaining follow-up on all rehabilitation files.

10. Contractual: Space \$3,100 (to be transferred to DOA) Indirect (11.46% x \$19,524 = \$2,237) Other costs which include communications, equipment rental, etc. \$1,800

11. Commodities: Cost per position

12. Equipment: Desk and desk chair \$700

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17	100	GEN. FUND 1004	
18		I-ARCPTS. 1005	
19		PGM RCPTS 1028	
20	841	OTHER Second Injury Fund	34,712

21	CONTINUATION		FOR B&M USE ONLY
22	ADDITION	X	

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Labor PROGRAM Worker Protection

DDU Workers' Compensation

COMPONENT Second Injury Fund

13 REQUEST FOR NEW POSITION.

FY 83

Page 4 of 4 REVISED DATE _____

I. REQUEST

Bill/Resolution No. Committee Substitute for House Bill No. 9 (L & C) (1 of 3)

Title "An Act relating to workers' compensation, and providing for an effective . . ."

Requested by Labor and Commerce Committee

Date 3/1/82

II. FISCAL DETAIL

Agency Affected Labor

Program Category Affected Worker Protection

BRU, Program, or Subprogram(s) Affected Workers' Compensation

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		161.8	178.0	195.8	215.4	236.9
200 TRAVEL		20.0	22.0	24.2	26.6	29.3
300 CONTRACTUAL		122.3	71.3	78.4	86.2	94.9
400 COMMODITIES		3.4	3.7	4.1	4.5	4.9
500 EQUIPMENT		10.4	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	317.9	275.0	302.5	332.7	366.0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	(132.3)	(197.2)	(215.9)	(238.6)	(262.5)
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
**Second Injury Fund		450.2	472.2	519.4	571.3	628.5

POSITIONS

FULL TIME	0	4	4	4	4	4
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

It is the intent of the Legislature that an injured worker receive rehabilitation services which enhance returning to work as quickly as possible at earnings as close as possible to the worker's gross earnings at the time of the injury. The implementation of a delivery system to provide timely and adequate rehabilitation services is fundamental in meeting this objective.

This fiscal note provides that the state administrative costs for rehabilitation under the proposed AS 23.30.041 be paid from the Second Injury Fund. This includes the costs of four new positions, plus the cost of four existing positions which entails a transfer in funding source from General Funds to Second Injury Funds. (Continued page 2)

IV. DATE 3/2/82

PREPARED BY Nico Bus

AGENCY Labor

PHONE 465-2720

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)