

ALASKA LEGISLATURE

2028

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

179

HB

419

HFIN

FILE

TO: Representative Norman Rokeberg
Chairman, House Labor and Commerce Committee
FR: Marjorie T. Linder, M.A., CRC
RE: Testimony regarding HB 419
DATE: March 20, 2000

I am Marjorie Linder, a vocational rehabilitation counselor in the workers' compensation system. I served on the WCCA in 1988 and helped draft Section .041 of the current law. Because of my past involvement, I offer a unique perspective. I know that I had good intentions with these law changes, but, like Frankenstein, I helped to create a monster.

In 1988, there was the perception that the law was unbalanced in favor of injured workers. Premiums were on the rise. Thus, the law was overhauled and, since then, employers have enjoyed a 41.5% reduction in premiums, according to the recent legislative audit. There is no crisis for employers.

Unfortunately, injured workers have paid the price for their employers' tremendous savings in workers' compensation insurance. Today, only 300 out of 28,000 workers injured each year qualify for the reemployment benefit. Both a laborer and an office worker receive as little as \$9450 for a herniated disc despite the disparate ways that injury affects them. The reemployment benefit attempts to assist the laborer to learn to earn a living again because he, unlike the office worker, can't return to his job.

Workers with no ratable impairment are ineligible for retraining. This affects office workers, cannery workers, and others with repetitive stress injuries to their forearms, for instance.

Young Slope workers who are able to return to work at the fast foods job they held in high school are ineligible for the benefit. The wage disparity does not matter.

Workers whose job is described inaccurately with physical demands that are lower than the actual job are also found ineligible.

Instead of curing such problems with the present Act, Section 7 (r) of HB 419 seeks to further restrict access to retraining for injured workers. It "allows" workers to forfeit their reemployment benefits before they know whether they will need them and before they know how much they are worth to them. Once they have signed on the dotted line, they can not retract their waiver if they find they are unable to return to work or continue to work because of their injuries.

With no legal advice or explanation from anyone other than their claims adjusters, workers who don't typically read what they sign, who can't speak English, who are functionally illiterate, or who are on pain pills will sign these affidavits "as a matter of course" — a paper sandwiched among others.

At present, workers can already waive their benefit, but only after they reach medical stability, after they understand that the value of the benefit they are forfeiting, and after they have legal advice or advice from the workers' compensation board to assure they understand exactly what they are waiving. Unless they have signed a compromise and release, they can also retract their waiver if they find their new physical limitations prevent their ability to work. Under the present act, the reemployment benefit for uncooperative workers can easily be controverted. **No law changes need occur to make sure the reemployment benefit is voluntary. The mechanism for waiving the benefit is already in place without the passage of Section 7 (r).**

Section 7 (r) invites numerous negative consequences:

- The waiver's irrevocability will encourage numerous legal challenges. Like the Miranda warning has done, this waiver will tie up the legal system for years to come. That litigation will cost the State of Alaska money.
- Workers with no way to earn a living will lose their homes, their savings, and their buying power. That will hurt, not help Alaskan businesses.
- Section 7 (r) of this law is a veiled attempt by the insurance industry to get the State to supplement the benefits for which they collect premiums. Injured workers not adequately served by the comp system will be forced to obtain financial support for themselves and retraining from Public Assistance and DVR. That will cost the State of Alaska money.
- As time passes and their resources decrease, injured workers who are able, will accept inappropriate employment and put themselves, their co-workers, and their next employer at risk. All of us will suffer.
- If workers waive the benefit and their waiver is irrevocable, then subsequently find that they can not work, they may be eligible to be declared permanently and totally disabled. Employers will pay for a lifetime of benefits that could have been over in two years.

Therefore, I urge you to remove Section 7 (r) from HB 419 to protect the people of Alaska and the State budget. One life is a precious thing to waste.

It bases the calculation of seasonal and temporary workers' gross weekly wages on earnings from the 12 months immediately preceding the injury.

It bases the calculation of seasonal and temporary workers' gross weekly wages on earnings from the calendar year preceding the calendar year of injury.

Section 15 amends AS 23.30.175(a)	Ties future maximum and minimum weekly compensation rates to the Alaska average weekly wage rate of the year preceding the injury. The maximum compensation rate would be 122% of the Alaska average weekly wage rate, and the minimum compensation rate would be 22% of the maximum compensation rate.	Maximum weekly compensation rate is \$700 per week. Minimum compensation rate is \$154/\$110.
Section 16 adds a new section, AS 23.30.175(d)	Requires the annual determination of Alaska average weekly wage.	N/A
Section 17 amends AS 23.30.190(a)	Increases the whole-person value for permanent partial impairment ratings to \$177,000.	The whole-person value for a permanent partial impairment rating is \$135,000.
Section 18 amends AS 23.30.215(a)	Increases funeral expense benefits to \$3,300.	Funeral expense benefits are \$2,500.
	It increases the combined benefits for a widow / widower with one child to 90% of the spendable weekly wage.	Combined benefits for a widow/widower with one child are 80% of the spendable weekly wage.
	It increases the combined benefits of a widow/widower with two children to 100% of the spendable weekly wage.	The combined benefits of a widow/widower with two children are 80% of the spendable weekly wage.
	It increases the benefits of orphans to 100% of the spendable weekly wage.	The benefits of orphans are 80% of the spendable weekly wage.
Section 19 amends AS 23.30.220(a)	Incorporates overtime wages into the calculation of an employee's gross weekly wages.	Overtime and premium pay are excluded from the calculation of an employee's gross weekly wages.

It suspends compensation when a lump-sum permanent partial impairment (PPI) payment has been made, until that PPI amount would have been paid out as weekly compensation benefits.

Uncertain if a PPI lump-sum paid before rehabilitation may be offset against benefits received during the reemployment plan.

Bars entitlement to permanent total disability (PTD) benefits while an employee is engaged in the reemployment process, changing the law as interpreted by the Alaska Supreme Court decision in Meek v. Unocal.

An employee may be entitled to PTD benefits while an employee is engaged in the reemployment process, when no compensation is provided.

Section 5
amends AS 23.30.041(l)

Increases the maximum cost of a reemployment plan to \$13,300.

The maximum cost of a reemployment plan is \$10,000.

Section 6
amends AS 23.30.041(n)

Permits an employer to suspend benefits if an employee fails to give the employer timely notice of the employee's choice of rehabilitation specialist under AS 23.30.041(g).

There is no penalty if an employee fails to give timely notice to the employer, concerning the employee's choice of rehabilitation specialist under AS 23.30.041(g).

Section 7
adds a new subsection,
AS 23.30.041(r)

Permits an employee to waive reemployment benefits at any time, without having to go through a formal Compromise and Release (C&R) agreement.

An employee's entitlement to reemployment benefits may not be forfeited or waived without Board approval of a formal C&R agreement.

Section 8
amends AS 23.30.095(f)

Requires the usual, customary and reasonable (UCR) medical fee schedule to be updated at least once a year.

The UCR medical fee schedule has no specific updating requirement.

<p>Section 9 adds new subsections, AS 23.30.095(l)&(m)</p>	<p>Delays the deadline for the payment of medical bills to 30 days. This changes the law resulting from the Alaska Supreme Court decision in <u>Childs v. Copper Valley Electrical Association</u>.</p>	<p>The Alaska Supreme Court decided in <u>Childs</u> that payment on medical bills is due within 14 days under AS 23.30.155.</p>
<p>Section 10 amends AS 23.30.105(a)</p>	<p>Places a two-year time limit on the employee's right to request reemployment benefits.</p>	<p>AS 23.30.105(a) does not list reemployment benefits under the provision placing a two-year time limit on requests for benefits.</p>
<p>Section 11 amends AS 23.30.107(a)</p>	<p>Requires all requests for medical releases to be in writing, and to give notice of the employee's right to request a protective order from the Board.</p>	<p>Does not require requests for medical releases to be in any particular form; and does not require the employer to give notice of the employee's right to request a protective order from the Board.</p>
<p>Section 12 adds a new section, AS 23.30.108</p>	<p>Requires decisions concerning medical releases to be made in prehearing conferences by a Board designee, with a limited right of appeal to the Board for abuse of discretion.</p>	<p>Decisions concerning medical releases may be made in prehearing conferences or by the Board in a hearing. The Board reviews prehearing release decisions under a "preponderance of the evidence" standard.</p>
<p>Section 13 adds a new subsection, AS 23.30.110(h)</p>	<p>Restarts a two-year statute of limitations on an employee's right to pursue a claim, whenever the Board continues or cancels a hearing. This changes the law from the Alaska Supreme Court decisions in <u>Tipton v. ARCO</u> and <u>Huston v. Coho</u>.</p>	<p>The Alaska Supreme Court decided in the <u>Tipton</u> and <u>Huston</u> cases, that a request for a hearing completely stops the running of .110(c), the two-year statute of limitations on an employee's right to pursue a claim.</p>
<p>Section 14 adds a new subsection, AS 23.30.155(p)</p>	<p>Requires interest on late benefits to be paid at the rate used by the Alaska courts (3% above the January 2d prime).</p>	<p>Interest on late benefits are paid at the rate of 10.5 % under A S 45.45.010.</p>

Date: March 7, 2000

HB 419
Side-by-Side Analysis

SB 278 Section & Alaska Statute Citation	Proposed Law	Present Law
Section 1	Quick, efficient, fair, etc.	The same.
Section 2 amends AS 23.30.041(g)	The employee's choice of a rehabilitation specialist must be made within 15 days.	The employee must notify the employer of a choice of a rehabilitation specialist within 10 days.
	Allows suspension of benefits for failure to give the employer timely notice of the choice of specialist.	There is no penalty for late notification.
Section 3 amends AS 23.30.041(h)	Reemployment plans require continuous participation by employees	Reemployment plans require a defined schedule, not continuous participation.
	Plans must maximize use of the employees' transferable skills.	An employee's technical skills are simply one element of the plan.
	An employee's medical stability to be determined by a Board- appointed physician or a physician retained by the employer, as well as by a treating physician.	An employee's medical stability is to be determined by a treating physician.
Section 4 amends AS 23.30.041(k)	Provides benefits in this section be called "compensation."	Benefits under this section are termed "wages."
	Increases the weekly benefit rate to 70% of employee's spendable weekly wage.	Weekly compensation under this section is 60% of the employee's spendable weekly wage.
	Allows an offset or reduction of compensation when compensation and wages exceed 80% of the spendable weekly wage.	Benefits are not reduced for wages earned for work in a reemployment plan.

LEGISLATIVE AGENDA – YEAR 2000

MANAGEMENT

- Annual Updates – Medical Fee Schedule (09.30.070(a))
- Change Interest Rate to State Specified (095f)
- Medical Bill Payment Within 30 Days (095c)
- Clarification of Time Limitation on Bringing a Claim (110c)
- Reasonable Medical Releases (107a)
- Vocational Rehabilitation
 - Worker Right to Waive (041c)
 - Notice to Accept Re-Employment Benefit (041g)
 - Failure constitutes noncooperation (041n)
 - Transferable Skills (041h(2) / 041l)
 - Medical Stability by an Examining Physician (041h 7)
 - Wages Reduce Benefits Above TTD Limits (041K)
 - Credit for PPI if paid out lump sum (041k)
 - No PTD Benefits During Rehabilitation (041k)
 - 2- year limitation on requesting Voc Rehab (105a)

LABOR

- Increase PPI - \$177,000 (190a)
- Increase Death Benefit to 100% (215a)
 - Increase Funeral Expense - \$3,300
- Wage Calculations to Include Overtime (220a)
- Establish Weekly Max at 120% of Average Weekly Wage (175a)
- Establish Weekly Min at 22% of Weekly Max (175a)
- Increase Rehabilitation Stipend to 70% (041k)
- Increase Vocational Rehab to \$13,300 (041l)
- Clarify Seasonal / Temporary Worker (220a)
 - Change to Model Act – Last 12 Months

Paul



Carolyn Pearl, CPCU
State Relations Executive

(907) 465-2797
Via Facsimile

February 2, 2000

Paul Grassi
Director, Workers Compensation Division
State of Alaska
Department of Labor
P.O. Box 25512
Juneau, AK 99802-5512

Re: Proposed Alaska Benefit Changes

Dear Paul:

As you requested, NCCI has reviewed the impact of the workers compensation benefits changes under consideration in Alaska.

Based on the most recent information on the type, distribution and severity of injuries, and the nature of the proposed changes, we have determined that the impact of these changes on overall costs would be between 7.7% and 8.9%.

A number of the proposed changes are difficult to quantify, but could have an impact over time. The ultimate cost will depend on several factors including how any law change is enacted, interpreted and utilized.

I hope this information is helpful, however, please contact me if you have any questions, need additional information or if this proposal becomes legislation.

Sincerely,

Carolyn Pearl, CPCU
State Relations Executive

DOL-VIC
JUNEAU FEB 08 2000

HB 419

1998 stats on reemployment benefits

850 requests for eligibility

621 by employees

237 by employers

287 employees were found eligible for retraining

25 completed retraining plans

107 where settled with compromise and releases

The rest of the employees where in various other status:

Still in training programs

dropped out

case appealed

plan approval pending

medically disabled (plan pending)

claim controverted

others

Provided By Dept. of Labor

HB 419 Sectional analysis

Section 1 states the legislature's intent to provide quick, efficient, fair, and predictable benefits; its intent that the statute not be construed by the courts in any party's favor; and its intent to address the specific topics of sections 2-23.

Section 2 amends AS 23.30.041(g) to increase the deadline for the employee's choice of a rehabilitation specialist from 10 to 15 days, but subjects the employee to the suspension of benefits for failure to give the employer timely notice of the choice of specialist.

Section 3 amends AS 23.30.041(h) to require reemployment plans to require continuous participation by employees and to maximize the use of the employees' transferable skills. It also permits an employee's medical stability to be determined by a Board-appointed physician or a physician retained by the employer, as well as by a treating physician.

Section 4 amends AS 23.30.041(k) to change reemployment "wages" into a form of "compensation", allowing certain offsets and reductions. It increases the weekly compensation rate under this section from 60% to 70% of employee's spendable weekly wage. It also provides an offset of compensation when compensation and wages exceed 80% of the employee's spendable weekly wage. It suspends compensation when a lump-sum permanent partial impairment (PPI) payment has been made, until that PPI amount would have been paid out as weekly compensation benefits. It also bars entitlement to permanent total disability (PTD) benefits while an employee is engaged in a reemployment process, changing the law as interpreted by the Alaska Supreme Court decision in *Meek v. Unocal Corp.*, 914 P.2d. 1276 (Alaska 1996).

Section 5 amends AS 23.30.041(l) to increase the maximum cost of a reemployment plan from \$10,000 to \$13,300.

Section 6 amends AS 23.30.041(n) to permit an employer to suspend benefits if an employee fails to give the employer timely notice of the employee's choice of rehabilitation specialist under AS 23.30.041(g).

Section 7 adds a new subsection, AS 23.30.041(r), to permit an employee to waive reemployment benefits at any time, without having to go through a reemployment evaluation, and without having to go through a formal Compromise and Release (C&R) agreement. It removes the requirement for Board approval of the waiver under AS 23.30.012, and removes the Board's ability to modify the waiver under AS 23.30.130.

Section 8 amends AS 23.30.095(t) to require the usual, customary, and reasonable medical fee schedule to be updated at least once a year.

Section 9 adds new subsections, AS 23.30.095(l)&(m), increasing the deadline for the payment of medical bills from 14 to 30 days in conformity with the national industry standard. This changes the law resulting from the Alaska Supreme Court decision in *Childs v. Copper Valley Electrical Association*, 860 P.2d 1134 (Alaska 1993).

Section 10 amends AS 23.30.105(a) to place a two-year time limit on the employee's right to request reemployment benefits.

Section 11 amends AS 23.30.107(a) to require requests for medical releases to be in writing, and to give notice of the employee's right to request a protective order from the Board.

Section 12 adds a new section, AS 23.30.108, requiring decisions concerning medical releases to be made in prehearing conferences by a Board designee, with a limited right of appeal to the Board for abuse of discretion.

Section 13 adds a new subsection, AS 23.30.110(h), which restarts a two-year statute of limitations on an employee's right to pursue a claim, whenever the Board continues or cancels a hearing. This changes the law from the Alaska Supreme Court decisions in *Tipton v. ARCO Alaska, Inc.*, 922 P.2d 910 (Alaska 1996) and *Huston v. Coho Electric*, 923 P. 2d 818 (Alaska 1996).

Section 14 adds a new subsection, AS 23.30.155(p), requiring interest on late benefits to be paid at the rate used by the Alaska courts.

Section 15 amends AS 23.30.175(a), tying future maximum and minimum weekly compensation rates to the Alaska average weekly wage rate of the year preceding the injury. The maximum compensation rate would be 122% of the Alaska average weekly wage rate, and the minimum compensation rate would be 22% of the maximum compensation rate.

Section 16 adds a new section, AS 23.30.175(d), requiring the annual determination of Alaska average weekly wage.

Section 17 amends AS 23.30.190(a) to increase the whole-person value for permanent partial impairment ratings from \$135,000 to \$177,000.

Section 18 amends AS 23.30.215(a) to increase funeral expense benefits from \$2,500 to \$3,300. It also increases the combined benefits for a widow/widower with one child from 80% to 90% of the spendable weekly wage. It increases the combined benefits of a widow/widower with two children from 80% to 100% of the spendable weekly wage. It increases the benefits of orphans from 80% to 100% of the spendable weekly wage.

Section 19 amends AS 23.30.220(a) to incorporate overtime wages into the calculation of an employee's gross weekly wages. It bases the calculation of seasonal and temporary workers' gross weekly wages on earnings from the 12 months immediately preceding the injury, instead of from the previous calendar year.

Section 20 makes sections 2 & 6-13 retroactive in application, and sections 3-5 & 14-19 effective prospectively from July 1, 2000.

Section 21 authorizes the department to adopt regulations and/or emergency regulations necessary to carry out the changes in the statute.

Section 22 permits the department to begin adopting necessary regulations immediately.

Section 23 provides an effective date of July 1, 2000.

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: April 5, 2000

FURTHER REFERRALS:

Date of Committee Action: 4/12/00

The FINANCE Committee considered:

HB 419

HOUSE BILL NO. 419

WORKERS' COMPENSATION

"An Act relating to the weekly rate of compensation and minimum and maximum compensation rates for workers' compensation; specifying components of a workers' compensation reemployment plan; adjusting workers' compensation benefits for permanent partial impairment, for reemployment plans, for rehabilitation benefits, for widows, widowers, and orphans, and for funerals; relating to permanent total disability of an employee receiving rehabilitation benefits; relating to calculation of gross weekly earnings for workers' compensation benefits for seasonal and temporary workers and for workers with overtime or premium pay; setting time limits for requesting a hearing on claims for workers' compensation, for selecting a rehabilitation specialist, and for payment of medical bills; relating to termination and to waiver of rehabilitation benefits, obtaining medical releases, and resolving discovery disputes relating to workers' compensation; setting an interest rate for late payments of workers' compensation; providing for updating the workers' compensation medical fee schedule; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 419 (Fin) [] the same title [X] a new title

[] additional referral to _____ Committee [] attached amendment(s)

ADOPTS: HFC Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date) [] fiscal note(s) 31A fiscal note(s) Gov, Labor, UA 3-29-00

[] zero fiscal note(s) [] zero fiscal note(s)

Table with columns: SIGNING WITH RECOMMENDATIONS, DP, DNP, NR, AM. Rows include names like Theriault, Muller, Bunde, Austerman, J. Davis, Gussindorf, Moses, G. Davis, Williams, Phillip, and Phillips.

CHAIR'S SIGNATURE [Signature]

FISCAL NOTE

STATE OF ALASKA
 2000 LEGISLATIVE SESSION

BILL NO. HB419

Revision Date (Note if correction) _____ Dept Affected University of Alaska
 Title _____ BRU Statewide
 Worker's Comp _____ Component _____
 Sponsor House Labor & Commerce by Request
 Requester _____ Component Serial No _____

Expenditures/Revenues

OPERATING EXPENDITURES	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services					
Travel					
Contractual					
Supplies					
Equipment					
Land & Structures					
Grants & Claims	83.0	83.0	83.0	83.0	83.0
Miscellaneous					
TOTAL OPERATING	83.0	83.0	83.0	83.0	83.0
CAPITAL EXPENDITURES					
	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES () ()					
	0.0	0.0	0.0	0.0	0.0
FUND SOURCE					
1002 Federal Receipts	3.2	3.2	3.2	3.2	3.2
1003 GF Match					
1004 GF	62.3	62.3	62.3	62.3	62.3
1005 GF/Program Receipts					
1037 GF/Mental Health					
1048 University Receipts	17.5	17.5	17.5	17.5	17.5
TOTAL	83.0	83.0	83.0	83.0	83.0

Estimate of any current year (FY00) cost: none

POSITIONS

Full-time					
Part-time					
Temporary					

ANALYSIS: *(Attach a separate page if necessary)*

Estimated impact based on 8.3 percent increase as determined by Carolyn Pearl, State Relations Executive, National Council on Compensation Insurance, Inc.

Prepared by Pat Pitney, Director Phone 474-2602
 Division UA Budget and Institutional Research Date 3/27/00
 Approved by Commis Pat Pitney, Director Date 3/27/00
 Agency UA Budget and Institutional Research

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FISCAL NOTE

II Version: CSHB 419 (L&C)
(H) Publish Date: 3/29/00

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO.

Revision Date/Time (Note if correction): _____
Title: Workers' Compensation
Sponsor: House L&C
Requestor: House L&C

Department Affected: Labor & Workforce Development
BRU: Workers' Compensation
Component: Workers' Compensation

COMPONENT SERIAL NO. 344

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	6.7	6.7	6.7	6.7	6.7	6.7
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	6.7	6.7	6.7	6.7	6.7	6.7
CAPITAL						
CHANGE IN REVENUE FUND SOURCE #						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	6.7	6.7	6.7	6.7	6.7	6.7
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (New Fund)						
TOTAL	6.7	6.7	6.7	6.7	6.7	6.7

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY00) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

Please See Attached

Prepared by: Paul Grossi, Director Phone: 465-2790
Division: Workers' Compensation Date/Time: 3/7/00 9:18 AM

Approved by Commissioner: Ed Flanagan, Commissioner
Agency: Department of Labor Date: 3/7/00

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 419

Title: An Act relating to the Alaska Workers' Compensation Act, including the weekly rate of compensation and minimum and maximum compensation rates, specifying components of a reemployment plan, adjusting benefits for permanent partial impairment, for reemployment plans, for rehabilitation benefits, for widows, widowers and orphans, and for funerals, calculation of gross weekly earnings for seasonal and temporary workers and for workers with overtime or premium pay, setting time limits for requesting a hearing or rehabilitation benefits, setting time limits for claims for compensation and for the rehabilitation process, setting time limits for payment of medical bills, waiver of rehabilitation benefits, obtaining medical releases and resolving discovery disputes, setting an interest rate for late compensation, and providing for updating the medical fee schedule; and providing for an effective date.

This bill will require that the Division of Workers' Compensation obtain an updated usual, customary, and reasonable medical fee schedule annually. It is anticipated that the additional cost for updating the schedule annually would be approximately \$6.7 per year. It is believed that the change in frequency of medical fee schedule updates will be the only increased cost associated with this bill.

FISCAL NOTE

Bil. version: CSHB 419 (L&C)
 (H) Publish Date: 3/29/00

**STATE OF ALASKA
 2000 LEGISLATIVE SESSION**

Revision Date/Time 03/13/2000 Dept. Affected All State Agencies
 Title "An act relating to workers' compensation reform. BRU
 _____ Component _____
 Sponsor House Rules Committee
 Requester House Labor & Commerce Committee Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	762.9	762.9	762.9	762.9	762.9	762.9
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	762.9	762.9	762.9	762.9	762.9	762.9

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	75.0	75.0	75.0	75.0	75.0	75.0
1016 Federal Incentive Payments	0.3	0.3	0.3	0.3	0.3	0.3
1133 Indirect Cost Reimbursement	0.1	0.1	0.1	0.1	0.1	0.1
1003 GF Match	18.7	18.7	18.7	18.7	18.7	18.7
1004 GF	372.4	372.4	372.4	372.4	372.4	372.4
1005 GF/Program Receipts	27.5	27.5	27.5	27.5	27.5	27.5
other (GF)	28.0	28.0	28.0	28.0	28.0	28.0
Other (Specify Type)	240.9	240.9	240.9	240.9	240.9	240.9
TOTAL	762.9	762.9	762.9	762.9	762.9	762.9

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Consolidation of statewide risk management costs to departments' personal services expense. See attached for detailed fund source amounts.

Prepared by: Joan Brown, Chief Budget Analyst *Joan Brown* Phone 465-4681
 Division Office of Management and Budget Date/Time 3/13/00 12:23 PM
 Approved by Director Annalee McConnell *Annalee McConnell* Date 03/07/2000
 Agency Governor's Office

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Workers' Compensation Reform

Fund Code	Fund Source	Category	Administra tion 105 9	Comm & Econ Dev 62	Correcio ns 93 0	Court System 13 5	Ed & Early Dev 11 2	Environ menal Conser vation 10 0	Fish & Game 39 8	Health & Social Srvc 117 2	Labor & Workforce Dev 199	Law 8 3	Legisla ture 5 3	Military & Veterans Affairs 8 0	Natural Resources 40 4	Office of the Governor 3 7	Public Safety 77 2	Revenue 9 1	Transporta tion & Public Facilities 194 2	Total
1042	Judicial Retirement System	Other	0 0																	0 0
1045	Nail Guard Retirement System	Other	0 1																	0 1
1048	Student Revolving Loan Fund	Other																0 0		0 0
1049	Training & Building Fund	Other								0 1										0 1
1050	Perm Fund Dividend Fund	Other															0 2	0 6		0 8
1051	Rural Dev Initiative Fund	Other		0 0																0 0
1052	Oil/Haz Response Fund	Other					2 5													2 5
1053	ILTF	Other																0 0		0 0
1055	IA Oil & Haz	Other							0 0			0 1		0 2	0 0		0 1			0 4
1057	Small Bus Loan Fund	Other		0 0																0 0
1061	CIP Rcpts	Other	0 2	0 2	0 6		0 0	0 6	1 1	0 8				0 2	2 2			0 3	74 7	80 9
1066	Public School Fund	Other																0 0		0 0
1067	Mining Revolving Loan Fund	Other		0 0																0 0
1068	Child Care Revolving Loan Fund	Other		0 0																0 0
1069	Historical District Revolving Loan Fund	Other		0 0																0 0
1070	Fisheries Enhancement Revolving Loan Fund	Other		0 1																0 1
1071	Alternative Energy Revolving Loan Fund	Other		0 0																0 0
1075	Clean Water Loan Fund	Other					0 1													0 1
1076	Marine Hwy System Fund	Other																		8 3
1079	Storage Tank Asst Fund	Other					0 2													0 2
1081	ISF	Other	12 8																	12 8
1092	MHTAAR	Other	0 1		0 1					1 5					0 6					2 3
1093	Clean Air Protection Fund	Other					0 6													0 6

110419 and SD278

Workers' Compensation Reform

Fund Code	Fund Source	Category	Administra- tion 105 9	Comm & Econ- Dev 6 2	Correc- tions 93 0	Court System 13 5	Ed & Early Dev 11 2	Environ- mental Conser- vation 10 0	Fish & Game 39 8	Health & Social Srvc 117 2	Labor & Workforce Dev 19 9	Law 8 3	Legisla- ture 5 3	Military & Veterans Affairs 8 0	Natural Resources 40 4	Office of the Governor 3 7	Public Safety 77 2	Revenue 9 1	Transporta- tion & Public Facilities 194 2	Total
		Mental Health Trust																		
1094	Admin	Other																0 1		0 1
		Children's Trust Fund																		
1098	Earnings	Other																0 0		0 0
		Alaska Drinking Water																		
1100	Fund	Other						0 1												0 1
		Aerospace Dev Corp																		
1101	Rcpls	Other		0 0																0 0
1102	AIDEA Rcpls	Other		0 5																0 5
1103	AHFC Rcpls	Other																1 7		1 7
		Municipal Bond Bank																		
1104	Rcpls	Other																0 0		0 0
1105	Perm Fund Corp Rcpls	Other													1 0			0 8		1 6
		Post-Secondary Ed																		
1106	Comm Rcpls	Other					2 1													2 1
1108	SDPR	Other	2 2		2 0		0 3	0 1	1 1	2 3	0 1	0 0			1 6		0 1	0 0	0 8	10 5
1109	Test Fishenes Rcpls	Other							1 4											1 4
		International Trade & Bus Endowment																		
1115	Income	Other		0 0																0 0
1141	RCA Rcpls	Other		0 8																0 8
1147	Public Bldg Fund	Other	0 2																	0 2
		Other	30 3	3 0	3 0	0 0	5 6	4 5	15 2	20 5	3 0	3 4	0 0	0 8	9 5	0 0	3 2	3 7	135 2	240 9
		Grand	105 9	6 2	93 0	13 5	11 2	10 0	39 8	117 2	19 9	8 3	5 3	8 0	40 4	3 7	77 2	9 1	194 2	762 9

Proposed Letter of Intent
HB 419

In adopting amendment # 1 to this bill, the legislature is acting to clarify the existing statute. When a contractor employs a subcontractor who does not have any employees, certain members of the insurance industry are demanding premiums from such contractors. These demands are not based on any specific statutory authority. It is the intent of the legislature to clearly state that when a subcontractor does not have any employees, the contractor who employs that subcontractor is not required to purchase workers compensation insurance for that subcontractor. This legislature believes that the current language in the statute is clear and explicitly refers to "employees of the subcontractor." This legislature believes that this reading of the current language should be used to resolve any current disputes between members of the insurance industry and contractors in the state over workers compensation coverage for subcontractors who do not have any employees. This legislature believes that amendment # 1 clarifies that the contractor of a subcontractor who has no employees is not responsible for providing workers compensation for that subcontractor. This legislature believes that under the current statutes and the proposed amendment, insurance companies have no legal right to demand premiums from a contractor who employs a subcontractor when that subcontractor does not have any employees.

Let's do the math with a fictitious worker who is assumed to have a 5% permanent partial impairment rating at the time of the institution of the re-employment plan (10% is considered high for most in our system), a \$500/week comp rate, and a 2 year, \$13,300 rehab plan. Under this scenario, the worker will receive the following:

BENEFIT	TOTAL AMOUNT	Weekly Benefit
PPI (5 X \$1770) ¹	\$8,850	\$500 for 17.7 weeks
.04i (k) ²	\$37,935	Approx. \$450 for 84.3 weeks
Tuition, books, and supplies	\$13,300	For a program of up to two years in length
TOTAL WAIVED	\$51,235	

If the worker waives rehab, the PPI (permanent injury payout) increase of \$2100 (\$420 per percentage point) for the injured worker in PPI benefits under HB 419 is counterbalanced by a loss of \$51,235 in benefits. This represents the cost of the employee's support during retraining, as well as the expense of tuition, books, and supplies. The injured worker will be left with \$8850 in his pocket, if he has a 5% impairment award. If he can return to work, he can earn money and still keep this \$8850. If he can't, and he has waived the reemployment benefit, his vocational life will be forfeited for \$8850!

¹ Every point will be worth \$1770 if this legislation passes. Under the 1988 Act presently in effect, each percentage point for impairment of the whole person is \$1350. The new Act changes that to \$1770 per percentage point. Most ratings are under 10%. Examples: a cartilage tear in the knee = 4% WP, operated herniated disc = 10%, unoperated herniated disc = 7%, neck fusion = 10%.

² This is the so-called "rehabilitation stipend" that supports the worker during the program while he is being retrained and after his permanent impairment award has been doled out to him at his compensation rate.

P.O. Box 230029
Anchorage, AK 99523-0029
(907) 346-2474
FAX (907) 346-8345
Email: mtlservices@gci.net

MTL SERVICES

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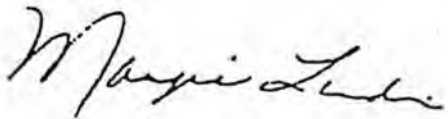
Fax

To: Representative Norman Rokeberg **From:** Marjorie T. Linder
Fax: (907) 465-2040 **Pages:** 3 to follow
Phone: (800) 773-4968 **Date:** 03/20/00
Re: Testimony you requested **CC:** [Click here and type name]

Urgent For Review Please Comment Please Reply Please Recycle

• **Comments:**

Thank you for asking me to submit today's testimony to the House Labor and Commerce Committee regarding HB 419. I've also supplied an example of what a worker who waives the reemployment benefit before medical stability can't know that he is waiving. His PPI can not be defined until after medical stability. The length and cost of his reemployment plan can not be determined until his PPI is determined. I suspect this waiver business won't hold up in the courts.



Margie Linder

ALASKA

LABOR-MANAGEMENT AD HOC COMMITTEE ON WORKERS' COMPENSATION

February 1, 2000

The Honorable Norman Rokeberg
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Rokeberg:

The Alaska Labor-Management Ad Hoc Committee on Workers' Compensation is in its eighteenth year of service as a private citizen initiative group formed to fairly address concerns in regard to the Alaska Workers' Compensation system. It was through the efforts of the Ad Hoc Committee that major legislative reform was passed in 1988 and as well as continuing reform in 1995. Those measures have helped to stabilize the Workers' Compensation system for employers and employees.

The Ad Hoc Committee has been meeting again in an attempt to work through some issues related to workers' compensation. We have recently reached a resolution on several key items that form the basis of our proposed 2000 legislation. Our proposed legislation has had a preliminary review by the Division of Workers' Compensation. A summary of items in the bill is attached. Key elements of the bill include:

- Increases in basic benefits consistent with changes in wages. Future maximum and minimum weekly benefits will be tied to the average weekly wage.
- Increases to the maximum weekly benefit under the death benefit as the number of dependents increase.
- Expands wage calculations to include overtime wages.
- Increases the Vocational Rehabilitation Stipend from 60% to 70 % of the average weekly spendable wage.
- Enhances the Vocational Rehabilitation process by making the process more timely, avoiding duplication of benefits and setting a reasonable maximum time period to obtain benefits.

Representative Norman Rokeberg
February 1, 2000
Page 2

- Defines process and time frame in which to obtain reasonable medical releases.
- Clarifies a reasonable time frame in which a claim can be brought forward.

We thank you for your patience in allowing the Ad Hoc Committee to prepare our agreement and we look forward to your continued support in the future. Should you have any questions or require further information, do not hesitate to contact us.

Sincerely yours,

Willem Van Hemert
CRW Engineering Group

Sally Ann Carey
Natchiq, Inc

Judy Peterson & Mary Shields
Northwest Technical Services

John Garrett
Alyeska Pipeline

Kevin Dougherty
District Council of Laborers

Jim Robison
Former Commissioner of Labor

John Giuchici
International Brotherhood of Electrical Workers

David Ford
Alaska Ironworkers

cc: Governor Tony Knowles
Senator Jerry Mackie
Senator Tim Kelly
Representative Andrew Halcro

ALASKA STATE LEGISLATURE

HOUSE LABOR AND COMMERCE COMMITTEE

Representative Norman Rokeberg, Chairman
Representative Andrew Halero, Vice Chairman
Representative John Harris
Representative Lisa Murkowski
Representative Jerry Sanders
Representative Tom Brice
Representative Sharon Cissna



State Capitol
Juneau, AK 99801-1182
Telephone: (907) 465-4954
Fax: (907) 465-2040

SPONSOR STATEMENT CSHB 419 (JUD) WORKER'S COMPENSATION

The House Labor and Commerce Committee introduced CSHB 419 (L&C) at the request of the Ad Hoc Committee on Workers Comp and the Department of Labor & Workforce Development. The bill updates and revises Alaska's Worker's Compensation law that was last extensively revised in 1988.

The Ad Hoc Committee on Workers Comp consists of representatives from management and labor. This committee reviews worker's comp laws and suggests necessary changes. The bill before you is a result of such review.

Workers' compensation is a system that compensated a worker for on-the-job injuries not proximately caused by the worker. It is meant to provide worker protection when that worker is injured on the job.

Among the changes set forth in HB 419 are: (1) an intent section so that the Legislature's thoughts on worker's compensation are plainly set forth; (2) assurance of continuous employee participation in any reemployment plan; (3) sets forth that the average weekly wage amount is tied to a percent rather than stated amount; (4) mandate of an annual update of the usual, customary and reasonable medical fee schedules; (5) formula for exact weekly compensation in statute so the worker's compensation statute may change as wages change in Alaska; and (6) raises from \$135,000 to \$177,000 the ceiling amount that is used to determine a disability payment.

The Legislative Audit Division recently released a special report on the Workers' Compensation Division. An area of concern was the cap on injury awards and burial costs as set out in the 1988 statute. Legislative Audit indicated that the benefits have eroded over time by inflation. The report also points out that the main thrust of the 1988 statute has been accomplished with workers compensation insurance rates falling 41.5% since 1989. Legislative Audit further estimates that the whole body value of \$135,000, with inflation, should be around \$189,600, more than the \$177,000 agreed to in compromises made by the Ad Hoc committee.

The overall goal of this legislation is to increase the caps (i.e., increase worker benefits), streamline the system, provide the Division with more tools, and provide the employer and the employee with a workers' compensation system fair to all.

ED03:4/06/00

AMENDMENT I

Davis

OFFERED IN THE HOUSE
TO: CSHB 419(JUD)

Adopted

1 Page 1, line 3, following "plan;":

2 Insert "relating to the liability of an employer for workers' compensation coverage
3 for a subcontractor;"

4 Page 6, following line 2:

5 Insert a new bill section to read:

6 "* Sec. 8. AS 23.30.045(a) is amended to read:

7 (a) An employer is liable for and shall secure the payment to employees of
8 the compensation payable under AS 23.30.041, 23.30.050, 23.30.095, 23.30.145, and
9 23.30.180 - 23.30.215. If the employer is a subcontractor,

10 (1) the contractor is liable for and shall secure the payment of the
11 compensation to employees of the subcontractor unless the subcontractor secures the
12 payment; and

13 (2) the contractor is not liable for and is not required to secure
14 payment of compensation to the subcontractor, if the contractor does not have
15 any employees. [V SUB]

16 Renumber the following bill sections accordingly.

17 Page 13, line 10:

18 Delete "secs. 2 - 19"

19 Insert "secs. 2 - 20"

20 Page 13, line 11:

21 Delete "Section 20"

- 1 Insert "Section 21"

- 2 Page 13, line 12:
- 3 Delete "sec. 21"
- 4 Insert "sec. 22"

Adopted

AMENDMENT 2

OFFERED IN THE HOUSE

TO: CSHB 419(JUD)

- 1 Page 5, line 23, following "determined":
- 2 Insert "and a physician has predicted that the employee may have a permanent
- 3 impairment that may cause the employee to have permanent physical capacities that are less
- 4 than the physical demands of the employee's job at the time of injury"

adopted

**Proposed Letter of Intent
HB 419**

In adopting amendment # 1 to this bill, the legislature is acting to clarify the existing statute. When a contractor employs a subcontractor who does not have any employees, certain members of the insurance industry are demanding premiums from such contractors. These demands are not based on any specific statutory authority. It is the intent of the legislature to clearly state that when a subcontractor does not have any employees, the contractor who employs that subcontractor is not required to purchase workers compensation insurance for that subcontractor. This legislature believes that the current language in the statute is clear and explicitly refers to "employees of the subcontractor." This legislature believes that this reading of the current language should be used to resolve any current disputes between members of the insurance industry and contractors in the state over workers compensation coverage for subcontractors who do not have any employees. This legislature believes that amendment # 1 clarifies that the contractor of a subcontractor who has no employees is not responsible for providing workers compensation for that subcontractor. This legislature believes that under the current statutes and the proposed amendment, insurance companies have no legal right to demand premiums from a contractor who employs a subcontractor when that subcontractor does not have any employees.

FISCAL NOTE

STATE OF ALASKA

BILL NO. HB419 | _____

2000 LEGISLATIVE SESSION

Revision Date (Note if correction) _____ Dept Affected University of Alaska
 Title _____ BRU Statewide
 Worker* Comp _____ Component _____
 Sponsor House Labor & Commerce by Request
 Requester _____ Component Serial No _____

Expenditures/Revenues

OPERATING EXPENDITURES	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services					
Travel					
Contractual					
Supplies					
Equipment					
Land & Structures					
Grants & Claims	83.0	83.0	83.0	83.0	83.0
Miscellaneous					
TOTAL OPERATING	83.0	83.0	83.0	83.0	83.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0
-----------------------------	------------	------------	------------	------------	------------

CHANGE IN REVENUES () ()	0.0	0.0	0.0	0.0	0.0
-----------------------------------	------------	------------	------------	------------	------------

FUND SOURCE

1002 Federal Receipts	3.2	3.2	3.2	3.2	3.2
1003 GF Match					
1004 GF	62.3	62.3	62.3	62.3	62.3
1005 GF/Program Receipts					
1037 GF/Mental Health					
1048 University Receipts	17.5	17.5	17.5	17.5	17.5
TOTAL	83.0	83.0	83.0	83.0	83.0

Estimate of any current year (FY00) cost: none

POSITIONS

Full-time					
Part-time					
Temporary					

ANALYSIS: (Attach a separate page if necessary)

Estimated impact based on 8.3 percent increase as determined by Carolyn Pearl, State Relations Executive, National Council on Compensation Insurance, Inc.

Prepared by Pat Pitney, Director Phone 474-2602
 Division UA Budget and Institutional Research Date 3/27/00
 Approved by Commls Pat Pitney, Director Date 3/27/00
 Agency UA Budget and Institutional Research

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FISCAL NOTE

II Version: CSHB 419 (L&C)
(H) Publish Date: 3/29/00

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO.

Revision Date/Time (Note if correction): _____
Title: Workers' Compensation
Sponsor: House L&C
Requestor: House L&C

Department Affected: Labor & Workforce Development
ERU: Workers' Compensation
Component: Workers' Compensation

COMPONENT SERIAL NO. 344

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	6.7	6.7	6.7	6.7	6.7	6.7
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	6.7	6.7	6.7	6.7	6.7	6.7

CAPITAL						
---------	--	--	--	--	--	--

CHANGE IN REVENUE FUND SOURCE #						
------------------------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	6.7	6.7	6.7	6.7	6.7	6.7
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (New Fund)						
TOTAL	6.7	6.7	6.7	6.7	6.7	6.7

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY00) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

Please See Attached

Prepared by: Paul Grossi, Director Phone: 465-2790
Division: Workers' Compensation Date/Time: 3/7/00 9:18 AM

Approved by Commissioner: Ed Flanagan, Commissioner
Agency: Department of Labor Date: 3/7/00

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 419

Title: An Act relating to the Alaska Workers' Compensation Act, including the weekly rate of compensation and minimum and maximum compensation rates, specifying components of a reemployment plan, adjusting benefits for permanent partial impairment, for reemployment plans, for rehabilitation benefits, for widows, widowers and orphans, and for funerals, calculation of gross weekly earnings for seasonal and temporary workers and for workers with overtime or premium pay, setting time limits for requesting a hearing or rehabilitation benefits, setting time limits for claims for compensation and for the rehabilitation process, setting time limits for payment of medical bills, waiver of rehabilitation benefits, obtaining medical releases and resolving discovery disputes, setting an interest rate for late compensation, and providing for updating the medical fee schedule; and providing for an effective date.

This bill will require that the Division of Workers' Compensation obtain an updated usual, customary, and reasonable medical fee schedule annually. It is anticipated that the additional cost for updating the schedule annually would be approximately \$6.7 per year. It is believed that the change in frequency of medical fee schedule updates will be the only increased cost associated with this bill.

FISCAL NOTE

Bil. ersion: CSHB 419(L&C)

(H) Publish Date: 3/29/00

STATE OF ALASKA 2000 LEGISLATIVE SESSION

Revision Date/Time 03/13/2000 Dept. Affected All State Agencies
 Title "An act relating to workers' compensation reform. BRU

 _____ Component _____
 Sponsor House Rules Committee
 Requester House Labor & Commerce Committee Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	762.9	762.9	762.9	762.9	762.9	762.9
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	762.9	762.9	762.9	762.9	762.9	762.9

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	75.0	75.0	75.0	75.0	75.0	75.0
1016 Federal Incentive Payments	0.3	0.3	0.3	0.3	0.3	0.3
1133 Indirect Cost Reimbursement	0.1	0.1	0.1	0.1	0.1	0.1
1003 GF Match	18.7	18.7	18.7	18.7	18.7	18.7
1004 GF	372.4	372.4	372.4	372.4	372.4	372.4
1005 GF/Program Receipts	27.5	27.5	27.5	27.5	27.5	27.5
other (GF)	28.0	28.0	28.0	28.0	28.0	28.0
Other (Specify Type)	240.9	240.9	240.9	240.9	240.9	240.9
TOTAL	762.9	762.9	762.9	762.9	762.9	762.9

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Consolidation of statewide risk management costs to departments' personal services expense. See attached for detailed fund source amounts.

Prepared by: Joan Brown, Chief Budget Analyst *Joan Brown* Phone 465-4681
 Division Office of Management and Budget Date/Time 3/13/00 12:23 PM
 Approved by Director Annalee McConnell *Annalee McConnell* Date 03/07/2000
 Agency Governor's Office

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HB419 and SB278

Workers' Compensation Reform

Fund Code	Fund Source	Category	Adminstr tion 105 9	Comm & Econ Dev 62	Correcio ns 93 0	Court System 13 5	Ed & Environm Early Dev 11 2	Environm ental Conserva tion 10 0	Fish & Game 39 8	Health & Social Srvc 117 2	Labor & Workforce Dev 199	Law 8 3	Legisla ure 5 3	Military & Veterans Affairs 8 0	Natural Resources 40 4	Office of the Governor 3 7	Public Safety 77 2	Revenue 9 1	Transportati on & Public Facilities 194 2	Total
1002	Fed Rcpts	Fed	14	01	22		12	26	106	300	137	01		43	26	02	17	33	10	750
1016	Fed Incentive Payments Indirect Cost	Fed																03		03
1133	Reimbursement	Fed																01		01
1003	GF Match	GF	14	01	22	00	12	26	106	300	137	01	00	43	26	02	17	37	10	754
1004	GF	GF	04	01			02	06	02	144	08	00		07	03	03		06	01	187
1004	GF	GF	461	10	842	133	40	14	125	443	22	47	53	22	225	32	704	12	537	3724
1005	GF/PR	GF	104	20			02	09	13	09	02	01		55			13	05	42	275
1037	GF/Mental Health	GF	149		36		00		71			00								256
1118	Pioneers Homes Rcpts	GF	24																	24
	GF Total		742	31	878	135	44	29	140	667	32	48	53	29	283	35	723	17	580	4466
1007	IA Rcpts Advance College	Other	68	08	03		31	03	28	160	26	33		04	29		22	04	25	444
1011	Tuition Payment Fund Donated Commodity /	Other																00		00
1014	Handling Fee	Other					01													01
1017	Benefit Systems Rcpts	Other	23																	23
1018	Exxon Valdez Oil Spill	Other						00	09						02					11
1021	Ag Loan Fund	Other													10					10
1023	FICA Admin Fund	Other	01																	01
1024	Fish & Game Fund	Other						79				00					06			85
1025	Science & Tech	Other		02																02
1026	Hwy Working Capital International Airports	Other																		149
1027	Revenue Fund	Other																00	340	340
1029	PERS	Other	37																	37
1031	Second Injury Fund Disabled Fishermans	Other									01									01
1032	Reserve Acct	Other									01									01
1033	Surplus Property	Other	03																	03
1034	TERS	Other	15																	15
1035	Vets Revolving Loan Fund	Other		00																00
1036	Comm Fish Revolving Loan Fund	Other		04																04
1040	Real Estate Surety Fund	Other		00																00

Workers' Compensation Reform

Fund Code	Fund Source	Category	Adminstra tion 105.9	Comm & Econ, Dev 62	Correctio ns 930	Court System 135	Ed & Early Dev 112	Environm ental Conserva tion 100	Fish & Game 39.8	Health & Social Svcs 117.2	Labor & Workforce Dev 199	Law 83	Legisla ture 53	Military & Veterans Affairs 80	Natural Resources 40.4	Office of the Governor 37	Public Safety 77.2	Revenue 91	Transporta tion & Public Facilities 194.2	Total
1042	Judicial Retirement System	Other	0.0																	0.0
1045	Nail Guard Retirement System	Other	0.1																	0.1
1046	Student Revolving Loan Fund	Other																0.0		0.0
1049	Training & Building Fund	Other									0.1									0.1
1050	Perm Fund Dividend Fund	Other															0.2	0.6		0.8
1051	Rural Dev Initiative Fund	Other		0.0																0.0
1052	Oil/Haz Response Fund	Other						2.5												2.5
1053	ILTF	Other																0.0		0.0
1055	IA Oil & Haz	Other							0.0			0.1		0.2	0.0		0.1			0.4
1057	Small Bus Loan Fund	Other		0.0																0.0
1061	CIP Rcpts	Other	0.2	0.2	0.6		0.0	0.6	1.1	0.8				0.2	2.2			0.3	74.7	80.9
1068	Public School Fund	Other																0.0		0.0
1067	Mining Revolving Loan Fund	Other		0.0																0.0
1068	Child Care Revolving Loan Fund	Other		0.0																0.0
1069	Historical District	Other		0.0																0.0
1070	Revolving Loan Fund	Other		0.1																0.1
1071	Fisheries Enhancement	Other		0.0																0.0
1071	Alternative Energy	Other		0.0																0.0
1075	Clean Water Loan Fund	Other						0.1												0.1
1076	Marine Hwy System	Other																		8.3
1076	Storage Tank Ass't	Other																		0.2
1079	Fund	Other						0.2												0.2
1081	ISF	Other	12.8																	12.8
1092	MHTAAR	Other	0.1		0.1					1.5					0.6					2.3
1093	Clean Air Protection	Other						0.6												0.6

11B419 and SB278

Workers' Compensation Reform

Fund Code	Fund Source	Category	Administra- tion 105 9	Comm & Econ- Dev 62	Correc- tions 93 0	Court System 13 5	Ed & Early Dev 112	Environm- ental Conser- vation 100	Fish & Game 398	Health & Social Srvc 117 2	Labor & Workforce Dev 199	Law, Legisla- tion 83	Public Affairs 53	Military & Veterans Affairs 80	Natural Resources 40 4	Office of the Governor 37	Public Safety 77 2	Revenue 91	Transporta- tion & Public Facilities 194 2	Total
1094	Mental Health Trust Admin	Other																	01	01
1098	Children's Trust Fund Earnings	Other																	00	00
1100	Alaska Drinking Water Fund	Other						0.1												0.1
1101	Aerospace Dev Corp Rcpts	Other		00																00
1102	AIDEA Rcpts	Other		05																05
1103	AHFC Rcpts	Other																		17
1104	Municipal Bond Bank Rcpts	Other																		00
1105	Perm Fund Corp Rcpts	Other													10					06
1106	Post-Secondary Ed Comm Rcpts	Other					21													21
1108	SDPR	Other	22		20		03	01	11	22	01	00			16		01	00		08
1109	Test Fishenes Rcpts	Other							14											14
1115	International Trade & Bus Endowment Income	Other		00																00
1141	RCA Rcpts	Other		08																08
1147	Public Bldg Fund	Other	02																	02
		Other	303	30	30	00	56	45	152	205	30	34	00	08	95	00	32	37	1352	2409
		Grand	1059	62	930	135	112	100	398	1172	199	83	53	80	404	37	772	91	1942	7629

HB

419

SFIN

FILE

HB 419

- I) Dept supports this bill
- II) Compromise bill between labor and management
- III) It provides much needed increases in benefits for injured workers **(addresses many of the leg. audit suggestions)**
 - a) PPI from \$135,000 to \$177,000
 - b) Increases the max. and min. comp rate (index to Ak average weekly wage translates to **\$772 for max rate, \$170 min rate**)
 - c) Raises the amount available for cost of retraining from 10,000 to 13,300
 - d) Increases widows and orphans benefits and burial expenses
 - e) Allow overtime pay to be part of the calculation of weekly comp rate
 - f) Provides seasonal/temporary workers comp rate to be tied to wages at the time of injury
 - g) Compensation during the retraining process is raised from 60-70% of employee's spendable weekly wage.
- IV) It also has provisions that employers wanted
 - a) Most of the changes are in the rehab process
 - 1) simple method for waiving retraining benefits
 - 2) streamlines timelines for retraining process
 - 3) clarifies what benefits will be paid during retraining
 - b) It clarifies the 2 year timeline for requesting a hearing on a claim.
 - c) It increase the timeline for the payment of medical bill from 14 days to 30 days.

- d) Changes the interest rate due on late compensation payment to the court rate (2% above the prime)
 - e) Establishes a simple summary process for employers to obtain reasonable medical releases.
- V) Provides for an annual update for the usual, customary and reasonable fee schedule.
- VI) This is a balanced bill that provides much needed benefit increases to employees and procedural changes for employers.

HB 419

- I) This is a balanced bill with provisions for workers and employers

- II) It provides much needed increases in benefits for injured workers (benefits have not been adjusted in 12 years (**addresses many of the leg. audit suggestions**))
 - a) PPI from \$135,000 to \$177,000
 - b) Increases the max. and min. comp rate (index to Ak average weekly wage translates to **\$772 for max rate, \$170 min rate**)
 - c) Raises the amount available for cost of retraining from 10,000 to 13,300
 - d) Increases widows and orphans benefits and burial expenses
 - e) Allows overtime pay to be part of the calculation of weekly comp rate.
 - f) Provides seasonal/temporary workers comp rate to be tied to wages at the time of injury
 - g) Compensation during the retraining process is raised from 60-70% of employee's spendable weekly wage.

- IV It also has provisions that employers wanted
 - a) Most of the changes are in the rehab process
 - 1) simple method for waiving retraining benefits
 - 2) streamlines timelines for retraining process
 - 3) clarifies what benefits will be paid during retraining

 - b) It clarifies the 2 year timeline for requesting a hearing on a claim.

 - c) It increases the timeline for the payment of medical bills from 14 days to 30 days.

 - d) Changes the interest rate due on late compensation payment to the court rate (2% above the prime)

- e) Establishes a simple summary process for employers to obtain reasonable medical releases.

- V) Provides for an annual update for the usual, customary and reasonable fee schedule fee schedule.

- VI) The bill will increase the cost of workers' compensation approx. 7.7% to 8.9%, but the cost of workers compensation insurance premium has gone down approx. 40% in the last 12 years

- VII) This is a balanced bill that provides much needed benefit increases to employees and procedural changes for employers.

- VIII) This is a good bill, this is a fair bill and we urge your support in its passage.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/19/00

REPORTED OUT OF
SFC 4/26/00

FURTHER:

DATE TURNED
IN TO OFFICE: 26 April 00

Finance Committee considered

WORKERS' COMPENSATION

CS FOR HOUSE BILL NO. 419(RLS)

and recommends:

- be replaced with S CS CS HB 419 (FIN)
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:
- same title
 - new title
- House Bill:
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓	<i>[Signature]</i> Do Pass, TE Amend			✓
<i>[Signature]</i>	✓	<i>[Signature]</i>	✓		
		<i>[Signature]</i>	✓		
		<i>[Signature]</i>	✓		
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>		Co-Chair:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
University	4/24/00		83.0
OMB	4/24/00		762.9

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

REPORTED OUT OF
SFC 4/26/00

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSHB 419(RLS)

Revision Date (Note if correction) _____ Dept. Affected University of Alaska
 Title _____ BRU Statewide
 Worker's Comp _____ Component _____
 Sponsor House Labor & Commerce by Request
 Requester _____ Component Serial No. _____

Expenditures/Revenues

OPERATING EXPENDITURES	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services					
Travel					
Contractual					
Supplies					
Equipment					
Land & Structures					
Grants & Claims	83.0	83.0	83.0	83.0	83.0
Miscellaneous					
TOTAL OPERATING	83.0	83.0	83.0	83.0	83.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0
-----------------------------	------------	------------	------------	------------	------------

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------

FUND SOURCE

1002 Federal Receipts	3.2	3.2	3.2	3.2	3.2
1003 GF Match					
1004 GF	62.3	62.3	62.3	62.3	62.3
1005 GF/Program Receipts					
1037 GF/Mental Health					
1048 University Receipts	17.5	17.5	17.5	17.5	17.5
TOTAL	83.0	83.0	83.0	83.0	83.0

Estimate of any current year (FY00) cost: none

POSITIONS

Full-time					
Part-time					
Temporary					

ANALYSIS: *(Attach a separate page if necessary)*

Estimated impact based on 6.3 percent increase as determined by Carolyn Pearl, State Relations Executive, National Council on Compensation Insurance, Inc.

Prepared by Jim Lynch, Interim VP for Finance Phone 474-2602
 Division Statewide Office of University Relations Date 4/24/00
 Approved by Commis: Jim Lynch, Interim VP for Finance Date 4/24/00
 Agency Statewide Office of University Relations

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SCS CSHB 419 (JU)

Revision Date/Time 04/24/2000 Dept. Affected All State Agencies
 Title "An act relating to workers' compensation reform. BRU
 _____ Component _____
 Sponsor House Rules Committee
 Requester Senate Finance Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	762.9	762.9	762.9	762.9	762.9	762.9
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	762.9	762.9	762.9	762.9	762.9	762.9

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	75.0	75.0	75.0	75.0	75.0	75.0
1016 Federal Incentive Payments	0.3	0.3	0.3	0.3	0.3	0.3
1133 Indirect Cost Reimbursement	0.1	0.1	0.1	0.1	0.1	0.1
1003 GF Match	18.7	18.7	18.7	18.7	18.7	18.7
1004 GF	372.4	372.4	372.4	372.4	372.4	372.4
1005 GF/Program Receipts	27.5	27.5	27.5	27.5	27.5	27.5
other (GF)	28.0	28.0	28.0	28.0	28.0	28.0
Other (Specify Type)	240.9	240.9	240.9	240.9	240.9	240.9
TOTAL	762.9	762.9	762.9	762.9	762.9	762.9

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Consolidation of statewide risk management costs to departments' personal services expense. See attached for detailed fund source amounts.

Prepared by: Joan Brown, Chief Budget Analyst Phone 465-4681
 Division Office of Management and Budget Date/Time 4/24/00 4:17 PM
 Approved by Director Annalee McConnell Date 04/24/2000
 Agency Governor's Office

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Workers' Compensation Reform

Fund Code	Fund Source	Category	Adminstration 105.9	Comm. & Econ. Dev. 6.2	Corrections 93.0	Court System 13.5	Ed & Early Dev. 11.2	Environmental Conservation 10.0	Fish & Game 39.8	Health & Social Srvcs. 117.2	Labor & Workforce Dev. 19.9	Law 8.3	Legislat ure 5.3	Military & Veterans Affairs 8.0	Natural Resources 40.4	Office of the Governor 3.7	Public Safety 77.2	Revenue 9.1	Transportati on & Public Facilities 194.2	Total
1002	Fed Rcpts	Fed	1.4	0.1	2.2		1.2	2.6	10.6	30.0	13.7	0.1		4.3	2.6	0.2	1.7	3.3	1.0	75.0
1016	Fed Incentive Payments	Fed																0.3		0.3
	Indirect Cost																			
1133	Reimbursement	Fed																0.1		0.1
		Fed Total	1.4	0.1	2.2	0.0	1.2	2.6	10.6	30.0	13.7	0.1	0.0	4.3	2.6	0.2	1.7	3.7	1.0	75.4
1003	GF Match	GF	0.4	0.1			0.2	0.6	0.2	14.4	0.8	0.0		0.7	0.3	0.3	0.6		0.1	18.7
1004	GF	GF	46.1	1.0	84.2	13.5	4.0	1.4	12.5	44.3	2.2	4.7	5.3	2.2	22.5	3.2	70.4	1.2	53.7	372.4
1005	GF/PR	GF	10.4	2.0			0.2	0.9	1.3	0.9	0.2	0.1		5.5			1.3	0.5	4.2	27.5
1037	GF/Mental Health	GF	14.9		3.6		0.0			7.1		0.0								25.6
1118	Pioneers Homes Rcpts	GF	2.4																	2.4
		GF Total	74.2	3.1	87.8	13.5	4.4	2.9	14.0	66.7	3.2	4.8	5.3	2.9	28.3	3.5	72.3	1.7	58.0	446.6
1007	IA Rcpts	Other	6.8	0.8	0.3		3.1	0.3	2.8	16.0	2.6	3.3		0.4	2.9		2.2	0.4	2.5	44.4
1011	Advance College Tuition Payment Fund	Other																0.0		0.0
1014	Donated Commodity / Handling Fee	Other					0.1													0.1
1017	Benefit Systems Rcpts	Other	2.3																	2.3
1018	Exxon Valdez Oil Spill	Other						0.0	0.9						0.2					1.1
1021	Ag Loan Fund	Other													1.0					1.0
1023	FICA Admin Fund	Other	0.1																	0.1
1024	Fish & Game Fund	Other							7.9			0.0					0.6			8.5
1025	Science & Tech	Other		0.2																0.2
1026	Hwy Working Capital	Other																	14.9	14.9
1027	International Airports Revenue Fund	Other																0.0	34.0	34.0
1029	PERS	Other	3.7																	3.7
1031	Second Injury Fund	Other									0.1									0.1
1032	Disabled Fishermans Reserve Acct	Other									0.1									0.1
1033	Surplus Property	Other	0.3																	0.3
1034	TERS	Other	1.5																	1.5
1035	Vets Revolving Loan Fund	Other		0.0																0.0
1036	Comm Fish Revolving Loan Fund	Other		0.4																0.4

Workers' Compensation Reform

Fund Code	Fund Source	Category	Adminstr tion 105.9	Comm. & Econ. Dev. 6.2	Correc tions 93.0	Court System 13.5	Ed & Early Dev. 11.2	Environ mental Conser vation 10.0	Fish & Game 39.8	Health & Social Srvcs. 117.2	Labor & Workforce Dev. 19.9	Law 8.3	Legislat ure 5.3	Military & Veterans Affairs 8.0	Natural Resources 40.4	Office of the Governor 3.7	Public Safety 77.2	Revenue 9.1	Transportati on & Public Facilities 194.2	Total
1040	Real Estate Surety Fund	Other		0.0																0.0
1042	Judicial Retirement System	Other	0.0																	0.0
1045	Natl Guard Retirement System	Other	0.1																	0.1
1046	Student Revolving Loan Fund	Other																0.0		0.0
1049	Training & Building Fund	Other									0.1									0.1
1050	Perm Fund Dividend Fund	Other															0.2	0.6		0.8
1051	Rural Dev Initiative Fund	Other		0.0																0.0
1052	Oil/Haz Response Fund	Other						2.5												2.5
1053	ILTF	Other																0.0		0.0
1055	IA Oil & Haz	Other							0.0			0.1		0.2	0.0		0.1			0.4
1057	Small Bus Loan Fund	Other		0.0																0.0
1061	CIP Rcpts	Other	0.2	0.2	0.6		0.0	0.6	1.1	0.8				0.2	2.2			0.3	83.0	89.2
1066	PJblic School Fund	Other																0.0		0.0
1067	Mining Revolving Loan Fund	Other		0.0																0.0
1068	Child Care Revolving Loan Fund	Other		0.0																0.0
1069	Historical District Revolving Loan Fund	Other		0.0																0.0
1070	Fisheries Enhancement Revolving Loan Fund	Other		0.1																0.1
1071	Alternative Energy Revolving Loan Fund	Other		0.0																0.0
1075	Clean Water Loan Fund	Other						0.1												0.1
1076	Marine Hwy System Fund	Other																	0.0	0.0
1079	Storage Tank Asst Fund	Other						0.2												0.2
1081	ISF	Other	12.8																	12.8
1092	MHTAAR	Other	0.1		0.1					1.5					0.6					2.3

Workers' Compensation Reform

Fund Code	Fund Source	Category	Adminstr tion 105.9	Comm. & Econ. Dev. 6.2	Correcio ns 93.0	Court System 13.5	Ed & Early Dev. 11.2	Environm ental Conserva tion 10.0	Fish & Game 39.8	Health & Social Srvcs. 117.2	Labor & Workforce Dev. 19.9	Law 8.3	Legislat ure 5.3	Military & Veterans Affairs 8.0	Natural Resources 40.4	Office of the Governor 3.7	Public Safety 77.2	Revenue 9.1	Transportati on & Public Facilities 194.2	Total
1093	Clean Air Protection Fund	Other						0.6												0.6
1094	Mental Health Trust Admin	Other																0.1		0.1
1098	Children's Trust Fund Earnings	Other																0.0		0.0
1100	Alaska Drinking Water Fund	Other						0.1												0.1
1101	Aerospace Dev Corp Rcpts	Other		0.0																0.0
1102	AIDEA Rcpts	Other		0.5																0.5
1103	AHFC Rcpts	Other																1.7		1.7
1104	Municipal Bond Bank Rcpts	Other																0.0		0.0
1105	Perm Fund Corp Rcpts	Other													1.0			0.6		1.6
1106	Post-Secondary Ed Comm Rcpts	Other					2.1													2.1
1108	SDPR	Other	2.2		2.0		0.3	0.1	1.1	2.2	0.1	0.0			1.6		0.1	0.0	0.8	10.5
1109	Tes! Fisheries Rcpts	Other							1.4											1.4
1115	International Trade & Bus Endowment Income	Other		0.0																0.0
1141	RCA Rcpts	Other		0.8																0.8
1147	Public Bldg Fund	Other	0.2																	0.2
		Other Total	30.3	3.0	3.0	0.0	5.6	4.5	15.2	20.5	3.0	3.4	0.0	0.8	9.5	0.0	3.2	3.7	135.2	240.9
		Grand Total	105.9	6.2	93.0	13.5	11.2	10.0	39.8	117.2	19.9	8.3	5.3	8.0	40.4	3.7	77.2	9.1	194.2	762.9

SENATE FINANCE
COMMITTEE
Amendment Number: 42
Bill Number: HB 419
Sponsor: Donley Date: 4/26/00
Logged In By: Jamie

SENATE FINANCE COMMITTEE

AMENDMENT No. _____

By DONLEY

To: HB 419 ~~SENATE BILL NO.~~ _____

To: _____ ~~SENATE BILL NO.~~ _____

Page 10
Sec 18 (Line 17)

Insert new section (1) and
renumber existing sections:

(1) \$5,000 to widow or widower,
or ~~the~~ equally divided among
children when there is no widow
or widower.

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: SCS CSHB 419(JUD)

1 Page 11, following line 5:

2 Insert a new bill section to read:

3 **** Sec. 19.** AS 23.30.215(f) is amended to read:

4 (f) Except as provided in (g) of this section, the death benefit payable to a
5 widow or widower shall terminate ~~20~~¹² [10] years following death of the deceased
6 employee."

7 Renumber the following bill sections accordingly.

8 Page 13, line 5:

9 Delete "secs. 2 - 19"

10 Insert "secs. 2 - 20"

11 Page 13, line 6:

12 Delete "Section 20"

13 Insert "Section 21"

14 Page 13, line 7:

15 Delete "sec. 21"

16 Insert "sec. 22"

SENATE FINANCE
COMMITTEE

1-LS1418\N.2

Amendment Number: #3

Ford

Bill Number: HB 419

4/26/00

Sponsor: Phillips Date: 4/26/00

Logged In By: Mindy

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR PHILLIPS

TO: SCS CSHB 419(JUD)

1 Page 1, line 6, following "benefits;":

2 Insert "relating to the duty of an insurer to file evidence of workers' compensation
3 insurance;"

4 Page 6, following line 5:

5 Insert a new bill section to read:

6 **** Sec. 8. AS 23.30.085 is amended to read:**

7 **Sec. 23.30.085. Duty of employer to file evidence of compliance.** (a) An
8 employer subject to this chapter, unless exempted, or, if insured, the employer's
9 insurer shall initially file evidence of compliance with the insurance provisions of this
10 chapter with the board, in the form prescribed by it. The employer or, if insured, the
11 employer's insurer shall also give evidence of compliance within 10 days after the
12 termination of the employer's insurance by expiration or cancellation. These
13 requirements do not apply to an employer who has certification from the board of the
14 employer's financial ability to pay compensation directly without insurance.

15 (b) If an employer or an insurer fails, refuses, or neglects to comply with
16 [THE PROVISION OF] this section, the board may impose a civil penalty of up to
17 \$1,000 for each day of noncompliance. Nothing [EMPLOYER SHALL BE
18 SUBJECT TO THE PENALTIES PROVIDED IN AS 23.30.070 FOR FAILURE TO
19 REPORT ACCIDENTS; BUT NOTHING] in this section may be construed to affect
20 the rights conferred upon an injured employee or the employee's beneficiaries under
21 this chapter."

22 Renumber the following bill sections accordingly.

1-LS1418W.2

- 1 Page 13, line 5:
- 2 Delete "secs. 2 - 19"
- 3 Insert "secs. 2 - 20"

- 4 Page 13, line 6:
- 5 Delete "Section 20"
- 6 Insert "Section 21"

- 7 Page 13, line 7:
- 8 Delete "sec. 21"
- 9 Insert "sec. 22"

COMMITTEE

Amendment Number: #4

Bill Number: HB 419

1-LS1418N.3

Sponsor: Phillips Date: 4/26/00

Ford

Logged In By: Mindy

4/26/00

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR PHILLIPS

TO: SCS CSHB 419(JUD)

1 Page 1, line 6, following "benefits;":

2 Insert "relating to the duty of an employer to obtain workers' compensation
3 insurance;"

4 Page 6, following line 5:

5 Insert a new bill section to read:

6 "* Sec. 8. AS 23.30.080 is amended by adding a new section to read:

7 (c) If an employer fails to insure or provide security as required by

8 AS 23.30.075, the board shall require the employer to pay to the employee a penalty

9 equal to 50 percent of the compensation due under this chapter." *may assess a civil penalty of up to \$1000 per day.*

10 Renumber the following bill sections accordingly.

Amend. 13 Struck.

11 Page 13, line 5:

12 Delete "secs. 2 - 19"

13 Insert "secs. 2 - 20"

14 Page 13, line 6:

15 Delete "Section 20"

16 Insert "Section 21"

17 Page 13, line 7:

18 Delete "sec. 21"

19 Insert "sec. 22"

WORK DRAFT

WORK DRAFT

WORK DRAFT

1-LS1639A

Ford

4/26/00

SENATE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY

Introduced:

Referred:

A RESOLUTION

1 Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State
 2 Legislature, concerning House Bill No. 419, relating to workers' compensation.

3 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of
 5 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding
 6 changes to the title of a bill are suspended in consideration of House Bill No. 419, relating
 7 to workers' compensation.



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

FAX COVER SHEET

DATE: 26 April 00 TIME: 11:10 am

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 3

FROM: MINDY ROWLAND
SENATE FINANCE COMMITTEE SECRETARY
PHONE: 465-4935
FAX: 465-2187

NOTES: HB 419 1-LS1418\N
+ 2 attached amendments
(Note N.1: change to line 5)

Scheduled for the floor!!!

Thx
Mindy

Kelly COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 419		
Amendment	#3		
Motion	adopt		
<u>Motion by</u>	Phillips		
<u>Objection by</u>	Torgerson		
<u>Removed</u>	J		
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Pete Kelly			✓
Senator Lyda Green			✓
Senator Randy Phillips	✓		
Senator Dave Donley	✓		
Senator Loren Leman	✓		
Senator Al Adams			✓
Senator Gary Wilken			✓
Co-Chair Sean Parnell			✓
Co-Chair John Torgerson			✓
<u>Tally</u>			
Yea	3		
Nay	6		
Absent	1		
<u>MOTION</u>		FAIL	

Donley COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 419		
Amendment	#4		
Motion	amand		
<u>Motion by</u> Phillips			
<u>Objection by</u> Green			
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	Vote	N
Senator Dave Donley	✓		
Senator Loren Leman			✓
Senator Al Adams		—	
Senator Gary Wilken	✓		
Senator Pete Kelly			✓
Senator Lyda Green			✓
Senator Randy Phillips	✓		
Co-Chair Sean Parnell			✓
Co-Chair John Torgerson	✓		✓
<u>Tally</u>			
Yea	4		
Nay	4		
Absent	1		
<u>MOTION</u> FAILED			

page 1 lines 8 & 9 of amendment #4
 delete: "shall require the employer... under
 this chapter."

insert: "may access a civil penalty of
 up to \$1000. per day."

Green COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 419		
Amendment	#4 -		
Motion	adopt		
<u>Motion by</u>	Phillips		
<u>Objection by</u>	Parnell		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Lyda Green			
Senator Randy Phillips			
Senator Dave Donley			
Senator Loren Leman			
Senator Al Adams			
Senator Gary Wilken			
Senator Pete Kelly			
Co-Chair Sean Parnell			
Co-Chair John Torgerson			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	Withdrawn		

Leman COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 419		
Amendment	Report from Cmte		
Motion	as amended		
<u>Motion by</u>			
	D		
<u>Objection by</u>			
	none		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Loren Leman			
Senator Al Adams			
Senator Gary Wilken			
Senator Pete Kelly			
Senator Lyda Green			
Senator Randy Phillips			
Senator Dave Donley			
Co-Chair Sean Parnell			
Co-Chair John Torgerson			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>			
Pass			

Leman COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 419		
Amendment	#1		
Motion	adopt		
<u>Motion by</u>	Donley		
<u>Objection by</u>	Green		
Removed	✓		
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Loren Leman			
Senator Al Adams			
Senator Gary Wilken			
Senator Pete Kelly			
Senator Lyda Green			
Senator Randy Phillips			
Senator Dave Donley			
Co-Chair Sean Parnell			
Co-Chair John Torgerson			
<u>Tally</u>			
Yea			
Nay			
Absent			
MOTION Passed			

Wilken COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 419		
Amendment	#2		
Motion	adopt		
<u>Motion by</u>	Donley		
<u>Objection by</u>	Green		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Gary Wilken	✓		
Senator Pete Kelly	✓		
Senator Lyda Green			✓
Senator Randy Phillips	✓		
Senator Dave Donley	✓		
Senator Loren Leman	✓		
Senator Al Adams	✓		
Co-Chair Sean Parnell	✓		
Co-Chair John Torgerson	✓		
<u>Tally</u>			
Yea	8		
Nay	1		
Absent	-		
<u>MOTION</u>		Pass	

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: SCS CSHB 419(JUD)

1 Page 11, following line 5:

2 Insert a new bill section to read:

3 **** Sec. 19.** AS 23.30.215(f) is amended to read:

4 (f) Except as provided in (g) of this section, the death benefit payable to a
5 widow or widower shall terminate ~~10~~¹² [10] years following death of the deceased
6 employee."

7 Renumber the following bill sections accordingly.

8 Page 13, line 5:

9 Delete "secs. 2 - 19"

10 Insert "secs. 2 - 20"

11 Page 13, line 6:

12 Delete "Section 20"

13 Insert "Section 21"

14 Page 13, line 7:

15 Delete "sec. 21"

16 Insert "sec. 22"

SENATE FINANCE
COMMITTEE
Amendment Number: 42
Bill Number: HB 419
Sponsor: Donley Date: 4/26/00
Logged In By: Jamie

SENATE FINANCE COMMITTEE

AMENDMENT No. _____

By DONLEY

To: HB 419 ~~SENATE BILL NO.~~ _____

To: _____ ~~SENATE BILL NO.~~ _____

Page 10
Sec 18 (Line 17)

Insert new section (1) and
renumber existing sections:

(1) \$5,000 to widow or widower,
or ~~the~~ equally divided among
children when there is no widow
or widower.

SENATE FINANCE
COMMITTEE #3
Amendment Number: #3
Bill Number: HB 419
Sponsor: Phillips Date: 4/26/00
Logged In By: Mindy

I-LS1418\N.2
Ford
4/26/00

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR PHILLIPS

TO: SCS CSHB 419(JUD)

1 Page 1, line 6, following "benefits;":

2 Insert "relating to the duty of an insurer to file evidence of workers' compensation
3 insurance;"

4 Page 6, following line 5:

5 Insert a new bill section to read:

6 **** Sec. 8. AS 23.30.085 is amended to read:**

7 **Sec. 23.30.085. Duty of employer to file evidence of compliance.** (a) An
8 employer subject to this chapter, unless exempted, or, if insured, the employer's
9 insurer shall initially file evidence of compliance with the insurance provisions of this
10 chapter with the board, in the form prescribed by it. The employer or, if insured, the
11 employer's insurer shall also give evidence of compliance within 10 days after the
12 termination of the employer's insurance by expiration or cancellation. These
13 requirements do not apply to an employer who has certification from the board of the
14 employer's financial ability to pay compensation directly without insurance.

15 (b) If an employer or an insurer fails, refuses, or neglects to comply with
16 [THE PROVISION OF] this section, the board may impose a civil penalty of up to
17 \$1,000 for each day of noncompliance. Nothing [EMPLOYER SHALL BE
18 SUBJECT TO THE PENALTIES PROVIDED IN AS 23.30.070 FOR FAILURE TO
19 REPORT ACCIDENTS; BUT NOTHING] in this section may be construed to affect
20 the rights conferred upon an injured employee or the employee's beneficiaries under
21 this chapter."

22 Renumber the following bill sections accordingly.

1-J.S1418N.2

- 1 Page 13, line 5:
- 2 Delete "secs. 2 - 19"
- 3 Insert "secs. 2 - 20"

- 4 Page 13, line 6:
- 5 Delete "Section 20"
- 6 Insert "Section 21"

- 7 Page 13, line 7:
- 8 Delete "sec. 21"
- 9 Insert "sec. 22"

Amendment Number: #4
Bill Number: HB 419 I-LS1418\N.3
Sponsor: Phillips Date: 4/26/00 Ford
Logged In By: Cindy 4/26/00

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR PHILLIPS

TO: SCS CSHB 419(JUD)

- 1 Page 1, line 6, following "benefits;":
- 2 Insert "relating to the duty of an employer to obtain workers' compensation
- 3 insurance;"

- 4 Page 6, following line 5:
- 5 Insert a new bill section to read:
- 6 "* Sec. 8. AS 23.30.080 is amended by adding a new section to read:
- 7 (c) If an employer fails to insure or provide security as required by
- 8 AS 23.30.075, the board shall require the employer to pay to the employee a penalty
- 9 equal to 50 percent of the compensation due under this chapter."

- 10 Renumber the following bill sections accordingly.

- 11 Page 13, line 5:
- 12 Delete "secs. 2 - 19"
- 13 Insert "secs. 2 - 20"

- 14 Page 13, line 6:
- 15 Delete "Section 20"
- 16 Insert "Section 21"

- 17 Page 13, line 7:
- 18 Delete "sec. 21"
- 19 Insert "sec. 22"

WORK DRAFT

WORK DRAFT

WORK DRAFT

1-LS1639A
Ford
4/26/00

SENATE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY

Introduced:

Referred:

A RESOLUTION

1 Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State
2 Legislature, concerning House Bill No. 419, relating to workers' compensation.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of
5 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding
6 changes to the title of a bill are suspended in consideration of House Bill No. 419, relating
7 to workers' compensation.

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: SCS CSHB 419(JUD)

1 Page 11, following line 5:

2 Insert a new bill section to read:

3 "* Sec. 19. AS 23.30.215(f) is amended to read:

4 (f) Except as provided in (g) of this section, the death benefit payable to a
5 widow or widower shall terminate ~~28~~¹² [10] years following death of the deceased
6 employee."

7 Renumber the following bill sections accordingly.

8 Page 13, line 5:

9 Delete "secs. 2 - 19"

10 Insert "secs. 2 - 20"

11 Page 13, line 6:

12 Delete "Section 20"

13 Insert "Section 21"

14 Page 13, line 7:

15 Delete "sec. 21"

16 Insert "sec. 22"

SENATE FINANCE
COMMITTEE
Amendment Number: 2
Bill Number: HB 419
Sponsor: Donley Date: 4/20/00
Logged In By: Jamie

SENATE FINANCE COMMITTEE

AMENDMENT No. _____

By DONLEY

To: HB 419 ~~SENATE BILL No.~~ _____

To: _____ ~~SENATE BILL No.~~ _____

Page 10
Sec 18 (Line 17)

Insert new section (1) and
renumber existing sections:

(1) \$5,000 to widow or widower,
or ~~the~~ equally divided among
children when there is no widow
or widower.



Teleconference Participants

TCN: 10843

Participant Lists

View List for

ALL

Testifiers

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Participants

Unidentified Testifiers: 0

Unidentified Observers: 0

ANCHORAGE (ANC)

1

Name: Mr. Kevin Dougherty

Phone:

Address:

Affiliation:

City /St /Zip:

Type: Testifier

Bill: HB 419: WORKERS' COMPENSATION

FAIRBANKS (FBX)

1

Name: Mr. Paul Lyle

Phone:

Address:

Affiliation:

City /St /Zip:

Type: Testifier

Bill: SB 298: PAY RAISE FOR NON-UNION STATE EMPLOYEES

2

Name: Mr. John Athens

Phone:

Address:

Affiliation:

City /St /Zip:

Type: Testifier

Bill: SB 298: PAY RAISE FOR NON-UNION STATE EMPLOYEES

FISCAL NOTE

Bil. ersion: CSHB 419 (L&C)
 (H) Publish Date: 3/29/00

**STATE OF ALASKA
 2000 LEGISLATIVE SESSION**

Revision Date/Time 03/13/2000 Dept. Affected All State Agencies
 Title "An act relating to workers' compensation reform. BRU

 _____ Component _____
 Sponsor House Rules Committee
 Requester House Labor & Commerce Committee Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	762.9	762.9	762.9	762.9	762.9	762.9
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	762.9	762.9	762.9	762.9	762.9	762.9

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	75.0	75.0	75.0	75.0	75.0	75.0
1016 Federal Incentive Payments	0.3	0.3	0.3	0.3	0.3	0.3
1133 Indirect Cost Reimbursement	0.1	0.1	0.1	0.1	0.1	0.1
1003 GF Match	18.7	18.7	18.7	18.7	18.7	18.7
1004 GF	372.4	372.4	372.4	372.4	372.4	372.4
1005 GF/Program Receipts	27.5	27.5	27.5	27.5	27.5	27.5
other (GF)	28.0	28.0	28.0	28.0	28.0	28.0
Other (Specify Type)	240.9	240.9	240.9	240.9	240.9	240.9
TOTAL	762.9	762.9	762.9	762.9	762.9	762.9

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Consolidation of statewide risk management costs to departments' personal services expense. See attached for detailed fund source amounts.

Prepared by: Joan Brown, Chief Budget Analyst *Joan Brown* Phone 465-4681
 Division Office of Management and Budget Date/Time 3/13/00 12:23 PM
 Approved by Director Annalee McConne *Annalee McConne* Date 03/07/2000
 Agency Governor's Office

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HD419 and SB278

Workers' Compensation Reform

Fund Code	Fund Source	Category	Adminis- tion 105 9	Comm & Econ Dev 6 2	Correc-tio- ns 93 0	Cour- t System 13 5	Ed & En- vironm- ental Dev 11 2	Environ- mental Conser- vation 10 0	Fish & Game 39 8	Health & Social Svcs 117 2	Labor & Workforce Dev 19 9	Law 8 3	Legisla- ture 5 3	Military & Veterans Affairs 8 0	Natural Resources 40 4	Office of the Governor 3 7	Public Safety 7 2	Revenue 9 1	Transporta- tion & Public Facilities 19 2	Total
1002	Fed Rcpts	Fed	1 4	0 1	2 2		1 2	2 6	10 6	30 0	13 7	0 1		4 3	2 6	0 2	1 7	3 3	1 0	75 0
1016	Fed Incentive Payments	Fed																0 3		0 3
	Indirect Cost																	0 1		0 1
1133	Reimbursement	Fed	1 4	0 1	2 2	0 0	1 2	2 6	10 6	30 0	13 7	0 1	0 0	4 3	2 6	0 2	1 7	3 7	1 0	75 4
1003	GF Match	GF	0 4	0 1			0 2	0 6	0 2	1 4	0 8	0 0		0 7	0 3	0 3	0 6		0 1	1 8 7
1004	GF	GF	46 1	1 0	84 2	13 5	4 0	1 4	12 5	44 3	2 2	4 7	5 3	2 2	22 5	3 2	70 4	1 2	53 7	372 4
1005	GF/PR	GF	10 4	2 0			0 2	0 9	1 3	0 9	0 2	0 1			5 5		1 3	0 5	4 2	27 5
1037	GF/Mental Health	GF	14 9		3 6		0 0			7 1		0 0								25 6
1118	Pioneers Homes Rcpts	GF	2 4																	2 4
	GF Total		74 2	3 1	87 8	13 5	4 4	2 9	14 0	66 7	3 2	4 8	5 3	2 9	28 3	3 5	72 3	1 7	58 0	446 6
1007	IA Rcpts	Other	6 8	0 8	0 3		3 1	0 3	2 8	16 0	2 6	3 3		0 4	2 9		2 2	0 4	2 5	44 4
	Advance College																	0 0		0 0
1011	Tuition Payment Fund	Other																0 0		0 0
	Donated Commodity /																			0 1
1014	Handling Fee	Other					0 1													2 3
1017	Benefit Systems Rcpts	Other	2 3																	
1018	Exxon Valdez Oil Spill	Other						0 0	0 9						0 2					1 0
1021	Ag Loan Fund	Other													1 0					1 0
1023	FICA Admin Fund	Other	0 1																	0 1
1024	Fish & Game Fund	Other							7 9			0 0					0 6			8 5
1025	Science & Tech	Other		0 2																0 2
1026	Hwy Working Capital	Other																	14 9	14 9
	International Airports																			34 0
1027	Revenue Fund	Other																0 0	34 0	34 0
1029	PERS	Other	3 7																	3 7
1031	Second Injury Fund	Other									0 1									0 1
	Disabled Fishermans																			0 1
1032	Reserve Acct	Other									0 1									0 1
1033	Surplus Property	Other	0 3																	0 3
1034	TERS	Other	1 5																	1 5
	Velr Revolving Loan																			0 0
1035	Fund	Other		0 0																0 0
	Comm Fish Revolving																			0 4
1036	Loan Fund	Other		0 4																0 4
	Real Estate Surety																			0 0
1040	Fund	Other		0 0																0 0

Workers' Compensation Reform

Fund Code	Fund Source	Category	Adminstra tion 105 9	Con.m & Econ Dev 6 2	Correcio ns 91 0	Court System 13 5	Ed & Early Dev 11 2	Environm ental Conserva tion 10 0	Fish & Game 39 8	Health & Social Srves 117 2	Labor & Workforce Dev 19 9	Law 8 3	Legislat ure 5 3	Military & Veterans Affairs 8 0	Natural Resources 40 4	Office of the Governor 3 7	Public Safety 77 2	Revenue 9 1	Transporta tion & Public Facilities 194 2	Total
1042	Judicial Retirement System	Other	0 0																	0 0
1045	Nail Guard Retirement System	Other	0 1																	0 1
1046	Student Revolving Loan Fund	Other																0 0		0 0
1049	Training & Building Fund	Other									0 1									0 1
1050	Perm Fund Dividend Fund	Other															0 2	0 6		0 8
1051	Rural Dev Initiative Fund	Other		0 0																0 0
1052	Oil/Haz Response Fund	Other						2 5												2 5
1053	ILTF	Other																0 0		0 0
1055	IA Oil & Haz	Other						0 0				0 1		0 2	0 0		0 1			0 4
1057	Small Bus Loan Fund	Other		0 0																0 0
1061	CIP Rcpts	Other	0 2	0 2	0 6		0 0	0 6	1 1	0 8				0 2	2 2			0 3	74 7	80 9
1066	Public School Fund	Other																0 0		0 0
1067	Mining Revolving Loan Fund	Other		0 0																0 0
1068	Child Care Revolving Loan Fund	Other		0 0																0 0
1069	Historical District Revolving Loan Fund	Other		0 0																0 0
1070	Fisheries Enhancement Revolving Loan Fund	Other		0 1																0 1
1071	Alternative Energy Revolving Loan Fund	Other		0 0																0 0
1075	Clean Water Loan Fund	Other						0 1												0 1
1076	Marine Hwy System Storage Tank Asst Fund	Other																		8 3
1079	Fund	Other						0 2												0 2
1081	ISF	Other	12 8																	12 8
1092	MHTAAR	Other	0 1		0 1					1 5					0 6					2 3
1093	Clean Air Protection Fund	Other						0 6												0 6

Workers' Compensation Reform

Fund Code	Fund Source	Category	Adminstra tion 105 9	Comm & Econ Dev 62	Correcio ns 93 0	Court System 13 5	Ed & Environm Early Dev 11 2	Environm ental Conserva tion 10 0	Fish & Game 39 8	Health & Social Srvc 117 2	Labor & Workforce Dev 19 9	Law 8 3	Legislat ure 5 3	Military & Veterans Affairs 8 0	Natural Resources 40 4	Office of the Governor 3 7	Public Safety 77 2	Revenue 9 1	Transportati on & Public Facilities 194 2	Total
1094	Mental Health Trust Admin	Other																0 1		0 1
1098	Children's Trust Fund Earnings	Other																0 0		0 0
1100	Alaska Drinking Water Fund	Other						0 1												0 1
1101	Aerospace Dev Corp Rcpts	Other		0 0																0 0
1102	AIDEA Rcpts	Other		0 5																0 5
1103	AHFC Rcpts	Other																1 7		1 7
1104	Municipal Bond Bank Rcpts	Other																0 0		0 0
1105	Perm Fund Corp Rcpts Post-Secondary Ed	Other													1 0			0 6		1 6
1106	Comm Rcpts	Other					2 1													2 1
1108	SDPR	Other	2 2		2 0		0 3	0 1	1 1	2 2	0 1	0 0			1 6		0 1	0 0	0 8	10 5
1109	Test Fisheries Rcpts	Other							1 4											1 4
1115	International Trade & Bus Endowment Income	Other		0 0																0 0
1141	RCA Rcpts	Other		0 8																0 8
1147	Public Bldg Fund	Other	0 2																	0 2
		Other	30 3	3 0	3 0	0 0	5 6	4 5	1 5 2	20 5	3 0	3 4	0 0	0 0	9 5	0 0	3 2	3 7	1 3 5 2	2 40 9
		Grand	105 9	6 2	93 0	13 5	11 2	10 0	39 8	117 2	19 9	8 3	5 3	8 0	40 4	3 7	77 2	9 1	194 2	762 9

FISCAL NOTE

II Version: CSHB 419(L&C)
 (H) Publish Date: 3/29/00

STATE OF ALASKA
 2000 LEGISLATIVE SESSION

BILL NO.

Revision Date/Time (Note if correction): _____
 Title: Workers' Compensation
 Sponsor: House L&C
 Requestor: House L&C

Department Affected: Labor & Workforce Development
 BRU: Workers' Compensation
 Component: Workers' Compensation

COMPONENT SERIAL NO. 344

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	6.7	6.7	6.7	6.7	6.7	6.7
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	6.7	6.7	6.7	6.7	6.7	6.7
CAPITAL						
CHANGE IN REVENUE						
FUND SOURCE #						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	6.7	6.7	6.7	6.7	6.7	6.7
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (New Fund)						
TOTAL	6.7	6.7	6.7	6.7	6.7	6.7

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY00) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)
 Please See Attached

Prepared by: Paul Grossi, Director Phone: 465-2790
 Division: Workers' Compensation Date/Time: 3/7/00 9:18 AM

Approved by Commissioner: Ed Flanagan, Commissioner
 Agency: Department of Labor Date: 3/7/00

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 419

Title: An Act relating to the Alaska Workers' Compensation Act, including the weekly rate of compensation and minimum and maximum compensation rates, specifying components of a reemployment plan, adjusting benefits for permanent partial impairment for reemployment plans, for rehabilitation benefits, for widows, widowers and orphans, and for funerals, calculation of gross weekly earnings for seasonal and temporary workers and for workers with overtime or premium pay, setting time limits for requesting a hearing or rehabilitation benefits, setting time limits for claims for compensation and for the rehabilitation process, setting time limits for payment of medical bills, waiver of rehabilitation benefits, obtaining medical releases and resolving discovery disputes, setting an interest rate for late compensation, and providing for updating the medical fee schedule; and providing for an effective date.

This bill will require that the Division of Workers' Compensation obtain an updated usual, customary, and reasonable medical fee schedule annually. It is anticipated that the additional cost for updating the schedule annually would be approximately \$6.7 per year. It is believed that the change in frequency of medical fee schedule updates will be the only increased cost associated with this bill.