



Workers' Compensation
Management-Labor Advisory Committee



State of Oregon
John A. Kitzhaber, MD
Governor

Members

Aida Aranda
Oregon & Southern Idaho Laborers-
Employers Training Trust

Guy Boileau
Louisiana Pacific Corp.

Jim Denham
ATI

Carol Duncan
General Sheet Metal

Paul Goldberg
Oregon Nurses Association

John Mohlis
Oregon Building Trades Council

Ben Stange
Polk County Fire District No. 1

Pat Allen
Director, Oregon Department of
Consumer & Business Services,
Ex-Officio

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March 3, 2015

Sen. Michael Dembrow, Chair
Senate Workforce Committee

Re: SB 291

Dear Chair Dembrow:

The Workers' Compensation Management-Labor Advisory Committee (MLAC) has been reviewing SB 291, relating to employment of injured workers.

MLAC is in the process of reviewing this bill. A final recommendation will be made upon receiving a forthcoming amendment from the bill's primary proponent.

For your committee's information, we have attached a one page information sheet about MLAC and our process.

Sincerely,

Guy Boileau
Management Co-Chair

John Mohlis
Labor Co-Chair



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The Workers' Compensation Management Labor Advisory Committee (MLAC) is an advisory committee created by the Oregon Legislature as part of the reform of the workers' compensation system in 1990. Workers' compensation issues are often adversarial, creating uncertainty for both workers and employers. MLAC provides an effective forum for business and labor to meet to explore and resolve issues involving the workers' compensation system.

MLAC is composed of five representatives each from business and labor, appointed by the Governor and confirmed by the Senate. The director of the Department of Consumer and Business Services serves as *ex officio* member. MLAC is charged by law to study issues impacting the workers' compensation system and to report its findings and recommendations to the Oregon Legislature.

Members of MLAC are committed to a common set of values for a workers' compensation system:

- Balance and fairness.
- Adequacy of benefits, where the benefits are commensurate with the severity of the injury.
- Affordability, where the system contributes to a healthy Oregon business climate.
- Efficiency, a system that is streamlined and easy to use.
- Stability and flexibility, a system stable enough to be predictable, which encourages consistency and is flexible enough to change when necessary.

Over the past several legislative sessions, MLAC has developed or supported some significant legislative changes. This list demonstrates the beneficial impact MLAC has through its review and recommendations for system changes. Among these are:

- Developed expanded treatment and authority for chiropractors, podiatrists, naturopaths, and physician assistants to provide more access to care providers for injured workers. Supported continuation of similar treatment authority for nurse practitioners.
- Studied and developed recommendations to improve workers' compensation death benefits.
- Supported changes to modernize reporting of proof of workers' compensation insurance information, which should result in cost savings to insurers.
- Supported providing greater notice to employers when their workers' compensation insurance is canceled.
- Supported greater protections for workers during independent medical examinations.
- Developed improvements in reemployment assistance to disabled injured workers.

- Developed changes to how permanent partial disability benefits are determined, linking them to the worker's wages and eliminating different levels of benefits for different injured body parts. The change shifted benefits to more severely injured workers but had no overall system impact. After analyzing the results of this change, supported making the law change permanent.
- Developed tougher standards for rescinding a worker's permanent, total disability, including setting a higher wage threshold and a finding that the worker must demonstrate material improvement in their capacities.
- Supported increases in worker wage replacement benefits, including wages from all of the workers' jobs to be considered in calculating the rate of temporary disability and increased temporary disability benefits from 100% to 133% of the state average weekly wage.

MLAC provides a forum for employers and employees to discuss issues related to workers' compensation, and an opportunity to reach consensus on recommendations for statutory changes that would improve the current system. The MLAC process ensures support from both employers and employees for changes, as well as provides a stable way to address change in a potentially volatile area of public policy.

Since 1990, MLAC has provided recommendations to the Oregon Legislature and the Governor's office. Without MLAC as a vehicle for reaching consensus, there is danger of major structural changes to the system from one legislative session to another that would erode the long-term stability of Oregon's workers' compensation system. The progress that has been made in lowering premiums for employers and providing adequate benefits to employees would be jeopardized.

Between legislative sessions, MLAC is often asked to focus on complex areas of the law that merit longer discussions than a typical legislative session can allow. In addition to requests from the Legislature and the Governor, MLAC often chooses other focus areas. In the 2011-2013 interim, MLAC has established a subcommittee to discuss the complex issue of worker access to medical treatment. The subcommittee is focusing on general access to care, as well as identifying ways to encourage providers to choose to provide services for workers' compensation insurance.