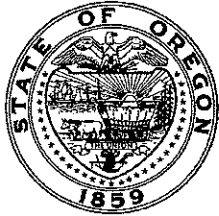


Diane Rosenbaum



Workers' Compensation Management-Labor Advisory Committee



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Governor

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May 12, 2015

Senator Michael Dembrow
Senate Workforce Committee

RE: HB 2764

Dear Chair Dembrow:

The Management-Labor Advisory Committee (MLAC) has been reviewing HB 2764 along with several other large pieces of 2015 workers' compensation legislation. In mid-February, after several presentations on this bill's provisions, MLAC asked a group of stakeholders to identify areas of compromise. Those conversations were productive, but after multiple meetings, they were unable to reach agreement.

In late April, MLAC decided to identify a set of amendments that the whole committee could support. In the deliberation process, we applied some principles to evaluate changes to attorney fees:

- Ensuring the workers' compensation system is as fair, balanced and neutral as possible.
- Making sure any increased costs from changes did not outweigh system savings over the last biennium.
- Creating meaningful change to address workers' access to legal representation.
- Ensuring attorney compensation covers the work and time invested on behalf of an injured worker, including the level of work attorneys must ethically perform and as part of an attorney's usual and customary services.
- Motivating parties to process claims correctly the first time.
- Encouraging timely resolution of issues that may be litigated.
- Ensuring the effective date of changes minimizes disruption and adverse behavior, but that changes apply to cases currently in the system.

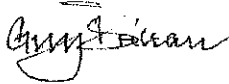
With these standards in mind, we prepared proposed amendments for consideration by the full committee. We must thank the parties that worked hard on this issue for providing an excellent starting point for our work. The draft amendments were circulated publically and stakeholders had the opportunity for providing feedback from stakeholders. We received excellent input and suggested changes to the proposal.

After a thorough discussion, at the May 1 meeting, the full committee unanimously agreed to support changes to HB 2764 that reflect the committee's discussions with stakeholders and their insights.

That recommendation is now before you as the -A7 amendments. We believe this proposal satisfies the principles we sought to meet and the careful consideration of all perspectives in the workers' compensation system.

We would be happy to brief you or the committee on our recommendations or the process we went through to arrive at these amendments. Thank you for your consideration.

Sincerely,



Guy Boileau
Management Co-Chair



John Mohlis
Labor Co-Chair