

HOUSE COMMITTEE ON BUSINESS AND CONSUMER AFFAIRS

February 15, 1999 Hearing Room E

8:30 a.m. Tapes 32- -33

MEMBERS PRESENT: Rep. Roger Beyer, Chair

Rep. Dan Gardner, Vice-Chair

Rep. Tim Knopp, Vice-Chair

Rep. Jason Atkinson

Rep. Bill Morrisette

Rep. Terry Thompson

Rep. Jackie Winters

MEMBER EXCUSED:

STAFF PRESENT: Keith Putman, Administrator

Frances Thomas, Administrative Support

MEASURE/ISSUES HEARD: SB 460A Public Hearing

HB 2022 Public Hearing and Work Session

Introduction of Committee Bills

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 32, A		
003	Chair Beyer	Calls the meeting to order at 8:35 a.m.

SB 460A n PUBLIC HEARING

011	Chair Beyer	Opens a Public Hearing on SB 460A.
013	Keith Putman	Committee Administrator. Explains there are provisions in the worker's compensation law adopted in the 1995 Legislative Session, that are due to "sunset" (expire) at the end of the current year.
029	John Shilts	Manager, Benefits Section, Workers Compensation Division to the Department of Consumer and Business and Staff Support to the Management Labor Advisory Committee (MLAC). Testifies in support of SB 460A. Explains the history of the workers' compensation law. Refers to written testimony (EXHIBIT A, page 1) citing each "sunset" provision and location in the Oregon statute.
053	Shilts	Explains the "sunset" fall into five basic categories: <ul style="list-style-type: none">• Sunsets regarding Permanent Partial Disability• Sunsets regarding Medical and Managed Care Organization (MCO). Issues• Sunsets regarding Wage Issues• Sunset regarding the Stay of Vocational Benefits During Appeal• Sunset regarding Exclusive Remedy Portion of the Law
061	Shilts	Continues testimony with history about the "sunset" regarding Permanent Partial Disability (PPD) rates and tiers. States SB 460A continues current provision of the law to successfully provide greater benefits to the most severely disabled workers.
076	Shilts	Recommends the "sunset" are repealed and the current benefit levels are increased to be consistent with the projected 1999 national median rate.
087	Rep. Gardner	Inquires about the number of denial rates.
088	Shilts	Replies denial rates have remained steady since 1993.
102	Rep. Gardner	Asks if the number of claims have decreased.
103	Shilts	Replies yes.
115	Shilts	Comments about workers not subject to a Managed Care Organization (MCO) beyond claim closure after the MCO contract terminates (EXHIBIT A, page 2 and 3).
125	Shilts	Recommends a repeal of the "sunset," with additional amendments that address the requirement that the worker remain subject to a MCO until claim closure even after the contract with the insurer expires or terminates. This recommendation adds language to allow a worker to continue treatment with his/her attending physician if the physician qualifies under the new MCO

		contract and agrees to the terms and conditions. States this allows provision of medical care continuity.
139	Shilts	Comments about a stay of compensation pending appeal of vocational benefits (EXHIBIT A, pages 3) .
151	Shilts	<p>Recommends the stay be changed to state that in the event an insurer appeals, there will continue to be a stay of vocational assistance benefits with the following benefits that can be provided during the stay:</p> <ul style="list-style-type: none"> • Vocational evaluation services • Return to work plan development for authorized training plans and direct employment placement, but the authorized training plan would not start during the stay and would start only if the worker prevailed in the appeal • Direct employment placement services
171	Rep. Gardner	Inquires about the number of workers affected.
173	Shilts	Replies between 12 and 15 workers. States there may be increase with this new recommendation.
178	Rep. Gardner	Asks what attributes to the increase.
179	Shilts	Replies that because the injured worker is receiving some level of service, there is less likelihood of a claim.
186	Shilts	Comments about the Exclusive Remedy issues (EXHIBIT A, page 4) .
215	Shilts	Recommends the current "sunset" provision be maintained with a new "sunset" date of December 31, 2004 and have further discussion as the results of the study become available.
255	Rep. Gardner	Discusses how the study will be funded.
257	Shilts	Explains the funds are available within the Workers' Compensation Budget.
277	Rep. Gardner	Continues discussion of the study.
280	Shilts	Explains some methodology of the study. Explains the use of an outside contractor and length of time required to conduct the study.
319	Brad Witt	Secretary Treasurer, Oregon AFL-CIO. Testifies in "measured" opposition to SB 460A. Explains he not opposed to SB 460A, but is concerned about issues the bill does not address. States AFL-CIO will be offering conceptual amendments.

343	Witt	Explains the function of AFL-CIO. Suggests putting the MLAC study mentioned into legislative statute. Emphasizes the importance of the study (EXHIBIT B) .
346	Witt	Suggests employees be provided statutory input regarding coverage by a MCO. States a recognized panel of workplace medical insurance providers would increase workers' acceptance, seamless care and additional cost savings. Proposes an injured worker be allowed to be treated outside MCO protocols, at his/her own expense, without risks to losing workers' compensation benefits.
418	Witt	Suggests a claimant be allowed to opt for an outside exam when an initial claim is denied based upon MCO finding. The cost to be reimbursed if the injured worker prevailed upon appeal.
438	Witt	Suggests allowing for public comment on MCO certification/re-certifications.
454	Witt	Continues testimony with Permanent Partial Disability benefits. Proposes the benefits be protected from inflation.
466	Witt	Expresses a desire for SB 460A to address the wage replacement inequity that exists for totally and partially disable workers who are attached to multiple jobs at the time of injury.
480	Rep. Winters	Inquires how many individuals in the "multiple jobs" category.
486	Witt	Replies that data is unavailable to him at this time.
487	Rep. Gardner	Asks if these proposals have been presented to the Management Labor Advisory Committee.
490	Witt	Replies affirmatively. States some of the proposals were received with "some level of interest."
TAPE 33, B Blank ñ did not record		
015	Chris Davie	SAIF Corporation. Testifies in support of SB 460A. States a ten member committee (Management Labor Advisory Committee) with the support of the Workers' Compensation Division, undertook the task of analyzing the impact of SB 369 (1995 workers' compensation reform bill) of which SB 460A is the result (EXHIBIT C) .
042	Tim Nesbitt	Executive Director, Service Employees International Union. Testifies in opposition to SB 460A. States SB 460A does not represent the MLAC deal that was established. Expresses need to include the study conducted on exclusive remedy.

077	Jennifer Webber	Oregon Workers' Compensation Attorneys (OWCA). Testifies in opposition to SB 460A. States OWCA's mission is to share information among members, to promote legislative change to allow greater access to the workers' compensation system by injured workers and to insure due process and fair and adequate benefits to those workers.
107	Webber	Expresses support of some aspects of SB 460A. Believes the exclusive remedy provision has a negative impact on injured workers and will continue to have with this legislation.
111	Chair Beyer	Closes the Public Hearing on SB 460A.
<u>HB 2022 PUBLIC HEARING</u>		
123	Chair Beyer	Opens a Public Hearing on HB 2022.
127	Putman	Presents an overview of HB 2022. Explains HB 2022 increases workers' compensation benefits for the spouse and some children of a fatally injured worker. HB 2022 eliminates the benefit for beneficiaries of a worker who is permanently and totally disabled.
160	Davie	Testifies in support of HB 2022 proposed by SAIF Corporation.
174	Davie	Explains provisions of Fatal Claims are as follows: <ul style="list-style-type: none"> • Benefits for children in high school or higher education should always equal benefits for children under age 18 • Benefits for children should not be reduced if the deceased parent had remarried • Increase the remarriage allowance for fatal claims (EXHIBIT E, page 2)
194	Davie	Explains Permanent Total Disability (PTD) Claims. Eliminates the \$5 per week additional beneficiary payment for PTD workers.
248	Davie	States this bill would not terminate the benefit for anyone currently receiving the benefit, but would apply only to injuries occurring after the effective date of the Act.
291	Brad Witt	Oregon AFL-CIO. Testifies in favor of HB 2022.
307	Chair Beyer	Closes the Public Hearing on HB 2022.
<u>HB 2022 WORK SESSION</u>		
312	Chair Beyer	Opens a Work Session on HB 2022.

314	Rep. Gardner	MOTION: Moves HB 2022 to the floor with a DO PASS recommendation.
320		VOTE: 7-0
	Chair Beyer	Hearing no objection, declares the motion CARRIED. REP. BEYER will lead discussion on the floor.
329	Chair Beyer	Closes the Work Session on HB 2022.
330	Chair Beyer	Calls a ten-minute recess.
331	Chair Beyer	Re-convenes the meeting at 9:35 a.m.
<u>INTRODUCTION OF COMMITTEE BILLS</u>		
335	Chair Beyer	States the need to introduce some Legislative Counsel drafts as committee bills.
337	Rep. Knopp	MOTION: Moves LC's: 2362, 3065, 3074, 3091, 3094 BE INTRODUCED as committee bills.
339		VOTE: 7-0
	Chair Beyer	Hearing no objection, declares the motion CARRIED.
342	Chair Beyer	Adjourns meeting at 9:40 a.m.

Submitted By, Reviewed By,

FRANCES THOMAS, KEITH PUTMAN,
Administrative Support Administrator

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EXHIBIT SUMMARY

A ñ SB 460A, written testimony, John Shilts, 5 pp

B ñ SB 460A, written testimony, Brad Witt, 4 pp

C ñ SB 460A, written testimony, Chris Davie, 1 p

D ñ SB 460A, written testimony, Jennifer Webber, 3 pp

E ñ HB 2022, written testimony, Chris Davie, 3 pp