

HOUSE COMMITTEE ON LABOR

April 22, 1997 Hearing Room E

8:00 A.M. Tapes 66 - 67

MEMBERS PRESENT:

Rep. Steve Harper, Chair

Rep. Mike Fahey, Vice-Chair

Rep. Chris Beck

Rep. Dan Gardner

Rep. Bill Markham

Rep. John Minnis

Rep. Ron Sunseri

MEMBER EXCUSED:

STAFF PRESENT:

Cara Filsinger, Administrator

Linda Spaulding, Administrative Support

MEASURE/ISSUES HEARD:

HB 2971 Public Hearing

HB 3534 Public Hearing

HB 3100 Public Hearing

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 66, A		
005	Chair Harper	Calls the meeting to order at 8:05 a.m. Opens public hearing on HB 2971.

<u>HB 2971 - PUBLIC HEARING</u>		
014	Lisa Trussell	Representing Associated Oregon Industries (AOI) [EXHIBIT A] . * Supports HB 2971. * Explains the bill restores balance and fairness by allowing the issue of compensability for conditions not accepted to be based on medical evidence if a need for treatment arises.
047	Chris Davie	Representing SAIF Corporation [EXHIBIT B] . * Supports HB 2971. * Says HB 2971 corrects deficient language in SB 369 (1995) and amends the statute to comply with legislative intent.
144	Rep. Fahey	Asks if this is a shift from decision to accept or deny medical condition from insurer to claimant.
146	Davie	Answers no.
148	Rep. Fahey	Asks how worker can be ensured of coverage if receiving multiple injuries in a work-related accident.
150	Davie	Explains the worker receives acceptance notice when claim is accepted. Explains worker may request modification to the claim any time after initial acceptance.
156	Rep. Fahey	Asks for explanation of the procedure for claiming multiple injuries.
157	Davie	Responds that SAIF tries to cover everything cited by worker's physician.
168	Robert C. A. Moore	Representing Oregon Workers' Compensation Attorneys. * Opposes HB 2971. * Says the bill solves the insurer's problem at the expense of injured worker claimants. [EXHIBIT C] .
212	Moore	States that someone needed to have back surgery redone, and the insurance company accepted the back pain, but not the surgery and was therefore denied benefits.
242	Moore	Explains process of researching medical reports for additional conditions not accepted.
279	Moore	Comments that proponents of SB 369 (1995) shifted adjusting responsibilities onto claimants.
290	Moore	States that passage of HB 2971 would protect and indemnify insurers from making mistakes.
324	Moore	Originally when Workers' Compensation Management Labor Advisory Committee addressed HB 2971, they split on it. Labor could not see

		anything that helped injured workers, and management supported it.
343	Rep. Fahey	Asks if all conditions could be listed on final determination order.
345	Moore	Answers conditions accepted or denied are listed; says law does not require insurance company to deny or accept other conditions.
352	Chair Harper	Asks if passage of HB 2971 would increase litigation and if that is favorable or unfavorable.
355	Moore	Answers there is speculation that litigation will increase; says he does not support increased litigation.
359	Rep. Minnis	Asks if employees experiencing degenerative problems in work-related injuries find favor in Court of Appeals.
381	Moore	Answers not directly; constitutionality of the issue not been addressed.
397	Rep. Minnis	Reads from Mr. Davie's testimony with respect to compensability for the worker with a fractured finger [EXHIBIT B, pg. 1]. Says workers with permanent partial disabilities could be retrained allowing them to become employable.
TAPE 67, A		
022	Chair Harper	Closes public hearing on HB 2971. Opens public hearing on HB 3534.
<u>HB 3534 - PUBLIC HEARING</u>		
030	John Gervais	Representing National Electrical Contractor's Association (NECA). Says NECA requested HB 3534. Presents summary of the bill and accompanying amendments [EXHIBIT E].
053	Chris Davie	SAIF Corporation [EXHIBIT D]. * Supports -1 amendments to HB 3534 [EXHIBIT D, pg. 2]. * Gives some accountability to experience rating based on past experience. * Explains process for determining adjustments. * Explains proposed amendments.
102	Chair Harper	Asks if both amendments are needed.
103	Davie	Answers yes.
104	Rep. Gardner	Asks to define "reasonably foreseeable."
105	Davie	Defines as current practice in reserving future claim costs.
		States that there is no intention of allowing employer to shift their

116	Gervais	responsibilities to the employee.
120	Davie	Explains that HB 3534 benefits employers.
128	Rep. Fahey	Asks if SAIF raises the rating even though employees are not liable.
129	Davie	Responds yes. States that the claim cost is used to determine what the experience rating would be.
134	Rep. Fahey	Asks if the rate goes up for all of the employees.
135	Davie	Comments that it would apply to all of the coverage for that employer up until about a year after the injury.
140	Rep. Fahey	Asks why SAIF couldn't set up a separate fund for third party liability.
143	Davie	Responds that the effect of that would be to increase the overall cost of the coverage for all employers.
157	Chair Harper	Comments that amendments will be sent to Legislative Counsel.
161	Chair Harper	Calls recess at 8:45 a.m. Reconvenes meeting at 8:51 a.m. Closes public hearing on HB 3534. Opens public hearing on HB 3100.
<u>HB 3100 - PUBLIC HEARING</u>		
168	Rep. Cynthia Wooten	<p>State Representative, District 41 [EXHIBIT F].</p> <ul style="list-style-type: none"> * Introduces HB 3100. * Explains Oregon economic needs for technological training workforce training. * HB 3100 tries to accomplish a funding mechanism. * Amendments have been offered by Employment Department.
218	Rep. Wooten	<ul style="list-style-type: none"> * Funding mechanism presented in HB 3100 is an unemployment trust fund diversion from the balance of the Unemployment Trust Fund. * The Employment Department has identified a threshold of about \$55 million which has been approved by the Federal Department of Labor. * Amendments from Employment Department meet all requirements of the Governor.
263	Rep. Wooten	Requests from the committee that she be able to come back in the future with other amendments.
295	Chair Harper	Assumes that the funding mechanism is a drawback.
296	Rep. Wooten	Says does not see it as a drawback.
317	Chair	Asks if she would recommend a task force.

	Harper	
320	Rep. Wooten	States that more time is needed.
331	Rep. Fahey	Asks if this bill addresses the high-tech industry where we are lacking on education.
335	Rep. Wooten	Responds affirmatively. * Greatest need for advanced-skill training is in manufacturing and trades. * Small businesses have 97% of jobs in Oregon and can least afford to release their workers for training.
385	Rep. Fahey	Asks for clarification of section 7, page 3.
401	Rep. Wooten	States that she believes there is a lot of federal money available through Department of Labor for current workforce training.
TAPE 66, B		
009	Michelle Kennedy	Manager; Fiscal, Performance and Planning, Oregon Employment Department [EXHIBIT G] . * Governor asked Oregon Employment Department to analyze HB 3100 based on several criteria. * Condition 1: No proposal shall place Unemployment Trust Fund in jeopardy in case of downturn in economy.
030	Rep. Markham	Asks for specific numbers.
031	Kennedy	Explains that Oregon is currently in tax schedule 3, which is 2.09% average tax rate for employers. Passage of HB 3100 would bump Oregon up to tax schedule 4 which is 2.55% average tax rate for employers which would take effect in 1999.
040	Rep. Minnis	Asks whether small or large businesses want this bill.
041	Kennedy	Refers to response on Advisory Council on Unemployment Compensation [EXHIBIT G, p. 4] .
062	Chair Harper	Asks if anyone is coordinating other bills.
063	Kennedy	States that there are four bills that the Oregon Employment Department is looking over at the Governor's request.
067	Chair Harper	Asks if the bill's sponsors are trying to come up with a package that incorporates all four bills.
068	Kennedy	Responds not that she is aware of any effort.
073	Kennedy	Condition 2: Requires that proposal does not place federal tax offsets

		or federal grants for Oregon in jeopardy due to conformity.
100	Rep. Markham	Asks if Oregon has ever been out of conformity.
101	Kennedy	Answers no, not that she is aware of.
105	Kennedy	Continues giving conditions: <ul style="list-style-type: none"> * Condition 3: There must be demonstrated a high level of business and labor support for the proposal. * Condition 4: Requires that benefits or services offered by a proposal shall accrue to workers and employers of businesses of all sizes. * Condition 5: Requires that administrative requirements be straight forward and inexpensive and the costs be acknowledged and provided for in the budget of the appropriate agencies.
139	Kennedy	OED recommended to sponsor of HB 3100 amendments that would provide administrative funds for the department and to narrow the scope of the bill. <ul style="list-style-type: none"> * Condition 6: Proposal should include and result in measurable outcomes.
169	Betsy Earls	Associated Oregon Industries. <ul style="list-style-type: none"> * Opposes HB 3100. * Payroll taxes would probably rise with passage of HB 3100. * Unemployment Insurance Trust Fund was never intended to provide money for employee training.
193	Chair Harper	Closes public hearing on HB 3100. Adjourns meeting at 9:25 a.m.

Transcribed by, Reviewed By,

Steve Wermuth, Cara Filsinger,

Administrative Support Administrator

EXHIBIT SUMMARY

A - HB 2971, written testimony, Lisa Trussell, 2 pp.

B - HB 2971, written testimony, Chris Davie, 5 pp.

C - HB 2971, written testimony, Robert C. A. Moore, 3 pp.

D - HB 3534, written testimony, Chris Davie, 2 pp.

E - HB 3534, written material, Staff, 1 p.

F - HB 3100, written material, Rep. Cynthia Wooten, 28 pp.

G - HB 3100, written material, Michelle Kennedy, 11 pp.

H - HB 3286, written material, Staff, 4 pp.