



**HOFFMAN CONSTRUCTION COMPANY
OF OREGON**

March 19, 2015

TO: Management Labor Advisory Committee

John Mohlis
Guy Boileau
Paul Goldberg
Carol Duncan

Bent Stange
Jim Denham
Aida Aranda

RE: Support for Senate Bill 649

Dear Management Labor Advisory Committee,

Hoffman Construction Company of Oregon writes to you in support of Senate Bill 649.

SB 649 restores the balance between worker's rights and cost management that was built into the Workers' Compensation system in the 1990s. In the 1980s, Oregon's Workers' Compensation system was financially unsustainable. Reforms in 1990 and 1995 increased worker benefits for covered injuries and diseases by tailoring the scope of what was covered more closely to the effects of industrial exposure, streamlining the processing of claims to reduce litigation. Part of those reforms clarified what would and would not be covered by requiring that the insurer or self-insured employer issue a specific notice of acceptance that can be amended at any time by the worker's request. The reforms had the effect of making insurance more available, lowering premiums, increasing safety, and ultimately, supporting job growth in the state.

Recent decisions of Oregon's appellate courts have eroded the impact of some of those reforms, by saying that the scope of a worker's accepted claim for benefits is not determined by the notice of acceptance. This has had the effect of increasing litigation and creating uncertainty in claims processing. SB 649 clarifies that the notice of acceptance still determines the scope of a worker's claim for benefits and treatment, and helps injured workers by allowing for payment of medical services to diagnose the injury or disease regardless of what conditions are accepted. The process that was put in place in the 1990s, in which workers request that additional conditions be added to their acceptance, has worked to create predictability, prevent litigation, and assure that benefits are tailored to conditions caused by industrial exposure. SB-649 will restore the balance in Oregon's Workers' Compensation system, making it sustainable into the future.

We appreciate your time and consideration of Senate Bill 649.

Sincerely,

Dan Harmon
Executive Vice President