

December 11, 2014

Co-chairs, members of the committee's my name is Lon Holston and today I speak for myself.

As a former member of MLAC, the health of the workers compensation system was always on the forefront. We studied many issues, looked at problems within the system and tried to make improvements with the owners of the system in mind as well as the stakeholders. As members of the committee we always tried to make improvements to the system that would last for at least 10 years.

The committee from time to time would look back at what we've accomplished in the past and see if it was still working as advertised.

Today, I feel the system may be heading for a crisis. I believe that there are two critical issues that need to be addressed by the current members of MLAC.

The workers compensation system was basically designed to allow injured workers to navigate the byways and highways of the workers compensation system without the help of the claimant attorney. If a dispute manifested itself, the injured worker would have access to the ombudsman and or a claimant attorney at no cost to them.

In 2007 I wrote a letter to the Worker's Compensation board in support of increase in attorney's fees for claimant's attorneys. After considerable amount of time in negotiations MLAC was presented with a proposal to increase attorney fees. The issue was successfully moved forward. While we were all cautious about cost to the system, I believe we did the right thing at the time.

Today however we are still seeing the erosion of claimant's attorneys out of the industry. We have the claimant's attorneys who are in many cases representing their clients for inadequate compensation and free in many instances. This is unacceptable. I believe that attorneys should be paid for what they do, whether on the insurance side or the claimant side.

I believe that this issue should be addressed again to adequately compensate claimant's attorneys for the work that they do that would include parity for the insurance attorneys as well as the claimant's attorneys.

The 2<sup>nd</sup> is the lack of treating physicians in the workers compensation arena. MLAC in years past address this issue in a bill by allowing other providers into the system. That bill brought in Chiropractors, Podiatrists, Naturopathic Physicians and Physician Assistants etc. The thought at the time was that if we got more diverse spread of providers this would relieve pressure for injured workers who were seeking treatment.

As an injured worker, I've been turned down for treatment from my primary care physician who I had for 20 years. I've been turned away for treatment from an immediate care center and sent to a center to another center that handled injured workers on an appointment basis. After I was seen by that center I was immediately referred out to another physician. We are currently experiencing a major shortage of treating physicians in the workers compensation arena.

Over the years there have been plenty of studies involving treating physicians and workers compensation. There was a quality health care initiative, hassle factors studies, compensation studies as well as many more. We have thrown money at this problem. The question begs, what is the fix?

I have interviewed folks from that community, from physicians, to their office staff's. I talked to occupational health centers and their staff. Some of this has been heard before and is on the record. I hear there is a tremendous hassle factor. Repetitive requests for documents and diagnostic paperwork, not enough compensation, a lengthy wait for a response when the treatment or diagnostics plan has been requested from the insurance company just to name a few.

The point of my testimony is not to lay blame. There are a lot of reasons for delays in approvals for treatment and diagnostic plans. This can include a rotation of claims examiners, faulty fax machines and other issues beyond our comprehension.

The fix, in my opinion is that you will find the answers within the existing studies. The issues in the studies have not gone away. In my opinion you will have to eliminate hassle factors, tighten up timelines for diagnostic and treatment requests, increase compensation and correct a host of other issues that you will find within those studies.

Will the fix be painful, yes and if we truly want to maintain the integrity of the workers compensation system that pain should be shared as much as possible.

Abbie Herman  
Chair, Workers Compensation Board  
Salem, Oregon

November 27, 2007

Re: Attorneys Compensation Rules

Dear Abbie,

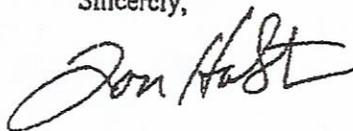
After careful deliberation, I have come to a few conclusions. Over the last 17 years, I've seen the consolidation in the number of attorneys who were willing to take on worker's compensation cases. I only have to open the phone book and look at the number of attorneys in the yellow pages under worker's compensation to validate this. I am also concerned about the demographics in this group of attorneys. When I look at the median age of this group of attorneys, I don't see a lot of young attorneys.

I'm a firm believer that if you do the work, you should be compensated for that work. Compensation should be fair for the amount of work that you do. Please understand that in my opinion, these attorneys are underpaid for what they do. I believe, after reading the testimony and talking with many interested parties that we must act to ensure proper payment. I will support the board in the restructuring of the rules for compensation for these attorneys.

I also believe this is just the tip of the iceberg. It's been many years since we took a serious look at the assessments and compensation for these attorneys. It would be my wish that we take a look from top to bottom of how these attorneys get paid. I also believe that the burden of who pays and why should be addressed.

I want to make it clear that these are my opinions only and not of those members of the Management Labor Advisory Committee for Worker's Compensation. I would also like to thank the board or all of their hard work and careful deliberations on worker's compensation issues.

Sincerely,



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