

**WORKERS' COMPENSATION
MANAGEMENT-LABOR ADVISORY COMMITTEE
Full MLAC Meeting**

April 3, 2015
10:00 a.m. – Noon

Committee Members Present:

Aida Aranda, Oregon & Southern Idaho Laborers-Employers Training Trust, Corvallis
 Guy Boileau, Louisiana-Pacific Corporation, Portland
 Jim Denham, ATI, Albany
 Carol Duncan, General Sheet Metal, Clackamas
 Paul Goldberg, Oregon Nurses Association, Tualatin
 John Mohlis, Oregon Building Trades Council, Portland
 Ben Stange, Polk County Fire District No.1, Independence
 Patrick Allen, DCBS Director, *ex-officio*
 Theresa Van Winkle, MLAC Committee Administrator

Agenda Item	Discussion
Opening (0:00:00)	John Mohlis opened the meeting at 10:04 a.m.
Review of March 6, 2015 and March 20, 2015 Minutes (0:00:17)	Jim Denham moved to approve the minutes dated March 6, 2015 and March 20, 2015. Paul Goldberg seconded the motion, which was approved on a unanimous vote.
Review of the 2014 Report on the Workers' Compensation System (0:00:53)	<p>Mike Manley and Don Gallogly, Information Technology & Research (IT&R), Central Services Division, Department of Consumer and Business Services (DCBS) reviewed the 2014 report on the Oregon Workers' Compensation System. The system in Oregon has some distinctive features not always found in other states, including the gathering and analysis of a substantial amount of data. Oregon is one of the states using the most data collection and analysis. The report documents several decades of the workers' compensation system. The department publishes the report every other year and provides updates to it during the alternating years. The report is organized into chapters around the different functions of the system.</p> <p>Mr. Gallogly reviewed the chapters on safety and health and on advocates and advisory groups, discussing some of the tables contained in the chapters and factors affecting the workers' compensation system over the past several years. He also discussed the offices of the</p>

	<p>Ombudsman for Injured Workers and Ombudsman for Small Business, the Medical Advisory Committee (MAC), and MLAC. He further discussed access to medical care and benefits. Patrick Allen, Director, DCBS asked what was driving the marked decrease in private insurers' use of managed care organizations. Mr. Gallogly stated that there could be a number of contributing factors.</p> <p>Mr. Manley discussed indemnity benefits, attorney fees, and insurance and self-insurance. Oregon ranks second to the lowest in duration of temporary disability in the reviewed states, which is likely a substantial cost driver of the lower rates in Oregon. The percentage of claims closed with permanent partial disability (PPD) has gone down in recent years. The employer-at-injury program has remained popular during the recent economic recovery. IT&R used data from the Employment Department to gauge the difference between workers who utilize these programs vs. those who do not.</p> <p>Mr. Allen asked if the attorney fees referred to were in nominal dollars. Mr. Manley indicated that they were, as were all other dollar figures referenced.</p> <p>Because the recession affected industries such as construction and logging that are higher in hazard and therefore higher in premium, workers' compensation premiums collected dropped more sharply than the numbers of workers covered. Oregon's rates are currently 26% below the middle state rate in the nation.</p> <p>Mr. Manley also referred to the appendices to the document, which addressed workers' compensation reform legislation and workers' compensation court cases.</p>
<p>2015 Legislation Review HB 3114 (0:27:57)</p>	<p>Theresa Van Winkle, Committee Administrator, discussed the -1 amendments to HB 3114. John Shilts, Administrator, Workers' Compensation Division (WCD) reviewed the bill. The -1 amendments shorten the time frame from one year to 90 days. With help from the Oregon Insurance Division (OID), they found that a health benefit plan (HBP) insurer must pay a "clean" claim no later than 30 days after the date the insurer receives the claim. A clean claim is one that is complete and no necessary information is missing. If it is not a clean claim, the HBP has 30 days to notify the worker in writing that it needs more information in order to process the claim. The HBP then has 30 days from the date it receives that information to pay the claim. Both WCD and OID believe that the issue of determining differences between a workers' compensation claim and a health benefit plan claim can be resolved during the rulemaking process, if MLAC recommends the bill and it is enacted by the legislature. Ms. Van Winkle added that she spoke</p>

<p>HB 2764/SB 649 (0:32:25)</p>	<p>to Representative Holvey about the rulemaking and he thought that would be appropriate.</p> <p>Jim Denham moved that the committee support HB 3114 with the -1 amendments. Carol Duncan seconded the motion, which was approved on a unanimous vote.</p> <p>Arthur Towers, Oregon Trial Lawyers Association (OTLA) spoke on HB 2764. Two weeks ago they were optimistic that the two sides would reach an agreement; however, the proposal they were presented moved them further away from agreement. OTLA has brought a counterproposal forward, and they are happy to continue discussions. There seems to be consensus on the needs of representation for injured workers, and he appreciates that consensus. The dilemma is that currently there is only one proposal on the table that addresses the issues his organization has in a meaningful way and if the proposal is watered down those issues cannot be properly addressed.</p> <p>Victor Mercado, attorney, discussed the challenges to new attorneys in focusing on workers' compensation law, including the debt incurred by graduating students in attending law school. The concept of freezing billing rates at 1987 levels is a difficult sell.</p> <p>Betsy Earls, Associated Oregon Industries (AOI), stated that throughout several negotiating sessions there has been disappointment on both sides. Her organization is unsure that there is a difficulty in worker access to workers' compensation attorneys. She distributed what AOI and the Oregon Self Insurers Association (OSIA) sees as areas of agreement with OTLA. They are working through OTLA's proposal, but at this point in the session, they would like to propose a bill that outlines the areas of agreement. Guy Boileau asked Ms. Earls to provide the numbers she referenced in her testimony to the committee administrator.</p> <p>Mr. Boileau read a brief statement on behalf of the committee, setting a deadline of April 7 for the two sides to submit a mutually acceptable proposal on both bills. John Mohlis reiterated that all sides have worked hard on these bills, but that the committee has a responsibility to the workers' compensation system and that the first priority is the fairness and integrity of that system. If the sides are not able to reach a consensus, MLAC may need to look at the bills and see if they can find a solution.</p>
<p>Next steps (0:45:32)</p>	<p>Theresa Van Winkle, Committee Administrator, discussed the confirmation of the two new MLAC members, Tammy Bowers and Lynn McNamara, and discussed likely bills for the next meeting. Given that the legislative work session deadline is April 10, there may need to be a non-standard</p>

	meeting date.
Meeting Adjourned (0:47:20)	John Mohlis adjourned the meeting at 10:51 a.m.

*These minutes include time stamps from the meeting audio found here:
<http://www.oregon.gov/DCBS/MLAC/audio.shtml>

**Referenced documents can be found on the MLAC Supporting Documents page here:
<http://www.oregon.gov/DCBS/MLAC/pages/support.aspx>