

WORKERS' COMPENSATION
MANAGEMENT-LABOR ADVISORY COMMITTEE
Full Committee Meeting
Feb. 06, 2025
10 a.m.–11 a.m.

Committee members present via zoom:

Scott Strickland, Sheet Metal Workers Local #16
Patrick Priest, Citycounty Insurance Services
Sara Duckwall, Duckwall Fruit
Ryan Hearn, Roseburg Forest Products
Stacy Lewallen, Fortis Construction, Inc.
Sarah Merrick, City of Salem Fire Department **(In-person)**
Kim Schlessinger, Samaritan Health Services
Lorne Bulling, IronWorkers Local 29 **(Absent)**
Margaret Weddell, Labor Representative **(Absent)**
Andrew Stolfi, DCBS Director, *ex officio*

Staff:

Teri Watson, MLAC Committee Administrator
Baaba Ampah, MLAC Assistant
Megan Parsons, MLAC Assistant

Agenda Item	Discussion
Opening (00:00:26)	Affirmation and Roll Call Co-Chair Patrick Priest called the meeting to order, and shared an affirmation. Teri Watson called the roll of members. A quorum was not present.
(00:02:17)	Public Comment No public comments.
(00:02:56)	Review minutes from January 23, 2025 The Jan. 23, 2025, meeting minutes were presented. A quorum was not present to adopt the corrected minutes. The minutes were deferred to the next MLAC meeting.
	Department updates
(00:03:49)	Workers' Compensation Board case law updates – Lauren Eldridge No updates from WCB.
(00:04:06)	Workers' Compensation Division (WCD) updates – Teri Watson Teri Watson shared that on Feb. 10, new member, Emily Rivas from the Oregon Nursing Association, will be confirmed. This will make the MLAC committee full.

Bill Presentations: Workers' Compensation Division – Matt West, Interim Administrator

HB 2800

- (00:05:13) Matt West presented [HB 2800](#) with the [-1 amendment](#), noting that after a public hearing before the House Labor and Workplace Standard Committee, the committee chair members awaits MLAC's input before scheduling a work session. He explained that the original bill is intended to align Oregon's worker leasing law (ORS 656.850) to modern practices for professional employer organizations (PEOs). It also transitions from paper-based to electronic reporting, and allows the use of multiple coordinated policies. Matt West explains that the -1 amendment expands the definitions "co-employee" and "PEO", clarifying that a PEO assumes employment responsibilities as allocated in its contracts, incorporates provisions for limited liability companies, and restores the requirement that PEOs must inform the division, insurers, and clients when terminating coverage obligations. The operative date, if passed, has been moved to July 1, 2027.
- (00:09:55) Sara Duckwall asked about companies remaining under the worker leasing category and companies moving to PEO. Matt West explains that the bill removes the worker leasing name and definition and replaces it with PEO. This will apply to the majority, if not all worker leasing companies who fit the definition.
- (00:11:18) Scott Strickland raised concerns about the potential of the term "co-employment" confusing workers and asked whether the discussion is centered on service or temporary agencies. Matt West clarified that HB 2800 distinguishes between PEOs, which contracts with client employer, from temporary service provider agencies, which contracts directly with individual workers. He emphasized that majority of the changes are related to worker leasing companies, the term "co-employment" and the bill's relating to clause strictly applies to workers' compensation law.
- (00:13:42) Scott Strickland highlighted the risk of workers being deterred from filing claims if they misunderstand co-employment as more expansive than workers' compensation alone, and that is the concerns that he has with the language. He is happy to reach out to others for clarification around the model rules that have been implemented in other states. Matt West responded that the bill does not alter current practices, but rather updates terminology and statute to ensure clarity.
- (00:16:50) Scott Strickland continued to share his concerns how workers, especially those without legal expertise, might misinterpret "co-employment" as extending beyond workers' compensation. He suggested that the rulemaking phase should clarify that co-employment applies only for workers' compensation purposes.
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- (00:18:33) Sara Duckwall asked Scott Strickland to clarify his concerns. Scott Strickland gave an example of a jobsite and his concerns with the exclusive remedy. He also shared the potential effect on the PEO and the application of co-employment to other issues, such as labor law, and joint-employment status.
- (00:21:42) A request was made for data on other states who have had similar model language changes.
- (00:22:48) Jenny Dressler, representing the National Association of Professional Employer Organizations (NAPEO), expressed that that bill does not change or extend workers' compensation coverage, but rather clarifies definitions. She explains that the -1 amendment distinguishes temporary service providers, which is not part of co-employment, from co-employment. Allowing small to mid-sized employers to access workplace benefits, regulatory compliance, and services through PEOs . Jenny Dressler offered to discuss any remaining concerns in greater detail.
- (00:25:30) Scott Strickland asked if a PEO's workers' compensation experience rating could impact its client employers. Matt West answered that when an injury occurs, it is reported and tracked at the client's level, ensuring the experience rating stays with the client rather than transferring to the PEO.
- (00:26:34) Scott Strickland asked if the PEO's experience rating is used when purchasing a workers' compensation policy. Matt West shared that while a PEO may negotiate a policy rate with its insurer based on its clients, each client's experience rating remains specific to that employer. Thais Lomas, Sedgwick, added that under typical underwriting practices, the PEO group policy is purchased collectively. However, each client's individual experience rating is factored into the overall arrangement.
- (00:29:10) Scott Strickland thanked everyone for the additional information.
- HB 2802 -1 Discussion**
- (00:30:25) Matt West presented [HB 2802](#), explaining that it addresses lump sum payments for permanent partial disability (PPD). He noted that before a 2023 court decision, workers could receive a lumpsum if they waived their right to appeal the Notice of Closure. Now, they typically wait up to 60 days for the award to become final, before receiving a lumpsum payment. The bill would restore the option for workers to waive their appeal right and immediately receive a lumpsum. He also highlighted a proposal in the [-1 amendment](#) to raise the automatic lumpsum threshold for \$6,000 to \$9,000. Matt West noted a potential conflict with [HB 2791](#), which addresses the current statute that a worker enrolled in training cannot receive a lumpsum, so any changes under HB 2971 might require statutory fix. As a result Chair Rep. Graber asked MLAC to address and find a solution for the two bills.
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- (00:35:20) Ivo Trummer, SAIF, expressed that although SAIF supports HB 2802, as introduced, the -1 amendment is problematic due to the automatic payment threshold from \$6,000 to \$9,000. He explained that changes made by [HB 4138](#), have created an overpayment issue, which could exacerbate the lumpsum increase without a corresponding fix.
- (00:38:05) Keith Semple, Oregon Trial lawyers Association (OTLA), expressed support for raising the automatic PPD lumpsum to \$9,000, since it has not been adjusted since 1995. While he acknowledged SAIF's concerns over potential overpayment, he recognizes the change as needed and reasonable.
- (00:38:51) Patrick Priest asked about any options to make the -1 amendment agreeable. Matt West outlined three options: 1) leave the threshold at \$9,000 as proposed in the -1 amendment; 2) Revert to the original \$6,000; or 3) Leave it at \$9,000 and address the overpayment issue. He noted that the division does not have a preferred option and is open to other suggestions.
- (00:40:32) Patrick Priest asked how the overpayment will be fixed. Matt West and Teri Watson responded that it will require a change in ORS 656.268 (6) (a) . Ivo Trummer added that SAIF had drafted language, but no consensus was reached.
- (00:41:57) Sarah Merrick asked how often the overpayment occurs, and how often affected individuals need to pay it later on. Matt West noted that the division does not keep such data, but insurance companies might.
- (00:42:40) Sara Duckwall noted that it is not fair or equitable for insurers to take on greater lump sum payment, and the issue should be addressed. She also asked how the HB 2791 could be put into agreement with HB 2802 without addressing both bills together. Matt West answered that HB 2802 is not changing vocational training. He stated that HB 2791 could be amended to address the changes.
- (00:44:37) Ivo Trummer noted that SAIF will provide MLAC with the requested data that Sarah Merrick made regarding overpayments.
- (00:44:55) Jon Prost, Sedgwick, noted that he is in support of HB 2802; although concerns raised by SAIF are acknowledged, overpayment is very rare. He noted that Sedgwick is Oregon's second largest workers' compensation processor behind SAIF.
- (00:47:16) Matt West clarified that HB 2791 is related to vocational training disqualifier for lumpsum, not raising the automatic threshold.
- (00:48:17) Sara Duckwall suggested that SAIF's proposed language to address the \$9,000 lumpsum increase should be worked on. Ivo Trummer mentioned that an amendment might come forth.
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(00:49:52) **Upcoming meetings –Feb. 13 and Feb. 25 2025, virtual meetings.**
Committee members noted that there would be no quorum for the Feb. 13 meeting. However some suggested keeping the Feb. 13 meeting for updates and discussion, even without taking votes, before deciding between the Feb. 19 or 20 meeting.

Meeting Patrick Priest adjourned the meeting at 10:58 a.m.
Adjourned

*These minutes include time stamps from the meeting video found here:

https://www.youtube.com/watch?v=Gw20QqADD_s

**Referenced documents can be found on the MLAC Meeting Information page here:

<https://www.oregon.gov/DCBS/mlac/Pages/2025-meetings.aspx>