WORKERS' COMPENSATION
MANAGEMENT-LABOR ADVISORY COMMITTEE
Full Committee Meeting
Feb. 5, 2026
10:00am
Virtual meeting

Committee members (present via zoom):
Co-Chair Patrick Priest, CIS Trust
Co-Chair Scott Strickland, SMART, Local 16
Sara Duckwall, Duckwall Fruit
Margaret Weddell, Labor Representative
Stacy Lewallen, Fortis Construction, Inc
Sarah Merrick, City of Salem Fire Department
Emily Cronan, Oregon Nurses Association
Ryan Hearn, Anduril Industries
Kim Schlessinger, Samaritan Health Services
Sean O'Day, Director DCBS **(in-person)**

Staff:
Teri Watson, MLAC Committee Administrator
Baaba Ampah, MLAC Assistant

Agenda Item	Discussion
Opening	**Affirmation and Roll Call**
(00:00:36)	Co-chair Strickland called the meeting to order and shared an affirmation. Teri Watson called the roll of members. A quorum was present.
	Public Comment – Ann Klein, President, Majoris Health Systems
(00:02:03)	Ann Klein testified in opposition to HB 4119, explaining that the bill would mandate managed care organizations (MCO) to contract with any provider willing to agree to administrative contractual terms, and would remove the MCO's ability to selectively curate its networks. She stated that the bill does not address Oregon's provider shortages and contradicts the statutory MCO framework. Ann stated that workers already have pathways to access non-network care if the MCO's network is insufficient or if they have an established primary care physician who is willing to treat their work injury. In the past three years 1.2 percent of Majoris enrolled workers have accessed care through this avenue. She added that Majoris currently allows chiropractors full attending physician (AP) status, and on average 2 percent of workers select an AP who is a chiropractor. Ann concluded that the bill is designed not to improve access for patients to quality providers, but rather to expand access for providers who do not meet MCO standards. She urged the committee not to support HB 4119.

Review minutes from Jan. 29, 2026

(00:04:56) Sara Duckwall moved to approve the Jan. 29, 2026, meeting minutes, and Sarah Merrick seconded the motion. The motion passed, with abstentions from Ryan Hearn and Kim Schlessinger.

Department updates

Workers' Compensation Board case law updates – Lauren Eldridge

(00:06:05) Lauren Eldrige presented on the Supreme Court case Crandall v. State. Lauren explained this case is exclusive remedy adjacent. This case deals with whether workers' compensation provides an adequate remedy in a particular circumstance, but it does not involve the exclusive remedy provision under ORS 656.018. This case involves a provision of the Oregon Tort Claims Act that provides that a person cannot sue a state employee for negligence in performing their state duties if the injury or death caused by the negligence is covered by workers' compensation law. The question before the court in this case was does that provision violate the remedies clause of the Oregon Constitution where the state employee immune from liability is a negligent third party.

(00:16:15) Co-chair Priest confirmed with Lauren Eldrige that while this specific case relates to a state employee the Tort Claims Act applies to all public entities (e.g. cities, counties, universities), and then asked what was the injury or additional harm that was not satisfied by the workers' compensation system. Lauren stated that she understood the court's decision to mean that, under the workers' compensation system, non-economic damages are not available and economic damages are limited. She noted that a key factor in the court's reasoning was that, if the worker had not been a public employee, they could have pursued a third-party negligence claim. In this case, however, that option was unavailable because of the provisions of the Tort Claims Act. Co-chair Priest clarified that his question was focused on what the workers' compensation system did not provide, specifically, whether the issue was the lack of compensation for pain and suffering, as opposed to medical expenses or lost wages.

(00:18:30) Ryan Hearn asked whether the Tort Claims Act applies to contractors with public employers. Lauren Eldridge will investigate and provide a follow-up answer.

(00:19:11) Co-chair Priest asked if the Oregon Supreme Court's decision was sent back for further review. Lauren Eldrige answered that it was remanded to the trial court, and clarified that the Supreme Court's decision was only about whether the plaintiffs in this case can pursue their negligence action; the decision has no effect on whether the negligence action will be successful. Co-chair Priest asked about the state's approach on the ruling and if the state agrees with the ruling or will they appeal. Lauren Eldridge explained that she does not have any sense of that from a policy level. She noted that because this case interprets the Oregon Constitution, and the Oregon Supreme Court is the court of last resort, it would be hard to change and would require constitutional amendment.

Workers' Compensation Division (WCD) updates – Teri Watson

(00:20:51) Teri Watson updated:

- The May 7 meeting will be held in the afternoon at the Workers' Compensation Educational Conference in Wilsonville at the Holiday Inn.
- The June 16 meeting will be held at the ASSP/OSHA Blue Mountain Conference in Pendleton.

Placeholder meetings will be added to members' calendars.

(00:21:42) Matt West, WCD Administrator, updated:

- January 29 proposed rules for OAR chapter 436 divisions 9, 10, 15, and 35 were published and are open for public comments until Feb. 25.
    - A virtual public hearing on the proposed medical rule updates is scheduled for Feb. 18.
- Rulemaking has begun on OAR chapter 436 Division 180 (worker leasing companies/ PEO) to implement House Bill (HB) 2800 (2025). External stakeholder meetings are expected later in the spring.
- The bill gave an effective date of July 1, 2027, but we anticipate insurers and PEOs will need time to make changes to their systems related to reporting.

2026 Bill Presentations:

(00:24:12) **SB 1519-2 – Odalis Aguilar-Aguilar, AFSCME**

Odalis Aguilar-Aguilar stated the -2 amendment is from a slight technical change from SAIF and WCD. Ivo Trummer, SAIF, explained that the -2 amendment makes a small change to solve a statutory tension in the -1 amendment, resolving the issue in how time loss is paid. He clarified that changes apply only to claims with injury dates on or after Jan. 1, 2027, and confirmed for Permanent Total Disability the current minimum payments of 33% of the State Average Weekly Wage (SAWW) is retained. Elaine Schooler added that the amendment clarifies the use of the SAWW in effect on the date of injury and specifies there can be a cost of living adjustment (COLA) if the SAWW increases. The adjustment is provided by new paragraph (b) under ORS 656.211, referencing ORS 656.210 (1). She noted that the amendment of adding paragraph (b) to ORS 656.211 which references ORS 656.210(1) clarifies when the COLA adjustment, if there is one, can be applied; but does not change the overall initial calculation of time loss rate that remains based on the date of injury. Ivo Trummer added that the amendment makes the bill implementable for insurers and accomplishes the subcommittee's conclusions, stating that SAIF remains neutral on the bill. Ivo thanked MLAC, the subcommittee, and all stakeholders for the extensive collaborative process.

(00:27:42) Co-chair Strickland sought clarification from stakeholders that the amendment keeps with the recommendations and the work that the subcommittee achieved, and that everyone agrees that the bill as amended reflects the agreed upon proper implementation of the subcommittee's work. Kirsten Adams, AGC, agreed,

mentioning it was a technical change and does not affect the substance of the policy. Co-chair Strickland showed his appreciation to the stakeholders.

(00:29:28) A caucus was taken.

(00:29:54) Co-chair Strickland made a motion for MLAC to support SB 1519, as amended, in that it keeps with recommendations of the subcommittee and all the work that was done by stakeholders. Stacy Lewallen seconded the motion.

(00:30:46) Co-chair Strickland showed his appreciation to all stakeholders and Stacy Lewallen for their participation and hard work. Sara Duckwall showed appreciation to both Co-chair Strickland and subcommittee Co-chair Stacy Lewallen for their hard work on chairing the subcommittee.

The motion passed with no opposition or abstention.

SB 1506-1 and HB 4027-1 – Josh Nasbe, BOLI

(00:31:21) Josh Nasbe, BOLI, presented the finalized identical language to the -1 amendments to SB 1506 and HB 4027. He noted that it raises the prevailing wage fee cap but does not affect the workers' compensation system and establishes the new process using the Workers' Benefit Fund (WBF) infrastructure to support part of BOLI's operations. He emphasized that the amendments would create an entirely separate BOLI Expenses Fund, prohibiting any transfer of WBF monies into the BOLI Expenses Fund and require that the two assessment rates are determined independently before being combined. He highlighted new guardrails: the initial bucket of positions will not exceed the cost of temporary positions that were funded by the WBF in 2025, and the second bucket of positions is a hard cap at the number of positions that cumulatively cost $5.25 million on July 1, 2031. Josh also read Sen. Taylor's legislative intent statement committing to annual reporting on fund use and ensuring WCD includes the BOLI Expenses Fund in communications to ratepayers. He concluded that the amendments ensure every WBF penny stays within the workers' compensation system so there is no disruption to the programs funded by the WBF.

(00:35:04) Sara Duckwall asked if the 0.02 of a penny rate will be the initial assessment rate. Josh Nasbe explained that he believes that the initial assessment will start out at two-tenths in total, one-tenth from employees and one-tenth from employers. Director O'Day agreed, explaining that the assessment rate is set each September based on economic projections. The rate is expected to be two-tenths of a cent, and DCBS needs to be flexible to adjust to economic circumstances.

(00:36:44) Co-chair Priest asked about the expectations for MLAC's role in terms of reviewing future reports about BOLI's subaccount of the WBF. Josh Nasbe clarified that the annual report he mentioned earlier was referring to Sen.

Taylor's committee, not MLAC. MLAC's role under the bill is to assess any future changes to the BOLI Expense Fund in the same way it assesses changes to the WBF. He stated that the reports will go directly to the legislative assembly, though copies can be shared with MLAC. Co-chair Priest asked if the ongoing oversight MLAC has for the WBF would extend to the BOLI Expenses Fund. Josh Nasbe responded yes.

(00:38:04) Sara Duckwall asked if the house bill will move through the legislature with the senate bill. Josh Nasbe answered that the current thinking is yes, they will go together. Co-chair Strickland asked if HB 4027 is a mirror of SB 1506. Josh Nasbe stated the amendments are identical. Teri Watson stated that bills are often introduced identically on both sides of the chamber.

(00:38:56) A caucus was taken.

(00:39:23) Co-chair Priest made a motion that MLAC expresses its appreciation for the Legislature's continued engagement on important workers' compensation issues. He noted that, although MLAC does not opine on the bill as drafted, the assurances put on the record by Sen. Taylor on February 4, make MLAC comfortable that the subaccount for BOLI expenses will not negatively impact the workers' compensation system. MLAC asks that if any further interest in utilizing the WBF mechanism arise in the future, we expect to engage in those conversations. Co-chair Strickland seconded the motion. The motion passed with no opposition or abstention. Co-chair Strickland and Josh Nasbe showed their appreciation.

HB 4040 – Taylor Sarman, Oregon Society of Physician Associates

(00:39:54) Taylor Sarman noted that the HB 4040 is about adding nurse practitioners (NPs) and physician associates (PAs) as attending physicians (APs), and that the -19 amendment is a brief technical amendment that: (1) clarifies language about similarly licensed providers (physicians, surgeons, or nurse practitioners) in another state or country; (2) adds that the administrator could consult with the Oregon State Board of Nursing so nurse practitioners can be arbiters; (3) and adds language to be consistent with language elsewhere in the bill about nurse practitioners similarly licensed in another state or country.

(00:41:54) Sara Duckwall asked how MLAC should act on the bill if they are expecting further information. Taylor Sarman and Co-chair Strickland answered that it is the -19 amendment that matters for the NP and PA changes. Other amendments may show up because of the relating to clause and it is an omnibus bill, but none of those will touch MLAC's purview. Ivo Trummer added this is the only amendment touching workers' compensation, other amendments may show up because of the broad relating to clause. He continued that SAIF has reviewed the amendment and approves it.

(00:45:53) **HB 4119 – Rep. Muñoz, Vern Saboe, DC**

Due to Rep. Muñoz joining the meeting, MLAC momentarily tabled the discussion of HB 4040 to allow Rep. Muñoz to present.

Rep. Muñoz testified in support of HB 4119, stating that it strengthens fairness and access within Oregon's managed care organization (MCO) system for injured workers. She stated that some MCO plans have contractual provisions that limit workers' choice of provider or participation by qualified providers; HB 4119 ensures no discrimination against any willing provider in an MCO's service area, which would protect workers' choice, increase provider participation, access, and outcomes, especially in rural and underserved areas. She added that the bill expands who may serve as an AP to include nurse practitioners, physician associates, chiropractic physicians, and naturopathic physicians. Rep. Muñoz described that these professionals are highly trained, and often are primary points of care, their inclusion reflects a modern, team-based approach that reduces unnecessary referral hurdles and supports culturally competent care. Rep. Muñoz concluded by urging the committee to support HB 4119, as it takes important steps towards a fair, accessible and a responsive workers' compensation system by preventing discrimination in MCO contracts and broadening APs.

(00:48:55) Co-chair Priest thanked Rep. Muñoz for taking the time to present before MLAC. Rep. Muñoz asked what the process is for knowing where her bill sits following the meeting. Co-chair Strickland answered that bills that fall within MLAC's purview are reviewed, then MLAC makes a recommendation to support or not support based on testimony and stakeholder engagement. When the determination is made, a letter is drafted, signed by the two co-chairs, and is submitted to the legislature and proponents indicating their decision.

(00:49:35) Rep. Muñoz shared her appreciation to the committee.

HB 4040 – Taylor Sarman, Oregon Society of Physician Associates

(00:52:35) Emily Cronan moved that MLAC approve HB 4040 with the -19 amendment. Kim Schlessinger seconded the motion. Sara Duckwall shared that it is an exciting time to address access to care and expressed that MLAC should revisit ending open ended time loss. Co-chair Strickland stated labor is committed to continuing that work and discussion.

(00:53:50) The motion passed with no opposition or abstention.

HB 4119 – Rep. Muñoz, Vern Saboe, DC

(00:54:33) Dr. Saboe mentioned that the focus of all stakeholders is to ensure that Oregon's injured workers receive timely access to evidence-based, safe, effective, and respectful management of their on-the-job injuries. He noted he was anticipating MLAC's summer interim task force meetings to review the facts (drilled down through data) and the medical evidence relative to do those support removing

restrictions on PAs, NPs chiropractic physicians, and naturopathic physicians is in workers' best interest to receiving access to timely, effective, evidence-based care.

(00:54:56) Ivo Trummer, SAIF, referring to his written testimony, mentioned that SAIF opposes HB 4119, arguing that it limits MCO authority, that chiropractors can serve as an AP for the first 60 days or 18 visits of a claim, and that it increases claim costs which will impact employer premiums. Increased claims costs are supported by SAIF's review of its claims that showed that costs are higher when a chiropractor served as the AP.

(00:56:09) Kirsten Adam, AGC, mentioned that AGC shares SAIF's and Ann Klein's concerns, particularly the cost implication of HB 4119 and the control it would place on MCO's discretion. While she supports improving access to care, she urged MLAC to address MCO issues through its work plan and recommended that MLAC not move the bill forward at this time.

(00:57:47) Thais Lomax, Sedgwick, noted that Sedgwick has evaluated similar data to SAIF's outcomes to cost with chiropractic care nationwide, and has similar findings. She noted that Sedgwick concur with both SAIF's and Ann Klein's statements.

(00:59:40) Dr. Saboe responded that MCO panels are not working as claimed, pointing to Majoris' panel in Woodburn, Turner, Silverton, and Molalla, where no chiropractic physicians are listed on the panel, and only one of 16 -18 providers, who is a nurse practitioner, accept workers' compensation claims in Woodburn. He cited a 2021 Workers' Compensation Research Institute (WCRI) study on the chiropractic management of injured workers, which looked at two million claims across 28 states. The study concluded that 61 percent lower costs overall when injured workers treated exclusively with chiropractic physicians. The average case cost was $1,300.66 vs. $3,500, average time loss cost was $492 vs. $3,600, and opioids were prescribed to one percent of chiropractic patients vs. 10.3 percent for other healthcare providers. He also referenced a January 14 email from Rep. Rob Nosse that relayed SAIF's comparison of 10.5 chiropractic visits in 60 days versus 5.4 visits for other provider types, arguing the lower number reflects consultations rather than hands-on care. He questioned SAIF about the average claim cost of physical therapy prescribed by these other healthcare providers, noting WCRI findings that physical therapy averages about $4,000 when starting within 3-7 days and over $5,000 when delayed to 60 days.

(01:01:06) Ann Klein replied by acknowledging that some areas of the state do not have robust provider options on Majoris' MCO panels. She explained that Majoris provider relations team conducts proactive outreach to all specialties, but in 2025, 18 percent of contacted providers were open to contracting, and of those, 4 percent ultimately resulted in agreeing to contracts. She noted that willingness to treat workers' compensation patients is only one factor, as providers also

consider how workers' compensation fits into their practice. She added that Majoris also receives inbound applications, with 84 received in 2025, resulting in 56 contract offers. Of the 84, 20 were chiropractic applicants, and 17 are in active contract discussions or already contracted. Co-chair Strickland noted a previous bill on MCO coverage had been sent to a subcommittee and noted it would be nice to continue the workplan discussions on that.

(01:01:45) Ivo Trummer noted his familiarity and acknowledgment of WCRI data. He emphasized, however, that the WCRI study covers averages from 28 states, which did not include Oregon. Half of those states have some type of employer-controlled selection of providers, a quarter have limited employee choice of provider, and another quarter has employees chooses whatever provider they want. Authors of the study raise questions about differences in state systems, such as utilization review, treatment guidelines, visit limits, and fee schedules. He understands the disagreement with SAIF's numbers but noted that is what their numbers show.

(01:06:15) A brief caucus was taken.

(01:08:30) Co-chair Strickland showed his appreciation to all stakeholders. Ryan Hearn made a motion for MLAC to not support HB 4119 and Emily Cronan seconded the motion. The motion passed with no opposition or abstention. Co-chair Strickland continued to thank MLAC members and all stakeholders.

(01:10:04) Letters will be drafted for co-chairs signatures.

Upcoming meetings – March 5, April 2, virtual, and May 7, in-person at the Workers' Compensation Education Conference at the Wilsonville Holiday Inn
Upcoming legislative meetings - Feb. 12, Feb. 19, and Feb. 26, all hybrid

(01:10:53) Teri Watson noted that legislative meetings will be scheduled and later cancelled if there are no agenda items. On April 2 there will be an OSHA presentation from OSHA administrator Renée Stapleton.

Members who want to attend the May 7 Workers' Compensation Education Conference should contact Teri Watson.

(01:13:13) Co-chair Strickland shared his appreciation.

(01:14:04) Co-chair Strickland adjourned the meeting at 12:01 p.m.

*These minutes include time stamps from the meeting video found here:
DCBS Management-Labor Advisory Committee (MLAC) Feb. 5, 2026, Meeting
**Referenced documents can be found on the MLAC Meeting Information page here:
https://www.oregon.gov/dcbs/mlac/Pages/2026-meetings.aspx