



Workers Compensation Reform

Alaska Chamber Work Comp Subcommittee

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Background

- Long-time Alaska Chamber priority.
- Last major reform occurred in 2005.
- Re-invigorated subcommittee held several meetings over the year to identify priorities.
- Present recommendations for possible introduction to the legislature.

Reform Measures

- Improve Administrative Efficiencies
- Reduce Medical Costs & Improve Medical Outcomes
- Revise the Dispute Resolution / Legal Process
- Replace the Reemployment Benefits System
- Address Legal Decisions and Precedent
- Restructure Indemnity Benefits

Improve Administrative Efficiencies

- Eliminate the administrative penalty for a single error on Annual Reports.
- Allow for 30 days from service of a claim to file medical summaries.

Reduce Medical Costs & Improve Medical Outcomes

- Allow for employer designated attending physicians.
- Implement evidence-based medicine (EBM) treatment guidelines.
- Establish a Workers' Compensation Board Medical Director position.
- Enact an adaption of the Stark Act.
- Require prescriptions of opioid/narcotic medications be entered into the APDMP.
- Eliminate the Second Independent Medical Evaluation (SIME) process.

Reduce Medical Costs & Improve Medical Outcomes

- Establish physician participation requirements regarding communication with employers and insurers.
- Give the Board the discretion to allow additional treatment for an additional two years based on clear and concise stipulations.
- Implement restrictions on the ability to dispense, administer, or repackage certain controlled substances.

Revise Dispute Resolution / Legal Process

- Move non-compromise and release hearings over to the Office of Administrative Hearings.
- Eliminate pre-hearing officers.
- Streamline the litigation model.
- Cap employer attorney fees to a statutory maximum percentage.
- Establish an offer of judgment concept similar to Alaska Civil Law Rule.
- Establish clear guidelines on the weighing of medical evidence.
- Clarify the rights of the parties involved.

Replace the Reemployment Benefit System

- Eliminate eligibility referrals.
- Replace the current reemployment benefits law with a voucher system that cannot be settled for a cash lump sum.

Address Legal Decisions and Precedent

- Weidner & Associates v. Hibdon
- Harris v. M-K Rivers
- Shehata v. Salvation Army
- Huit v. Ashwater Burns Inc., et al.
- Adamson v. Municipality of Anchorage

Restructure Indemnity Benefits

- Limit Temporary Total Disability (TTD) benefits to a maximum of 104 weeks for the entire claim.
- Create the mechanism where Permanent Total Disability (PTD) terminates when an employee retires.
- Establish a way in which an employee would no longer receive Permanent Partial Impairment (PPI) benefits if an employee returns to work with the same employer at a wage equal to or greater than that at the time of the injury.

What's Next?

- Approval by Alaska Chamber Board
- Identify legislator(s) to assist in the drafting and sponsoring of approved workers compensation reform legislation.
- Communicate with administration on legislation.
- Gather supporters outside of the members of the workers compensation subcommittee.
- Prepare for the legislative session.