

STATE NEWS WEEKLY SUMMARY

BUSINESS & LABOR

SENATORS CALL FOR WORK COMP RATE CUT

■(GIT) The state lawmaker who will carry the results of a special commission looking at Oklahoma's workers' compensation system next year and other legislators joined together Monday to call on the State Board of Property and Casualty Rates to cut workers' compensation rates again this year.

Citing new statistics he said showed the positive impact of recent reforms, Sen. Jim Maddox, D-Lawton, said, "The numbers we've seen indicate the reforms of recent years are working and workers' compensation costs are coming down. We want the board to pass the savings on to Oklahoma business owners, and the quicker, the better."

Maddox, who has agreed to carry the workers' comp reform bill based on the recommendations of Lt. Governor Mary Fallin's Commission on Workers' Compensation before the 46th Legislature, was joined in the call by senators Stratton Taylor, D-Claremore and President Pro Tempore of the Senate; Trish Weedn, D-Purcell; Lewis Long, D-Glenpool; Penny Williams, D-Tulsa; Bruce Price, D-Chickasha; Brad Henry, D-Shawnee; Dick Wilkerson, D-Atwood; Frank Shurden, D-Henryetta; Robert Kerr, D-Altus; Gilmer Capps, D-Snyder; Larry Dickerson, D-Poteau; J. Barry Harrison, D-Fairfax; Sam Helton, D-Lawton; and Angela Monson, D-Tulsa.

The legislators cited a new Senate staff analysis, entitled "Workers' Compensation in Oklahoma: Recent Reforms and Results," which reviewed the impact of 30 workers' compensation reforms approved by the legislature in the last four years. Among the findings:

- Citing legislative reforms earlier this year, an independent actuary recommended a workers' comp rate reduction of as high as 14 percent, but only a 4.5 percent reduction was implemented by the State Board of Property and Casualty Rates;

- Workers' comp filings have decreased eight percent since a reform package, which included stiffer fraud penalties, workplace safety initiatives and so-called "dueling doctor" reforms, was passed in a 1994 special session;

- Fraud charges have increased by 37 percent in the last year with 92 percent of the cases ending in guilty pleas;

- The use of the independent medical examiner has increased by 42 percent from 1994; and

- More than 40,000 workers are currently enrolled in workplace medical plans designed to contain workers' comp premium costs.

"I think we've got a pretty strong arsenal of evidence to argue for another cut in workers' comp rates," said Maddox. "Based on the numbers, it's pretty clear that businesses are being charged too much and deserve some relief."

"We are definitely on the right track, but we must not let up," Maddox added. "Between 1990 and 1992, workers' compensation premiums increased by 62 percent in the private sector. Even with the enactment of the reforms of the last several years, we have a long way to go before rates are where we want them to be."

—SHAWN ASHLEY
11/25/96

SENATE RELEASES WORKERS' COMP REVIEW

■(GIT) It is one of the most talked about systems in state government, and according to a Senate staff study released this week, Oklahoma's workers' compensation system is improving, thanks, in part, to legislative reforms implemented over the past four years.

The study, entitled 'Workers' Compensation in Oklahoma: Recent Reforms and Results,' has already won the praise of a handful of Democratic senators, including Sen. Jim Maddox, D-Lawton. Maddox recently announced that he will carry the bill that proposes the next wave of changes in the workers' compensation system. That bill will be the result of the recommendations from Lt. Governor Mary Fallin's Commission on Workers' Compensation, which is currently in the process of preparing its final proposals and turning them into legislative language.

The Senate study looks specifically at

reforms in the workers' compensation system implemented since 1992 and identifies efforts targeting six areas:

- Reducing health care costs through the introduction of managed care;
- Requiring workplace safety programs;
- Creating a more politically independent judiciary;
- Strengthening fraud investigation and prosecution;
- Increased use of independent medical examiners; and
- Making benefit payments more fair for employers and employees.

The study concludes that the reform efforts "have improved cost containment, workplace safety and lowered employers' premiums in recent years." Significant results identified by the study include:

- The reduction of costs according to the Oklahoma Insurance Department Actuary, which was reflected in data presented to the Board of Property and Casualty Rates in January that indicated enough savings have achieved to warrant up to a 14 percent reduction in costs with additional savings expected to materialize in coming years; the board settled for a 4.5 percent cut in workers' compensation costs, the largest reduction in a number of years;

- Stiffer fraud penalties, workplace safety, benefit changes and so-called dueling doctor reforms that have, in part, accounted for an eight percent decrease in workers' compensation filings since those reforms were passed during a 1994 special session of the legislature;

- Six new workers' compensation insurers are now writing policies in the state and workers' compensation lines are reported by some companies to be among their most profitable;

- More than 40,000 workers are now enrolled in workplace medical plans, helping to further contain premium costs;

- Fraud charges have increased by 37 percent in the last year with 92 percent of the concluded cases ending in guilty pleas;

- The use of the independent medical exam has increased 42 percent to date from 1995 when the legislative change was implemented to allow their usage; and

- Enhancements to the workers' compensation counselor program designed to improve communication about the system to both employers and employees have had a

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"The trouble with being a hypochondriac these days is that antibiotics have cured all the good diseases."

Caskie Stinnet