

Wisconsin Coalition on Worker's Compensation

New Coalition Supports Cost Saving Reforms for Worker's Compensation System

Wisconsin Employers Pay Substantially more than Employers in other States

FOR IMMEDIATE RELEASE

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A recently formed coalition of groups representing Wisconsin employers is supporting legislation endorsed by the Worker's Compensation Advisory Council. The bill will maintain protections for injured workers while reducing overall costs. For over a century, the Council has brought together labor and management representatives to advise the Legislature on reforms that benefit both workers and employers.

"When Labor and management agree on cost saving reforms, the State should take notice," said Patrick Goss, Executive Director of the Wisconsin Transportation Builders Association.

The Council usually proposes one bill every two-year legislative cycle, recommending updates and reforms to the Legislature. Because the bill is the result of two years of negotiation between workers and employers, the Legislature has traditionally maintained the balance of the agreement by considering the bill without amendment.

"The Worker's Compensation Advisory process has served this state well for over a century by finding common ground in a very complex area," said Andy Franken, President of the Wisconsin Insurance Alliance. "This coalition will work to re-enforce this balanced process."

The bill just unanimously approved by the Council will save up to \$1 billion over the next 10 years by containing rising healthcare costs without sacrificing any benefits to injured workers. Wisconsin is one of the few states in the nation with no limitation on the amount paid to healthcare providers for medical procedures.

"Whether you are covered by an HMO, standard health insurance or a program like Medicare, compensation to providers for a given procedure is limited by a fee schedule or negotiated discounts that contain costs," said James Buchen, representing Wisconsin Manufacturers & Commerce as an employer member of the Worker's Compensation Advisory Council.

"What is unique with our proposal," according to Buchen, "is that the price is generally set at 10 percent above group health rates. Notably, since our group health rates are significantly higher than group rates in other states, our worker's compensation rates will remain generous."

"This bill brings common sense reform to the system, maintaining fair compensation for injured workers and health care providers, while saving employers up to \$1 billion over 10 years," said Buchen. "That's the kind of reform that proves Wisconsin is open for business."

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To: Members, Wisconsin Legislature

From:

Patrick Osborne
Aggregate Producers of Wisconsin

Matthew Banaszynski
Independent Insurance Agents of Wisconsin

Bill G. Smith
National Federation of Independent Business

Brad Boycks
Wisconsin Builders Association

Brian Dake
Wisconsin Independent Businesses, Inc

Scott Suder
Wisconsin Paper Council

Scott Manley
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John Mielke
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Chet Gerlach
Skiing Wisconsin

Mark O'Connell
Wisconsin Counties Association

Andy Franken
Wisconsin Insurance Alliance

Edward Lump
Wisconsin Restaurant Association

Patrick Goss
Wisconsin Transportation Builders Association

William Skewes
Wisconsin Utilities Association

Subject: Wisconsin Worker's Compensation Advisory Council Bill

Date: January 30, 2014

We are members of a new coalition, the Wisconsin Coalition on Worker's Compensation, formed to advance the interests of Wisconsin employers on worker's compensation matters before the Wisconsin Worker's Compensation Advisory Council, the Legislature, the Administration, and state agencies.

We support the Wisconsin Worker's Compensation Advisory Council consensus process and support the "agreed bill" developed by the Council and endorsed at their January 23, 2014, meeting.

As many of you know, employers typically pay more for health care services provided under the worker's compensation system than group health insurers pay for comparable injuries and illnesses, with the greatest differences found in specialty areas such as surgery and radiology. The Council bill will lead to a medical fee schedule by June 30, 2015, putting us in line with the vast majority of states that have worker's compensation cost controls.

Consistent with past Council bills, this proposal represents a package of negotiated provisions mutually agreed to by labor and management. We recognize there are some tradeoffs in the form of benefit enhancements, but overall this bill is a net cost savings for employers.

We request your support for the consensus worker's compensation legislation and we look forward to meeting with members of the Legislature and others on this vitally important issue.

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