

Workers' Compensation Task Force Reconvenes

Group Considers More Issues & Monitors Impact of Recommendations

WILMINGTON – Tomorrow, the Workers' Compensation Task Force will reconvene for its first meeting since Governor Markell signed their recommendations into law on June 27, 2013.

Chaired by Lt. Governor Matt Denn, the task force met weekly for four months earlier this year to address the dramatic increase in Delaware's workers compensation premiums over the past two years, after four consecutive years of decreases that totaled over 40%. The Task Force's recommendations were designed to reduce costs for Delaware businesses, so that those businesses can better compete with businesses in neighboring states and employ more Delawareans.

As part of its recommendations, the task force suggested that it be kept in existence on a temporary basis, both to consider some issues that it did not have time to discuss during the short time that it had to make recommendations, and so that it can monitor the impact of its recommendations and suggest stricter measures with respect to medical costs if necessary. If the implemented recommendations do not result in manageable increases in workers compensation premiums, the task force believes that more significant changes should be considered both with respect to the levels and methods of paying medical claims, and the system for calculating injured workers permanency and lost wage claims.

Lt. Gov. Matt Denn has scheduled monthly meetings to be held on the 1st Friday of every month through June 2014, beginning Friday, September 6th at 10:00am.

Created by House Joint Resolution 3, the Workers Compensation Task Force was created on January 30, 2013 by the Delaware General Assembly and the Governor, and charged with an expedited review of Delaware law relating to workers compensation, the impact that the 2007 amendments to that law had upon workers compensation premiums, the reasons for recent increases in workers compensation premiums, and whether any additional changes to statutes, regulations, or practices are required to control growth in premiums.

The task force concluded that a number of statutory and regulatory changes were required in order to avoid significant future increases in workers compensation premiums. The task force took the view that the 2007 statutory amendments and subsequent regulatory work done by the Health Care Advisory Panel had initially been effective in both controlling premiums and ensuring that injured workers continued to have prompt access to qualified doctors to treat their workplace injuries. Therefore, the task force's recommendations focus on revisions and improvements to the 2007 statute, not a wholesale rejection of that law and replacement of it with an entirely new system.

The task force's recommendations fall into four areas:

1. ***Place tighter controls on workers compensation medical costs.*** These recommendations include a two-year inflation freeze on the fee schedule for medical treatment of workers compensation recipients, a permanent reduction in the inflation rate allowed for hospital treatment of workers compensation recipients, and reductions in allowed reimbursements in a variety of medical categories.
2. ***Ensure that insurance carriers' requests for rate increases receive a high level of scrutiny.*** These recommendations include the retention of a part-time attorney to represent businesses during the workers

compensation rate-setting process, and a system to ensure that insurers are diligently enforcing the state's medical cost controls.

3. ***Make the state's laws encouraging injured workers to return to work more effective;*** and
4. ***Improve the state's workplace safety program to both increase its usage and ensure that it accurately determines which workplaces are using appropriate safety practices.***

For the final report and all information from meetings, visit: <http://ltgov.delaware.gov/>

Meetings will be held on the first Friday of every month beginning Friday, September 6th:_

10:00am – 11:30am

Department of Labor
19 W. Lea Boulevard
Fox Valley Annex (adjacent to the back entrance of M&T Bank;
not visible from Lea Blvd)
Wilmington