

Wisconsin Coalition on Worker's Compensation

Oct. 15, 2014

Candidate Title/Name
Address
Address

Dear Candidate:

The Wisconsin Coalition on Worker's Compensation (WCWC) represents the interests of Wisconsin employers on worker's compensation matters before the Wisconsin Worker's Compensation Advisory Council (WCAC), the Legislature, the Administration, state agencies, and other interest groups.

In 1911, Wisconsin launched the nation's first worker's compensation system to cover medical expenses, provide wage loss payments, as well as death benefits to employees who are injured in the workplace. In exchange for providing these benefits, employers are protected from tort liability and the threat of constant litigation. Workers Compensation is the "exclusive remedy" for work related injuries.

Since the law's inception, the WCAC, made up equally of employers and labor representatives who are appointed by the governor, debates and provides recommended policy changes to the legislature.

For over 100 years, this process has been recognized as a model policy-making process among worker's compensation programs across the country because of the stability it provides to workers, employers and the worker's compensation insurance carriers. For example, Wisconsin stands out as having a relatively low number of claims with lost time greater than one week, a lower utilization of temporary disability, a lower utilization of services, and an average cost of all claims below the median among the states.

Despite all the positive attributes of our worker's compensation system, there are serious adverse trends that must be addressed.

In Wisconsin, employers typically pay significantly more for health care services provided under worker's compensation than group health insurers pay for comparable injuries and illnesses. The greatest differences are found in specialty areas such as surgery and radiology. For example, the average amount paid for a common knee surgery in the Wisconsin Worker's Compensation system is \$3,728, compared to \$1,573 in the group health market.

The Worker's Compensation Research Institute (WCRI) found that Wisconsin had among the highest prices for worker's compensation medical services provided to injured workers. For professional fees, Wisconsin had the highest prices – more than double the median state.

Moreover, the prices of professional services grew more rapidly than other states studied by WCRI.

WCWC supports policy changes that will help control employer health care costs. One potential change is the adoption of a medical fee schedule for care covered by the worker's compensation system. Adopting this type of legislation would put Wisconsin in line with the vast majority of states that have worker's compensation cost controls.

WCWC requests your support for worker's compensation reform legislation and we look forward to meeting with newly elected members of the Legislature and others on this vitally important issue.

Adam Tegelman
President
Aggregate Producers of Wisconsin

Brian Dake
Legislative Director
Wisconsin Independent Businesses Inc.

John Mielke
President
Associated Builders and Contractors Inc.

Andy Franken
President
Wisconsin Insurance Alliance

Matt Banaszynski
Executive Vice-President
Independent Insurance Agents of Wisconsin

Scott Manley
Vice-President of Government Relations
Wisconsin Manufacturers and Commerce

Nickolas George
President
Midwest Food Processors Association

Ed Lump
President and CEO
Wisconsin Restaurant Association

Bill Smith
State Director
National Federation of Independent
Business

Patrick Goss
Executive Director
Wisconsin Transportation Builders
Association

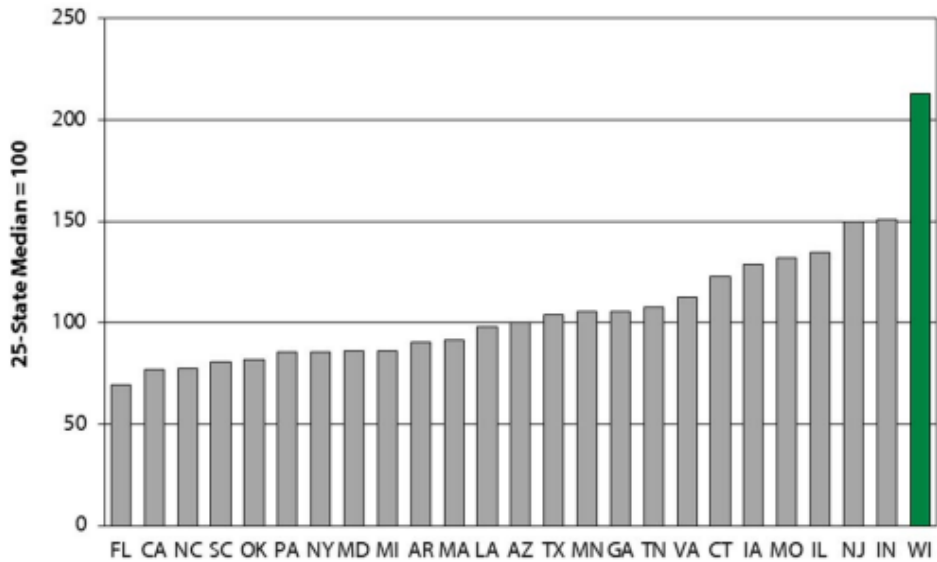
Chet Gerlach
Eric Knight
Skiing Wisconsin

William Skewes
Executive Director
Wisconsin Utilities Association

Mark O'Connell
Executive Director
Wisconsin Counties Association

Brad Boycks
Vice-President of Advocacy
Wisconsin Builders Association

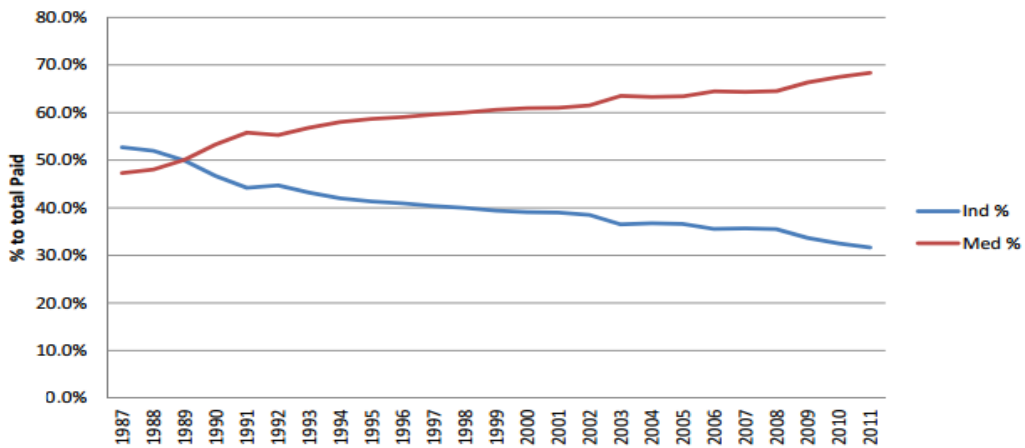
Figure 1 Medical Price Index for Professional Services, 2012



Source: WCRI Medical Price Index for Workers' Compensation, Fifth Edition (2013).

Indemnity and Medical Trends

**Wisconsin Indemnity and Medical Trends
as a % of total paid**



Wisconsin Compensation Rating

Bureau