



Washington State Labor Council, AFL-CIO

JEFF JOHNSON, *President* • LYNNE DODSON, *Secretary-Treasurer*

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June 7, 2011

VIA ELECTRONIC AND U.S. MAIL

Governor Chris Gregoire
PO Box 40002
Olympia, WA 98504-0002

Dear Governor Gregoire:

We the undersigned respectfully ask you to veto the "structured settlement agreements" section of HB 2123. While the other elements of the bill are consistent with qualitatively improving the system or taking some sacrifices to further strengthen the workers' compensation system, "structured settlements", unfortunately, move our system in a negative direction.

The workers' compensation funds took a terrible hit during the "great recession" and are recovering slowly as hours of work and associated premiums continue to lag with slow employment growth. Of course investment returns are rebounding, taking some pressure off of rate increases and SB 5801 and some of the changes in HB 2123 will further reduce rates. As the economy improves and employers add hours and employment growth, premiums will return to historic levels bringing rates down substantially.

Rate changes mean a lot to workers and their families, since they pay between 25% and 30% of the total premium in any given year. This is a cost to workers and a unique subsidy to employers in Washington State. Self-insured employers implicitly get this subsidy as well. In 1971 our state's largest employers traded in the workers' share of the medical aid premium for the administrative and cost advantages of being self-insured.

Though workers are also concerned about rising premium rates, this concern pales in comparison to protecting the fundamental operating principles of the system. Washington's workers' compensation law, unlike the laws in most other states, is predicated on providing "sure and certain relief" to workers. This is not an abstract phrase. For 100 years workers have been able to count on receiving partial wage replacement benefits that they are entitled to under the law, appropriate medical care, and lifetime disability pensions where appropriate.

Governor Gregoire
June 7, 2011
Page 2

Settlement agreements, better known as compromise and release agreements, disrupt this operating principle. By definition, and by evidence from other states, workers will receive benefits less than they are otherwise legally entitled to. There is little solace in the fact that the statute spells out that the agreements are voluntary. Workers will receive less benefits and may well run into significant financing issues when medical issues are contested later in the life of their claim and there are no time-loss payments out of which to pay for attorney's fees. Finally, settlement agreements do nothing to address the issue of long-term disability or pensions.

The only proven methods of reducing the incidence of long term disability and pensions are through qualitative claims management, expedited and coordinated high quality health care, return to work incentives and programs, and quality vocational retraining programs. There are other methods to reduce the cost of disability pensions without reducing benefits to injured workers, but those are issues we will look at in future years.

A further liability created by introducing "settlement agreements" into our workers' compensation system is that, just like 44 other states, it opens the door to private insurers providing workers' compensation coverage in Washington State. So, six months after the public decisively turned down Initiative 1082, HB 2123 creates the foundation for private insurers to make a concerted bid to gain access to our workers' compensation market. "Settlement agreements" are the bread and butter of the private insurance industry and HB 2123 makes the Washington State workers' compensation market profitable to them.

On behalf of injured workers, working families, and the unions in Washington State we ask you to veto "settlement agreements" from HB 2123.

Sincerely,



Jeffrey G. Johnson
President

JGJ:jh
opeliu8/afl-cio

The following labor organizations are included as signatories to this letter:

American Federation of State, County and Municipal Employees, Council 28
American Federation of Teachers – Washington
Association of Western Pulp and Paper Workers
Certified Electrical Workers of Washington
Communications Workers of America WA Local 7800 Retirees
Communication Workers of America Local 7818

District 751 Machinists
Electrical Workers Local 77
Electrical Workers Local 191
Electrical Workers Local 574
Electrical Workers Local 984
Elevator Constructors Local 19
Graphic Communication Union Local 767M
Inlandboatmen's Union
International Association of Machinists and Aerospace Workers Local 751
Iron Workers Local 86
Laborers' District Council/WA and Northern Idaho
Laborers Local 292
Letter Carriers Local 791
Martin Luther King, Jr. County Labor Council, AFL-CIO
Musicians Association of Seattle Local 76-493, AFM
Office and Professional Employees Union Local 8
Operating Engineers Local 280
Operating Engineers Local 302
Operating Engineers Local 612
Painters District Council 5
Pierce County Central Labor Council, AFL-CIO
Plumbers and Pipefitters Local 32
Puget Sound Alliance for Retired Americans
Roofers and Waterproofers Local 54
Roofers and Waterproofers Local 153
Seattle Building and Construction Trades Council, AFL-CIO
Sheet Metal Workers 66
Spokane Regional Labor Council, AFL-CIO
Teamsters Joint Council 28
Teamsters Local 117
Teamsters Local 174
Teamsters Local 760
UNITEHERE Local 8
United Auto Workers Local 4121
United Farm Workers
United Food and Commercial Workers Local 21
United Food and Commercial Workers Local 141
United Food and Commercial Workers Local 367
United Food and Commercial Workers Local 1439
United Steelworkers, District 12
Washington Education Association
Washington Federation of State Employees Local 443
Washington Federation of State Employees Local 1236
Washington State Association of Electrical Workers
Washington State Building and Construction Trades Council
Washington State Letter Carriers
Washington State Plumbers and Pipefitters
Washington State Nurses' Association



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June 8, 2011

TO: Governor Chris Gregoire

FROM: Jeff Johnson, President

A handwritten signature in black ink, appearing to be 'J.J.', is written over the printed name 'Jeff Johnson, President'.

SUBJECT: 6/7/11 Letter re: Workers' Compensation

Please be advised that the following organizations were inadvertently left off the list of signatories onto the letter sent to your office yesterday.

Coalition of Trade Union Women

Electrical Workers Local 997

Society of Professional Engineering Employees in Aerospace/IFPTE

Thank you.

opei8/afl-cio

PRESIDENT
Carol N. Johnston, Bainbridge Island

PRESIDENT-ELECT
Mark Kamitomo, Spokane

VP EAST
Blaine L. Tamaki, Yakima

VP WEST
Todd C. Nichols, Everett

VP CLE
Stephen L. Bulsomi, Tacoma

SECOND VP CLE
Karen K. Koehler, Seattle

VP DEVELOPMENT
Mark C. Wagner, Tacoma

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Gregory E. Pricer, Vancouver

VP FINANCE
Rebecca J. Roe, Seattle

VP JUDICIAL RELATIONS
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Terri L. Herring-Putz, Tacoma

SECOND VP LEGISLATIVE
Steven G. Lingenbrink, Kirkland

VP MEMBERSHIP
Scott P. Carnes, Edmonds

SECOND VP MEMBERSHIP
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VP PUBLIC AFFAIRS
Reynold R. Miale-Gis, Seattle

SECOND VP PUBLIC AFFAIRS
Beth E. Terrell, Seattle

VP PUBLICATIONS
Jo-Hanna Read, Seattle

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Angela M. Macey-Cushman, Seattle

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Wayne L. Williams, Olympia

4th CONG. DISTRICT
Bryce P. McParland, Moses Lake
John S. Kapuz, Yakima

5th CONG. DISTRICT
John D. Allison, Spokane
Robert B. Cray, Spokane

6th CONG. DISTRICT
Eric Fung, Port Orchard
Thaddeus P. Martin, Tacoma

7th CONG. DISTRICT
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Douglas T. Weinmaster, Seattle

8th CONG. DISTRICT
Roxanne Eberle, Bellevue
Michael J. Fisher, Tacoma

9th CONG. DISTRICT
Teri L. Rideout, Tacoma
Harold D. Carr, Lacey

AT-LARGE
William L. Dixon V, Seattle
Darrell L. Cochran, Tacoma
Ann H. Rosato, Seattle

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Bradford J. Fulton, Everett

PAST-PRESIDENTS' COUNCIL
John R. Connelly Jr., Tacoma

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Suone Cotner

GOVERNMENT AFFAIRS DIRECTOR
Larry Shannon



JLD
WASHINGTON STATE ASSOCIATION
for
JUSTICE
formerly WASHINGTON STATE TRIAL LAWYERS ASSOCIATION

The Honorable Chris Gregoire
Governor, State Of Washington
PO Box 40002
Olympia, WA 98504-0002

May 16, 2011

HAND DELIVERED

MAY 17 2011

OFFICE OF THE GOVERNOR

RE: WSAJ Position on Proposed Workers Compensation Reforms

Dear Governor Gregoire:

On behalf of the Washington State Association for Justice (WSAJ), we are writing to express our concerns about some elements of proposed workers compensation "reforms" and to request that you reconsider certain elements of this package. We hope to use this memo as an opportunity to further express our position on a number of these issues, and to express our belief that there is a real "win-win" outcome available, without spoiling the 100th anniversary of our system by upending injured workers' benefits.

Specifically, we would ask that you revisit the goals and the benchmarks from your State of the State speech and your initial press conference, where you laid out a goal to save \$700 million in the system. That goal and that outcome are within reach, and we strongly believe that it will accomplish your goals for reforming the workers comp system. This package would constitute the most significant reforms to our system that our state has seen in at least forty years and more. That would be quite a remarkable accomplishment for this legislature to take home.

At the same time, we must note that while several of these reform ideas may improve the performance of the system for workers and employers alike, virtually all of these savings proposed come from taking away benefits from injured workers. But contrary to some comments being made, every idea we have seen put forward, with the exception of the return to work provision, has been a cut to injured workers benefits and services. The injured worker community has been willing to accept this as a price for stabilizing the long term financial trends for the industrial insurance fund.

While the cut in benefits argument has been raised as a reason to oppose certain ideas like the COLA freeze and the PPD offset, please note that every version of lump sum settlements bases their savings on as much as \$60-\$70,000 in reduced benefits per worker. The proposals laid out to try and push the savings to more than one-billion dollars represents ideas that are unnecessary and unwarranted attacks on injured workers and would seriously jeopardize the security of older and even permanently disabled workers. WSAJ strongly believes your stated goals can be achieved without this kind of action that will leave many older and retired workers in a state of serious hardship, while also having the potential to create significant costs shifts to other social programs. WSAJ cannot support those actions.

NEW IDEAS PRESENTED THIS WEEK- LUMP SUM BUYOUTS AND SOCIAL SECURITY OFFSET:

The most publicized and potentially dangerous proposed change we have seen this year is the lump sum payouts that we have seen in a number of different forms, including in outline form in the newest iteration of the modified settlement option for older workers. While we appreciate that this is not as aggressive and dangerous as some of the other proposal considered by the legislature, we still cannot support this approach.

Virtually the whole premise of savings in lump sum settlements is based on workers settling "short"- that is, taking less than they are entitled to in benefits in exchange for lump sum payments. We have not seen any evidence to suggest that this approach will fairly compensate permanently disabled workers. To the contrary, every proposal we have seen anticipates payments ranging from one-third the future value of the benefits the worker is entitled to, to projections of taking \$.75 or \$.80 cents on the dollar or present value. The financial projections for savings and the projected number of settlements computes to well over \$50,000 per settlement. This highlights the fact that workers will be in a terribly unequal bargaining position. We also have to note that the so-called safeguards of Board reviews cannot work because the Department cannot act on behalf of any injured worker. Nothing short of the most outrageously unfair settlements would be deterred by this system.

The net effect of implementing this idea is likely to be that many workers will end up with shortfalls and hardships. We are also very troubled by the difficulty of reopening medical claims, and believe that many workers will not be able to do so. No provision exists to give workers the ability to reopen claims when they are disputed by employers. This will result in many workers being unable to get medical coverage, and cost shifts to the social safety net at the worst possible time.

WSAJ also cannot support the proposed social security offset proposal. This is also an additional impact on injured workers of at least an 18-20% cut in benefits for older and permanently disabled workers, some of them perhaps even more. Asking them to bear the brunt of additional savings- over one-third of the total savings proposed in a one billion dollar package- seems particularly unfair.

In addition, WSAJ must ask, what is the purpose of the proposed limits on attorneys' fees? The only party in the workers comp system who already has their fees limited is the injured workers. This further limitation will leave some injured workers without representation. There are no corresponding limits on the resources self insured employers, retro groups, and the Department can throw at a case. Only the injured worker faces this limit and restriction. WSAJ believes the net effect will be to throw more workers into the briar patch without representation. This may result in further savings but only on the backs of injured workers.

OTHER ONGOING PROJECTS AND BILLS AFFECTING LONG TERM COST ISSUES:

You have stated that you are trying to reduce long term pension rates and the associated costs as a major goal this year in workers comp reform. WSAJ believes you have taken major steps this direction. The passage of ESSB 5801 already takes a successful pilot program that has shown a 35-40% reduction in long term disability and pension rates already and takes it state wide. WSAJ believes extending this program to self insured employers would add additional benefits to the system.

Additional items being considered in the legislature would help retain and strengthen attachment to the work force, return to work rates, and provide significant up front savings by freezing COLAs, offsetting PPD awards, and provide significant relief in both the short and long term to rate setting processes.

It is also worth noting that the ongoing vocational rehabilitation pilot project also represents future savings, is also only half way through its duration. WSAJ continues to believe that in today's economy, this is an area that must be strengthened and made more flexible to help address the needs of returning workers to truly gainful employment. Successful outcomes through the voc retraining system are a true win-win for workers and for our economy. Again, these projects need to have the opportunity to run their course and see how they will work.

Taken together, we believe the steps necessary to reign in long term trends on costs are well under way. Washington continues to enjoy a very solid ranking as being 36th in the nation for employer costs. Last year, "Risk and Insurance" magazine ranked our system one of the four best in the country, noting that supplying a high benefit level with low costs for employers is a benefit to the economy and the welfare of workers and employers alike. The steps in place will push the cost curve downward, while leaving intact the essential elements and protections of our workers comp system.

CONCLUSION:

WSAJ strongly believes that steps are in place to reduce and bend costs curves and long term pension costs without upending our system with lump sum settlements. We also have to question the claims that any results from COHEs, Return-to-work, and the Voc Rehab pilot program will take five to ten years to appear. The COHE pilots have shown 40% reductions in just three years. That is a remarkable accomplishment already. Taken in conjunction with COLA freezes and PPD offsets, immediate savings will be realized and measurable cost savings will hit the fund right away.

In addition, WSAJ wishes to bring your attention to comments made by the Director of the Oregon Workers Compensation system, John Shilts. In an interview last night on "The View" on TVW, Director Shilts made two very interesting comments that are very relevant to our debate.

First, when asked what role lump sum settlements have played in slowing rate reductions in Oregon, he replied that they have played "a minor role." He stated that far more important have been workplace safety measures and their very aggressive and successful return to work proposals, like contained in HB -

Perhaps more significant to our current discussions, he was asked based on their experience, what kind of settlements we should be concerned about. He stated that they do not allow settlements before claims are completely closed, and he would be "very concerned" about any settlement idea that did not require workers to be completely and closed- which in Oregon parlance is similar to requiring a fixed and stable medical condition with complete employability assessments completed. He noted that any such proposal would endanger workers in the future.

While WSAJ feels that any proposal for lump sum buyouts does not fit in our system, his comments certainly highlight our concerns, and point out that there is a better way forward for Washington State.

We would urge you to step back, look at the whole system and the available options, and reject the lump sum buyouts. We can stabilize our system without having to resort to radical changes that could threaten injured workers and our social safety net.

In Washington, we pride ourselves in doing things differently and doing them right. You have been a big part of many unique successes. We are the only state that makes workers a full partner in the system by requiring that they pay part of their premium. We are the only state that bases our premiums on hours worked and risk exposure rather than payroll. We operate at the most efficient ratios in the nation for low overhead, and getting benefits returned to worker per premium dollar paid. These are all part of the reason voter overwhelmingly rejected privatization principles and sweeping changes to our system when they defeated I-1082 in every county last fall.

Your administration has been an innovator and a leader in helping make Washington unique. The reform package available without lump sum buyouts would constitute the most significant reform in the last 40 years and maybe longer for our system. It would keep the innovative and efficiencies in our system and keep our promise to injured workers. It would also meet the goals you laid out in January to save over \$700 million in our system. We would urge you to consider this as our reform package for 2011.

Thank you for considering our views. We look forward to continuing our discussions as we move forward and hopefully to completion.

Sincerely,



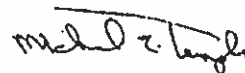
Carol N. Johnston
President, WSAJ



Terri Herring-Puz
Legislative Steering



Larry Shannon
Gov. Affairs Director



Michael Temple
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OF COUNSEL:
THE HONORABLE CHIEF JUSTICE
RICHARD P. GUY (Retired)

May 17, 2011

The Honorable Governor Chris Gregoire
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002

RE: *Proposed Worker's Compensation Legislation*

Dear Governor Gregoire:

I am the President Elect for WSAJ and a Plaintiffs Trial Attorney who has been practicing in Washington State for 20 years primarily in the areas of Medical Negligence and Product Liability. Although I do not handle Worker's Compensation cases, I know many practitioners who do and further, have conversed with both these practitioners as well as some of their clients to obtain a better understanding of how the Proposed Worker's Compensation Legislation may impact the injured workers. At the outset, I am sympathetic to the many challenges your office has faced in dealing with very difficult economic issues in the State of Washington. I applaud your goal that you laid out at the outset of this session to save \$700 million in the system. However, I believe that your goal can be reached through the reforms that you have already signed into law or are currently on the table without the drastic changes that are being proposed to the Worker's Compensation System. These reforms, as I understand it, are supported by legislative leaders and stakeholders alike, which include items like COLA Freezes and Return to Work Subsidies. These items while representing benefit cuts to workers will achieve the savings of \$700 million and, more importantly, will not result in a drastic and harmful overhaul of our current Worker's Compensation System which is necessary to protect injured workers who would otherwise be at a significant disadvantage to the whims of insurance companies and employers whose sole purpose would be to save money without regard to the needs of the injured worker.

There are two proposals in particular that are prohibitively dangerous to injured workers and would, in my opinion, result in a shift of the balance of power tipping the scales significantly in

Governor Gregoire
Re: Proposed Worker's
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favor of employers and insurance companies. These are lump sum buyouts and social security offsets.

Any version of lump sum buyouts would obliterate the unique balance of responsibility that workers and employers share in our current Worker's Compensation System. In a lump sum buyout system, an injured worker desperate for money to make ends meet such as mortgage payments as well as putting food on the table for his family would lead to desperation in negotiations significantly favoring an employer or insurance company. The negotiations under any stretch of the imagination would not be conducted at "arms length" and would inherently pit desperate, under-informed and vulnerable workers against professionals trained to negotiate downward to save an employer or insurance company as much money as possible. These professionals would not be faced with the same desperate need for money just to survive and would result in a power imbalance leaving the worker susceptible to coercion by the employer or insurance company in reaching an insufficient or unfair settlement. History in my own area of practice had demonstrated time and again that an injured party desperate for money just to make ends meet and relieve the pressures of creditors and the overwhelming desire to provide for one's family will lead injured parties to make rash decisions designed solely to ease their burden at that time without regard for future needs. If the lump sum buyout passes employers will save money but these cost savings to employers will without doubt leave injured workers unable to care for themselves or access treatment because of hastily made rash decisions based upon immediate need. Moreover, once that rash decision and the money is exhausted, the State of Washington will become overburdened with individuals turning to safety net programs for assistance. The end result will be employers and insurance companies saving money, exploited workers acting in desperation rather than reason and enormous cost shifting to the tax payers who in the end will be faced with picking up the shortfall to the exploited workers as a result of the lump sum buyouts. It makes little sense to sacrifice our current system which has adequately balanced the needs of the workers with the responsibility of the employers. The lump sum buyout would, in the end, result in a significant economic burden to the tax payers of the State of Washington.

As with lump sum buyouts, the proposed social security offsets will result in abuses to the disadvantaged injured worker and ultimately will result in the same shift as the lump sum buyouts. When a worker, as a result of a significant injury is forced to stop working, he/she similarly stops being able to pay into social security. This will result in the worker's benefits being lower and may very well leave the worker with compromised benefits insufficient to support him/her as a result of having to leave the work place in the first place. Further, it is inherently unjust or simply unfair to offset the benefits against one another when a worker is entitled to both and has paid his/her fair share into both systems. There is simply no rational basis for what amounts to a subsidy for businesses achieved at the expense of Washington workers.

I appreciate the difficulties you have experienced and will continue to face in these difficult economic times and appreciate the leadership you have shown throughout. Despite the difficulties, there have been good proposals by way of reforms already passed or currently on the

Governor Gregoire
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table that will achieve the goals you have set out to save \$700 million in the system. This can be achieved without sacrificing the worker's compensation or social security benefits available to the injured workers. I am hopeful that you will agree that sacrificing the benefits unnecessarily is a goal that should not be followed through with. I further believe and hope you will agree that we should keep working to improve our worker's compensation system through better case management and prevention of work place injuries rather than making risky and unproven changes to the system that in the end will likely not result in monetary savings and could end up costing Washington State tax payers more to fund those safety net programs that will likely become overburdened. Neither the worker's compensation revisions nor the social security offsets are necessary to end this legislative session. I am, therefore, respectfully asking you to continue the exemplary support you have demonstrated in the past for the workers of the State of Washington by rejecting the lump sum buyouts and social security offsets proposals and maintain the current system.

Thank you for taking the time to consideration my position.

Very truly yours,



Mark D. Karbitomo

MDK/tms

Mackey, Betty (GOV)

From: Tim Saye [tsaye@clearwire.net]
Sent: Thursday, February 17, 2011 11:39 AM
To: Tim Saye
Cc: Baumgartner, Michael; randi.becker@leg.wa.gov; don.benton@leg.wa.gov; jean.berkey@leg.wa.gov; lisa.brown@leg.wa.gov; michael.carrell@leg.wa.gov; jerome.delvin@leg.wa.gov; Chase, Maralyn; Conway, Steve; tracey.eide@leg.wa.gov; Ericksen, Doug; Fain, Joe; karen.fraser@leg.wa.gov; jim.hargrove@leg.wa.gov; Harper, Nick; brian.hatfield@leg.wa.gov; marymargaret.haugen@leg.wa.gov; mike.hewitt@leg.wa.gov; Hill, Andrew; steve.hobbs@leg.wa.gov; janea.holmquist@leg.wa.gov; jim.honeyford@leg.wa.gov; jim.kastama@leg.wa.gov; karen.keiser@leg.wa.gov; derek.kilmer@leg.wa.gov; curtis.king@leg.wa.gov; adam.kline@leg.wa.gov; jeanne.kohl-welles@leg.wa.gov; Litzow, Steve; rosemary.mcauliffe@leg.wa.gov; bob.mccaslin@leg.wa.gov; bob.morton@leg.wa.gov; edward.murray@leg.wa.gov; Nelson, Sharon; linda.parlette@leg.wa.gov; cheryl.pflug@leg.wa.gov; margarita.prentice@leg.wa.gov; craig.pridemore@leg.wa.gov; kevin.ranker@leg.wa.gov; debbie.regala@leg.wa.gov; pam.roach@leg.wa.gov; phil.rockefeller@leg.wa.gov; mark.schoesler@leg.wa.gov; timothy.sheldon@leg.wa.gov; paul.l.shin@leg.wa.gov; val.stevens@leg.wa.gov; dan.swecker@leg.wa.gov; rodney.tom@leg.wa.gov; White, Scott; joseph.zarelli@leg.wa.gov; Brown, Marty (OFM); Justin, Jim (GOV); tim_eyman@comcast.net
Subject: please act on L & I reforms, or unemployment will remain high!

Dear hard working legislators:

THE workers' compensation reform bills requested by Gov. Chris Gregoire are sitting in the Legislature, mostly not moving. They need to move. Washington's system of caring for injured workers is, in the words of Judy Schurke, director of the Department of Labor and Industries, "becoming unsustainable."

L&I gives out too many lifetime disability pensions: more than 1,000 a year, compared with a dozen or so in Oregon. If a worker can never work again because of an on-the-job injury, a lifetime pension is in order. But there are degrees of injury and degrees of help. Gregoire's package includes new kinds of help so that fewer workers will take lifetime pensions — the most expensive kind of help.

Here is her proposal:

- *A statewide provider network.* "Some doctors are getting excellent results," Schurke says. "Others are not." The governor's proposals would allow L&I to manage a provider network, like the health insurers do. Now it cannot.
- *A wage subsidy for small employers.* The idea, from Oregon, is to get the injured worker back on the job, thinking and feeling like a worker, "so as not to develop a disability mindset," Schurke says. The wage subsidy, lasting up to 66 days, is a way to pay employers to provide light work.
- *Raising the permanent partial disability award.* Schurke says the current award is so low that claimants are "being driven to hold out for a lifetime pension."
- *A lump sum for workers 55 and up.* Workers who could work if retrained are now put into costly retraining programs. Among older workers, Schurke says, "a lot go through the motions of retraining, but their heart is not in it. They just do it to qualify for a pension." The state would offer them a cash settlement.

• *A pension until retirement.* Some workers can't go back to work, but their work injury isn't the main reason. Now they get lifetime pensions. Under Gregoire's proposal, they would get a pension until their Social Security starts.

All this adds up to a system that would still be generous, but would slow down the rise in payroll taxes that make it more and more costly to create a job.

And, employers in our region will not hire, if these costs become too great for them, and college grads and other entrepreneurs will not want to start a business in this state, creating jobs, if L & I rates are too high.

Well, you don't care about that, of course. You can always create government jobs with tax dollars that don't compete with private industry!

Take care,

Tim Saye
Bothell
First Legislative District

2123

Friday, April 22, 2011

Governor Christine Gregoire
Office of the Governor
PO Box 40002
Olympia WA 985040001
Fax: (360) 753-4110

RE: I'd like to ask your support to lower workers' compensation rates in WA

Dear Governor Gregoire;

With only a few days remaining in the legislative session, I encourage you and your fellow state representatives to pass workers' comp reform bill SB 5566. Reform is needed to slow the continued rise of workers' compensation rates - Washington State businesses pay for a system with the second highest benefit costs in the nation. This trend needs to be reversed for Washington State to become more competitive.

Please support ESB 5566, the only legislation in play right now that will truly reduce cost and encourage jobs. It is my understanding that Representative Deb Eddy has introduced a striker amendment that strengthens protections for injured workers, increases savings for the state, and moves ahead with reforms that will keep costs down for employers.

This reform is needed to keep our doors open. The services and products provided by the businesses will provide the much needed revenue that will improve our state's economy.

Please support Representative Eddy's amendment and bring SB 5566 to the House floor for a vote!

Sincerely,

Mr Mark Barnes
Co-owner
Fast Way Freight System, Inc.
4545 E North Glenngrae Ln
Spokane WA 99223
Email: mark@fastwayfreight.com

Monday, April 25, 2011

Governor Christine Gregoire
Office of the Governor
PO Box 40002
Olympia WA 985040001
Fax: (360) 753-4110

RE: I'd like to ask your support to lower workers' compensation rates in WA

Dear Governor Gregoire;

With only a few days remaining in the legislative session, I encourage you and your fellow state representatives to pass workers' comp reform bill SB 5566. Reform is needed to slow the continued rise of workers' compensation rates - Washington State businesses pay for a system with the second highest benefit costs in the nation. This trend needs to be reversed for Washington State to become more competitive.

Please support ESB 5566, the only legislation in play right now that will truly reduce cost and encourage jobs. It is my understanding that Representative Deb Eddy has introduced a striker amendment that strengthens protections for injured workers, increases savings for the state, and moves ahead with reforms that will keep costs down for employers.

This reform is needed to keep our doors open. The services and products provided by the businesses will provide the much needed revenue that will improve our state's economy.

Please support Representative Eddy's amendment and bring SB 5566 to the House floor for a vote!

Sincerely,

David Benson
President
Benson Construction Company
4 E Chattaroy Rd
Colbert WA 99251
Email: dvbensonconstruction@gmail.com

Mackey, Betty (GOV)

From: djiw86@aol.com
Sent: Wednesday, March 02, 2011 12:19 PM
To: lisa.brown@leg.wa.gov; chopp.frank@leg.wa.gov; christine@gov.leg.gov; Mackey, Betty (GOV)
Subject: WSBCTC & WSLC Workers' Compensation Position Letter
Attachments: WC Joint Letter WSLC WSBCTC 3.2.pdf



WASHINGTON STATE BUILDING & CONSTRUCTION TRADES COUNCIL, AFL-CIO

AFFILIATED WITH THE BUILDING & CONSTRUCTION TRADES DEPARTMENT, AFL-CIO

VIRGIL HAMILTON
President

DAVID JOHNSON
Executive Secretary

Washington State Labor Council, AFL-CIO

JEFF JOHNSON, President • LYNNE DODSON, Secretary-Treasurer

314 FIRST AVENUE WEST • SEATTLE, WASHINGTON 98119

TELEPHONE: (206) 281-8901 OR 1-800-342-0904

FAX (206) 285-5805

E-MAIL: WSLC@WSLC.ORG • WEB: WWW.WSLC.ORG



March 2, 2011

Dear Washington State Legislator:

You have several Workers' Compensation bills before you that address the issue of reducing long-term disability. You also have several bills before you that do not impact long-term disability, but rather reduce costs in the system at the expense of injured workers. Labor is opposed to those bills and concepts that would weaken the safety net for injured workers.

Workers' Compensation is first and foremost a social safety net for injured workers hurt or disabled on the job. One hundred years ago workers gave up the right to sue their employers in exchange for "sure and certain relief". The Workers' Compensation system in Washington State has always been unique, and it is that very quality that makes our system one of the best in the country. By best, we mean a system that is low cost for employers and one that provides decent benefits for injured workers. According to the latest Oregon rate study, after adjusting for the uniqueness of Washington's system, employers in 35 states pay higher worker compensation costs than employers in Washington State.

What makes us unique is also what makes us a strong system:

1. Since 1917 workers in Washington State have paid 50% of the medical aid premium. Depending on rates in any given year, the worker share of the total workers' compensation premium is between 25% and 33%. **We are the only state in which workers' pay part of the premium.**

2. The premium basis in Washington State is hours of exposure to injurious conditions. Every other state uses dollars of payroll as their premium basis. The problem with using payroll as your premium basis is that it creates an unfair playing field for higher wage employers (the higher the payroll the higher the premiums) and premiums automatically rise as payroll rises (rate increases are disguised). **We have the most fair and most transparent rate making process in the country.**
3. We do not allow compromise and release in our Workers' Compensation system. Workers' Compensation is a wage replacement system. If you qualify for time-loss or for a pension you are entitled to some percentage of your pre-injury wage – not a dollar more and not a dollar less. Compromise and release turns the Workers' Compensation system into a lottery system, where benefits are severed from previous wages and depend, in part, on factors including who has the best attorney and the financial solvency of the injured worker at the time of compromise. **We have a wage replacement system and a relatively less litigious system than those with compromise and release.**
4. A decade ago labor and business agreed to an experiment called Centers on Occupational Health Excellence (COHEs), which provided integrated health services to injured workers, financial incentives to physicians, and a coordinated point of contact to workers and employers. The result has been to decrease the average cost per claim by \$500 and return injured workers to work on average a week more quickly. **We have lowered the incidence of long-term disability and pensions by 55% through the COHE system.**
5. In 2007 labor and business agreed to a historic reformulation of our vocational retraining system, one which creates accountability standards for all partners, reduces recidivism, and offers two significant options for injured workers to re-enter the workforce. **We expect to lower the incidence of long-term disability and pension even more than the 50% rate achieved through the old vocational rehabilitation system (Upjohn Institute).**

There are five ways to reduce long-term disability and, as a consequence, pensions. One way is to cut benefits through compromise and release or arbitrarily cutting people off of their pension benefits when they reach retirement age. We find this totally unacceptable.

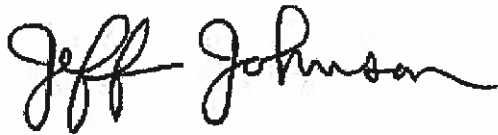
The other four ways are through adequately staffed and well trained claims management; high quality, objective medical treatment from the start of the claim; innovative return-to-work strategies; and comprehensive retraining options coupled, when necessary, with placement and relocation services.

The bills before you that actually address the problem of long-term disability deal directly with expanding and enhancing the COHEs, creating a statewide medical provider network, and creating a wage subsidy program for small and medium size employers to bring their injured employees back to work. These

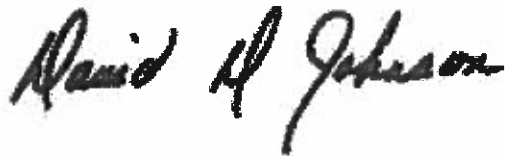
concepts will help lower long-term disability and will create cost savings in the system.

Other bills that expand claims management authority for retro organizations are also inappropriate given the findings of the retro advisory committee and the various studies it commissioned (little to no retro refunds accrued to better safety practices of retro organizations but rather to aggressive shadow claims management practices). Given this, rather than expanding retro claims management authority, what seems to be in order is a thorough investigation of claims management practices at the Department of Labor and Industries.

Sincerely,



Jeff Johnson, President
Secretary
WA State Labor Council
Construction Trades Council



David Johnson, Executive
WA Building and

JJ:jh
opeiu8/afl-cio

cc:Governor Gregoire

David D. Johnson, Executive Secretary
Washington State Building & Construction Trades Council, AFL-CIO
215 Turner Street NE
Olympia, WA 98506
360.701.7991 cell 360.357.6778 office 360.357.6783 fax
djiw86@aol.com
www.WaBuildingTrades.org

KLMasonKatherine L. Mason
Attorney at LawVia FacsimileOriginal by First Class Mail

May 17, 2011

Honorable Governor Christine Gregoire
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002

Dear Governor Gregoire:

I write to you at this time about the compromise and release proposals in workers' compensation that are being discussed in Olympia. I do not believe this concept, which is, at its core, a drastic reduction in benefits for injured workers, is fair or necessary.

As you may recall, my practice consists almost entirely of representing people who have been injured at work. I returned to workers' compensation in 2002, following a brief stint defending doctors and hospitals in the professional negligence setting. My first job as a lawyer was in your office, beginning in 1999, representing the Department of Labor & Industries' in the Industrial Insurance context.

This year, we celebrate the centennial of the "great compromise" which created our state's workers' compensation system. The first paragraph of the enabling legislation (Title 51) says: "The welfare of the state depends upon its industries, and even more upon the welfare of its wage worker." One hundred years ago, workers were also asked to accept a version of compromise and release: they compromised their right to seek full redress in court for their losses, in exchange for "sure and certain relief." Today, employers remain protected from civil suits when their employees are injured at work, but the benefits for injured workers have steadily become less sure and less certain. To ask injured workers to yet again compromise their already-compromised benefits is unfair, and I do not believe it is in the state's best interests either.

Though modest and capped, workers' compensation benefits do provide a real safety net for working families. Several years ago I stumbled upon the realization that the next stop for some of my clients if I couldn't help them (and even sometimes when I could), was too often my dad's then-office at the Cherry Hill CSO. When workers' compensation benefits fail injured workers, they have to turn to government funded services like emergency rooms and medical coupons for their healthcare; food banks and reduced lunches for meals; Section 8 Housing and overnight shelters for beds; and some try to access unemployment compensation or Social Security benefits, neither of which are readily available, nor guaranteed. Indeed the butterfly wings of workers' compensation develop thermals and gusts for other resources and social services, both public and private.

May 17, 2011

Page 2

Turning to the injuries themselves for a moment, many of my current clients' injuries were caused by the indifference, if not outright negligence of their employers. Yet, workers' compensation benefits are all there is for them. I have multiple clients injured by equipment after employers intentionally removed safety guards (one each of the following: meat slicer, meat grinder, commercial mixer); another client was injured by her employer's faulty maintenance of a chandelier -- after one-too many Seattle rainstorms, it dislodged and fell several stories, landing on her neck and back while working the front desk of an adult-living facility; I have several clients injured after falling off employer-provided ladders which were shoddy and unsafe; and I've had office workers injured by unsecured file cabinets and bookshelves. None of these employers faced any liability for their business decisions which injured their employees -- they were released from this responsibility 100 years ago.

On-the-job injuries already take enough of a toll on working families. This session, your goal of saving \$700 million dollars was accomplished without adding compromise and release to the system. I believe there are more ways to save money in the system by improving claim management and preventing on the job injuries in the first place. We are in the middle of an important vocational pilot program specifically designed to decrease long-term disability. At the very least, before any additional, risky changes are made to our system, I believe this pilot deserves to be completed and its efficacy studied. If we can retrain workers and get them back to work, that is a far better outcome than paying there same injured and disabled workers to go away and start draining other resources. We owe workers better than this -- we should still be striving to provide "sure and certain relief."

I am dedicated to working with the Department on these issues, and have been for many years. I believe we have much to be proud of in our system and in Department leadership. I appreciate your dedication to working on solutions for injured workers and their families. I believe there are some exciting options created by some of the legislation that has already passed, and I look forward to working with workers, employers and the Department on implementing them. However, I do not believe compromise and release should be contemplated at this time.

If I can be of any service to you, I hope you know you can call on me anytime.

Sincerely,



Katherine L. Mason
Attorney

McBride, Heather (GOV)

From: Mackey, Betty (GOV)
Sent: Monday, May 16, 2011 12:34 PM
To: McBride, Heather (GOV)
Subject: FW: Workers compensation

2 please – Jim and file

From: Gregoire, Christine (GOV)
Sent: Monday, May 16, 2011 8:42 AM
To: 'govswebmail@iq.wa.gov'
Cc: Mackey, Betty (GOV)
Subject: FW: Workers compensation

~~~~~  
*Ellen Landino*

Executive Assistant to  
 Governor Chris Gregoire  
 Office of the Governor  
 P.O. Box 40002  
 Olympia, WA 98504-0002  
 (360) 902-4123  
 ~~~~~

From: John P. Murphy [<mailto:murphyjp@qwestoffice.net>]
Sent: Sunday, May 15, 2011 12:09 PM
To: Gregoire, Christine (GOV)
Subject: Workers compensation

Dear Governor Gregoire,

We are concerned about the proposals being discussed for radical changes in our State's workers' compensation statute. It was our understanding that your goal going into the legislative session was to try to come up with \$700 million in savings to the WC system, and that this amount of savings has or can be achieved through legislation which has either already passed or has been agreed to by a majority of both houses. Why then the push for more radical changes, and thus more sacrifices for injured workers?

The two very draconian measures we have heard about are social security offsets and compromise and release. Social security offsets are inherently unfair. The injured workers have paid their fair share for the economic protection of both of these sources of income. What is the possible rationale of taking money out of the pockets of injured workers, those least able to afford such a loss, in order to reward wealthy employers such as Boeing? Does anyone really think that Boeing executives are underpaid? Isn't this akin to bailing out Wall Street instead of Main Street?

Compromise and Release (or Capture and Release as the Olympia press refer to it), which would allow LNI or the employer to dangle a lump-sum settlement in front of an injured worker in exchange for a release of all future benefits is unfair on its face. The argument that many other states have this system is disingenuous in that the proposal for the system being made here in Washington borrows all the benefits to the employer of such a settlement from other state schemes without including all the financial and legal protections afforded to the injured worker in those other state

schemes. Why? Proponents of compromise and release say that everyone will be fair to the injured worker. Really? Why aren't there any penalty provisions for overreaching and bad faith contained in the proposal? Without safeguards in the law we all know that injured folks will be taken advantage of by a system where there is no financial equality between the parties. Why would we want to do that to Washington State citizens who are unfortunate enough to be seriously injured at work? Isn't compromise and release as proposed just a method to pay injured workers less benefits than they are currently entitled to receive? Who are we trying to benefit by doing this?

We understand that future medical expenses have been added into the proposal, but this is an illusory benefit. The reopening of the claim to pay medical expenses will be denied, the injured worker would have to litigate the issue with money they don't have to pay for expert medical testimony, and would be doing it pro se because they wouldn't have the money to hire an attorney. Does that sound fair? Ultimately this will simply cause a shifting of expenses onto the welfare system, which is what has happened in Oregon since it adopted a draconian workers compensation system.

We should be striving to improve claims management, create better retraining programs for injured workers, and create more awareness of workplace safety as methods to reduce the cost of industrial insurance. There should be legislation that provides protection to injured workers from unscrupulous employers and their TPAs similar to the protections afforded consumers by IFCA.

Governor Gregoire You have a difficult job to perform in these tough economic times, and we know you have to balance competing interests. Having said this, we think cutting \$700 million in costs and benefits out of workers compensation with the legislative changes already made, or about to be made, is more than enough of a sacrifice on the part of injured workers. Not all of the sacrifice should land on the backs of injured workers. We believe it is unnecessary and a mistake to keep the legislature in session just to try to force passage of these radical and unpopular changes to our workers compensation system. Thanks so much for taking our thoughts and concerns into consideration.

Sincerely,

John Patrick Murphy

J. Alece Cox

Charles K. Counsell

OTOROWSKI JOHNSTON MORROW & GOLDEN, PLLC

ATTORNEYS AT LAW

Christopher L. Otorowski*
Carol N. Johnston**
Jane Morrow**
Thomas R. Golden
Susan C. Eggers**

Jerome E. Carbone, M.D., Medical Consultant
Anne Hoshizaki, Medical Records Librarian
Melissa Spooner, Office Manager

*Also Admitted In Colorado
** Also Registered Nurse

May 13, 2011

The Honorable Christine Gregoire
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002

RE: WORKERS' COMPENSATION LEGISLATION

Dear Governor Gregoire:

I am writing to express my strong concerns in regards to a number of specific proposals in regards to our workers' compensation system that I believe will cause irreparable harm to injured workers and gut the core of over 100 years of our state's commitment to protecting the rights of injured workers. While as President of WSAJ I will be forwarding a letter to you on behalf of that organization, I wanted to take an opportunity to personally express my opposition to some of the unnecessary and particularly harmful proposals.

The two prohibitively dangerous proposals are lump-sum payouts and social security offsets. Any lump-sum payout scenario fails to respect the unique balance of responsibility that workers and employers in our state share. Lump-sum settlement negotiations will leverage the power imbalance between a worker and employer to coerce insufficient and unfair settlements. The result will be egregious cost shifts to the taxpayers, exploitation of workers, and money in the pockets of employers empowered by the imbalance advantage.

Similarly, social security offsets are an abuse of injured workers and will invariably lead to the same devastating result as the lump-sum idea. When injured workers are forced to leave the workforce, they are no longer able to pay into social security which of course results in lowered benefits. It is also manifestly unfair to attempt to offset the benefits against one another when the individual is entitled to both and has paid their fair share into both systems.

I appreciate the magnitude of the budgetary challenges you face. However, I do believe that your goal of saving \$700 million in our workers' compensation system can be achieved through reforms that have already been signed into law or that are already on the table such as COLA freezes and return-to-work subsidies. I look forward to doing all I can to help make necessary reforms become implemented and at the same time, protecting those who lose life and limb while working to support their families.

Very truly yours,
Otorowski Johnston Morrow & Golden

S/

Carol N. Johnston
Attorney at Law

CNJ:lfw

McBride, Heather (GOV)

From: Mackey, Betty (GOV)
Sent: Monday, May 16, 2011 8:42 AM
To: McBride, Heather (GOV)
Subject: FW: Workers Compensation

Bill file and jim please

From: Gregoire, Christine (GOV)
Sent: Monday, May 16, 2011 8:41 AM
To: 'govswebmail@iq.wa.gov'
Cc: Mackey, Betty (GOV)
Subject: FW: Workers Compensation

~~~~~  
*Ellen Landino*  
Executive Assistant to  
Governor Chris Gregoire  
Office of the Governor  
P.O. Box 40002  
Olympia, WA 98504-0002  
(360) 902-4123  
~~~~~

From: Jan Peterson [<mailto:janeric@pypfirm.com>]
Sent: Friday, May 13, 2011 5:11 PM
To: Gregoire, Christine (GOV)
Subject: Workers Compensation

Chris, I have seldom called or written you about legislation but feel compelled to do so on this issue. There have been several changes to the system in bills already passed this session that save millions and millions of dollars. Enough already. Injured workers already are under compensated for on the job injuries and there is no need to burden them with further unfair advantages to employers or their professional "adjusters" and negotiators. You have always been sensitive to the plight of the injured, disabled, and working people, when they are most vulnerable. This is no time to tarnish that reputation. To allow social security benefit set offs is to deny workers the benefits they have paid taxes into all their working lives. Not fair. Send the legislature home, enough has been done. Your friend,

Jan Eric Peterson
Peterson Young Putra
1501 4th Avenue, Suite 2800
Seattle, WA 98101
206-624-6800

CHRISTINE O. GREGOIRE

Governor

Dear Governor Gregoire,



STATE OF WASHINGTON

I have represented injured workers in Washington State for over 20 years. I am also heavily involved in WSAJ, currently serving as a vice chair of our workers comp section. I have worked with Judy Schurke, Vicki Kennedy, and many others over the years to improve our comp system and make it healthy and viable for workers and employers. Many times, over the years, WSAJ has taken positions on legislation not necessarily advantageous to plaintiffs' attorneys - our commitment has been and continues to be what is in the best interests of injured workers and our overall system.

A lot has already been done this legislative session. The MPN/COHE bill you have already signed should reduce costs and improve outcomes for injured workers.

However, compromise and release, in whatever form is currently being advocated, is nothing short of a disaster for injured workers. Please reconsider your position. To illustrate, let me give you an example of one of my clients, and how his story unfolded.

Jeff was a framer. While helping to lift a very heavy truss overhead, he felt sharp pain in his scapula and shoulder area. He went to the doctor and filed a claim listing the medical condition as a shoulder injury. Within literally *five days*, an experienced neurosurgeon identified the real problem. Jeff had a herniated disc in his neck and needed immediate surgery.

Despite the quick identification of the problem, the Department claims manager insisted that this was a shoulder injury and issued an order denying the neck. We appealed, and eventually, months later, persuaded a higher level adjudicator to accept the claim. During the interim, Jeff was without income or medical care. Don't misunderstand - *the claim was technically accepted*. But no benefits or time loss were being paid while we argued what the accepted conditions were on the claim.

Jeff and his family were desperate. Had they had the opportunity, I have no doubt they would have jumped at a lump sum amount of money. They had no food. But that would have been a disaster for someone who needed a neck fusion and rehab, not to mention something to live on.

This is just one example. There are hundreds every year, I'm sure.

Another dangerous proposal is the further eroding of an injured worker's entitlement to Social Security benefits. These are benefits, along with workers comp benefits, that these workers have earned and paid for. When their working careers are cut short, the amount they pay in to Social Security is decreased as well. This is a subsidy to business, again on the back of injured workers, and it is fundamentally unfair.

Please don't sell our injured workers out. They have already compromised their right to sue and recover full damages for their injuries.



CHRISTINE O. GREGOIRE
Governor



Thank you for listening.

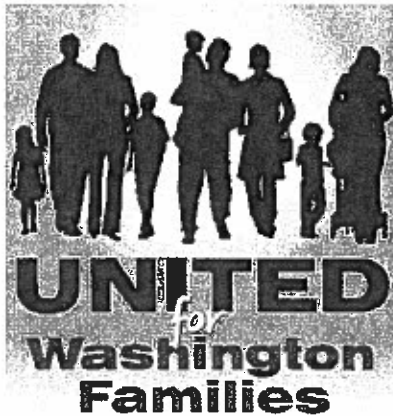
STATE OF WASHINGTON

OFFICE OF THE GOVERNOR

P.O. Box 40002 • Olympia, Washington 98504-0002 | Phone: 360-534-6780 | Fax: 360-534-6780 | www.wa.gov

Kathryn Comfort
Small, Snell, Weiss & Comfort, P.S.
kcomfort@sswc-law.com





On Workers' Compensation

May 10, 2011

United for Washington Families is a group of labor, human services and advocacy organizations standing in solidarity to protect Washington's working families. We strongly oppose policies that put our families, friends and neighbors at risk by undermining the injured workers' safety net.

In Washington, we are proud to take care of our injured workers – if you are hurt on the job, our injured workers' safety net lets you see a doctor and receive some money to support your family while you recover. Our workers' compensation system received a resounding vote of confidence last fall and we are nationally recognized as having a low cost, high benefit system. But now, the same corporate groups who unsuccessfully tried to privatize it are proposing to undercut our safety net by slashing benefits and creating a game of litigation and risk.

LUMP-SUM BUYOUTS—Compromise and release buyouts in any form, for workers of any age, are unacceptable. Buyouts do nothing to address the problem of long-term disability – they don't get people back to work and don't promote safer workplaces. Even if an injured worker has some other form of income, compromise and release is simply a mechanism for workers to settle for less than they are entitled to and need to survive. This will create delay as employers search for settlements and will entangle workers in a litigious web designed to get them to settle for less out of desperation or ignorance – because that's the only way the system saves money. Buyouts are an open invitation for L&I to act like a private insurance company and for private insurance companies to seek entry into Washington's workers' compensation system. In voting down 1082, the people have spoken on this issue.

SOCIAL SECURITY OFFSET—Slashing benefits for older permanently disabled workers also does nothing to address long-term disability. The social security offset targets the most vulnerable and will drive permanently disabled older workers into poverty. Do we really want to subsidize corporations by making it harder for disabled seniors to pay the rent or mortgage, buy food, and keep their homes warm?

THE TRUE COST TO WASHINGTON—Washington can't afford to subsidize business on the backs of injured workers and their families. The cost of any savings created by direct benefit cuts, like the social security offset, and lump sum buyouts will eventually be borne by the state in the form of additional health care and human service costs. Washington's safety net is already stretched thin – we simply cannot absorb additional costs to health care and human service programs. This cost shift to taxpayer funded public assistance programs is why some states (like Texas and New Mexico) are increasingly regulating and restricting buy-outs.

Instead of slashing our safety net by cutting benefits for older injured workers and instituting lump-sum buyouts, we urge smart changes that save money by providing workers with quality medical

(Continued - Page 1 of 2)

peab

care, preventing injuries before they happen, stabilizing our fund through a rainy day account, and helping people stay at work in their original jobs. We can save money responsibly – and ensure Washington's injured workers get the care and protection they need.

Sincerely,

Washington State Labor Council
Washington Association for Justice
Washington State Building and Construction Trades Council
International Association of Machinists and Aerospace Workers, District Lodge 751
Washington Federation of State Employees
Washington State Association of Firefighters
Washington State Nurses Association
AARP Washington
Statewide Poverty Action Network
United Food and Commercial Workers, Local 21
United Food and Commercial Workers, Local 367
United Food and Commercial Workers, Local 1439
United Food and Commercial Workers, Local 141
Washington Public Employees Association/United Food and Commercial Workers, Local 365
Economic Opportunity Institute
Legal Voice
American Federation of Teachers, Washington
Washington Education Association
National Organization for Women, Washington State Chapter
Society of Professional Engineering Employees in Aerospace, IFPTE 2001
Minority Executive Directors' Coalition
Service Employees International Union, Healthcare 775NW
Service Employees International Union, 925
Service Employees International Union, Healthcare 1199NW
Teamsters Joint Council No. 28
Washington State Pipe Trades

International Union of Operating Engineers, Local 286
International Union of Operating Engineers, Local 302
International Union of Operating Engineers, Local 609
Lutheran Public Policy Office
Professional and Technical Employees, Local 17
Certified Electrical Workers of Washington
International Brotherhood of Electrical Workers, Local 77
Sheetmetal Workers Local 66
El Centro de la Raza
Community to Community
Puget Sound Alliance for Retired Americans
OneAmerica
Association of Western Pulp and Paper Workers
United Auto Workers, Local 4121
Washington and Northern Idaho District Council of Laborers
Entre Hermanos
Casa-Latina
National Association of Social Workers WA Chapter
Latino Community Fund
City of Seattle Native Employees (CANOES)
El Comite Pro Reforma Migratoria y Justicia Social
FirstThursday Seattle
Office & Professional Employees International Union, Local 8
Washington Community Action Network

2123

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

JAMES P. HOFFA
General President

25 Louisiana Avenue, NW
Washington, DC 20001



C. THOMAS KEEGEL
General Secretary-Treasurer

202.624.6800
www.teamster.org

May 19, 2011

RECEIVED

MAY 23 2011

Office of the Governor

The Honorable Governor Christine Gregoire
Office of the Governor
P.O. Box 40002
Olympia, WA 98504-0002

RE: Worker's Compensation Changes

Dear Governor Gregoire:

On behalf of the 50,000 members in Washington State, I am writing to urge you to oppose proposed changes to undermine the injured workers' safety net.

Many Teamsters in Washington are injured on the job each year. Luckily, almost all are able to see a doctor and get right back to work. Those few workers who are seriously injured on the job rely on the current long-term disability system to support them and their families while they recover.

We are very concerned with proposals coming from your administration to change the long-term disability system:

Authorizing lump-sum buyouts: Compromise and release buyouts in any form, for workers of any age, are unacceptable. Buyouts do nothing to address the problem of long-term disability – buyouts do not get people back to work and buyouts do not promote safer workplaces. Even if an injured worker has some other form of income, compromise and release is simply a mechanism for workers to settle for less than they are entitled to and less than they need to survive. This will create delays as employers search for

settlements and will entangle workers in a litigious web designed to get them to settle for less out of desperation or ignorance – because that's the only way the system saves money.

Social security offsets: Slashing benefits for older permanently disabled workers also does nothing to address long-term disability. The social security offset targets the most vulnerable and will drive permanently disabled older workers into poverty. In the end, this proposal will make it harder for disabled seniors to pay the rent or mortgage, buy food, and keep their homes warm.

The Teamsters support common sense changes to Washington's workers compensation system, changes that will result in real savings to taxpayers, such as the statewide provider network, the Washington Stay at Work Program (HB2002) authorizing light-duty status, and the Rainy Day Fund (HB 2026) to avoid rate spikes.

Your administration's proposals will not free up revenue for Washington's strapped budget. It will merely put more burdens and strain on the injured workers who need our support the most. We urge you to take a second look at your administration's proposed changes to the long-term disability system.

Sincerely,


James P. Hoffa
General President

JPH/cb

Mackey, Betty (GOV)

From: Ryan, Kym (GOV)
Sent: Thursday, June 02, 2011 11:53 AM
To: Mackey, Betty (GOV)
Subject: FW: Phone message from David Vail

From: Winkler, Barb (GOV)
Sent: Thursday, June 02, 2011 11:52 AM
To: Manning, Jay (GOV); Justin, Jim (GOV); Bogdanoff, Peter (GOV)
Cc: Landino, Ellen (GOV)
Subject: Phone message from David Vail

I briefly took a phone call from David Vail in Tacoma – he said he is the “owner” of Vail Cross & Associates and does a lot of work on Workers Comp. His message: “...this is a terrible bill...tell Chris to call me...”. He was not willing to go thru the normal channels to request time with the Governor and I don’t know if she even knows him. He left a phone number of 253-383-8770. How do you want this handled?

Barb Winkler
Executive Scheduler for
Governor Christine Gregoire
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002
(360) 902-4125
Barb.Winkler@gov.wa.gov
