
**Joint Assembly and Senate Committees on Labor
Thursday, Feb. 8, 2024
11 a.m.
State Capitol, 417 North (GAR Hall)**

Testimony of the Wisconsin Department of Workforce Development's (DWD) Worker's Compensation Division Administrator and Worker's Compensation Advisory Council Chair Steven Peters

Chair Testin, Vice-Chair Nass, Chair Penterman, Vice-Chair Sapik, and members of the Senate and Assembly Labor Committees, thank you for the opportunity to provide testimony for information only on SB 992/LRB 5292 and SB 991/LRB 5293. I am Steven Peters, the Department of Workforce Development's (DWD) Worker's Compensation Division Administrator. I also serve as the chair of the Worker's Compensation Advisory Council. On behalf of the council, I would like to thank you for hosting today's hearing on the council's agreed-upon bills.

Wisconsin's Worker's Compensation system is over 110 years old and was the first Worker's Compensation system in the nation to withstand constitutional challenges, enshrining the grand bargain between management and labor that ensures support for workers injured on the job while protecting employers from further liability if they are insured.

Since 1968, the Wisconsin Worker's Compensation Advisory Council (WCAC) has advised state government on how to best support and strengthen the state's worker's compensation system, which has served as a national model for stability and effectiveness. The WCAC is made up of equal numbers of labor and management with members from the insurance industry joining in an advisory role.

The council's statutory responsibilities, as noted in Wis. Stats. 102.14(2), include:

- Advising the department in carrying out the purposes of the Worker's Compensation Act,
- Reporting its views on any pending worker's compensation bill to the proper committee,
- Reviewing and discussing matters of legislative concern related to worker's compensation at the request of the chairpersons of the Senate and Assembly Labor Committees, and
- Submitting recommendations for law changes to the Legislature each session.

The bills before you are the product of input from stakeholders representing all facets of the worker's compensation community, including management, labor, insurers, medical professionals, attorneys, and DWD. The council also received feedback from a biennial public hearing held on Dec. 15, 2022. After months of negotiations, the WCAC voted unanimously on Jan. 8, 2024 to advance these bills and recommend the proposed changes to Wisconsin's worker's compensation laws.

The following is a summary of the proposed changes in the first agreed bill, SB 992/LRB 5292. The bill:

- Creates a medical fee schedule by July 1, 2025 based on 110% of the sum of the average payment for a health service by group and self-insured health plans and the average copayment, coinsurance and deductible payment for the health service.

- Extends the Worker's Compensation coverage for post-traumatic stress disorder that was provided to law enforcement officers and full-time firefighters in 2021 Wisconsin Act 29 to all emergency medical service practitioners and firefighters, regardless of their level of employment or volunteer status.
- Indexes the permanent total disability rate to the benefit rate in effect more than six years after the date of injury on an annual basis.

The second agreed bill, SB 991/LRB 5293:

- Updates the language to be gender neutral relating to marriage in Wis. Stats. 102.51(1)(a).
- Increases the permanent partial disability weekly rate by \$8 for injuries occurring in 2024, on and after the effective date from \$430 to \$438, and by an additional \$8 to \$446 for injuries occurring on and after Jan. 1, 2025.
- Changes the term "advance practice nurse prescriber" to "advance practice registered nurse" in chapter 102.
- Clarifies some of the duties between Worker's Compensation and the Division of Hearings and Appeals as it relates to closing cases for claims of compensation; and provides the statute of limitations to begin to run on the date an order is issued by DHA that approves a compromise agreement and that subsequent claims will not be time-barred except by applicable statute of limitations.
- Establishes that lump sum payments for permanent partial disability (PPD) for unaccrued compensation may be paid in advance in undisputed claims with no 5% interest credit.
- Corrects citations to mirror federal rehabilitation law (Wis. Stats. 102.61 (1), (1g), and (1m).
- Increases the amount of large Uninsured Employer Fund (UEF) claims that require reimbursement from Worker's Compensation insurance carriers from \$1 million to \$2 million.

Thank you again for the opportunity to testify today, and for your time and consideration. I am happy to answer any questions.

DWD CONTACT: Legislative Liaison Arielle Exner, (608) 770-5223, Arielle.exner@dwd.wisconsin.gov



MEMORANDUM

TO: Senate Committee on Labor, Regulatory Reform, Veterans and Military Affairs
Assembly Committee on Labor and Integrated Employment

FROM: Rachel VerVelde, Senior Director of Workforce, Education, and Employment Policy - WMC
Stephanie Bloomingdale, President – AFL-CIO

RE: Worker's Compensation Agreed on Bills – LRB 5292/P3 and LRB – 5293/P2

DATE: February 8, 2024

The Wisconsin Manufacturers and Commerce and the Wisconsin State AFL-CIO support the two agreed on bills (LRB-5292/P3 and LRB-5293/P2) developed and approved by the Worker's Compensation Advisory Council. These bills are the product of extensive deliberation and negotiation and address several important issues facing the Worker's Compensation system in Wisconsin.

The bills provide for a reasonable increase in the maximum weekly benefit for permanent partial disability of \$8 each year for the next two years. They contain provisions to secure the solvency of the uninsured employers fund and address issues surrounding the advance payment of unaccrued benefits and the closure of cases.

The bills also include provisions that will allow workers compensation coverage for PTSD suffered by emergency medical responders, emergency medical services practitioners, and volunteer or part-time fire fighters and index benefit levels for individuals that have been permanently and totally disabled in the past.

Another key component in these bills is a provision establishing a limit on how much a medical service provider can charge a worker's compensation insurer or self-insured employer for services provided under the system. The limit is set at 10% above the average of the amounts paid by group health insurers for the same service.

The bills also make a number of non-substantive and technical changes proposed by the Department.

These bills are the product of good faith negotiations between representatives of employers and employees in which both sides made substantial compromises. This system of policy making, in which the parties at interest – those that need benefits and those that pay for the benefits - find common ground, has resulted in a Worker's Compensation system that is regarded as the best in the nation, with reasonable benefit levels, at an acceptable cost, with low litigation rates. The final product makes well-conceived and incremental changes to the system which has been the hallmark of Wisconsin's approach to policy making in the Worker's Compensation system.

We urge the Committees to approve the two agreed on bills developed by the Worker's Compensation Advisory Council.

WMC
Wisconsin's Chamber



WORKERS COMPENSATION MEDICAL COSTS:
WISCONSIN'S COMPETITIVE
DISADVANTAGE

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WORKERS COMPENSATION MEDICAL COSTS: WISCONSIN'S COMPETITIVE **DISADVANTAGE**

All Wisconsin employers are required by law to maintain workers compensation insurance coverage for their employees. Depending on the risks associated with the type of work employees perform, workers compensation insurance can be a very significant cost of doing business (ranging as high as 10% or more of payroll). Given that coverage is mandated by the government and the system is highly regulated, it is essential that policy makers do everything they can to keep costs in check.

In Wisconsin, the biggest cost driver in the workers compensation system is health care. Health care consumes 78% of total cost in the system – the highest in the country. This is compared to 27.3% in Washington state – the lowest in the country – and the national average of 48.2%.

The reason health care costs are so much higher in Wisconsin than any other state is because almost every other state imposes limits on what providers can charge to treat injured workers. Most states have strict fee schedules tied to Medicare reimbursement rates – increased by a factor to ensure they are comparable to what private health insurers pay for the same services.

In today's world of health care finance, providers generally receive one half to one third of what they charge for a given service from health insurers. This is because health insurers negotiate discounts from provider systems in exchange for having their insureds utilize health services from them.

Unfortunately, workers compensation insurers are unable to negotiate similar discounts because they cannot guarantee that their insured workers will utilize any given provider. By law injured workers are free to utilize any provider they choose. In addition, out of any given workforce very few will make a claim during a year because of a work-related injury compared to regular health care insurance where virtually every employee, and members of their family, will make a claim sometime during the year. That leaves workers compensation insurers without any negotiating power.

The only solution is for the government, that mandates employers provide workers compensation coverage, to impose reasonable limits on what providers charge for the same treatments they provide under the regular health insurance system.

FOR MORE INFORMATION ON WORKERS COMPENSATION MEDICAL COSTS DISADVANTAGES

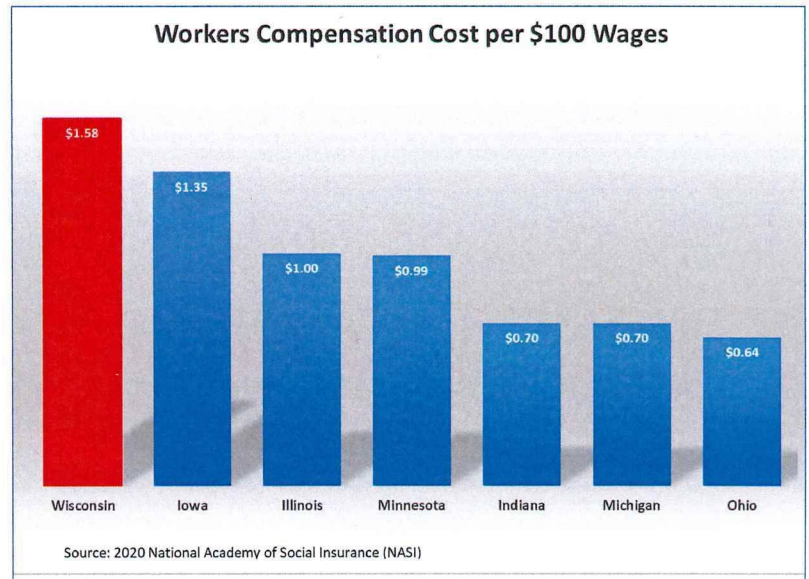
Contact Rachel Ver Velde, WMC Senior Director of Workforce, Education & Employment Policy
rvervelde@wmc.org | 608.258.3400



DISADVANTAGE #1

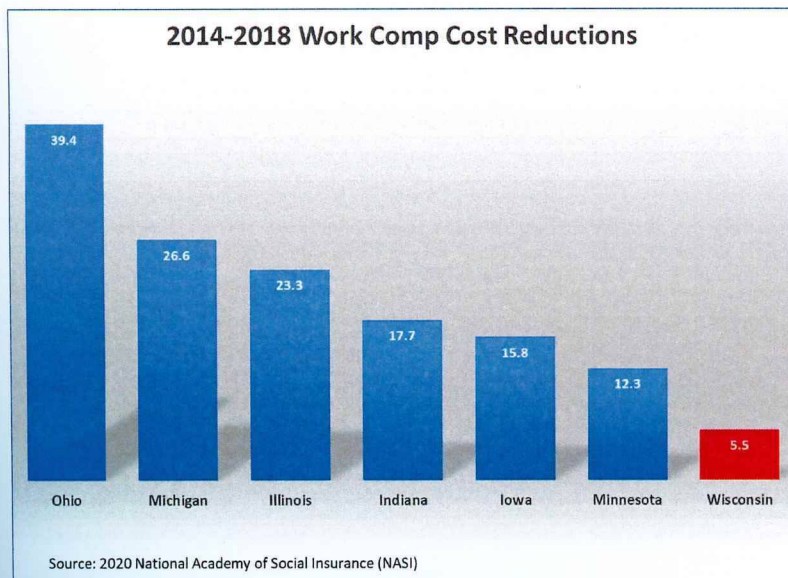
Wisconsin Workers Compensation Costs are Much Higher than Other Midwest States

The cost of providing workers compensation coverage in Wisconsin is considerably higher than most of our neighboring Midwestern states. In fact, workers compensation insurance costs are more than twice as much in Wisconsin compared to the other heavily industrialized Midwestern states of Indiana, Michigan, and Ohio.



DISADVANTAGE #2

Despite Fewer Injuries, Wisconsin Has Barely Seen Workers Compensation Cost Savings



All states are experiencing an overall reduction in work related injuries due to fewer and less severe injuries because of better workplace safety. As a result, most states are experiencing workers compensation cost reductions. Our Midwestern neighbors have seen their costs go down by as much as 39%. In Wisconsin our costs have only declined by a meager 5.5%.

DISADVANTAGE #3

Oppressively High Medical Prices are Driving Workers Compensation Costs

The reason Wisconsin's overall workers compensation costs have remained high is because we have the most expensive workers compensation medical costs of any industrialized state in the country. Under our workers compensation system, employers and insurers in Wisconsin pay two to four and-a-half times as much for common professional health services compared to the cost of the same services in other states.

WI Prices Paid For Professional Services The Highest Of 36 States For All Service Types

Type Of Service	WI Prices Paid % Above Median Of 36 States	WI Ranking Among 36 States
Pain Management Injections	351%	Highest
Major Radiology	316%	Highest
Minor Radiology	264%	Highest
Major Surgery	250%	Highest
Neuro./Neuromuscular Testing	220%	Highest
Emergency Department	202%	Highest
Physical Medicine	123%	Highest
Evaluation & Management	109%	Highest
Overall	164%	Highest

Prices Paid For Professional (nonhospital) Services In Calendar Year 2021 (January through June)
Source: WCRI Medical Price Index For Workers' Compensation, 14th Edition (2022)

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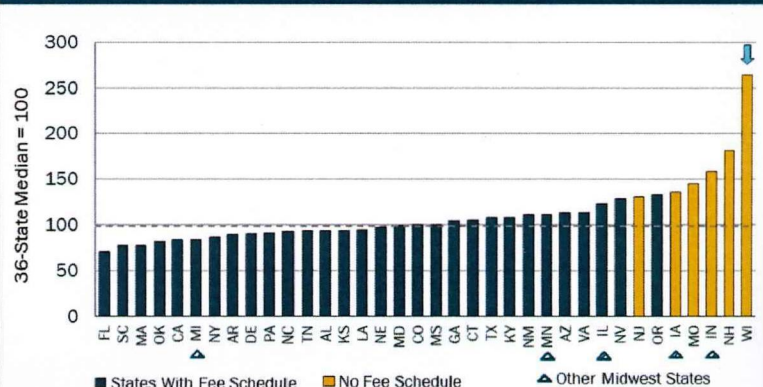


DISADVANTAGE #4

Wisconsin Workers Compensation Medical Costs are a National Outlier

Wisconsin has by far the highest cost of professional health services of any industrialized state in the country. Our costs are even considerably higher than those in the handful of other "non fee schedule" states. In the vast majority of states, workers compensation professional health services cost less than half of what they cost in Wisconsin. It is difficult for Wisconsin employers to be competitive when they must bear health care costs that are the highest in the country.

Overall Prices Paid For Professional Services In WI The Highest Of All Study States In 2021



Prices Paid For Nonhospital (professional) Services In Calendar Year 2021 (January through June)
Source: WCRI Medical Price Index For Workers' Compensation, 14th Edition (2022)

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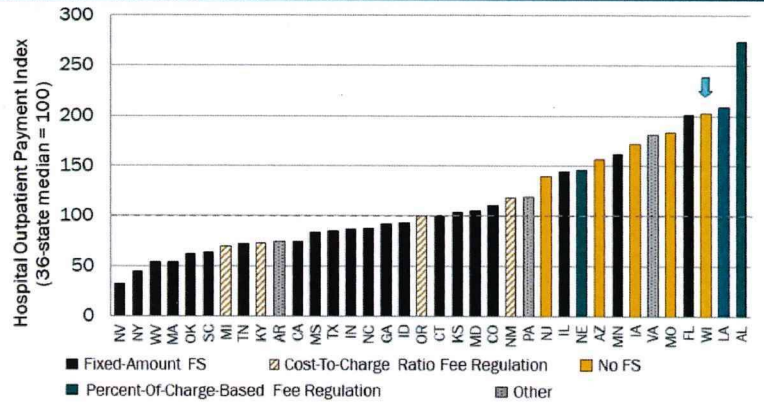


DISADVANTAGE #5

Hospital Prices in Wisconsin are a National Outlier

On top of the cost of professional health services under the workers compensation system, hospital service costs are also among the highest in the nation. Wisconsin's outpatient surgical costs are higher than all of our Midwestern neighbors and more than twice as high as costs in Michigan and Indiana.

WI Payments For Hospital Outpatient Surgical Episodes Among Highest Of All States



Hospital Outpatient Surgical Episodes (knee and shoulder) In Calendar Year 2020

Source: Hospital Outpatient Payment Index: Interstate Variations And Policy Analysis, 11th Edition (2022)

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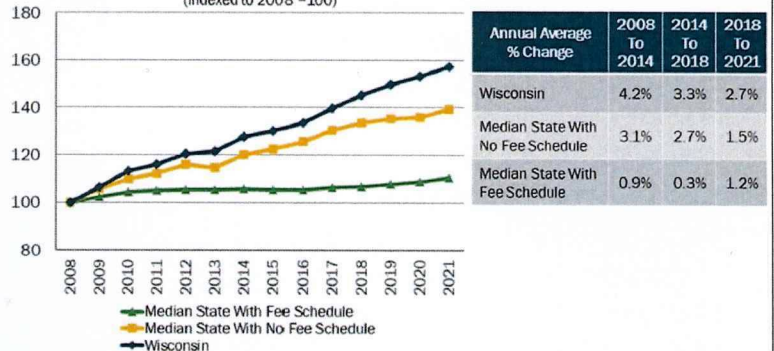
DISADVANTAGE #6

A Medical Cost Fee Schedule is the Only Way to Control Costs

Because workers compensation insurers are left with little bargaining power to negotiate discounts from providers, a medical cost fee schedule is the only effective way to control costs. States that have imposed fee schedules have seen their medical costs increase at less than half the rate of the increase in Wisconsin.

Prices Paid Increased At Faster Rate In WI Than In Median Study State Between 2018 And 2021

Prices Paid For Nonhospital (professional) Services (indexed to 2008 = 100)



Prices Paid For Nonhospital (professional) Services Based On Calendar Years 2008 Through 2021 (2021 data are January through June). Source: WCRI Medical Price Index For Workers' Compensation, 14th Edition (2022)

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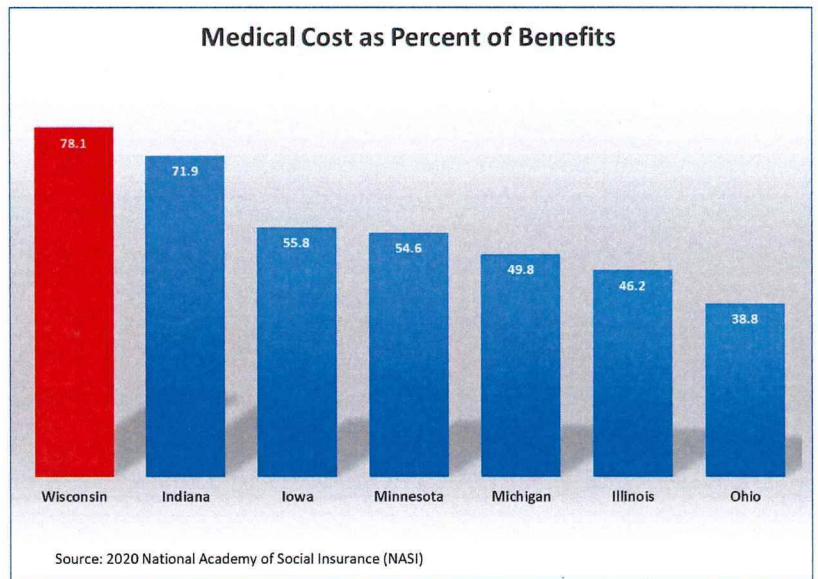
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DISADVANTAGE #7

A System Designed for Workers Has Become a Hospital Cash Cow

Because workers compensation insurers in Wisconsin are forced to pay whatever the health care providers charge, 78% of total workers compensation benefits go to health care providers leaving only 22% of available resources to pay for wage replacement benefits. The national average is 48% health care and 52% wage replacement benefits.



DISADVANTAGE #8

Why Labor Unions Also Support a Fee Schedule

With health care costs consuming such a disproportionate share of available resources, wage replacement benefits have been necessarily squeezed. The average workers compensation claim in Wisconsin is \$10,000 higher for health care costs than the average state and \$7,000 lower for wage replacement benefits. That's why labor unions also support establishing a fee schedule in Wisconsin.

WI Typical Costs Per Claim: A Combination Of Higher Medical And Lower Indemnity And BDE

Total Costs Components	Wisconsin	Median State	WI Compared With Median State
Medical Payments	\$27,479	\$17,939	2nd Highest
Indemnity Benefits	\$12,238	\$19,865	Lowest
Benefit Delivery Expenses	\$4,704	\$6,665	Lowest
Total Costs	\$44,440	\$44,971	Typical

2018/21 Claims With > 7 Days Of Lost Time. Total costs and indemnity benefits are adjusted for injury/industry mix and wages; all other measures are adjusted for injury/industry mix. Benefit delivery expenses include payments that are allocated to individual claims.

Source: *CompScope™ Benchmarks For Wisconsin, 22nd Edition (2022)*

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WORKERS COMPENSATION MEDICAL COSTS: FREQUENTLY ASKED QUESTIONS

How many states have a fee schedule to control costs medical costs in Workers Compensation?

Forty-five states have a fee schedule to control medical costs in Workers Compensation.

Does a medical fee schedule successfully control costs?

Yes. Fee schedules have successfully kept medical prices lower than in state without a fee schedule, and have consistently curbed the growth in Workers Compensation medical costs.

Isn't a fee schedule just big-government anti-free market price setting?

No. Workers Compensation is a government-mandated social program. The government requires employers to carry Workers Compensation insurance, government sets the insurance prices, government sets a statutory benefit level for the value of lost limbs, government sets a value on weekly benefit payments to injured workers, and government prohibits employers from utilizing preferred doctor networks like they do with regular health insurance. There is nothing about Workers Compensation that is even close to a free market – employers are currently stuck paying whatever charges doctors and hospitals decide to charge them.

Haven't Workers Compensation insurance rates been going down in Wisconsin?

Yes, largely because of fewer and less severe injuries. But continued high medical costs keep Wisconsin Workers Compensation costs and premiums much higher than in other states. Our neighboring Midwest states saw their costs drop an average of 22.5% from 2014-2018, while Wisconsin only saw a 5.5% decrease because of our enormous medical costs.

Aren't Wisconsin's transaction costs for Workers Compensation very low?

Yes, we have fewer lawsuits in Wisconsin and that's a good thing. But that doesn't change the fact that we have the highest medical costs in the country. We can and must do better from a medical cost standpoint if we want employers to be competitive.

Doesn't Wisconsin have great return to work metrics for injured workers?

Yes, and that is largely owing to Wisconsin's work ethic and efforts by employers to bring injured workers back to employment on light duty until the worker is fully healed. Unfortunately, this favorable metric does not reduce medical prices at all.

Do you support or oppose **placing limits** on how much **health care providers can charge for procedures** under the workers compensation program, as 44 other states of have done, in order to control costs for employers?

SUPPORT

95%

OPPOSE

5%

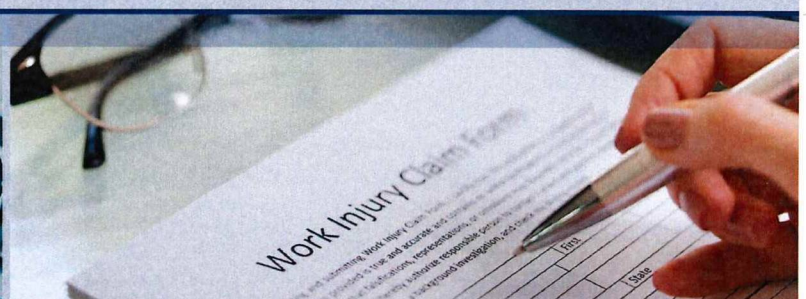
SUPPORT STRONGLY 73%

SUPPORT SOMEWHAT 22%

OPPOSE STRONGLY 1%

OPPOSE SOMEWHAT 4%

WMC Wisconsin Employer Survey, June 2023





QUESTIONS? CONTACT RACHEL VER VELDE
WMC SENIOR DIRECTOR OF WORKFORCE, EDUCATION & EMPLOYMENT POLICY
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Stephanie Bloomingdale
Wisconsin State AFL-CIO
In support of SB 991 & 992 / LRB 5292 & LRB 5293
February 8, 2024

Good morning Chairman Testin and Chairman Penterman and members of the Committee. My name is Stephanie Bloomingdale. I submit this testimony in my capacity as Caucus Co-Chair of the Worker's Compensation Advisory Council and in my capacity as the President of the Wisconsin State AFL-CIO. I would like to take this opportunity to thank Rachel Ver Velde, from the WMC, and all of the members of the Advisory Council from both management and labor for the hard work and dedication it took to formulate and present these agreed-upon bills. We are here to urge you to fully support SB 991 and 992 / LRB 5292 & LRB 5293, two bills that -together- are designed to protect injured workers and safeguard Wisconsin's respected Worker's Compensation Act.

I. WISCONSIN'S WORKER'S COMPENSATION SYSTEM

Over a century ago, Wisconsin was a pioneer when it came to protecting employees who were injured during the course of their employment. Wisconsin became the first state in the nation to enact a comprehensive worker's compensation law. This law, the Workmen's Compensation Act of 1911, created a system whereby injured workers receive prompt treatment, benefits for lost wages, and an incentive to return to work after they have healed from the effects of their injuries. For over a century, this system has provided employers, insurers and injured employees a stable environment with minimal litigation.

To this very day, every citizen can be proud of our State's strong worker's compensation system. It is fair to all affected parties, and is admired throughout the country for its stability and efficiency.

II. WISCONSIN'S WORKER'S COMPENSATION ADVISORY COUNCIL

I respectfully submit to you today that the historic stability of Wisconsin's worker's compensation system is the result of the proven process involved in enacting changes to the Worker's Compensation Act. Many decades ago, the Legislature created the Worker's Compensation Advisory Council (the "Council"), with the purpose of insulating the worker's compensation system from partisan politics, and to ensure proper representation of all parties affected by the worker's compensation system. The composition of the Council fairly represents the interests of all stakeholders in the worker's compensation system. The task of the Council is to advise the Legislature on policy matters concerning the development and administration of

Wisconsin's worker's compensation law. Because legislators confidently trust in the Council process, the Legislature has historically accepted the recommendations of the Council.

One of the most important and enduring principles of the Council is maintaining the overall stability of the worker's compensation system without regard to partisan changes in the legislative or executive branches of government. The diversity of perspectives and interests of the participants in the Council process guarantees that every issue relating to continually improving Wisconsin's worker's compensation system is fairly and fully considered.

The efforts of the Council provide stability for the entire system and a vehicle to make reasoned changes to continually improve our worker's compensation system. The Labor and Management caucuses work toward the common goal of recommending changes that benefit the entire system. The Council process involves expert study, balanced discussion, and thoughtfully negotiated changes to the system. The product of the Council's negotiations is then drafted into an Agreed-Upon Bill that is brought to the Legislature.

III. CONCLUSION

In conclusion, I strongly urge this committee to support the Agreed-Upon Bill (SB 991 & 992 / LRB 5292 & LRB 5293) so that this important piece of legislation can be voted on by the full Legislature without delay. The proposed changes to the Worker's Compensation Act contained within this Bill are the product of thoughtful study and negotiation participated in by all affected parties, and represent improvements that will keep Wisconsin's Worker's Compensation System strong and efficient, as we continue to serve as a national model.



February 5, 2024



Majority Leader Devin LeMahieu
Wisconsin State Senate
State Capitol, Room 211 South

Senator Patrick Testin
Wisconsin State Senate
State Capitol, Room 8 South



Speaker Robin Vos
Wisconsin State Assembly
State Capitol, Room 217 West

Representative William Penterman
Wisconsin State Assembly
State Capitol, Room 207 North



Dear Legislators,



We write to you today as business leaders from throughout Wisconsin concerned with the high cost of medical care in the worker's compensation system. Wisconsin is an outlier when we compare our worker's compensation medical costs to the cost for identical procedures in other states or even those same services under a group health plan in Wisconsin.



These higher costs have put Wisconsin businesses at a significant disadvantage. We cannot afford to pay two to four times as much as our out-of-state competitors for the exact same procedures.



Forty-five other states have addressed this problem by enacting a medical fee schedule. **We strongly urge you to do the same by supporting the medical fee schedule bill unanimously supported by the Worker's Compensation Advisory Council.**



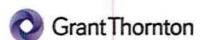
In a recent *Wisconsin Employer Survey*, 95% of employers supported placing limits on how much health care providers can charge for procedures under the worker's compensation program. And this support is for good reason, high medical costs are a major problem. Health care costs consume 78% of the total cost in the worker's compensation system in Wisconsin, which is significantly higher than the national average of 48.2%.



The Worker's Compensation Research Institute (WCRI) studies worker's compensation costs across the country, and continually finds Wisconsin as being one of the most expensive states in the nation. In their most recent study, they found Wisconsin's average medical payment to be 35% higher than the median state and from 10% to 21% higher than other Midwest states.



The WCRI data is backed up by other independent studies. For instance, the National Academy of Social Insurance found that Wisconsin's worker's compensation insurance costs are the highest in the Midwest, with our costs being over twice as much as Indiana, Michigan and Ohio.





As employers, we understand that we have a duty to provide a safe working environment to keep our workers safe and reduce costs, and we've done that. Workplace injuries in Wisconsin have dropped dramatically over the years, from 117,500 in 2004 to 58,900 in 2022, a decrease of approximately 50%. While our Midwestern neighbors have seen their worker's compensation costs decrease by as much as 39.5% over four years due to declining claims, our costs have only declined by a meager 5.5%. This lackluster decrease is because of Wisconsin's steadily increasing medical costs.

While setting rates may seem against our grain as business leaders, the fact is nothing in the worker's compensation system follows free market principles. Worker's compensation is a government mandated social program. Every employer is required to provide coverage, and insurance rates are set by the government. Injured worker benefits, including the value of their limbs, are set by a statute.

The only aspect of worker's compensation not regulated by government is the amount employers and insurers are forced to pay for medical claims.

The need for reform is long overdue. As employers, we cannot afford to allow another session to go by without the legislature addressing this growing problem. We need your leadership. **Please support the Worker's Compensation Advisory Council agreed-bill and help bring Wisconsin medical costs under control.**

Sincerely,

Kurt R. Bauer, President/CEO, Wisconsin Manufacturers & Commerce, Madison
 Natalie Bell, President, Aladdin Engineering & Manufacturing, Inc., Waukesha
 Gregory Clement, President, Argon Industries, Inc., Milwaukee
 Daniel Ariens, Chairman & CEO, Ariens Co, Brillion
 Todd Wanek, President & CEO, Ashley Furniture Industries, LLC, Arcadia
 Kim Bassett, CEO, Bassett Mechanical, Kaukauna
 Jane Blain Gilbertson, Owner & CEO, Blain's Farm & Fleet, Janesville
 Justin Smith, President/CEO, CD Smith Construction, Fond du Lac
 Randall Eppli, President/CEO, Columbus Chemical, Columbus
 Kenneth Wade, Senior Director EHS, Fairbanks Morse Defense, Beloit
 Todd Koss, CEO, Grande Cheese Company, Fond du Lac
 David Eckmann, President & CEO, Greater Wausau Chamber of Commerce, Wausau
 Kelsi Giraud, Workers Compensation Analyst, Kwik Trip Inc., La Crosse
 Bethie Himlie, Work Comp Analyst 2, Kwik Trip Inc., La Crosse
 Christine Lenser, Safety Director, Kwik Trip Inc., Onalaska
 Matt Kirchner, President, LAB Midwest, Mequon
 Chris Drees, President & CEO, Menasha Corporation, Neenah
 Kelly Ingli, President/CFO, OEM Fabricators, Inc., Woodville
 Lisa Cooney, Executive Vice President of Field Operations, QPS Employment Group, Brookfield
 Scott Mayer, Executive Chairman, QPS Employment Group, Brookfield
 Ryan Festerling, President and CEO, QPS Employment Group, Brookfield
 Jeri Meyers, Executive Vice President of Sales, QPS Employment Group, Brookfield
 Jessica Krause, Vice President of Corporate Finance, QPS Employment Group, Brookfield
 Kelly Ramirez, Vice President of Shared Services and Business Segment Finance, QPS Employment Group, Brookfield
 Keith Jochims, Chief Financial Officer, QPS Employment Group, Brookfield
 Kathryn Bernard, General Counsel, QPS Employment Group, Brookfield
 Patrick Rezin, President, USEMCO, Inc., Tomah
 Elizabeth Filter, President/CEO, VARC, Viroqua



Will Walker, CEO, Walker Forge Inc., Milwaukee
Mark Gelhaus, CFO, Walker Forge Inc., Clintonville
Rachel Lockwood, RN, BSN Health and Clinic Manager, Waupaca Foundry, Waupaca
Jonathan Loken, Director of Safety and Health, Waupaca Foundry, Waupaca
Louis Wysocki, Assistant Director of Public and Government Relations, Wysocki Family of
Companies, Bancroft
Shane Paltzer, Vice President - Personal Lines and Corporate Relations, Acuity, Sheboygan
Larry Schoen, EHS Technician, Ahlstrom North America Specialty Solutions, De Pere
Mark Mortensen, President, All-Color Powder Coating, Inc., Oregon
David Goldbach, Chief Operations Officer, Alliance Plastics Corp., Chippewa Falls
Aaron Montoure, Vice President, Almon, Inc., Waukesha
Jose Di Geronimo, CEO, Amalga Composites, Milwaukee
Shelly Wojczynski, Chief Accountant / HR, Amalga Composites, Inc., West Allis
Terry Sadowski, CEO, American Excelsior Company, Rice Lake
Adam Olson, Corporate EHS Director, American Excelsior Company, Rice Lake
Nicholas Huettl, President, Applied Science, Inc., Waukesha
Janelle Emanuele, President, B2E Solutions, Inc., Hartland
Jennifer Johnson, EVP - Human Resources, Badger Mining Corporation, Berlin
Thomas Frost, Controller, Bane-Nelson, Inc., Kenosha
Michelle Liska, HR & Safety Manager, Bay Towel, Inc., Green Bay
Kate Thomas, VP of People & Organization, Bay Towel, Inc., Green Bay
Tracy Propst, Executive Director, Beaver Dam Area Chamber of Commerce, Beaver Dam
John Hogerty, General Counsel, Bergstrom Corporation, Neenah
Claire Karl, Human Resources Administrator, Bison Transport USA, Amherst
Jacob Hietpas, Chief Strategy & Marketing Officer, Black Duck Partners, Neenah
Michael Bruno, President, Bruno Independent Living Aids, Inc., Oconomowoc
Eric Gillitzer, Vice President of Recruiting & Risk Management, Celerity Staffing Solutions,
Sun Prairie
Tyler Emerick, President, Celerity Staffing Solutions, Middleton
Craig Lang, CFO, Colbert Packaging, Kenosha
Heber De Leon, Claims Supervisor, County Materials Corporation/Central Processing
Corporation, Marathon
Tammy Rechner, CEO, Crossmark Graphics, Inc., New Berlin
Carrie Reif, VP HR, Crystal Finishing Systems, Inc., Schofield
Tiffany Varga, Benefits Administrator, DAAR Engineering, Inc., Milwaukee
William Ring,, President/CEO, Dalco Metals, Inc., Walworth
Gary Kinsley, HR Manager, E.C. Styberg Engineering Company, Racine
Tim Hays, Director of Human Resources, Eau Claire Cooperative Oil Co., Eau Claire
Kiley Eck Hayon, President, Eck Industries Inc., Manitowoc
James Schlosser, VP Corporate Development, Evans Transportation, Delafield
Charles Miller, Chief Commercial Officer, Evans Transportation, Delafield
Mark Leupold, Franchise Owner, Express Employment Professionals - Appleton & Oshkosh,
Appleton
Andy Fuller, Franchise Owner, Express Employment Professionals - Brookfield, Brookfield
Erin Fuller, Franchise Owner, Express Employment Professionals - Brookfield, Brookfield
Matt Sullivan, Franchise Owner, Express Employment Professionals - Green Bay, De Pere
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Kelly Barrett, General Manager, Express Employment Professionals - St. Croix Falls, St. Croix Falls
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Luke Sodergren, President, Express Services Red Wing, Inc., River Falls
Wendy McIntee, General Manager, Faulks Bros. Construction, Waupaca
Douglas Fearing, CEO, Fearing's Audio Video Security, Madison
David Gazzo, CEO, Felss Rotaform, New Berlin
Michael Hackbarth, President, Flex-Staff, Inc., Appleton
Phillip Blair, HR Director, Gamber-Johnson LLC, Stevens Point
Kristen Chapman, Partner, Grant Thornton LLP, Milwaukee
Bryan Hollenbach, Executive Vice President, Green Bay Packaging Inc., Green Bay
Peter Masias, Director of Safety & Risk Management, Green Bay Packaging Inc., Green Bay
Lori Malett, President, Hatch Staffing Services, Milwaukee
Scott Miller, Director of Sales, Heiden, Inc., Manitowoc
John Tindall, Vice President of Claims Advocacy, HUB International, Waukesha
Vanessa Hughes, President, Hughes Resources, Freeport
Stacy Roberts, HR & Safety Manager, Integra, Inc., Walworth
Birdeen Putnam, CEO, Integra, Inc., Walworth
Patrick Lyons, Treasurer, Janesville Sand & Gravel Co./LYCON INC., Janesville
Joseph Mulder, Vice President, Johannesen-Farrar Inc., Delavan
Whitney Ziegler, HR Manager, Keller, Inc., Kaukauna
Tracy Halbach, Assistant Treasurer/Controller, Keller, Inc., Kaukauna
Todd Spencer, Vice President of HR, KFI - Kruger Family Industries, Portage
Danielle Dale, HR Manager, KI, Bonduel
Nick LoCicero, HR Manager, Knapp Manufacturing, Caledonia
Todd Breitenfeldt, Vice President, Kretz Lumber Co., Inc., Antigo
Mary Lynch, Owner, LDV, Inc., Burlington
Mark Kaiser, President/CEO, Lindquist Machine Corporation, Green Bay
Scott Verboncouer, President, Machine Technologies, DePere
Robert Peaslee, CEO, Manitowoc Grey Iron Foundry Inc., Manitowoc
Scott Ravanese, Senior Vice President, Marsh McLennan, Schaumburg
Paul Rutledge, VP of Risk and Loss Control, Masters Gallery Foods Inc., Plymouth
Kurt Popp, President, McKay Nursery Company, Waterloo
Ernest Kubick, CEO, MetalTek International, Waukesha
Rena Langel, Vice President HR & Risk Management, Midwest Carriers, Kaukauna
John Zeratsky, President, National Rivet, Waupun
Ryan Roers, CFO, Nordic Group of Companies, Baraboo
David Batterman, Vice President, North Central Utility of WI, LLC, De Forest
Michael Covelli, General Manager, Northern Lakes Cooperative, Hayward
Christopher Olsen, Owner, Northwoods Promotions and Apparel, Rice Lake
Jacci Carlson, Director of Human Resources, Oh Snap! Pickling Co., Appleton
Dan Fox, CFO, Oh Snap! Pickling Co., Appleton
Rob Kleman, President & CEO, Oshkosh Chamber of Commerce, Oshkosh
Shannon Seaman, Education & Talent Coordinator, Oshkosh Chamber of Commerce, Oshkosh
Stan Crance, Manager, Government Affairs, PCA, Lake Forest
Michael Witte, President and CEO, Portage County Business Council, Stevens Point
Rachel Andres, Executive Vice President, Prent, Janesville
Matt Montemurro, President/CEO, Racine Area Manufacturers and Commerce, Racine
Amanda Griffoul, HR Manager, Reader Precision Solutions Inc., Elkhorn
Neshoba Zietlow, President, Referral Staffing Solutions, Sparta
Mike Mitzel, Vice President, Reliatrace, Amery

Jake Nolin, Vice President of Human Resources & EHS, Rice Lake Weighing Systems, Rice Lake
Thomas Carney, President, Royal Basket Trucks, Inc., Darien
Dave Harried, President, RSI, McFarland
Joel Schneider, President, SEEK Careers, Grafton
Sara Luchsinger, Senior Vice President Operations, SEEK Careers, Grafton
Carol Ann Schneider, CEO, SEEK Careers, Grafton
Dana Towner, Owner, Selah Land LLC, Slinger
David Balistreri, President, Select Technical Staffing, Inc., Wauwatosa
Nick Marino, Vice President - Wisconsin Region, SFM - The Work Comp Experts, Brookfield
Francis Holly, President, Shoto Corporation, Two Rivers
Mark Riggs, EH&S Specialist, Spacesaver, Fort Atkinson
Kimberley Krueger, Accounting Manager/HR Manager, Sulzer Machine & Manufacturing, Mosinee
Gary M. Sulzer, President, Sulzer Machine & Manufacturing, Mosinee
Melissa Downs, Human Resource Manager, Superior Lidgerwood Mundy, Superior
Joe Swanson, EVP and President of SynergyOps, SynergyOps/Regal Ware, Inc., West Bend
Kim Harris, Vice President of HR, The Jor-Mac Company, Lomira
Libby Weber, CEO, The Weber Group, La Crosse
Larry McManis, CEO, ThinkWay Strategies LLC, Stoughton
William Torrance, CEO, Torrance Casting, Inc., La Crosse
Julie Ann Bittner, CEO, TRICOM INC of Wisconsin, Menomonee Falls
Andy Vande Hey, President, Vande Hey Company, Appleton
Mary Olsen, Owner, Ventures Apparel, Rice Lake
Frederick Anderson, President/CEO, Wenthe-Davidson Engineering Co., New Berlin
Craig Wiedemeier, President, Werner Electric Supply, Appleton
Hillary Anderson, Vice President of HR, Werner Electric Supply, Appleton

cc: Wisconsin State Legislature

WORKER'S COMPENSATION **EMPLOYERS COALITION**



TO: Wisconsin Lawmakers

FROM: Wisconsin Manufacturers & Commerce
Advancing Free Market Healthcare
Associated Builders and Contractors of Wisconsin
Associated General Contractors of Greater Milwaukee
Dairy Business Association
Independent Insurance Agents of Wisconsin
League of Wisconsin Municipalities
Mechanical Contractors Association of Wisconsin
Midwest Food Products Association
Plumbing and Mechanical Contractors Association of Milwaukee
Plumbing-Heating-Cooling Contractors of Wisconsin
Professional Insurance Agents of Wisconsin
Sheet Metal and Air Conditioning Contractors Association of Milwaukee
The Alliance
Wisconsin Association of Mutual Insurance Companies
Wisconsin Association of Staffing Services
Wisconsin Cast Metals Association
Wisconsin Farm Bureau
Wisconsin Geothermal Association
Wisconsin Housing Alliance
Wisconsin Independent Business
Wisconsin Industrial Energy Group
Wisconsin Insurance Alliance
Wisconsin Liquid Waste Carriers Association
Wisconsin Onsite Water Recycling Association
Wisconsin Paper Council
Wisconsin Precast Concrete Association
Wisconsin Property Taxpayers
Wisconsin Restaurant Association
Wisconsin Roofing Contractors Association
Wisconsin State Council SHRM
Wisconsin Transportation Builders Association
Wisconsin Water Well Association

RE: Support Reining in Out-of-Control Worker's Compensation Medical Costs

DATE: February 6, 2024

Worker's Compensation medical costs in Wisconsin are out of control. According to the Worker's Compensation Research Institute (WCRI), Wisconsin has among the highest medical costs for worker's compensation in the nation. In the most recent year they studied, WCRI found Wisconsin costs to be 35% higher than the national median. Wisconsin also has by far the highest cost for professional health services of any industrialized state in the country, more than double the costs in Michigan, Minnesota, and Illinois.

Because workers compensation insurers in Wisconsin are forced to pay whatever the health care providers charge, 78% of total dollars spend in the system go to health care providers, leaving only 22% of available resources to pay for wage replacement benefits. By contrast, the national average is 48% health care and 52% wage replacement benefits. As a result, the average cost per workers compensation claim in Wisconsin is \$10,000 higher for health care cost than the average state and \$7,000 lower for wage replacement benefits.

Costs in Wisconsin are high primarily because we don't have a meaningful cost control mechanism. Forty-five states control costs with a medical fee schedule. Fee schedules are a proven way to bring health care costs under the Worker's compensation system into line with what regular health insurers pay for the same services. In Wisconsin, employers are left in the position of being mandated by government to carry worker's compensation insurance and pay for the medical treatments of injured workers without a way to meaningfully control costs.

The Worker's Compensation Advisory Council (WCAC), a ten-person Department of Workforce Development council that includes employer groups and labor unions, recently unanimously approved a package of reforms that includes a medical fee schedule. If enacted by lawmakers, the fee schedule will bring medical costs down and give Wisconsin one more area where we have a competitive edge.

The Worker's Compensation Employers Coalition is in support of the adopting the WCAC fee schedule because it is a tested reform that almost every other state effectively uses to keep medical costs in check. **Please support Wisconsin employers and bring worker's compensation medical costs under control.**

If you have questions please contact Rachel VerVelde, WMC Senior Director of Workforce, Education and Employment Policy at (608) 661-6947.

As a local business leader representing a 100% employee-owned staffing firm located in Brookfield, WI, QPS Employment Group continues to be concerned about the pressing issue of rising medical costs in the worker's compensation system in our state. Despite favorable outcomes in worker's compensation claims, Wisconsin's medical costs are disproportionately high compared to identical procedures in other states and even under group health plans within our own state.

Recent data from 2017-2020 reveals that Wisconsin ranked 7th lowest among 18 reviewed states in the total percentage of claims with more than seven days of lost time. Additionally, from 2018-2020, Wisconsin exhibited lower average payments per claim with prescription drugs compared to other states, with prescription drugs accounting for only 0.7 percent of medical payments, below the median study state.

Furthermore, for claims at an average maturity of 36 months during 2017-2020, Wisconsin had significantly lower average indemnity payments per claim with more than seven days of lost time, amounting to \$11,924, which was 39 percent lower than the median state. Additionally, Wisconsin had the lowest percentage of claims with payments to defense attorneys at 16 percent during the same period.

Despite these favorable outcomes, the high medical costs in Wisconsin's worker's compensation system are putting our businesses at a significant disadvantage. Healthcare costs currently consume a staggering 78% of the total cost in our worker's compensation system, significantly higher than the national average of 48.2%.

Multiple independent studies, including those conducted by the Worker's Compensation Research Institute (WCRI) and the National Academy of Social Insurance, have consistently highlighted Wisconsin as one of the most expensive states in terms of worker's compensation costs. For instance, WCRI found that Wisconsin's average medical payment was 35% higher than the median state and significantly higher than other Midwest states.

Wisconsin has seen a substantial decrease in workplace injuries over the years. However, our worker's compensation costs have only declined by a meager 5.5% compared to significant decreases seen in our Midwestern neighbors.

Given that worker's compensation is a government-mandated social program where every employer is required to provide coverage, it is imperative that we address the steadily increasing medical costs. The adoption of a medical fee schedule, as unanimously supported by the Worker's Compensation Advisory Council, presents a viable solution. Forty-five other states have already adopted fee schedules to mitigate rising medical costs, and it's time for Wisconsin to follow suit.

A recent Wisconsin Employer Survey revealed that 95% of employers support placing limits on how much healthcare providers can charge for procedures under the worker's compensation program. This widespread support underscores the urgency of implementing reforms to control escalating medical costs.

In conclusion, we urge you to support the medical fee schedule bill endorsed by the Worker's Compensation Advisory Council. It is essential to bring Wisconsin's medical costs under control to ensure the sustainability and competitiveness of our businesses. Your leadership in addressing this critical issue is paramount, and we implore you to act swiftly in support of meaningful reform.

Sincerely,

Scott Mayer
Executive Chairman – QPS Employment Group



2/1/2024

Dear Legislators,

Kruger Family Industries is challenged with the ever-increasing medical costs that has a direct impact on our Workers Compensation since we are one of the highest medical cost states in the US.

We need your help to control this by supporting a medical fee schedule for workers comp just like the other 45 states that have this in place now.

Sincerely,

A handwritten signature in black ink, appearing to read 'Todd Spenteer', written over a light blue horizontal line.

Todd Spenteer
VP of Human Resources



2344 W. Wisconsin Street, Portage, WI 53901

N7660 Industrial Road, Portage, WI 53901





Wisconsin Medical Society

TO: Assembly Committee on Labor and Integrated Employment
Representative William Penterman, Chair

Senate Committee on Labor, Regulatory Reform, Veterans and Military Affairs
Senator Patrick Testin, Chair

FROM: Mark Grapentine, JD – Chief Policy and Advocacy Officer

DATE: February 8, 2024

RE: Worker's Compensation Advisory Committee "Agreed-to" bills

Thank you for the opportunity to provide testimony on this session's introduction of two worker's compensation bills from the Worker's Compensation Advisory Council (WCAC). The Wisconsin Medical Society (WisMed) is the largest physician organization in the state, representing more than 10,000 members regardless of medical specialty. We oppose the inclusion of an artificial medical services fee schedule in companion drafts LRB 5292/1 and Senate Bill 992.

We do not oppose the other companion bills, LRB 5293/1 and Senate Bill 991.

The WCAC Process was Created to Avoid Acrimonious Issues Reaching the Legislature

Before we look forward, it's a good time to look back. Wisconsin was the first state to create a worker's compensation law in 1911. The Wisconsin Legislature created an advisory committee for what was then called "workmen's compensation" in 1963, and charged the committee with recommending changes to the state's worker's compensation statutes each session. The committee's name was changed in 1967 to make it a council, keeping the same roster: five voting members each from Labor and Management, and then three non-voting members from the insurance industry. In establishing what today we call the WCAC, the legislature wasn't off-loading the ultimate responsibility of making changes to state law – the legislature rightfully retained that role. Instead, it off-loaded the likelihood of policymakers being asked to "choose sides" year after year when altering worker's compensation policy, and probably after hearing hours of acrimonious testimony. Perhaps most importantly, the WCAC could help prevent wild swings in worker's compensation-related policy – a disruptive possibility dependent upon which political party controlled the legislative and executive branches each session.

In creating what became the WCAC, the legislature essentially said "you fight it out; you figure it out" to Labor and Management. In the early 1990s the WCAC added health care liaisons to the equation – making available representatives from various health care professions to help describe any potential ramifications that could result from the Labor/Management negotiations. The Wisconsin Medical Society is one of four entities named to that group for feedback and suggestions. For decades, this process resulted in "agreed-to" bills, with all sides coming to the legislature with a finished product.

After a Century of Reasonable Updates, the 2013-14 Biennium Changed Things

That changed during the 2013-14 biennium, which was the first time the proposal included an artificial fee schedule on health care services. Health care groups stepped up, appearing before a joint hearing of legislative committees much like today's. That bill never moved forward. Since then, fee schedule proposals

have been included twice more: in 2018, resulting in no bill that session, and today. The legislature has asked and answered the question of whether there should be a fee schedule in Wisconsin, and emphatically: “No.”

Fortunately for the sake of sound public policy, the reasons the legislature rejected those past attempts remain the same in 2024: Wisconsin’s worker’s compensation system allows health care to provide top-quality care soon after a worker is injured. Workers are very satisfied with the health care they receive. This prompt service helps get the worker back on the job much faster than in other states. They are less frustrated over their situation, and therefore less likely to enter into litigation. And what does this cost Wisconsin’s businesses? According to one major study, Wisconsin’s average total cost for a worker’s compensation claim resulting in payments is **18 percent less** than the average of 17 states selected to be representative of the nation. Perhaps not surprisingly, businesses have seen worker’s compensation insurance premium reductions every year for the last eight years (see October 2, 2023 press release attached to this memo).

And all of these positive results exist despite the fact that Wisconsin’s injury rate continues to be worse than the national average.

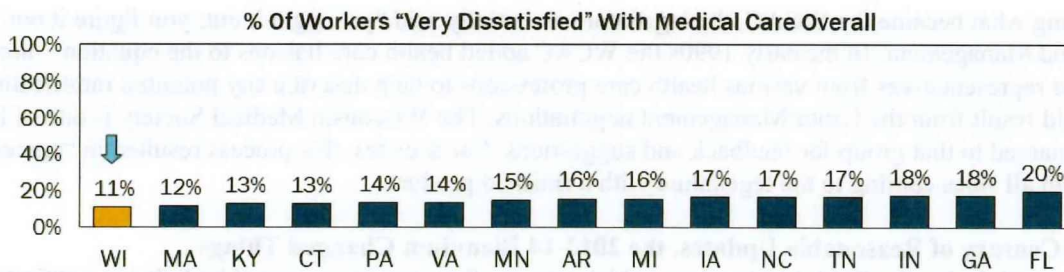
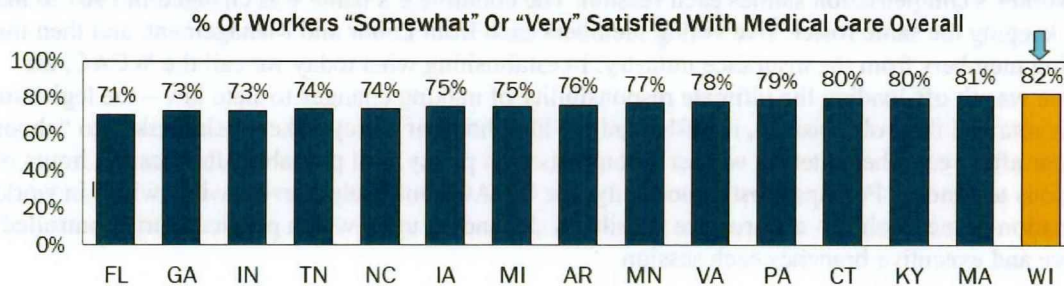
To Summarize: Quick access to high quality care. Good outcomes. Fast return to work. Low litigation. Lower than average cost per claim. We ask you to again send an emphatic “No”.

Data Points

At Labor’s request, the Workers Compensation Research Institute (WCRI) addressed the WCAC in June 2021 to discuss medical utilization and worker outcomes in Wisconsin. That presentation shows the data behind the statistics cited above:

Wisconsin Injured Worker Satisfaction with their Health Care Overall

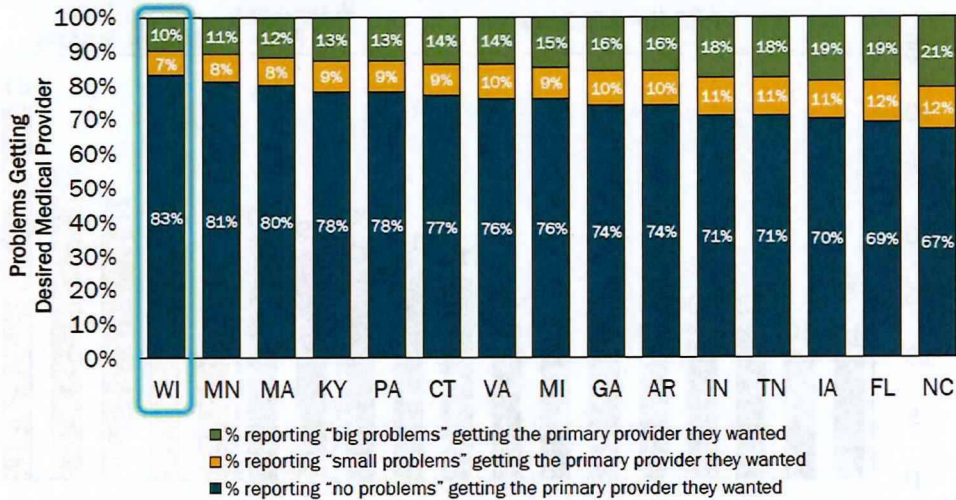
Wisconsin Workers Reported Higher Satisfaction With Medical Care Overall



Workers With > 7 Days Of Lost Time, Survey Conducted About 3 Years After An Injury, Case-Mix Adjusted
 Source: Comparing Outcomes For Injured Workers In Wisconsin, 2016 Interviews (2017)

Ease of Access to Health Care = Injured Worker Satisfaction

Fewer Workers Reported "Big Problems" Getting Desired Medical Provider In Wisconsin



Workers With > 7 Days Of Lost Time, Survey Conducted About 3 Years After Injury, Case-Mix Adjusted
Source: *Comparing Outcomes For Injured Workers In Wisconsin, 2016 Interviews (2017)*

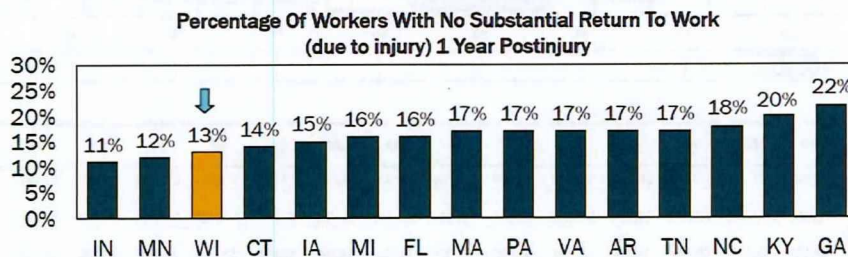
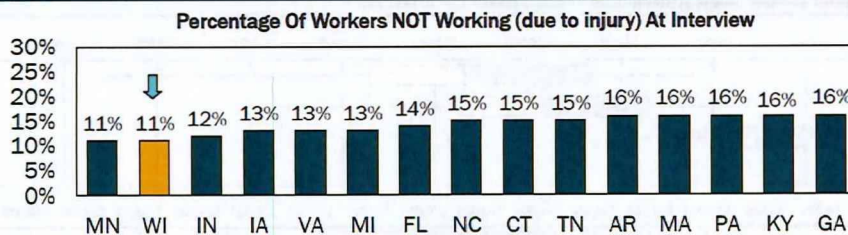
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Fewer Wisconsin Workers Miss Work Post-Injury

Self-Reported Return To Work: Results For Wisconsin Were Somewhat Lower Than Other States



Workers With > 7 Days Of Lost Time, Survey Conducted About 3 Years After Injury, Case-Mix Adjusted
Source: *Comparing Outcomes For Injured Workers In Wisconsin, 2016 Interviews (2017)*

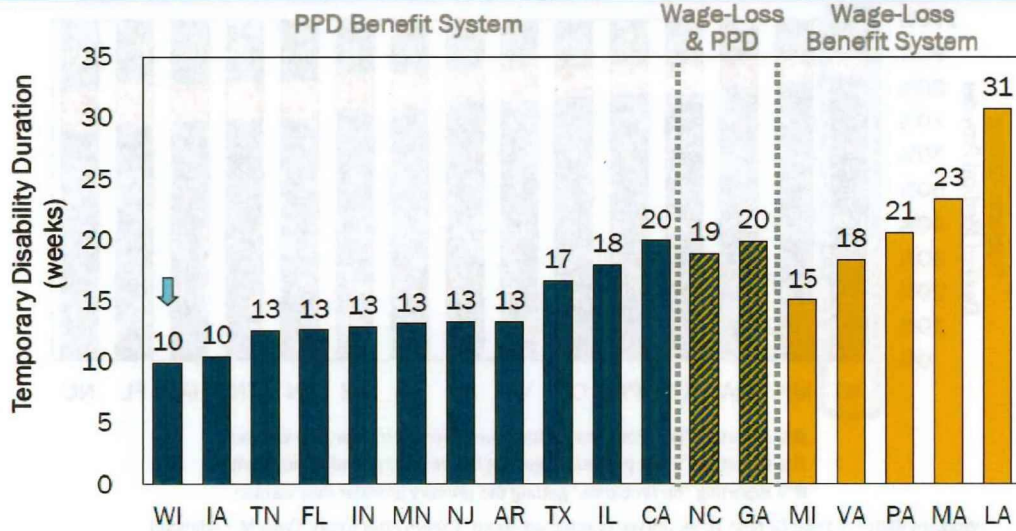
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Wisconsin: Best in Workers Avoiding Long Stretches of Temporary Disability

Wisconsin Duration Of Temporary Disability Per Claim Was The Shortest Of All Study States



2017/20 Claims With > 7 Days Of Lost Time, Adjusted For Injury/Industry Mix And Wages
 Sources: CompScope™ Benchmarks For Wisconsin, 21st Edition (2021)
 PPD: Permanent partial disability

© WCRI 2021

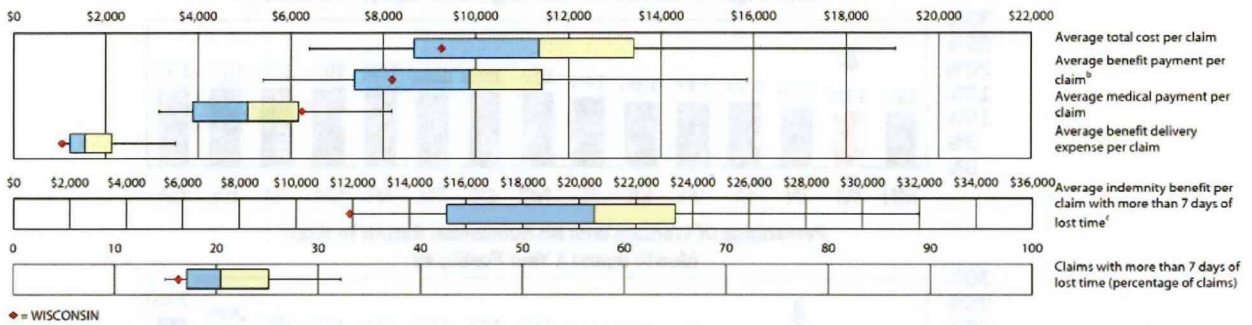
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Wisconsin's System Promotes BELOW Average Costs (per WCRI)

COMPSCOPE™ BENCHMARKS FOR WISCONSIN, 23RD EDITION

Figure 2 Average Costs for All Paid Claims at 36 Months' Average Maturity, 2019/2022



Performance Measure, 2019/2022 Claims	AR	CA	FL	IA	IL	IN	LA	MA	MI	MN	NC	NJ	PA	TN	TX	VA	WI	17-State Median ⁴
Average total cost per claim	\$7,118	\$15,126	\$13,467	\$10,484	\$17,691	\$8,299	\$19,070	\$13,097	\$6,408	\$9,415	\$13,351	\$15,938	\$13,345	\$7,547	\$8,932	\$11,356	\$9,262	\$11,356
Average benefit payment per claim ⁵	\$6,011	\$11,533	\$11,330	\$9,014	\$15,195	\$7,171	\$15,861	\$11,408	\$5,403	\$7,637	\$11,422	\$12,661	\$11,366	\$6,315	\$7,379	\$9,868	\$8,194	\$9,868
Average medical payment per claim	\$3,439	\$4,479	\$6,165	\$5,288	\$7,605	\$5,069	\$8,185	\$3,865	\$3,149	\$4,020	\$3,894	\$7,781	\$5,329	\$3,512	\$4,222	\$5,505	\$6,247	\$5,069
Average benefit delivery expense per claim	\$1,105	\$3,519	\$2,128	\$1,468	\$2,479	\$1,125	\$3,167	\$1,672	\$1,000	\$1,446	\$1,915	\$3,276	\$1,969	\$1,231	\$1,552	\$1,459	\$1,061	\$1,552

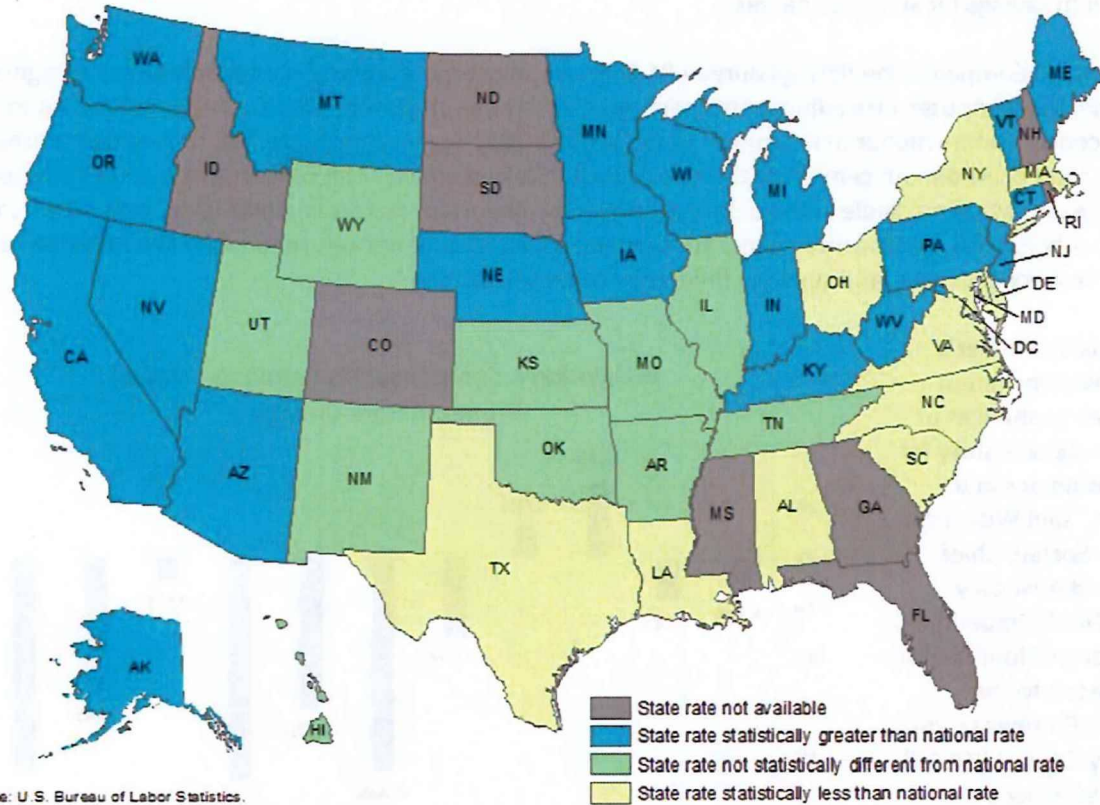
The Best Way to Avoid Worker's Comp Health Care Costs: Prevent Injuries



Employer-reported workplace injuries and illnesses in Wisconsin — 2020

Private industry employers reported 59,900 nonfatal workplace injuries and illnesses in Wisconsin in 2020, resulting in an incidence rate of 3.1 cases per 100 full-time equivalent workers, the Bureau of Labor Statistics reported today. (See [table A.](#)) Regional Commissioner Jason Palmer noted that Wisconsin was among 20 states that had an incidence rate of total recordable cases (TRC) significantly greater than the national rate of 2.7. (See [Technical Note](#) at the end of this release for more information about the Survey of Occupational Injuries and Illnesses.)

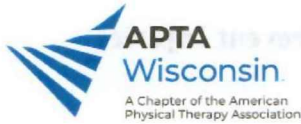
Chart 1. State nonfatal occupational injury and illness measures of incidence rate significance, private industry, 2020



Source: U.S. Bureau of Labor Statistics.

Source: BLS press release, 01.26.22

Thank you again for this opportunity to testify. Please feel free to reach out with any questions or for more information.



FOR IMMEDIATE RELEASE: October 2, 2023

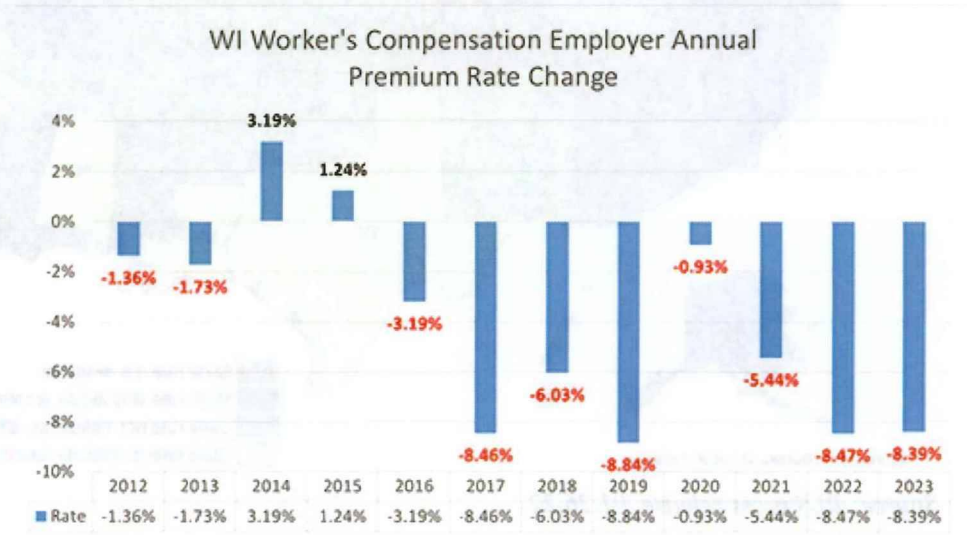
State Businesses See Another Worker’s Comp Premium Drop

Significant reduction is 8th straight annual savings; 10th in the last dozen years

Madison, WI – Wisconsin businesses are enjoying an eighth straight year of savings in their worker’s compensation insurance premiums as of yesterday, October 1. The latest substantial rate reduction is an 8.4% drop, which the Wisconsin Department of Workforce Development (DWD) estimates is worth nearly \$150 million in premium savings for state businesses.

The Worker’s Compensation Ratings Bureau (WCRB), an unincorporated association of insurers recognized in Wisconsin law, proposes rate adjustments each year, and those proposed rates are reviewed and approved by the Wisconsin Commissioner of Insurance. In the WCRB’s 2022 State of the State, WCRB President Bernard Rosauer touted the announcement of the rate reduction taking effect: “The consecutive worker’s compensation rate decreases are remarkable and are partially driven by important factors in which Wisconsin excels compared to many other states. Wisconsin’s results are partially driven by superior return to work, low litigation rates, low benefit delivery expenses, and superior (injured) worker satisfaction.”

“Wisconsin’s worker’s compensation system continues to shine as a national success story for both businesses and workers,” said Wisconsin Medical Society Chief Policy and Advocacy Officer Mark Grapentine, who is one of four health care liaisons to the Worker’s Compensation Advisory Council (WCAC). “Despite having a workplace injury rate worse than the national



average, Wisconsin workers who get hurt doing their jobs return to the workplace quickly and satisfied with their care. That’s a win-win for everyone in the system.”

Despite the latest in a long string of cost reductions—the 10th drop in the last 12 years—business interest representatives to the WCAC are once again proposing a simplistic health care fee schedule as a “cost savings.” Artificially reducing appropriate health care fees for services will make it much harder for the state’s healers to take care of worker’s compensation patients.

“There are reasons why Wisconsin’s work comp system is a national model,” said Wisconsin Hospital Association President and CEO Eric Borgerding. “Instead of copying systems like Medicaid that actually cause hospitals and providers to lose money on every patient visit, Wisconsin’s system has remained much more fair for all involved: injured workers can get care quickly, health care providers are paid fairly, and businesses enjoy reductions in their premiums.”

“We hear from our patients who were injured on the job that they are grateful for the excellent health care available to them through the worker’s compensation program,” noted John Murray, CEO of the Wisconsin Chiropractic Association. “Policymakers should be very wary of another government rate-setting process designed to shift money to business despite their reduced premium costs.

“Tinkering with health care payments will cause some providers to reduce their participation in the program,” Murray said. “That’s what the data from other states show so clearly.”

“Rolling the dice with a system that works doesn’t make sense,” added Annie Early, government affairs consultant for the Wisconsin Chapter of the American Physical Therapy Association. “Especially when it puts at risk injured workers’ treatment and care, worker satisfaction, and Wisconsin’s excellent return to work rates.”

The Wisconsin Legislature is expected to consider changes to the Worker’s Compensation program before they adjourn the current legislative session in spring of 2024.

For more information, contact:

John Murray
Wisconsin Chiropractic Association

Eric Borgerding
Wisconsin Hospital Association

Mark Grapentine
Wisconsin Medical Society

Annie Early
American Physical Therapy Association Wisconsin



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February 8, 2024

To: Senate Committee on Labor, Regulatory Reform, Veterans and Military Affairs
Assembly Committee on Labor and Integrated Employment

From: Laura Leitch
Policy Counsel

Subject: Opposition to the medical fee schedule in SB 992 and AB (LRB 5555/1, LRB 5292/1)

The Wisconsin Hospital Association opposes the medical fee schedule in SB 992/AB ____ that would be imposed on a provider solely because the provider treated an injured worker in Wisconsin and not based on the customary give and take of negotiation long and successfully held by payers and providers.

Government rate setting creates a vehicle to further drive down future reimbursement to health care providers and hospitals. Even the most casual observer of the healthcare industry in Wisconsin right now can tell we are in a fragile situation, with labor costs increasing and access to care becoming more difficult by the day. It will come as no surprise to this committee that Wisconsin hospitals are strongly opposed to the government artificially reducing reimbursement rates to health care providers.

Proponents of the proposed medical fee schedule point to WCRI's comparisons of prices paid by Worker's Comp insurers in other states. Beyond the misleading data, most people understand that health care prices are difficult to compare from state-to-state because state and local policies and circumstances can affect the prices significantly. In Wisconsin, hospitals shoulder many costs paid for by state and local governments elsewhere and that can be reflected in the prices. For example:

- Wisconsin hospitals are taxed to support the Medicaid program, generating about \$1 billion each year for the program. Although the Medicaid program uses some of the revenue to pay for care provided by hospitals, the state uses more than \$400 million as general support for the Medicaid program (freeing up approximately \$150 million in GPR). Regardless, the Wisconsin Medicaid program pays hospitals less than the cost of delivering care.
- It costs Wisconsin hospitals, according to Baker Tilly, nearly \$500 million a year to care for patients who are ready to be discharged but a nursing home or other placement is not available. Baker Tilly's analysis did not include the revenue lost due to 7-10 percent of a hospital's capacity being used for patients with no place else to go. Including those losses would more than double the loss estimates. Many of the county nursing homes and other facilities that used to care for some of these patients have reduced services or closed. Unlike Wisconsin, other states continue to rely on state and county facilities for many of these safety net services.

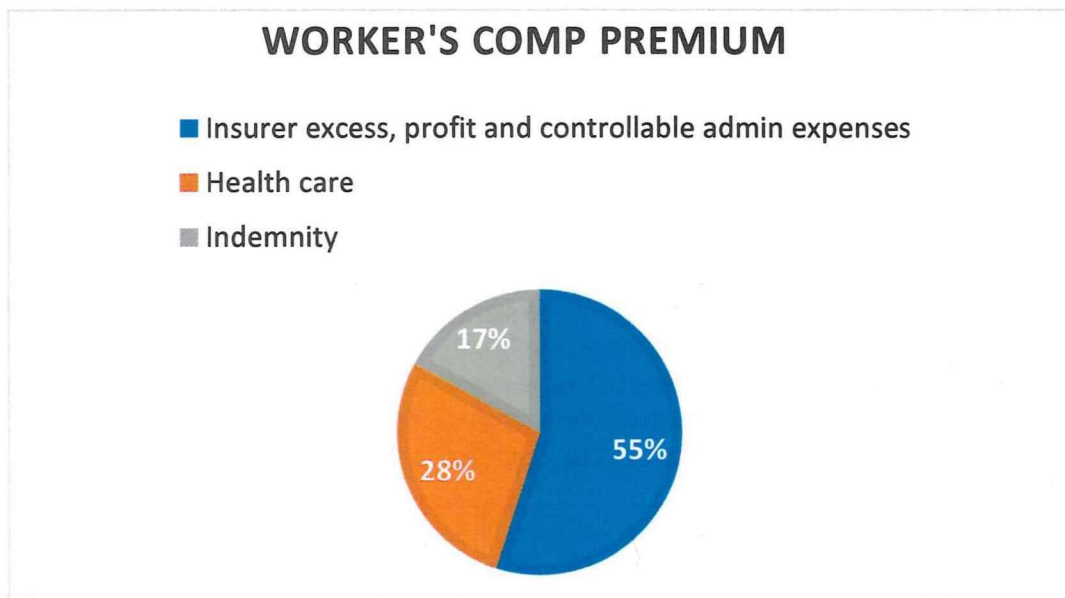
- In addition to the Medicaid and Medicare programs paying less than the cost of care, Wisconsin hospitals provided over \$400 million in uncompensated care, like charity care, at cost in 2022.

In 2022, 60 hospitals lost money, compared to 21 hospitals in 2021. Public policies, like the proposed medical fee schedule, too often treat health care like a game of Jenga. Pulling each block of compensation away from providers will result in further weakening of Wisconsin's ability to continue providing among the highest quality healthcare in the country.

The proponents of the medical fee schedule included misrepresentative data in their promotional pamphlets, while excluding vital information. For example:

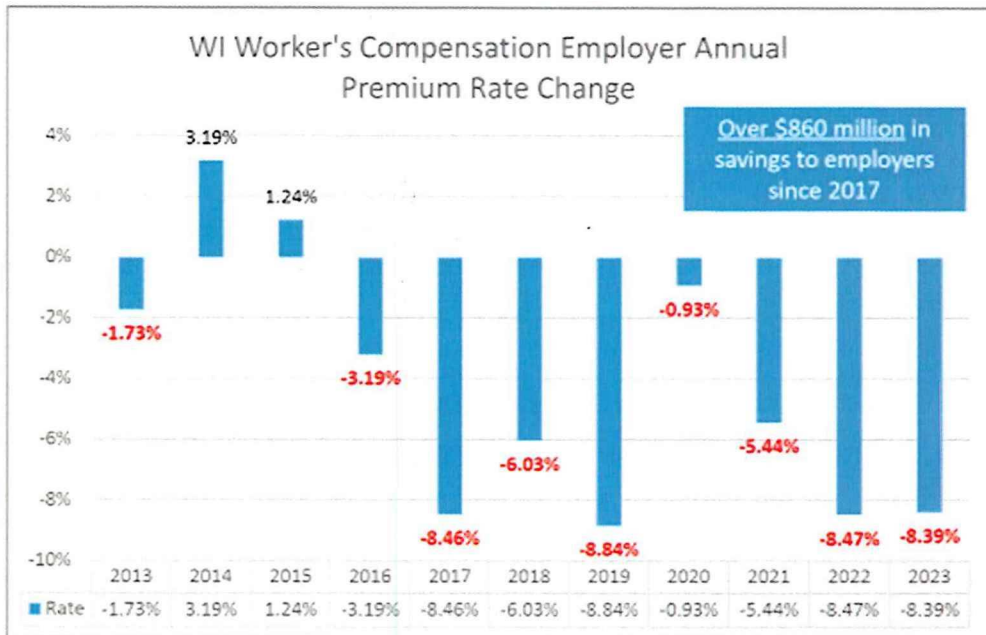
- According to WCRI, overall benefit costs in WI are below average. If the legislature wants to increase indemnity payments, there's room without resorting to a one-sided medical fee schedule.
- The proponents complain that, according to WCRI, medical care represents 62 percent of claim costs while indemnity benefits represent 38 percent. That data ignores the share of premiums that are insurer profits. A loss ratio indicates the percentage of the premium used to pay claims. For Worker's Comp in Wisconsin, its loss ratio of 45 percent means 55 percent of collected premiums is insurer excess, profit and controllable administrative expenses.

Including health care, indemnity, and insurer profits and expenses in the premium split, it would look something like this:



- Premiums for Wisconsin Worker's Comp insurance have declined for 8 consecutive years. If the premiums remain too high after the repeated reductions, it makes sense to look at the profitability of the insurance line. Wisconsin Worker's Comp's loss ratio of 45 percent

compares to group health’s loss ratio of 87 percent for claims and 13 percent insurer profits and expenses. According to Milliman, the expected loss ratio for Worker’s Comp nationally is 55 percent for claims and 45 percent insurer profits and expenses; Wisconsin is just the reverse. If Wisconsin’s loss ratio were at the national average for Worker’s Comp, there would be an additional savings of nearly \$200 million for employers each year. If the loss ratio were at the group health level, like the proposed medical fee schedule, the annual savings would exceed \$800 million.



- Further squeezing medical providers with an ill-constructed fee schedule only further hampers the ability to provide quality care that gets injured workers back to work about 3 weeks faster than most other states. Wisconsin has better quality, complex treatments that get workers back to work quicker with fewer workers losing more than 7 days from work, which means fewer high-cost indemnity claims.
- Ironically the Alliance, a group asking you to implement a rate-cutting fee schedule on health care providers, stated back in 2013 that they are able to negotiate “prices for employers on worker’s compensation claims that are equal to the prices we’ve negotiated on behalf of employers for health benefits.” Establishing rates through negotiations, as the Alliance already states it is able to do, is appropriate.

The legislature should reject this proposal. It is no way “an agreed to bill” by the stakeholders it impacts. At a minimum, the legislature should direct the Worker’s Compensation Advisory Council to bring back a bill that truly has consensus, not one that further guts the same providers who are treating injured workers.



Ascension

**Wisconsin Senate Labor and Regulatory Reform Committee
Assembly Committee on Labor and Integrated Employment
Public Hearing on LRB 5293 and LRB 5292**

**Testimony of Maria Montella Pascente, MBA, Director of Operations & Business
Development, Ascension Wisconsin Employer Solutions**

Good Morning Committee Members. Thank you for the opportunity to provide testimony on the proposed changes to the Wisconsin Workers Compensation System. My name is Maria Montella Pascente and I am the Director of Operations for Ascension Wisconsin Employer Solutions. Ascension Wisconsin is a faith-based health care organization committed to delivering compassionate, personalized care to all, with special attention to persons living in poverty and those most vulnerable. Serving Wisconsin since 1848, Ascension Wisconsin operates 17 hospital campuses, more than 100 related healthcare facilities and employs more than 1,100 primary and specialty care clinicians from Racine to Appleton. In addition to providing over 1.8 million patient visits annually, Ascension Wisconsin works directly with 1,600 employers annually to provide occupational health services. During our last fiscal year, Ascension Wisconsin provided over \$250 million in community benefit services to our communities.

I'm here today to share concerns regarding the proposed fee schedule in LRB 5292 and to provide insight into the complex system navigated by providers as part of the Workers Compensation Program.

As a full service Occupational Health program, Ascension Wisconsin works with companies to ensure their employees are taken care of throughout the course of their employment. Our focus is threefold: assisting in the hiring of candidates who can perform the physical demands of the position; supporting injury prevention on the job; and enabling a safe return to work for anyone injured.

Ascension Wisconsin's Occupational Health services offers a wide range of programming dedicated to helping employers achieve a healthy, productive workplace. From providing pre-employment physicals and screenings and assessing candidates for meeting the physical demands of a job to substance abuse testing, we partner to support the health and wellbeing of the workforce from day one of employment. If an employee becomes injured on the job, we help employers reduce work-related medical costs and lost work time with a robust work-injury management program, including post injury drug and alcohol testing. Our board-certified clinicians and healthcare team have the expertise to deliver occupational health services to all types of employers, including municipalities, industrial and manufacturing, educational facilities and the service industry.

When injuries occur, our goal is for the employee to return to full-duty with the same employer and the same job as quickly as recovery permits. Our team partners with employers and injured workers, ensuring care plans are designed to support the patients' recovery and get them back to work with their employer. The care model requires collaboration between employers, insurance carriers and the patients, ensuring all are aligned with the same goal of returning that worker to his or her original job with the employer.

During the last calendar year, we cared for about 800 injured workers. We estimate that 80% of work injuries we see are able to return to work the next work day, with restrictions. We work closely with employers on any light duty opportunities to keep the employee engaged in work throughout the healing and rehabilitation process. I'm proud of the care our team provides to Wisconsin's injured workers, ensuring that they have a faster return to work rate than workers in other states.

The clinical care model for injured worker care is unique in itself. In fact, the process of administering Wisconsin's Worker's Compensation program is so complex and administratively burdensome that we have a dedicated team to serve this population through Ascension's Employer Solutions. In spite of the complexities and added costs in administering Wisconsin's complex Worker's Compensation Program, Ascension remains committed to serving Wisconsin's workforce and has developed a dedicated clinical care system that works for employers and workers alike. The proposed fee schedule would underfund and undermine the successful clinical care system without simplifying and reducing the costs and burdens of the existing system.

We must communicate and coordinate information between the patient, employer and insurer. Administrative requirements vary by insurance carrier and employer which requires our team to manage multiple unique processes. Here are just a few examples of the extreme administrative work associated with a patient covered by workers compensation.

First, all issues related to a work injury need to be medically confirmed and treatment plans documented by an adjuster at the insurance carrier. This requires the successful transfer and receipt of medical records, notes and other information pertaining to the patient's case. Billing for worker's compensation also includes additional requirements for corresponding medical records, verification and notes. When information is lost through the transfer, most often on the receiving end, claims are denied and we must take appropriate steps to resolve each case, requiring a duplication of efforts. The multiple, varied tools and systems used by the workers compensation carriers increase the likelihood for errors in this verification and paperwork heavy process.

Ascension's billing team devotes a significant amount of time to the follow up on denied claims, which represents a burdensome administrative cost. Many insurance carriers that only accept paper claims are unable to properly track submitted claims, submitted medical records, and documentation in their system, even though they were attached to all submissions. This problem is likely caused when the submitted paper claims are manually scanned into their systems and lost in that process.

When calling insurance carriers to inquire on unpaid invoices, our staff are often on hold for over an hour waiting for a customer service representative. Most carriers will only assist with three claims per call and

then require our team to call and wait again. Some insurers do offer web based customer service, but not every issue can be addressed this way, such as requesting appeals. Direct contact with insurance carriers is often inevitable.

These processes often double and triple the time we must spend to successfully receive the appropriate payment, by comparison to standard insurance claims. For example; if we spend approximately 3-5 minutes registering a typical primary care patient, we receive all the necessary information for registration and insurance. For a workers compensation patient, we spend 3-5 min registering them; however, they usually can only tell us the name of their employer - and we then follow up to get the name of the insurance carrier, claim number and other relevant information. This means complete registration takes approximately 20-30 minutes rather than 3-5. In addition, injury data and invoicing process information must be submitted. We estimate at minimum two hours for each three visits per patient. For patients with more visits - and more serious injuries - it could take up to eight hours.

Implementing a government mandated fee schedule would neither simplify nor improve the current Workers Compensation program, and in fact, would have a negative impact on patients. LRB 5292 equates workers compensation with commercial health insurance, without taking into account the inherent differences between the two. With regard to workers compensation, keeping employers and insurance companies updated, coordinating care, responding to denials and navigating each insurance carrier's and employers required processes all require significant time and resources.

The outcomes in Wisconsin's workers compensation program speak for themselves - Wisconsin outperforms other states in return to work rates and reduced litigation. This proposal, however, fails to take into account the complexities and added costs of our workers compensation program and its proposed fee schedule would add to an already challenged and overburdened system and would not improve patient care. I urge you to reject this fee schedule proposal and ensure Wisconsin workers continue to receive top quality care through the Worker's Compensation program.

Thank you again for the opportunity to provide testimony today.

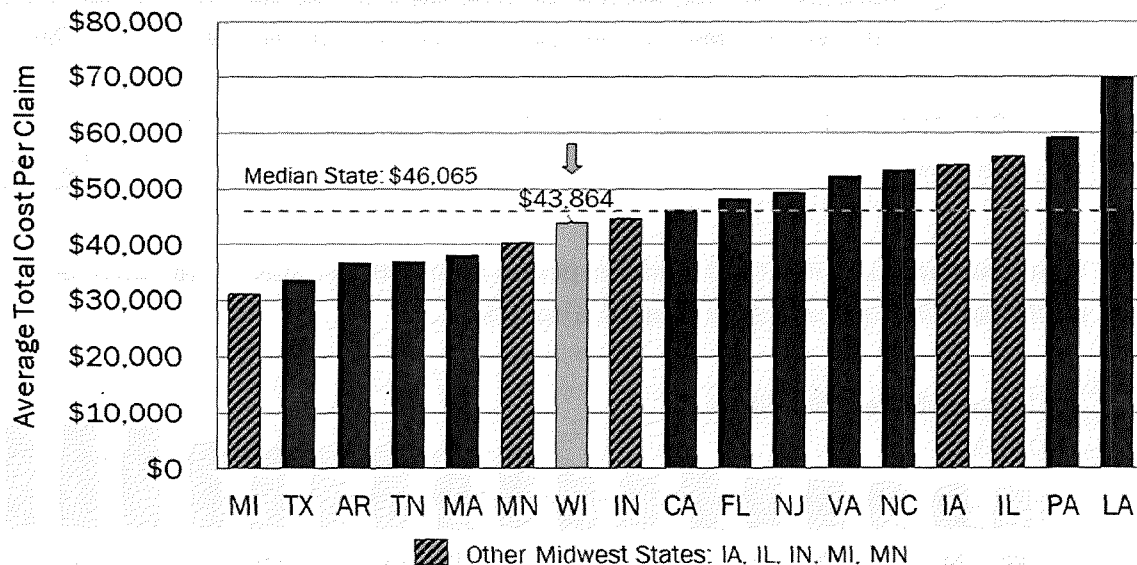
Wisconsin Chiropractic Association

Presentation to Senate Labor Committee February 8, 2024
Recommendations for Wisconsin Worker's Compensation improvements

WCA believes the current system of reimbursement in Workers Compensation is effective and fair, and results in providers working diligently to achieve good clinical outcomes, a prompt return to work and lower overall costs.

1. Wisconsin WC total costs per claim ¹ with > 7 days of lost time [\$43,864] was 5% below the median cost of the 17 studied states [\$46,065] in 2019-2022. This reflects a lower proportion of claims with more than seven days of lost time.

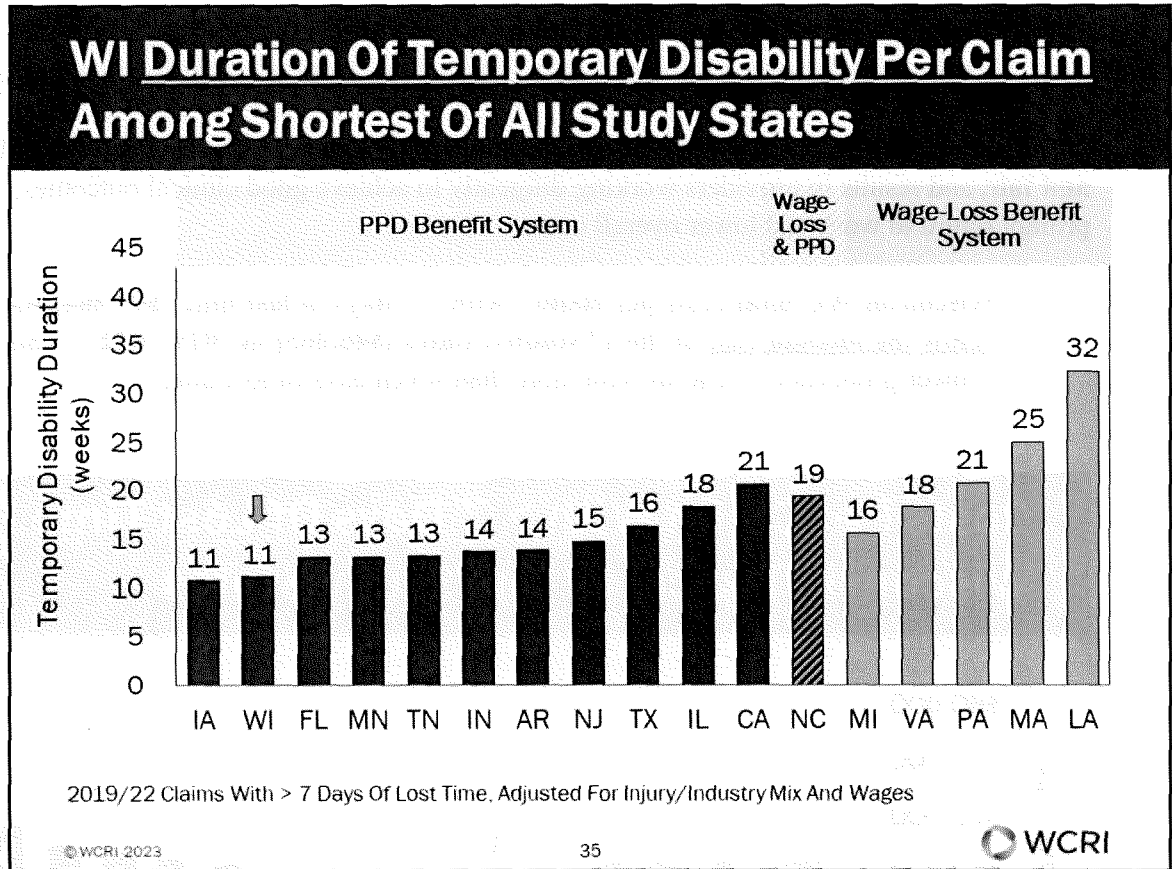
Costs Per Claim With > 7 Days Of Lost Time In Wisconsin Typical Of The Study States



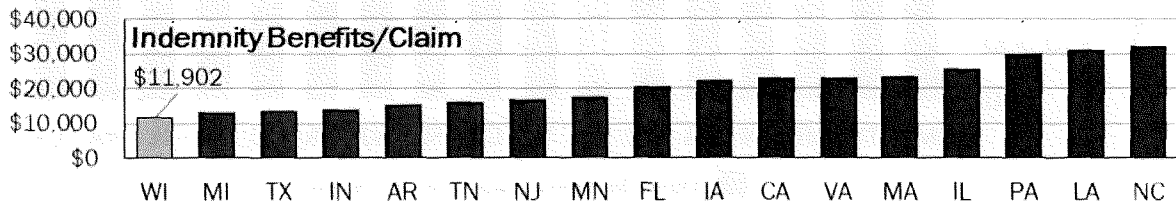
2019/22 Claims With > 7 Days Of Lost Time. Indemnity benefits are adjusted for injury/industry mix and wages; all other measures are adjusted for injury/industry mix.

¹ Total costs per claim = medical payments, indemnity payments, medical cost containment, litigation expenses.

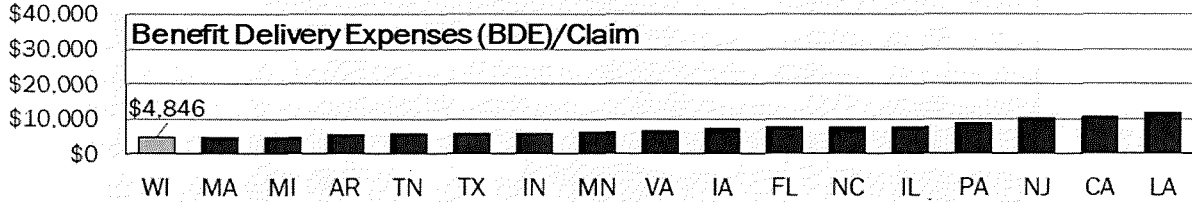
2. Wisconsin was tied with Iowa for the shortest temporary disability per claim among the 17 study states, indicative of quicker return to work.



3. Wisconsin had the lowest indemnity expenses among the 17 states, indicative of improved clinical recovery of injured workers.

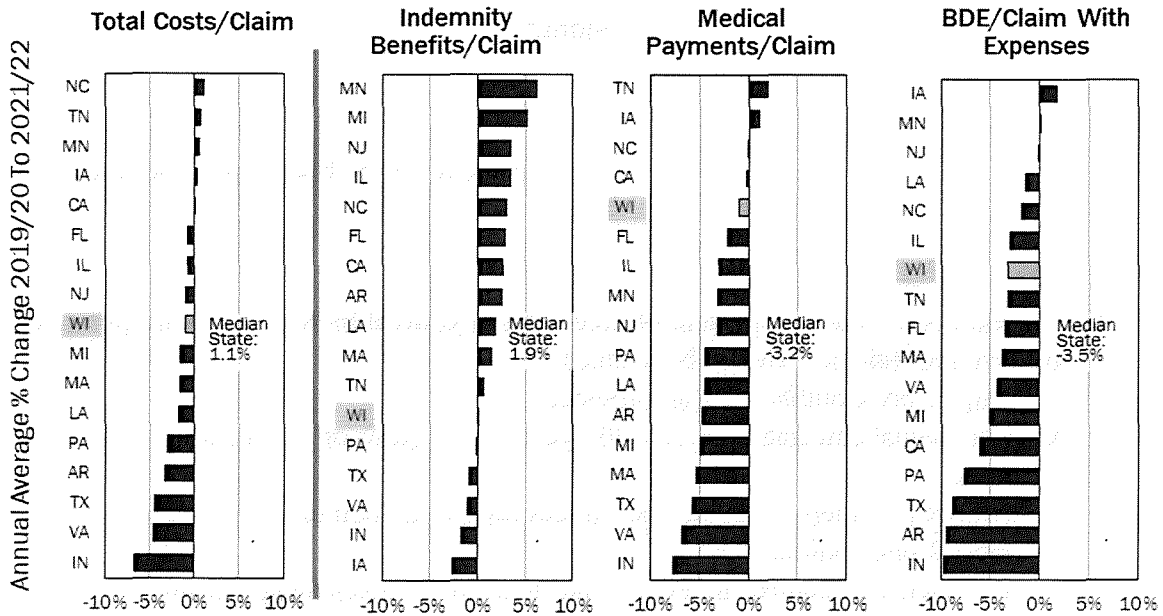


4. Wisconsin had the lowest benefit delivery expenses [= medical cost containment + litigation expenses] among the 17 states, indicative of higher satisfaction of injured workers with their treatment and recovery.



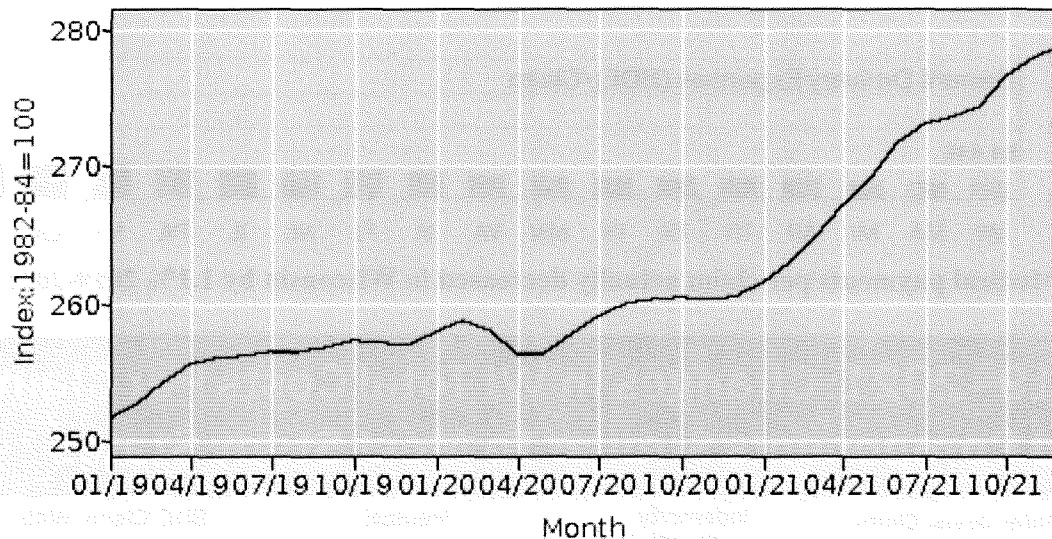
5. Medical payments per claim actually decreased in Wisconsin by 1.1% 2019-2021....

2019–2021: Changes In WI Total Costs Per Claim And Components Similar To Most Study States



Non-COVID-19 Claims With > 7 Days Of Lost Time At 12 Months Of Experience. Not Adjusted For Injury/Industry Mix And Wages

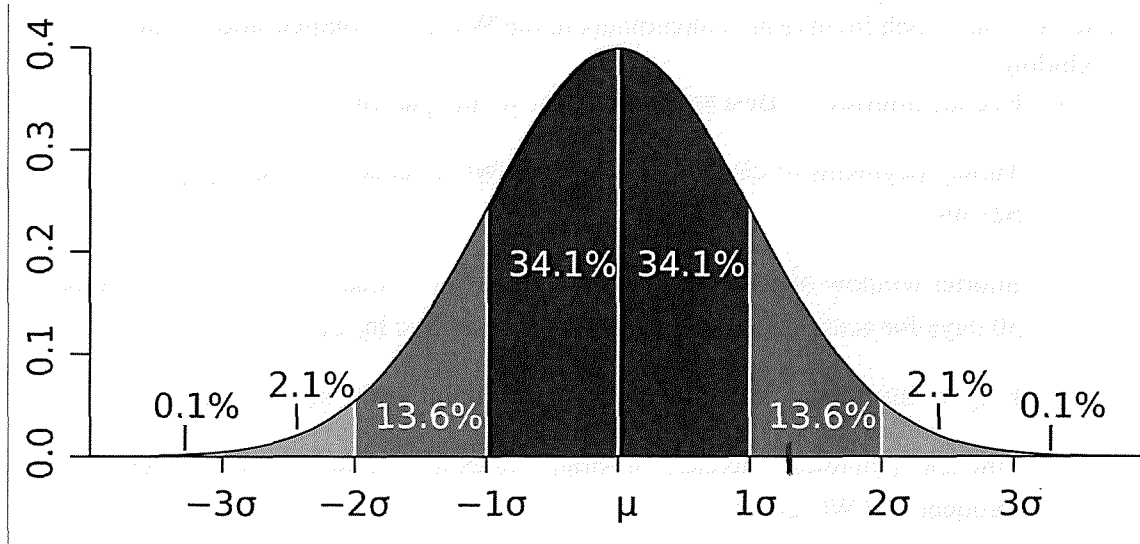
6.while the Consumer Price Index -Urban WCA increased 9.53% from 2019 – 2021.



[Source: U.S. Bureau of Labor Statistics]

7. **WCA believes the current system of medical cost control in Worker's Compensation is effective and fair**, and should be retained.

- a. Targets price outliers, not all providers
- b. Uses actual data gathered over 20+ years, not a guess or a politically negotiated price
- c. Allows providers to change their prices relative to their expenses, but does not reward price outliers
- d. Providers are required by Federal law to set their prices independently.



8. Any government-mandated fee schedule will likely lead to unintended consequences:

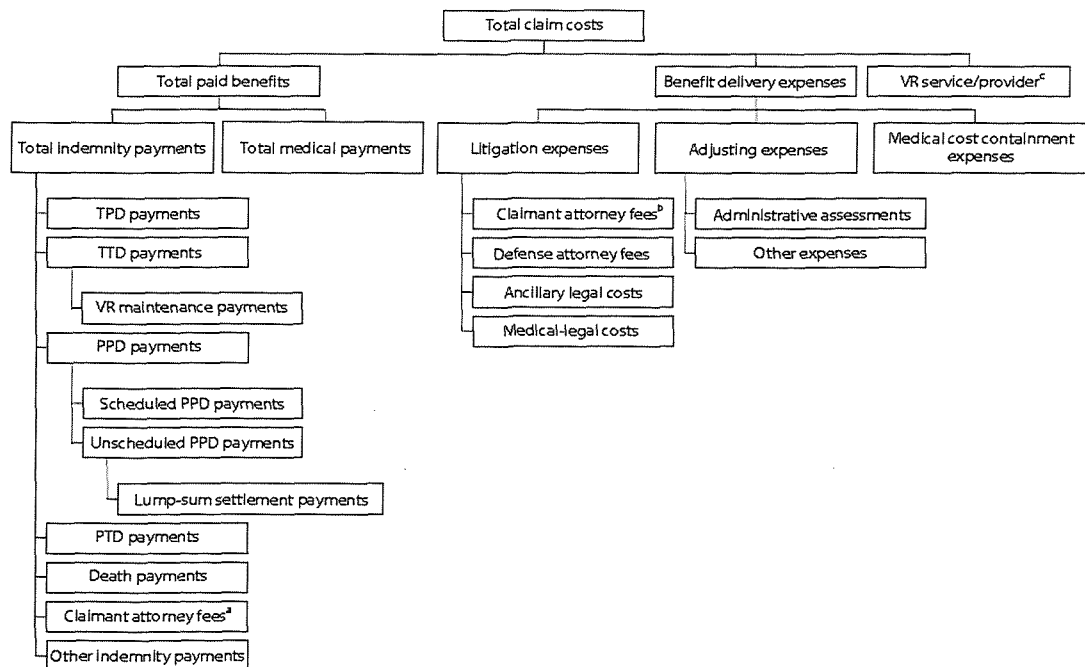
- a. Data shows poorer outcomes, delayed return to work in states that have fee schedules.
- b. "Price" control does not mean overall cost control, as providers control:
 - i. selection of services
 - ii. duration and frequency of treatment
 - iii. patient education
 - iv. return to work, TTD and PPD.
- c. "Best" providers would be more likely to refuse Worker's Compensation if professional fees are significantly restricted
- d. Government control of prices interferes with free market principles

9. Worker's Compensation claims cannot be fairly compared to group health claims.

- a. [Nearly] all Worker's Compensation cases are acute
- b. Worker's Compensation are more severe
- c. All Worker's Compensation cases involve management of work restrictions, TTD, PPD
- d. Group health patients pay significant, progressively increasing deductibles, copayments and coinsurances that are not paid by injured workers.
- e. Group health contract may "steer" up to 100% of patient flow to a doctor or clinic.

10. There are many opportunities to improve the Worker's Compensation system, or to reduce costs which involve all stakeholders in the Worker's Compensation system, including:

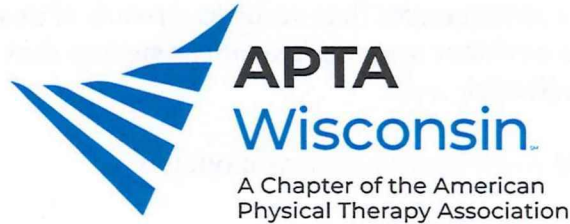
- a. Reduce injuries !! Best safety practices on the part of businesses/employers.
- b. Timely payments of clean claims, include WC in existing 30 day payment statute 628.46
- c. Shorter window of time for an injured employee to make a WC claim [currently 30 days for acute injuries and 2 years for repetitive injuries].
- d. Require insurers to determine work-related liability within 30 days.
- e. Financial penalties / increased insurance rates for employers with outlier frequency of WC cases.
- f. Cap or limit administrative fees and profit charged by Worker's Compensation insurers.
- g. Perform audit of the certified databases.
- h. Allow only one certified database.
- i. Training/certification for doctors who assess permanent partial disability
- j. Adopt a common format for Necessity of Treatment Dispute Resolution reviews



Summary: The most recent data shows that the Wisconsin Worker's Compensation system has:

- Superior clinical outcomes
- Shortest return to work times
- Total costs below average

The Wisconsin Chiropractic Association is committed to working with all stakeholders to develop fair and equitable cost-containment measures that do not negatively impact our ability to provide quality care to the injured worker, or jeopardize the outstanding results demonstrated in the Wisconsin Workers Compensation system.



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Chairman Testin, Chairman Penterman, and Committee Members,

Thank you for allowing me to testify today. My name is Brett Roberts, I am a 2002 graduate of UW Madison's physical therapy program and have been a small business owner in Wisconsin since 2005. I've had an interest in caring for injured workers since 1998. That year, just two years out of high school, I worked as a furnace tender at a local drop forge factory in Rockford, Illinois to pay for my college tuition in the fall.

During my time as a furnace tender, I witnessed firsthand the chaos that can be created from the unfortunate work-related injuries that were common in that industry. For example: rotator cuff tears, eye injuries, or burns from working around the bar stock that was heated to 2,500 degrees before being compressed by 3-5 tons of downward pressure. I also experienced what happened to families when the sole wage earner was unable to provide for the rest of their family due to injury.

It left an indelible mark on me and gave me an incredible amount of compassion for the men and women that continued to work there long after I had returned to school. Even before starting my journey through physical therapy school, I understood the importance of getting those workers back to their wage-earning potential as soon as possible.

As a small business owner, I understand the concern about rising expenses with inflation and rising labor expenses due to the labor shortages. We are so fortunate as a state that our worker's compensation premiums have dropped for the 8th year in a row.

As someone who works with injured workers, I understand that replacing the lost productivity of an injured worker and incurring a potential work comp premiums due to a mod rate increase can have a negative impact on a lot of businesses.

That's why it's important to help Wisconsin maintain a health care model in which the average total cost per claim is 18% lower than the median of the 17 states studied in the CompScope Medical Benchmark Study.

It is often the unintended consequences that occur as a result of best placed intentions that can permanently disrupt a business system. A business system that is running at an efficient and overall cost-effective level.

So why change our current work comp business model?

In Wisconsin, the data shows the following positive trends:

OUTCOMES: Data shows that in Wisconsin, Physical Therapists are very effective in helping return an employee to work, as demonstrated by the lower utilization rates demonstrated in the Compscope Benchmark Study.

ACCESS: Workers in Wisconsin have reported less issues related to access to medical services. Injured workers are often moved to the front of the line in terms of priority scheduling within a busy medical schedule. This benefits the all participants in the entire system, including the employer.

COST: While prices for some services are higher in Wisconsin compared to other states, the average total cost per claim for all paid claims provided through the Worker's Compensation system is nearly one fifth lower than average and lower than our neighboring states. Wisconsin is also below the national average in overall claims costs. The curve of work comp premiums has decreased over the last 8 consecutive years.

QUALITY: In another WCRI Study, workers in Wisconsin reported among the lowest rates of dissatisfaction with their overall medical care. This is evidence that the current system is helping workers overcome their current work-related injury.

Wisconsin is in the top 10 of the Agency of Healthcare Research and Quality rankings for best states to receive healthcare. The Worker's Compensation system benefits from our high-quality healthcare, which is truly a competitive advantage for Wisconsin.
<https://www.ahrq.gov/data/infographics/state-compare-text.html>

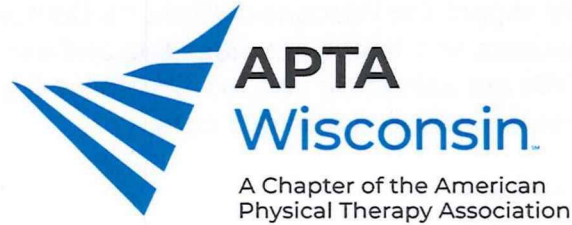
So overall cost is less to system in which a reduction of premiums have occurred for nearly a decade, the quality of care is at an all-time high, allowing the injured worker to return not only to their line of work faster, but to their quality of life faster...

I ask you today to avoid disrupting a business system that is already the example other states look up to.

Thank you again for allowing me to testify. I would be happy to answer any questions.

Brett Roberts, DPT

APTA Wisconsin



P.O. Box 341 • McFarland, WI 53558
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Dear Chairman Testin, Chairman Penterman and Committee Members,

I am Lynn Steffes, PT, DPT Payment Specialist for APTA-WI. I am submitting testimony on behalf of the American Physical Therapy Association of Wisconsin (APTA-WI) against SB 992. In my role with our state association, I work with Physical Therapy (PT) providers across the state, from small clinics to rural providers to the largest hospital systems. APTA WI represents over 2500 Physical Therapy professionals who take care of residents across the state. Many of these are injured workers accessing the Wisconsin Worker's Compensation system.

First of all, I think we all can agree that Wisconsin continues to have high value health care providers-including Physical Therapists- who often put injured workers first in an effort to provide the rapid return-to-work that Wisconsin is known for. According to the WCRI report, "Wisconsin workers reported fewer access to care issues and fewer problems with getting the desired medical providers than other study states." Physical Therapists know that prompt access to care creates the best clinical results. In addition, it results in lower utilization of medical visits, surgeries and pharmaceuticals- including opioids.

Yet, another important data point -not elevated but reported in the recent WCRI report - was the fact that Wisconsin has a 16% rate of claims over 7 days of lost time- while the majority of other states average 20%. That means that we have a 20% advantage of less injured workers going beyond that 7-day window. More workers are returning to their employers and their lives quicker.

SB 992 creates an arbitrary price-setting strategy that includes every factor they could find- making it difficult, if not impossible, to understand their methodology. The proposed array of sources for price setting are unclear and unfair to dedicated Wisconsin healthcare providers.

SB 992 also claims to offer an increase in the Fee Schedule based on bi-annual Medical CPI- however it does not ensure that the adjustments a "sure thing" creating a caveat that "the Council must approve increases."

SB 992 would significantly impact the Wisconsin Worker's Compensation system and its high value healthcare providers at a time when hospitals and clinics are closing and access to care is at risk. We are asking for you to reject this bill and preserve our unique system of investing in Wisconsin injured worker's care!

Thank you for your consideration,

Lynn Steffes, PT, DPT
APTA-WI Payment Specialist



Dear Chairman Testin, Chairman Penterman, and Committee Members,

I am submitting testimony on behalf of Concentra® in opposition of SB 992.

Concentra stands firmly against the implementation of a fee schedule for workers' compensation medical care in Wisconsin. As the nation's leading provider of occupational medicine, Concentra stands at the forefront of caring for Wisconsin's injured workers. We employ more than 1,000 medical clinicians and 1,200 physical therapists in more than 540 medical centers and 150 onsite clinics at employer locations nationwide.

In 2023, our 14 medical centers in Wisconsin treated 6,547 new workplace injuries. We understand the immediate and detrimental impact this legislation would have on individuals and Wisconsin's labor force. The proposed action and inclusion of a fee schedule would impose extensive undue burden on Wisconsin's labor force and potentially prevent injured employees in need from receiving essential care. With our status as the nation's premier provider of occupational medicine, we see firsthand how similar fee schedules pose restrictions and ultimately result in worse health outcomes in other regions of the country. We urge you to oppose this proposal.

During our nearly 45 years of treating injured employees, Concentra has found that prompt access to quality care results in overall lower utilization of medical care, surgeries, and pharmaceuticals, shortening case duration and leading to better medical outcomes.

According to a recent WCRI report, "Wisconsin workers reported fewer access to care issues and fewer problems with getting the desired medical providers than other study states."¹

Furthermore, per the same WCRI report, Wisconsin has a 16 percent rate of claims over seven days of lost time, while most other states average 20 days. This further demonstrates that providing access to high quality medical care for occupational medicine leads to overall cost reduction and more successful return to work.

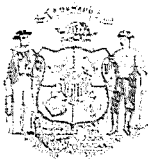
Wisconsin's spending in occupational medicine is concentrated on quality care, leading to positive outcomes in an efficient system. Currently, those costs are not given over to administrative and litigious systems that can delay care and negatively impact case duration and outcomes. Delivering quality occupational medicine programs requires dedicated space, equipment, training, documentation, and communications to appropriately manage these cases. The proposed workers' compensation fee differential of 10 percent higher than the average insurance-contracted fee will not sufficiently cover the administrative and clinical costs. When negotiating contracted fees with private health insurance entities, there is an ability to recoup those discounts through directed care and patient volume. Wisconsin's employee-directed workers' compensation system does not allow for directed care and inhibits the ability to offset discounted reimbursement rates through case volume. Additionally, the price-setting methodology set forth in SB 992 is arbitrary and difficult to understand, making the reimbursement strategy unclear to health care providers.

We are asking for you to reject SB 992 to preserve our successful and thriving workers' compensation system by ensuring great case outcomes driven by access to quality medical care.

Thank you for your consideration,

Greg Gilbert, MBA, CPAM
Executive Vice President, Chief Reimbursement & Government Relations

¹ <https://www.wcrinet.org/reports/compscope-benchmarks-for-wisconsin-23rd-edition/view->



ANDRÉ JACQUE

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Testimony Before the Joint Legislative Hearing

*Senate Committee on Labor, Regulatory Reform, Veterans and Military Affairs
Assembly Committee on Labor and Integrated Employment*

Senator André Jacque
February, 8, 2024

Chairmen Testin & Penterman and Committee Members:

Thank you for holding this hearing and the opportunity to testify before you in support of expanding workers compensation coverage to our Emergency Medical Services personnel and volunteer fire fighter first responders for Post-Traumatic Stress Disorder (PTSD) treatment.

There are countless reminders in our society of our need for protectors- the ones who willingly put themselves in harm's way and answer the call when lives are on the line. Whether on our daily commute or elsewhere about the community, or even just through a news broadcast, we are bombarded almost daily with situations none of us would EVER want to face with our friends and families, times where we take a moment and say a silent prayer for those affected, including our first responders.

Last Spring, several members of my immediate and extended family were injured by a reckless driver who hit them from behind. The responding officer said it was the worst crash he'd ever seen. Thank God, everyone recovered. But when my wife and I came to the scene, we were emotional wrecks. And I thank God that there are those still willing to bring incredible skill and care whenever called upon in the worst of circumstances.

Last session, the Wisconsin Legislature enacted 2021 Act 29 with overwhelming bi-partisan support to remove the "greater dimensions" test from being utilized to effectively block Post-Traumatic Stress Disorder (PTSD) recovery support for law enforcement and full-time firefighters. Essentially, these brave men and women were being punished based on the traumatic and harrowing nature of what they see and hear every day on the job protecting our communities. This legislation was a critical step toward eliminating the basic injustice of the greater dimensions test and continuing the work I began years ago in authoring legislation to ensure this essential treatment is available to all first responders.

It made no sense for state workers compensation law to essentially castigate someone for choosing an occupation where they must routinely rush toward, rather than away from, danger. Those who put their lives on the line to protect us are true heroes, and they deserve all the support we can give them.

But now that this avenue for treatment is open to some of our first responders, more work needs to be done to fairly address the needs of all first responders and workers within the law enforcement community. Extending PTSD coverage in Wisconsin has already seen utilization without significant financial impact, and is expected to aid significantly in improved workforce retention and mental resiliency.

(over)

That's why my colleagues and I re-introduced legislation to expand Act 29 to make PTSD coverage also available to our emergency medical service practitioners, dispatchers, corrections officers, medical examiners, coroners and volunteer firefighters, as many other states have already done.

Last session, that legislation (2021 SB 681) passed both the Senate Labor and Regulatory Reform Committee (5-0) and the full State Senate (32-0) unanimously. I, along with numerous first responders, also formally presented this proposal to the Worker's Compensation Advisory Council last year, which voted a couple months ago to include provisions of the bill that extend coverage for volunteer firefighters and all EMS within this negotiated bills between labor and management before you today. This is a very positive step toward covering all the vital professions in need of assistance for dealing with post-traumatic stress, and I am grateful that the Council has included this much needed reform and continued to engage and address this critical issue.

There is a growing post-traumatic stress crisis among our first responder community that has continued to escalate. We are now losing more members of law enforcement and other first responders to suicide than in-the-line-of duty deaths.

Fortunately, we know PTSD can be treated effectively, and allow these heroic men and women to return to protecting and serving the public. It is critical that those we have depended on as first responders who are affected by PTSD have access to treatment and the support they need to recover, both for their own health and the benefit of the communities they serve.

I ask that you join me in supporting this policy to expand this critical coverage to our emergency medical service practitioners and volunteer firefighters as the next step toward expanding this coverage to all first responders.

Thank you for your consideration of this proposal. I'd be happy to answer any questions.

Mr. Chairman and members of the Committee. Good morning and thank you for listening to this very important piece of information.

My name is Gerald (Jerry) Minor – I am the Chief of the Pittsville Fire Company – which is in Wood County and is the Exact GEOGRAPHICAL CENTER OF WISCONSIN. My fire / EMS district encompasses the 70th and portions of the 69th. Assembly district as well as the 24th Senate District. I represent my department as well as hundreds of other volunteer and combination departments here in Wisconsin.

On a Sunday night in the northern half of my fire and EMS jurisdiction we responded to a call for a semi vs car with occupants entrapped. Upon arrival a car was found sideways in the middle of Hwy 13 with a semi hauling (or piggybacking) two other semi tractors nearly on top of the automobile. The only thing keeping this car from exploding (as gasoline was everywhere) was the fact the roadway was covered with a great deal of snowy slush. As we entered the vehicle to assess those occupants, we found both members (2) of the front seat deceased due to the impact. The rear seat held three individuals – the first one was on the driver's side of the vehicle farthest from the impact, still alive and talking to us. The 3rd in the middle of the rear seat had succumb to the impact as well. When I moved the middle patient, I found Eric Gauger, a 6-year-old little boy with his head pinned between the top edge of the window he was sitting next to and the truck that had

struck them, front bumper. He was suspended, looking forward, eyes open like he had just woken up from a nap. There was no sign of life in this little body. I immediately crawled out of the vehicle to report my findings. Two people survived this horrendous event.

I see Eric Gauger every day I go to work and every time I respond to a crash with significant damage and extensive injuries.

This call was on December 6, 1982. I had 4 years on the job as a volunteer firefighter / EMT. I'm now 46 years on the job and I recall this event like it happened yesterday. Ladies and gentlemen – PTSD is REAL, and it costs fire departments members.

Whether you are a full-time, paid on call or fully volunteer employee it affects us all. Workers' compensation coverage should be available for PTSD coverage no matter what side of the fire / EMS house you come from.

There are many members of my profession that deal with calls like I did – we bury it. Back in 1982 PTSD wasn't even heard of in my profession – nor was it ever talked about. I do not know the number of personnel the fire / EMS service has lost to this "disease", and I am sure millions of dollars of compensation have been lost to those suffering from tragedies such as this and worse.

We need to make this change and we need it now. Our fulltime partners have had this coverage now for a short time – we need it as well.



WISCONSIN STATE
FIRE CHIEFS ASSOCIATION
Together We Make A Difference

11801 W SILVER SPRING DRIVE, #200
MILWAUKEE, WI 53225
(414) 501-2603
CONTACT@WSFCA.COM

Correspondence Memorandum

Date: Thursday, February 08, 2024

To: Members of the Assembly and Senate Labor Committees

From: WSFCA President, Joe Pulvermacher

Re: **WSFCA Position – Support PTSD Coverage in SB 992/LRB 5292**

On behalf of the Wisconsin State Fire Chiefs Association (WSFCA), we sincerely appreciate legislators' continued commitment to first responders serving Wisconsin communities in response to fire and rescue emergencies. The WSFCA would appreciate your consideration and support of SB 992/LRB 5292 before you today.

SB 992/LRB 5292 makes necessary changes to the conditions of liability for worker's compensation benefits for emergency medical responders, emergency medical services practitioners, and volunteer and part-time fire fighters who are diagnosed with post-traumatic stress disorder (PTSD).

The WSFCA mission - *“To support new, existing, and aspiring fire service leaders while enhancing the communities we serve... for safer Wisconsin.* Captures our perspective and position on SB 992/LRB 5292. Affording PTSD coverage to all fire and EMS service providers is essential to ensuring those who serve their communities receive the necessary care, treatment and support to continue the dedicated service they provide.

We ask our responders to provide life-saving services regardless of community size and career status. Exposure to critical incidents is not limited to specific responders. Parity is important for the recognition and coverage of ALL first responders in WI. Their commitment to WI citizens' safety and well-being should be recognized as well as the potential trauma that comes with that service.

Thank you once again for engaging and considering legislation to provide PTSD coverage to fire/EMS personnel that serve Wisconsin communities. We sincerely appreciate the authors and stakeholders' commitment to our state's first responders.

If you should have further questions or need additional information, please contact George Klaetsch at gklaetsch@kpasllc.com

Wisconsin EMS Association
Serving Those Who Serve Others



To: Senator Patrick Testin, Chair
Representative William Penterman
Members, Senate Committee on Labor, Regulatory Reform, Veterans & Military Affairs
Members, Assembly Committee on Labor & Integrated Employment
From: Alan DeYoung, Executive Director
Date: Thursday, February 8, 2024
Re: **Support SB-992 \ LRB-5952: Request PTSD Coverage for all EMS & Fire Personnel**

On behalf of the Wisconsin EMS Association (WEMSA) we are asking the Committees to please support extending to all emergency medical services (EMS) practitioners and firefighters the same worker's compensation coverage for post-traumatic stress disorder (PTSD) in the same manner as law enforcement officers and full-time fire fighters.

The Wisconsin EMS Association membership consists of over 7,000 EMS providers and more than 350 EMS departments.

While 2021 Act 29 provided coverage to some, it did not include stand-alone EMS Services or volunteer firefighters or EMS. During the 2021-22 session PTSD worker's compensation coverage legislation was introduced: SB-680\AB-683 that provided changes to include paid emergency medical services practitioners; and SB-681\AB-778 that proposed changes to include various professions including all EMS practitioners and firefighters, including volunteers. And, while they passed a senate committee (5-0) and the state senate (32-0) unanimously - they passed too late in the session to receive final action. It should be noted that a similar proposal was included in the originally proposed 2023-2025 biennial state budget.

78.6% of EMS departments rely on volunteers to serve their community. These men and women donate their time or may be paid a minimal stipend to provide the same emergency care as their EMS-firefighter affiliated contemporaries.

Please note that volunteer EMS services also pay worker's compensation insurance. And like our full-time law enforcement, firefighter, and firefighter-EMS colleagues – stand-alone services experience the same work-related challenges and risks serving in their emergency responder capacity. In fact, studies of emergency medical providers / ambulance personnel have shown higher estimated rates of PTSD prevalence.

Simply put – it's about fairness. It's about recognizing that all EMS providers are essential first responders that face similar experiences and work-related hardships, regardless if they are associated with a municipal, private-sector based EMS service or administrated with the fire department.

Other Statistics...

- A study conducted using in-hospital and prehospital providers found that “prehospital providers were significantly more likely to screen positive for PTSD compared to the in-hospital providers (42% vs. 21%, $P < 0.001$).”¹
- From a study published in the Journal of Emergency Medical Services researchers found that first responders (EMS) in the United States were approximately 10 times more likely to have suicidal ideations and/or attempt suicide compared to the CDC national average.
- Studies show that first responders are at an increased risk of post-traumatic stress disorder and additional mental health issues including substance abuse. These studies compared police, firefighters, and first responders in each study.²
- Depression and PTSD affect an estimated 30% of our nation’s first responders – compared to 20% of the general population.³
- Approximately 3.7% of Americans have contemplated suicide, that rate jumps to 37% for fire and EMS professionals - same thing as above but different wording.⁴

Again, on behalf of the Wisconsin EMS Association membership we request that all EMS services and their EMS staff be afforded the same conditions of worker's compensation benefits for EMS who are diagnosed with PTSD. Wisconsin law has already extended such provisions for full-time emergency medical providers that serve on EMS services affiliated with a fire department – along with law enforcement and fire.

Thank you,

Alan DeYoung, M.S.
Executive Director
Wisconsin EMS Association
26422 Oakridge Dr
Wind Lake, WI 53185

¹ Reference: [Journal of EMS: First Responders and PTSD: A Literature Review](#)

² Reference: [Journal of EMS: First Responders and PTSD: A Literature Review](#)

³ Reference: [America's first responders' struggle with PTSD and depression](#)

⁴ Reference: [America's first responders' struggle with PTSD and depression](#)



Correspondence Memorandum

To: Members of the Assembly and Senate Labor Committees

From: Chris Anderson, President
Professional Ambulance Association of Wisconsin

Re: PTSD Coverage in LRB 5292

Date: 2/8/2024

The Professional Ambulance Association of Wisconsin (PAAW) is comprised of private, for-profit and non-profit certified ambulance providers. PAAW's primary objectives are to promote quality and excellence in the ambulance industry and provide a healthy, sustainable EMS delivery system in Wisconsin.

We encourage lawmakers to carefully consider LRB 5292 and support the language which extends coverage of post-traumatic stress disorder (PTSD) benefits to emergency medical responders, emergency medical services practitioners, and volunteer and part-time fire fighters under Wisconsin's workers' compensation program.

PAAW's Board of Directors is represented by management and labor. As such, we have diverse experiences with the business expense of the workers' compensation program as well as the traumatic impact PTSD can have on our workforce. In our opinion, based on the experiences our colleagues in other states have witnessed, PTSD benefits should absolutely be covered under Wisconsin's workers compensation plan for all First Responders.

Like most industries, EMS is defined by our workforce. PTSD benefits are an important part of retaining quality, experienced leaders and helping to stabilize our overall EMS delivery system in Wisconsin. We encourage the committees to act on this important matter without delay.

For more information, please contact Matt Kussow at 920-988-2320.