

April 13, 2010

The Honorable Jose Solorio
California State Assembly
State Capitol, Room 2196
Sacramento, CA 95814

Re: Assembly Bill 1603 (Solorio): Oppose

Dear Assemblymember Solorio,

ALPHA Fund respectfully opposes your Assembly Bill 1603 which would increase costs for California employers by extending temporary disability (TD) benefits for injured workers during a period when they are not, by definition, temporarily disabled.

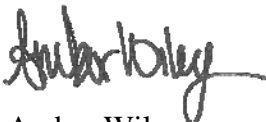
ALPHA Fund is a self-insurance pool that provides workers' compensation coverage to Health Care Districts, public and non-profit hospitals, clinics and nursing facilities throughout California. The 49 Participants in the Fund range from major urban medical centers to rural facilities and cover approximately 20,000 employees.

AB 1603 does not create any incentive for employers to make faster return to work decisions. In order to make a decision about return to work, the employer must have adequate medical information about an employee's work restrictions from the physician. Often times, this takes multiple rounds of communication with a physician to get the information, and employers have little ability to accelerate this process.

ALPHA Fund Participants have paid almost \$3 Million for temporary disability claims over the past few years, with the average claim of about \$4,140. If this bill passes, we are concerned that this number will surely rise. The solution is not to increase cash TD benefits, but to provide employers with better tools to decrease lapses in return to work times.

AB 1603 will undoubtedly increase workers' compensation claims costs for temporary disability. For these reasons, ALPHA Fund respectfully opposes this bill.

Sincerely,



Amber Wiley
Legislative Advocate

Cc: Assembly Insurance Committee