

May 6, 2011

The Honorable Jose Solorio
California State Assembly
California State Capitol, Room 3146
Sacramento, CA 95833

Re: Assembly Bill 947 (Solorio): Oppose

Dear Assemblymember Solorio,

ALPHA Fund respectfully opposes your Assembly Bill 947 which would create a broad exception to the current 104 week cap on temporary disability benefits.

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 53 Participants in the Fund range from major urban medical centers to rural facilities and cover approximately 18,000 employees.

AB 947 allows for any claim where the injured worker has not reached maximum medical improvement (MMI) within 104 weeks, to extend temporary disability to 240 weeks, which is more than double the current 104 week cap. AB 947 would create a scenario in which any injured worker who requires medical treatment beyond 104 weeks from the date of his/her injury would be eligible for up to 240 weeks of temporary disability payments.

The current 104 week cap on temporary disability payments was implemented in 2004 because extended temporary disability payments were seen as a disincentive for injured workers to return to modified or alternative duty. While the stated intent of the bill is to create a narrow exception to the 104 week cap for injured workers that undergo multiple surgical procedures, the language in the bill is much more expansive. The unfortunate result is higher costs associated with lingering workers' compensation claims that could and should have been resolved within the 104 week timeframe.

In addition to the broad nature of the cap, ALPHA Fund is concerned that the bill would create an incentive to avoid a finding of MMI before 104 weeks. In a scenario where an injured worker could or should be at MMI for 90 or 100 weeks, they very well could hold out until 104 weeks in order to preserve the right of up to 240 weeks of temporary disability benefits. AB 947 is also silent about potential disputes over MMI status and how benefits should be paid in those situations.

AB 947 is overly broad and could include virtually any claim where medical treatment continues past 104 weeks. This will inevitably increase workers' compensation costs for our Health Care Facilities. For these reasons, ALPHA Fund respectfully opposes the bill.

Sincerely,

Amber Wiley
Legislative Advocate