

April 7, 2011

Hon. Frank Chopp
Speaker of the House
Washington State House of Representatives
Olympia, WA 98504

RE: Workers' Comp Reform and ESB 5566 (Voluntary Settlement Agreements)

Dear Speaker Chopp:

Although I recently retired from public life after over 35 years of working with public agencies and nonprofit organizations, I still find the public policy debate in some key areas compelling. While I no longer have a dog in the fight that too often characterizes business and labor approaches to workers' compensation reform, I know from experience what has worked and what can benefit both workers and business. In my career in public service, I have had the opportunity to serve as both the director of the Oregon Department of Consumer and Business Services (DCBS), which oversees Oregon's workers' compensation system, and Washington's Department of Labor & Industries (L&I). It is this experience that gives me a perspective on what is effective and ineffective in workers' compensation systems.

In Oregon, I had the opportunity to direct DCBS in the critical few years after passage of that state's landmark 1990 reforms. A central piece of the labor- and business-backed package was voluntary settlement agreements with strong sideboards for protection of the injured worker. Voluntary settlement agreements, sometimes called "compromise & release," are an important strategy for controlling costs associated with long term disability and pension claims.

ESB 5566, passed by the Washington State Senate and pending in the House, contains a voluntary settlement agreement proposal very similar to what labor and business groups backed in Oregon. It contains many of the same worker protections as the Oregon law, in fact providing more protection to the unrepresented worker. One significant difference between Oregon law and ESB 5566 is the limited settlement of medical benefits, something that I suggest you reexamine in the legislation. It is my belief that a worker's right to life time medical benefits for work related injuries should not be compromised, so I suggest a change to the bill prohibiting the settlement of medical, as Oregon did in its 1990 reforms.

If passed in Washington, I do believe the voluntary settlement program contained in ESB 5566 would be a substantial improvement to Washington's system, providing a flexible option for workers' benefits while allowing the system another tool to address the complex claims that primarily drive its cost structure and premium rates. One of the primary reasons that Oregon has been able to hold Workers Compensation rates constant for over 20 years is the voluntary settlement process. It is important to understand that this change can occur while still providing protection for the worker from an unfair or unjust settlement.

Incidentally, prior to taking over as director of L&I in 2005, I served for six years as director of Oregon's Department of Human Services. I understand the concern that settlement of workers' compensation claims can lead to cost-shifting to other social service programs. I would report, however, that in my experience in Oregon, that did not occur.

Thank you for the opportunity to express these thoughts to you and thank you for your efforts to make Washington's workers compensation system deliver the best outcomes for workers and for business.

Very truly yours,

A handwritten signature in cursive script that reads "Gary Weeks".

Gary K. Weeks

cc: Governor Chris Gregoire
Senator Lisa Brown
Senator Mike Hewitt
Rep. Richard DeBolt