

Arthur Douville 4-7-87

MINUTES OF THE House COMMITTEE ON Labor & Industry

The meeting was called to order by Representative Arthur Douville at
Chairperson

9:00 a.m./~~p.m.~~ on February 24, 1987 in room 526-S of the Capitol.

All members were present except:

Representative R. D. Miller - Excused

Committee staff present:

Jerry Ann Donaldson, Research Department
Jim Wilson, Revisor of Statutes' Office
Juel Bennowitz, Secretary to the Committee

Conferees appearing before the committee:

John Ostrowski, Attorney for the AFL-CIO, Topeka
Bill Barnes, Plant Manager, Modine Manufacturing, Emporia
John Brothers, University of Kansas Classified Senate, Lawrence
Robert Lincoln, Personnel Manager, Interstate Brands, Emporia

John Ostrowski was recognized and referred to a book which he had co-authored and had been presented to the committee (February 12, 1987, attachment #2). He asked the committee if there were any questions regarding that presentation. There being none, he proceeded with a few concerns. Mr. Ostrowski mentioned that he had attended a meeting of the Task Force on Workers' Compensation which had met February 13, 1987. Kansas costs of workers' compensation had been given on a state by state comparison basis. He said that he had taken notes and would try to make the figures available to the committee. Mr. Ostrowski stated that the statistics were presented by Ken Robinson, President, National Council on Compensation Insurance, and that they showed Kansas benefits paid to be very attractive to business and industry as they ranked in the bottom third nationwide.

Mr. Ostrowski stated that from labor's point of view, there were no problems with the proposals from the Department of Workers' Compensation regarding vocational rehabilitation. He went on to say that he hoped that the committee would try to enter a bill regarding vocational rehabilitation which would make vocational rehabilitation counselors respond to getting people back to work.

His final concern was the definition of work disability with conclusive presumption or resumption of return to wages as he believed it to be a disincentive to return to work.

Bill Barnes, Modine Manufacturing of Emporia, addressed the committee, attachment #1. He also distributed a position statement from the Emporia Area Chamber of Commerce, attachment #2.

Representative Patrick asked what an employee in Kansas would receive for repetitive use syndrome in one hand - less than six to eight thousand dollars?

Chairman Douville answered that statistics regarding the cost of bilateral repetitive use syndrome, assuming certain facts, were available and would be distributed to the committee.

Representative Green referred to costs mentioned and noted that he did not believe that what the committee was attempting to accomplish would affect costs.

Mr. Barnes stated that his company is self-insured and that some costs were based on current interpretations of costs.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Labor & Industry,
room 526-S, Statehouse, at 9:00 a.m./~~p.m.~~ on February 24, 1987

Representative Green noted that Mr. Barnes had said that he felt that employers should have an incentive regarding vocational rehabilitation and asked who would bear the cost. The answer was that the employer should receive credit if he worked with the employee through vocational rehabilitation.

Representative Hensley asked Mr. Barnes what implications the figures presented by Mr. Robinson in the meeting of the task force would have.

Mr. Barnes responded that many employers use large carriers but wondered where the self-insured employers fit.

Representative Hensley asked if the issue of Kansas' comparison to other states was one which was being dealt with by the task force. The answer was affirmative.

Representative Patrick noted that Mr. Barnes was a member of the task force and asked if it had studied all questions of deductibility regarding employer credit for vocational rehabilitation and if it were normal practice. Mr. Barnes responded that it was to be discussed at the upcoming Friday meeting.

John Brothers, representing the University of Kansas Classified Employees Senate, was recognized and addressed the committee, attachment #3.

Chairman Douville stated that concerns mentioned by Mr. Brothers were being addressed in an amendment which was being drafted for the committee.

Robert Lincoln, Interstate Brands, was recognized to address the committee, attachment #4. He also submitted workers' compensation payment figures for surrounding states for repetitive use syndrome, using a hypothetical case history, attachment #5.

Representative Green asked if Interstate Brands' gross payroll were a determining factor in computing how workers' compensation was determined. The answer was negative.

Representative Patrick asked, based on Mr. Lincoln's chart, what Kansas would pay, further asking if he had paid over \$6,300 for repetitive use syndrome. Mr. Lincoln responded that a "ballpark figure" would be \$8,000-\$8,600.

Copies of I.B.P.'s self-insurance applications (February 18, 1987, attachments #1,2,3,4) were distributed to the committee.

Representative Green made a motion to approve minutes of the February 11, 12 and 17th meetings. Representatives Buehler and Mead seconded. The motion was approved.

The meeting adjourned at 9:55 a.m.

The next meeting will be February 25, 1987, 9:00 a.m.

HOUSE COMMITTEE
ON
LABOR AND INDUSTRY

Name	GUEST LIST City	DATE <u>February 24, 1987</u> Representing
MARK Beshears	Topeka	KCCI
Bud Cowan	Emporia	IBP, inc
Chas Watson	Topeka	Rehab. SVC/SPS
Roy Petty	Topeka	KACEH/DHR
Robert Misch	Emporia	Industriale Brands
Dave Johnson	Topeka	K's Am. Lgt
William Barnes	Emporia	Medica-NF
Don D. Langston	Topeka	DHR/WA
Jim McCall	Lawrence	KSAFH-CFO
Harry W. Nelson	Wichita	u u u
Wayne Marigul	Topeka	u u u
Jim Joos	Wichita	Wichita Chamber
RON GACHES	WICHITA	Bm AC
Ron Smith	Topeka	Ks Bar Assoc.
D. Mariani	Topeka	Dept of Adm
Bob Schubert	Topeka	KTLA
Richard Mason	u	u
Anne Moriarty	"	"
Frances Kastner	"	Ks Food Dealers Assoc
BERNIE HAYEN	"	LEAGUE OF KANSAS MUNICIPALITIES
Ruth Wilkins	"	Girl Scout Councils
D. WAYNE ZIMMERMAN	TOPEKA	THE KANSAS CONTRACTORS ASSOC.
Marty Kennedy	"	Bidnet
WALTER DUNN	"	FROGA
TREVA POTTER	TOPEKA	PEOPLES NAT. GAS

TESTIMONY BEFORE THE HOUSE LABOR AND INDUSTRY COMMITTEE
CONCERNING WORKERS' COMPENSATION
February 24, 1987

Good morning, I am Bill Barnes, the Plant Manager of Modine Manufacturing Company's Emporia plant. In addition to my job as Plant Manager, I am also President of the Kansas Industrial Council and a member of a special legislative task force reviewing the area of workers' compensation. I appreciate the opportunity to again testify before your committee on this extremely important subject. I do not consider myself an expert in the area of workers' compensation but I can speak to the economic impact of workers' compensation on a business.

As background, Modine's Emporia plant manufactures sheet metal radiators primarily for aftermarket or replacement applications. Presently we have 275 employees, which is up 50 people from one year ago, with an annual payroll of \$5.5 million. Two of my responsibilities as Plant Manager are: (1) To ensure a safe working environment and (2) To provide a quality product at a competitive price.

Modine, like many manufacturers, invests considerable sums of money to try to improve safety in the work place. No one wants to see an employee injured. Not only does that injured person suffer pain and time off from work, but it is costly to the employer in terms of retraining and lost production. Many manufacturers are using ergonomic or work place layout studies to try to improve the working environment. My plant is currently making changes in four separate areas to reduce injury potential through changes in design of a piece of equipment or in the installation of a new piece of equipment. As an example, we recently designed a new torch for one of our assembly areas. In addition, we provide a Wellness Program to our employees which includes a health assessment. This program is at no cost to the employee. The purpose of this program is to improve an employee's health awareness, emphasizing changes in lifestyle to reduce the potential for injury. We have also instituted a Return to Work Program to help injured workers return to the work environment. I can state that our plant has made and will continue to make improvements to reduce the potential for injury in the work place.

Concerning the second responsibility I mentioned, I continually must work to improve the plant's competitive position. Why? It is very simple - jobs. Our aftermarket business is very price sensitive. How many of you have had to announce a layoff; tell someone that through no fault of theirs, they would not have a job? Unfortunately, I have. It is not very enjoyable. I have seen my company have to close two of its four sheet metal radiator plants within the last 10 years. I know that one of my plant's major customers will integrate its radiator business within the next year and move it to Mexico. Unless replacement business can be found, this change will mean the loss of approximately 30 jobs. My company appreciates the work ethic and effort of its Emporia employees. However, sometimes work ethic is not enough. We in industry, along with our friends in agriculture, now face a global market with global competitors.

What do these comments have to do with workers' compensation? With a continuing increase in the cost of workers' compensation, it can hurt the competitive posture of business. I would like to provide several examples concerning cost comparisons.

First, my plant has reduced its number of lost time accidents during the past year by over 40 percent. Even with this improvement, my plant now spends more money annually in the workers' compensation area than any other plant within the Modine system. In fact, the next plant in workers' compensation expense is approximately \$100,000 less than Emporia's. In comparing the Emporia plant to three Modine plants

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located in Missouri, our cost of workers' compensation is almost three times as great as theirs. One of these three plants also manufactures sheet metal radiators with approximately the same number of employees as the plant in Emporia. The Emporia plant costs are almost six times as great as this plant located in Missouri. The Emporia plant employs about 7 percent of Modine's total employees but generates 20 percent of the company's total workers' compensation expense.

In my role as President of the Kansas Industrial Council, I have talked to numerous people concerning workers' compensation. Again, these people are genuinely concerned about helping an injured worker but are alarmed at the increasing cost of this program due to current interpretations of Kansas Workers' Compensation law. Recently I met with representatives from several small Kansas businesses. Let me share some of their comments.

One savings and loan had an 18.7 percent increase in their workers' compensation premiums last year even though their experience was minimal. A beverage distributor had premium increases of over 50 percent over the last two years. I also talked with the manager of a small tool manufacturer. This Kansas company started with three employees and now employs 24. This individual expressed a major concern on the current trend toward adversarial relationships being developed between the employer and employee over workers' compensation, primarily caused by litigation. Being a small employer, he likes to work with his employees to solve problems. He also stated that a majority of his competitors are either foreign owned or foreign controlled. His big concern is how much longer he can remain competitive manufacturing his product in Kansas.

I have several other concerns in the area of workers' compensation. First, we need a workable and effective vocational rehabilitation program. Our current law gives employers no incentive in this area. Second, some relief must be given to employers who hire people with pre-existing conditions and these people fail to notify the employer of those conditions. My company has paid through workers' compensation the cost of two knee surgeries in the past three years because the employee took a wrong step at work. In neither case had the employee notified us of his previous sports related injury. Third, some changes are needed in the area of work aggravation. At the present time, Kansas employers are paying the full amount if an employee has an arthritic, diabetic, or other problem either congenital or developed over the years and that condition is aggravated in the work place. Granted, an employer can use the fund to participate in this aggravated condition. Is this situation really work related or something that should be covered by a group health insurance plan? My plant has experienced these situations in the past and have several employees now who could aggravate their current medical situation just by working, either at my plant or at home. Fifth, make the necessary changes where the law can be administratively managed and avoid the legal confrontations. Sixth, return to the initial intent of the workers' compensation law and allow the worker to return to some form of work for which that person can perform based on education, experience or training. Do not penalize the employer if the worker cannot return to work of the same kind and character. Help that worker keep his self worth and be a productive part of society.

I realize workers' compensation is a complex subject. I am not asking you to take away any basic benefits from employees. I am asking you to make constructive modifications to the law whereby Kansas business is not faced with the cost burden that impacts their competitive position in today's global environment.

MEMORANDUM TO MEMBERS
OF THE HOUSE LABOR AND INDUSTRY COMMITTEE

RE: House Bill 2186
-Position Statement of Emporia Area Chamber of Commerce

DATE: February 24, 1987

Members of the House Labor and Industry Committee:

I. INTRODUCTION.

As Chairman of the Emporia Area Chamber of Commerce Governmental Affairs Committee, I have been asked to outline for you the position of the Emporia Area Chamber of Commerce with respect to House Bill 2186. Please consider this Memorandum as you deliberate upon the substantive provisions of this legislation.

Over the course of the last two years the Governmental Affairs Committee of the Emporia Area Chamber of Commerce has conducted an intense study of the impact of the present workers' compensation law in the State of Kansas upon our trade territory. Our committee includes representatives of both employer and employee groups and information was sought from not only existing sources within our trade area, but from prospective industries and businesses considering relocation.

Our studies have revealed two very important things to us:

1. Several industries and businesses have flatly refused to consider Kansas as a potential for relocation due to the present state of our workers' compensation law; and

2. We believe that workers' compensation reform as outlined in House Bill 2186 will result almost immediately in an increase of from 200 to 500 jobs in the Emporia trade area alone.

With the increasing competition Kansas is experiencing in attracting new business and encouraging expansion of its existing business, our committee has drawn the conclusion that reform of the workers' compensation law of the State of Kansas is now mandated.

II. POSITION STATEMENT.

It is the position of the Emporia Area Chamber of Commerce that the expense of providing adequate workers' compensation insurance or being a self-insurer under present Kansas law has become an undue burden upon Kansas employers and has been encountered as a significant impediment to future economic development in the State of Kansas, both to the expansion of existing industry and the development of new industry. Consequently, the

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Emporia Area Chamber of Commerce and its membership strongly supports passage of House Bill 2186 and the substantive changes established therein.

As we all struggle to find a means of improving our ailing agricultural economy, the Chamber would point out for you that we believe that the passage of meaningful workers' compensation legislation will be a key factor in attracting and obtaining new jobs directly related to the agricultural economy. We note that a large percentage of the industrial base in the Emporia area provides jobs which involve the processing of agricultural products. As we provide an economic climate which is conducive to the retention and expansion of our industries, and the successful relocation of new industry, a principal result of that new economic climate will be the provision of both a market for our agricultural products and a place for employment of rural residents.

In developing its legislative policy statements, the Emporia Area Chamber of Commerce has received input from a significant number of diverse groups upon the subject matter of workers' compensation reform. Almost uniformly, three elements of the present workers' compensation law are pointed out to us as being highly objectionable. These three factors are as follows:

1. A determination of permanent partial disability awards based solely upon consideration of the ability of the employee to perform work of the same type and character as at the time of injury as opposed to the use of a loss of earnings capacity standard;

2. The treatment of bi-lateral repetitive use conditions as a general bodily disability rather than as a scheduled injury;

3. The liberal construction rule applied by the courts of the State of Kansas, rather than interpreting the legislation in an impartial manner.

Numerous industrial prospects, as well as numerous existing employers in the Emporia trade area have made these comments to the Emporia Chamber and consequently, the adoption of reforms as suggested by HB 2186 has become an extremely high priority item for the Chamber. This is especially true when the prior history of our workers' compensation law and the judicial decisions interpreting the same have been reviewed by Chamber members who believe that the present method of determining permanent partial disability awards and awards for bi-lateral repetitive use conditions had been primarily the result of judicial interpretation rather than legislative mandate. It is the belief of the Emporia Area Chamber of Commerce that judicial decisions made in the State of Kansas have departed from the original intent of the Workers' Compensation Act such that the present law, as interpreted by the Kansas courts, in some cases, permits windfalls to injured employees rather than compensating them for on the job injuries. It is the belief of the Emporia Area Chamber of Commerce that workers' compensation legislation in the State of Kansas should return to an impartial and non-adversarial position and that the provisions of HB 2186 will accomplish that change without impairing the rights of injured workers as originally established by the legislature of the State of Kansas.

III. SPECIFIC COMMENTS REGARDING BI-LATERAL REPETITIVE USE CONDITIONS.

Provisions of HB 2186 suggest a change in the law to provide that repetitive use conditions occurring in opposite extremities should be compensated on the basis of a scheduled injury to each extremity together with an additional 20% of the total period allowed for each extremity as additional compensation rather than as a general bodily disability. This particular provision is strongly supported by the Emporia Area Chamber of Commerce. Our area has numerous employers who have repeatedly been the subject of large general bodily disability awards as a result of conditions such as bi-lateral carpal tunnel syndrome. Indeed, many employers have suggested to us that the cost incident to this one area of the law alone makes the cost per product much higher in Kansas than in other states in which the identical products are made by the same company, consequently reducing the competitive ability of the Kansas product.

We believe that the legislature originally established the schedule of injuries for a specific reason, i.e. to lend some certainty to the law of workers' compensation and to prevent a workers' compensation proceeding from becoming an adversarial proceeding rather than one designed solely for the benefit of an injured employee. The current state of the law regarding repetitive use conditions has in fact turned almost every situation involving these injuries into an adversarial situation to the strong detriment of the employee as well as the employer. Reform eliminating large windfall judgments while at the same time retaining adequate compensation for the injury is necessary in order to return the Kansas made products to their competitive position in the national economy.

IV. SPECIFIC COMMENTS REGARDING PERMANENT PARTIAL DISABILITY AWARDS.

The original intent of the Workers' Compensation Act was never to allow an injured worker to obtain a windfall recovery from an employer for an injury sustained while on the job. Rather, the original intent was to adequately compensate the employee in a non-adversarial type system for such injuries. However, the impact of judicial decisions in the State of Kansas has had the impact of turning nearly every case, other than simple scheduled injuries, into an opportunity to obtain extremely large permanent partial disability awards.

The Emporia Area Chamber of Commerce does not believe that either claimants or their attorneys are dishonest or are doing anything more than taking reasonable advantage of the present judicial interpretations in order to exploit the original legislative intent. Rather, the Emporia Area Chamber of Commerce takes its position merely to point out to the legislature that we believe that the present judicial interpretations applied to this Act do not represent the original legislative intent.

The Emporia Area Chamber of Commerce recognizes that there are always two sides to every issue, but we unhesitatingly point out to this Committee that we do not believe that the provisions of HB 2186 will result in any injured employee receiving less than what the legislature originally determined that that employee should receive. No employee will fail to receive

workers' compensation benefits as a result of this proposed legislation and in fact, the probability is much higher that the employees will receive a greater percentage of the workers' compensation benefits by removing the adversary nature of the proceeding.

V. CONCLUSION.

In evaluating this legislation, the Chamber suggests that legislators must evaluate its impact upon the economy of the state, its cost to the parties on both sides of the issue, the cost to the state, and the impact of such legislation on the populace as a whole. In considering these factors, the Chamber would note for this Committee the following:

1. The present workers' compensation law prevents significant economic development in various areas for the state. The failure to take advantage of opportunities for economic development at this time is extremely detrimental to the state and its population as a whole and should not be disregarded lightly.

2. The original intent of the legislature in adopting the workers' compensation laws of this state has been subverted to a good degree by judicial interpretations of those laws. This legislation gives the legislature the opportunity to reassert its original intent without massive expenditures of any type or the creation of any additional bureaucracy.

3. The proposed legislation will not have the effect of terminating workers' compensation coverage for any employee, but will have the effect of removing the adversarial nature of workers' compensation proceedings and preventing windfall recoveries by claimants and their attorneys above and beyond an amount adequate to compensate for an injury.

4. The judicial interpretations made of the present workers' compensation law in the State of Kansas provide absolutely no incentive whatsoever for an employer to participate in vocational rehabilitation efforts for an employee. The adoption of a "wage-loss" concept of determining general bodily disabilities will provide that needed incentive to employers to utilize the present vocational rehabilitation programs available in the State of Kansas without the incurrence of any additional expenditures or creation of any additional bureaucracy.

5. The State of Kansas continues to have available to it numerous opportunities to promote economic development. The failure to remove impediments to economic development in the state will work only to the disadvantage of the state as a whole and the opportunity to remove a significant impediment to economic development without additional cost to the state should be a compelling consideration on your part.

Respectfully Submitted.

Merlin G. Wheeler, Chairman
Emporia Area Chamber of Commerce
Governmental Affairs Committee

The University of Kansas

Classified Senate

Classified Executive Council

February 24, 1987

Committee on Labor and Industry
Kansas House of Representatives
State House
Topeka, Kansas 66612

Members of the Committee:

My name is John Brothers, and I am the president of the University of Kansas Classified Employee Senate. KU Classified Senate represents approximately eleven hundred of the sixteen hundred classified employees at the University of Kansas. I would like to address the committee concerning House Bill 2186 and have attached testimony pursuant to said concern.

I thank the Committee for this opportunity, and if the Committee has any questions, I would welcome the opportunity to respond. I can be contacted at the University of Kansas Police Department, 864-5572, KANSAN 564-5572.

Sincerely,



John Brothers

Attachment #3
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University of Kansas Classified Senate

Testimony on House Bill 2186

Relating to Workers' Compensation

The University of Kansas Classified Senate supports in general the provisions of House Bill 2186 and specifically applauds those sections of the bill which (1) increase the cap on total compensation, (2) recognize in statute disabling effects of repetitive use syndrome, and (3) authorize an injured employee to consult, independent of employer approval but at employer expense, a physician of choice in workers compensation covered cases. However, we have concerns about those provisions of the bill which address the calculation and determination of permanent partial disability.

The offending provisions lie in section 7 of the bill, wherein K.S.A. 44-510e is amended. Lines 651 through 666 set forth the parameters for the determination of permanent partial disability not covered in existing schedules. House Bill 2186 would define permanent partial disability as ". . . the extent, expressed as a percentage, to which the ability of the employee to return to the open labor market has been reduced, taking into consideration the employee's education, training, experience, age, and capacity for rehabilitation . . . (lines 651-658)" The bill continues to provide that partial disability shall not be less than the percentage of

functional disability as determined by medical evidence (lines 658-662) and further states that "[t]here shall be a conclusive presumption that the employee has no work disability if the employee returns to work for wages equal to or more than the average gross weekly wage that the employee was earning prior to the injury. (lines 662 -666)"

We understand that the legislative intent in the above section was to eliminate the possibility of "double dipping" wherein an injured employee determined to possess a permanent partial disability could accept payments under workers compensation and re-enter the job market at an equivalent or higher level of compensation even as that employee continued to collect disability payments. We support that intention, such "double dippers" representing an unnecessary drain upon the fiscal resources of the workers compensation program as well as being a blight on the image of responsible public sector workers. We are concerned, however, that the language of the bill could have an adverse impact upon legitimately partially disabled employees, to wit:

By changing the standard for the determination of permanent partial disability from the existing one wherein the disability is calculated within the context of the employee's ability "to return to work of the same type and character" being performed at the time of injury (K.S.A. 44-510e) to a standard based upon ability to re-enter the open labor

market, HB 2186 could open the door for regulations which would deny workers payment for permanent partial disability as long as said workers were deemed able to perform even the least skilled and most poorly remunerated positions. Such regulations, inhumanely applied, would de facto force skilled and trained workers, workers injured in legitimate job related circumstances, into non-skilled, minimum wage, minimal satisfaction positions because the open labor market standard would allow permanent partial disability benefits to be withheld as long as the worker was able to perform such tasks. We do not believe this represents fair treatment to employees injured in service related incidents.

We find it hard to believe that such a negative impact is within the realm of legislative intent, especially within the context of a bill which contains so many other positive provisions for job related injury and disability, and we would ask that this section be amended prior to presentation to the chamber. We would suggest a return to the existing "same type and character" standard for determination of permanent partial disability with the retention of the "conclusive presumption" clause in lines 662 through 666. Such amendment should both address legislative intent in the matter and mollify employee concerns. The conclusive presumption clause alone should effectively eliminate abuse of the program, while retention of the present standard for determination of permanent partial disability would prevent

skilled workers from being forcibly devalued into minimum wage positions.

FEB. 23, 1987



Mr. Chairman and Members of Labor and Industry Committee

My name is Robert Lincoln I, m the personnel manager for Dolly Madison Cake plant located in Emporia, Kansas. We currently employ some 1500 people with half in our distribution system covering some 18 states and the other half in our plant. Interstate Brands Corp. our parent has four other cake plants located in Columbus, Ga., Los Angeles, Ca. Chicago, Ill. and Columbus, Indiana. These bakeries all utilize the same or similar equipment producing bakery items for their respective areas of the United States. Recognizing Workers Compensation cost is a major problem each plant is addressing their particular problems.

Emporia has taken the position a Major Educational effort must be made including management personnel and labor. Management wants and has mandated strick adherence to safety rules and policies. Safety training ergonomics, consultants from the private sector as well as state and federal agencies have been used in attempt to instill the importance of working safely accident free.

A safety and training coordinator has been hired to address those issues on a full time basis.

Incentives Savings Bonds, Safety Bingo with cash rewards, and safe driving awards have all been tried and to some success.

Hourly employees through safety audits and much improved safety committee have all helped in this effort to reduce accidents and workers comp costs.

The Emporia plant for current fiscal year June thru Jan. has experienced 85 or 65% of personal injuries resulting in lost time.

1986	63 or 60%
1985	72%
1984	61%
1983	46%
1982	44%
1981	54%
1980	49%

Those figures are not good but what does it mean? The injuries reported are of a more serious nature or something else is the cause, I dont know. The lost work days has increased and so have the costs. The majority of those claims this year have been aggravated following a prior injury, cumulative trauma and other soft tissue injuries.



Workers comp cost to the Emporia plant have been increasing each year to the staggering amount for 1986 of \$1,000,000.00, that figure is equal to two of our other plants. We are self insured and that figure does include all costs incurred.

We at Dolly Madison recognize our opportunity and commitment to our employees in operating a safe and accident free work place.

But we need your help. The abuse of your system by employers, employees and the legal system must be minimized.

Major concerns with the current law and the interpretation of the law are as follows;

Carpal Tunnel Syndrome Bi Lateral

Aggravated Injuries

Subjective Complaints by worker with no medical support resulting in 5 to 10 percent rating to the body as whole.

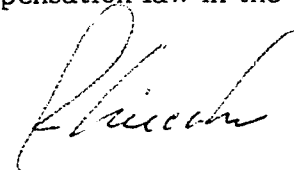
Rehabilitation no incentive for the employer

Injured worker receiving rating—returning to work at the same job receiving the same wage with several thousands dollars in settlement.

Second injury fund being harder to plead, if successful then at only a percentage of the amount.

Just recently I interviewed several applicants for open positions in our plant. When I questioned them about reported injuries or some medical problems trying to gather all the information, knowing the second injury fund is not available who do you think got those jobs? The reservation of mind is not enough any more to assume the additional risk.

I appreciate the opportunity to speak before you emphasizing the concerns we have with the current workers compensation law in the state of Kansas. Thank You



Personnel Manager
Dolly Madison Cake

SIMULTANEOUS BILATERAL
UPPER EXTREMITY REPETITIVE
USE CONDITIONS

- Hypothetical: 1. \$450.00, average weekly wage.
2. No temporary total benefits paid.
3. 10% functional impairment to each upper extremity at the wrist.
4. Claimant cannot return to same job.

Colorado:	\$ 1,747.20
Nebraska:	\$ 7,875.00
Missouri:	\$ 6,268.40
Oklahoma:	\$16,300.00
Iowa:	\$10,336.40
Arkansas:	\$ 5,250.00

Source: Fred S. James, Claims Management Service (a national 3rd party claims administrator).

(Kansas is only state which applies a work disability to each instance).

Attachment #5
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