

Approved

Date

Arthur Douville 4-7-87

MINUTES OF THE House COMMITTEE ON Labor and Industry

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

9:10 a.m. ~~xxx~~ on February 27, 1987 in room 526-S of the Capitol.

All members were present except:

Committee staff present:

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

Conferees appearing before the committee:

Representative Patrick expressed concern regarding the language which was stricken on page 2 of the insert preceding page 34 of the corrected, balloon version of HB2186. He gave as reasons for maintaining the language as part of policy: 1. the self-insurers are not regulated or audited to the same extent as insurance companies 2. insurance companies are subject to the discipline of the financial markets and 3. the number of companies reported in the Wall Street Journal reported to raid their self-insurance fund when they are in financial difficulty, collapsing the insurance fund and leaving the workers without benefits. He then made a motion to reinsert the stricken language. Representative Bideau seconded the motion.

Chairman Douville stated that there are many requirements regarding self-insurance programs and asked Bill Morrissey, from the Department of Human Resources - Workers Compensation, if there had been any problems of which he was aware. The chairman further stated that this related only to the bond appeal. The answer was that there had been some difficulty as it related to companies filing bankruptcy. Additional committee discussion followed. The motion passed with one "no" vote.

Representative O'Neal explained the change in the language of page 1 of the insert preceding page 34 of corrected, balloon version of HB2186 regarding the venue of action. Representative Bideau suggested that terminology be changed from "employee and employer" to all of the parties involved. Representative O'Neal stated his motion incorporating Representative Bideau's suggested terminology and adopting the added language indicated by underlining. Representative Hensley seconded the motion which was then passed by the committee.

Chairman Douville asked Jim Wilson to distribute a proposal by SRS and give an explanation of same to the committee. This refers to what was discussed by him at the February 26, 1987, meeting (see February 26, 1987, minutes for explanation). Mr. Wilson's summary was that the effect of these amendments puts these programs on the same basis as community service work which was a policy adopted by the legislature last year.

Representative Bideau made a motion that this amendment as presented by Mr. Wilson become a part of HB2186. Representative Buehler seconded the motion.

Representative Webb asked if this would have any effect on work release programs. The answer was that it should not.

The motion passed on a voice vote.

Representative Bideau moved that the language on page 34, beginning at the end of line 0321 with the word "The" and through lines 0322, 0323 and 0324 be deleted. His explanation for the deletion was that if this amendment stayed on the bill that it would involve the fund in more cases. He cited the copy of the letter from Insurance Commissioner, Fletcher Bell, giving the financial status of the Workers' Compensation Fund (it is depleted). He further discussed the employers not being required to consider whether or not the employee is handicapped (the purpose of the workers' compensation fund) upon hiring. His perception was that it would streamline, accelerate, make more equitable, and at less cost, the administration of workers' compensation.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Labor and Industry,  
room \_\_\_\_\_, Statehouse, at \_\_\_\_\_ a.m./p.m. on February 27, \_\_\_\_\_, 1987.

Representative Patrick seconded the motion.

Representative Whiteman stated opposition to the motion. She explained that the law, as it is written, makes it very difficult to any of the liability or responsibility for payment of a claim over to the workers' compensation fund. Representative Whiteman reiterated that the purpose of the fund is to encourage hiring handicapped individuals, but the way that the law has been interpreted, it is very difficult once an employer has hired a handicapped worker for someone injured on the job to shift over that liability from payment of some of the workers compensation award to the fund. She further stated that it may be a dispute of opinion of attorneys involved in handling workers' compensation cases but that the area needed further study.

Further discussion ensued.

The motion was passed on a voice vote, several "no" votes being heard.

Representative Acheson made a motion to report HB2186, as amended, favorably for passage. Representative Buehler seconded the motion. The motion passed.

Chairman Douville responded to a question regarding rehabilitation saying that although there had been some testimony presented on the subject, there were still many questions that needed to be answered. He suggested that since there needed to be further study on the matter that it be kept a separate issue and not incorporated into HB2186 at this time.

The meeting was adjourned at 9:45 a.m.

The next meeting will be March 3, 1987, at 9:00 a.m.

HOUSE COMMITTEE  
ON  
LABOR AND INDUSTRY

GUEST LIST  
City

DATE February 27, 1987  
Representing

Name

Name	City	Representing
MARK Beshears	Topeka	KCCI
Rob Hodges	"	KCCI
RON CACHES	WICHITA	BMAC
Jod Josseland	Wichita	Wichita Chamber
Bill Morrissey	Topeka	DHR/Work Comp
Bud Langston	"	" "
DICK THOMAS	"	KRS/SRS
David S. J. J. J.	Topeka	KS Ins Dept
Jim Villanueva	Topeka	KS Ins Dept
Laura Kusener	Wichita	Work Assessment & Rehab
Mary Ellen Cook	Wichita	St. Francis Med. Center
Ray Rancourt	Wichita	St. Francis Reg. Med. Ctr.
Richard Mason	Topeka	KTCA
Dorothy McNeil	OTAWA	
B. B. Arbutnot	Topeka	KTAA
D. Mariani	Topeka	Dept. of Adm.
William BARNES	EMPIRIA	MD/MS
Tom Ham	Wichita	Machinist
Chris Cowger	Topeka	KS. Ins. Dept.
John M. Ostrowski	TOPEKA	AFL-CIO
Ray Petty	Topeka	KACEH/DHR