

Testimony before the  
House Committee on Commerce, Labor and Economic Development  
Larry Karns, Workers Compensation Director  
Kansas Department of Labor  
February 15, 2016

Chairperson Mark Hutton and Members of the Committee:

My name is Larry Karns. I am the Director of the Kansas Department of Labor's Division of Workers Compensation. Thank you for the opportunity today to proffer support for a favorable passage of House Bill 2617.

The Division of Workers Compensation's principal functions are to administer the Kansas Workers Compensation Act found at K.S.A. 44-501 et seq., and to adjudicate disputed work injury claims. All employers in Kansas, with limited exceptions, are required to provide workers compensation benefits, including medical care and monetary benefits, to workers who sustain job related injuries. The "division", has ten Administrative Law Judges with offices in Topeka, Wichita, Lenexa, Salina and Garden City. A five member Appeals Board is located in Topeka. In addition to the adjudication of litigated workers compensation claims, the division ensures employer compliance with mandatory employer insurance coverage and accident reporting, issues permits for qualified self-insurers, maintains records on work related injuries and claims, provides statistical data to the industry, and prosecutes fraudulent and abusive acts.

To facilitate the efficient adjudication of workers compensation claims, the division has undertaken a project to implement within the next two years a paperless electronic filing system. This new system will be similar to the one used by the state and federal civil courts. The current statutory framework was written for a paper driven system. The division is seeking to amend the Kansas Workers Compensation Act to allow for the filing of documents electronically in cases pending before the division. The purpose of the bill is to prepare for the adoption of the electronic filing system, including the allowance of electronic signatures.

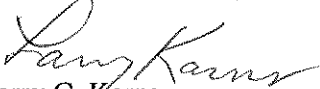
One proposal in the bill, which mirrors the code of Civil Procedure for the State of Kansas K.S.A. 60-206, allows for an extension of filing deadlines in the event the electronic filing system is inaccessible. To clarify that provision and to prevent an unintended suspension of time deadlines until implementation of the electronic system, we propose adding at the beginning of the proposed language for 44-534(c) at line 8 on page 4, "After implementation by rules and regulations by the Director". We would support such an amendment to the bill to prevent any misapplication of the extension of the deadlines until the system is implemented.

Another proposed change to the Kansas Workers Compensation Act in House Bill 2617 relates to the requirement that the division have a medical doctor in the unclassified service serve as its

medical director. Currently the division utilizes a quarter time physician in this role. The medical administrator's duties primarily involve setting a schedule of allowed medical fees for treatment of injured workers. The division is requesting flexibility in filling this role and requests authority to contract with a person who may or may not be a physician. Under the current statute, a physician is required. This requirement prevents consideration of other health care professionals with experience in health care delivery.

We are aware that there is some sentiment by others that a physician perform these duties. We acknowledge that sentiment and would support an amendment to the bill to restore that requirement, provided the division was granted the flexibility to either appoint or contract for that function. Further, we anticipate working with those parties in the future to review the functions of the medical administrator. Ultimately, the agency's primary, immediate goal in supporting this legislation is to be given the greatest degree of flexibility to obtain the services of a specialist in health services delivery.

Thank you for your consideration in this matter and I would be pleased to respond to any questions at this time.



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