

Responses to questions on SAIF's legislative proposal

1. How does the proposal support the values of MLAC?

MLAC values include the adequacy of benefits for injured workers and affordability for employers. The proposal seeks to improve workers' timely access to care and manage rising medical service costs.

2. What specific problem are you trying to solve? What caused the problem? Why is it a problem? What does the proposed change do?

It is taking longer for injured workers to access health care. SAIF has seen an increase in the time it takes for injured workers to receive medical services. A delay in care can affect the worker's recovery, their ability to return to work, and the length of time that temporary disability benefits are paid. In addition, according to SAIF data, medical costs are rising. SAIF also seeks to build resiliency within the managed care organization (MCO) space. With the departure of Caremark MCO in 2023, there remain only three MCO providers in workers' compensation; for a complete list of formerly active MCOs in Oregon see here (bit.ly/40AnLEX).

Our proposal seeks to improve worker access and control costs by allowing SAIF to coordinate and potentially manage medical care services for injured workers. SAIF would like to leverage its resources and industry knowledge to support injured workers throughout their recovery and ensure they are receiving timely and appropriate medical care, while also controlling costs for employers.

Currently, SAIF cannot coordinate care for injured workers. SAIF's proposal would allow SAIF to explore multiple solutions to support injured workers including provider recruitment and support services, development of provider network hubs, student loan forgiveness (to potentially recruit more providers into workers' comp), solicit and coordinate with medical service providers, and partnering with or forming a SAIF-Managed Care Organization that may be utilized by SAIF, self-insured employers, and private insurers.

3. Has the issue been addressed previously? Does the proposed change reinstitute a practice/benefit that was available pre-Mahonia Hall reform? If yes, do we know the reason for the change as part of the reforms?

MCOs were created as part of the Mahonia Hall reforms. In fact, in the April 30, 1990, report to the governor, the original MLAC members wrote that MCOs would "deliver a high-quality and consistent standard of medical service to all workers" while controlling costs. Prior to the Mahonia Hall reforms and the creation of MCOs, the system experienced high medical costs for insurers and employers and poor outcomes for injured workers. As a result of the Mahonia Hall reforms, Oregon's workers' compensation system is healthier and stronger.

4. What data supports or illustrates the effect of the proposal? What data is or is not available? What limitations exist in obtaining the data? If there are limitations, in what instances do we support a change even without compelling data?

SAIF reviewed its own data for the past ten years. The trends show that access to physical medicine takes longer statewide, with rural areas experiencing greater wait times than urban areas. For example, the median time to access physical medicine services has risen from 12 days to 22 days over a ten-year period. As the insurer of approximately 56% of the market (compared to self-insured and private insurers), SAIF expects that its data is reflective of the broader system.

SAIF's data also demonstrates that provider numbers have decreased across multiple specialties, which affects access to care when there are fewer providers available. SAIF's proposal will not impact the number of providers in the state, but its intent is to attract existing providers and new providers entering the medical field to treat injured workers as part of their regular practice.

5. How many workers does the problem affect? For example, does the problem affect 2% of all workers or 100% of all workers?

Access to care impacts all injured workers. With the goal of improving access to care and provider availability, SAIF's proposal has the potential to benefit any injured worker who experiences a delay in accessing care, improving outcomes.

6. Do we know the potential costs for insurers if the proposal went into effect?

SAIF would bear the cost of implementing the concepts identified in its proposal if it went into effect with the consideration and support of our executive team and board of directors, while considering any regulatory requirements. In addition, the cost of implementation would not be passed along to employers through an increase in premium rates. The intent is to maintain rates at a competitive level while also maintaining a high level of medical services for injured workers.

7. Do we have any feedback or position from the Ombuds Office for Oregon Workers' or the Small Business Ombudsman?

SAIF shared its proposal with the Ombuds for Oregon Workers' and the Small Business Ombudsman.

8. What stakeholders are affected (workers, employers, insurers, medical providers, etc.). Do they support the proposal?

SAIF conducted initial meetings with stakeholders, including employers, injured workers, self-insured and private insurers, and the medical provider community.

9. Has the party bringing this proposal forward researched the fiscal impact on affected parties? Has the Oregon Workers' Compensation Division (WCD) provided a potential system cost for the proposed change? If not, please work with WCD to fulfill this request before presenting to MLAC.

The proposal includes a requirement for SAIF to be audited annually by the Workers' Compensation Division (WCD) if SAIF forms an MCO. SAIF would bear the cost of the audit and does not anticipate a fiscal impact; however, SAIF has had ongoing discussions with WCD staff on this issue. As an alternative, the Secretary of State could be tasked with auditing a SAIF MCO and issuing a report. SAIF would also pay for the costs associated with an audit by the Secretary of State.

10. While working with WCD, please also consider an analysis of the scope of your proposed change to the system. How will the potential legislation globally affect current rules, laws and/or practices?

Currently, an insurer cannot coordinate or manage care. SAIF acknowledges that this would be new and will take time to implement. In addition, rulemaking would be required to implement the changes, including an audit of SAIF's claims services and managed care services to ensure adequate separation of the different roles as required by this proposal.

About SAIF

SAIF is Oregon's not-for-profit workers' compensation insurance company. For more than 100 years, we've been taking care of injured workers, helping people get back to work, and striving to make Oregon the safest and healthiest place to work. For more information, visit the About SAIF page (saif.com/about).

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