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National study highlights Oregon workers' compensation system

Study: Other states can learn from Oregon's achievements

(Salem) — Oregon's successes in workers' compensation provide valuable lessons for other states, according to a recently released study by a national workers' compensation research organization.

"When considering changing their workers' compensation systems, state policymakers often want to learn more about the system in Oregon – a state with a reputation for achieving certain desirable outcomes, including reasonable income benefits that are typically delivered accurately and promptly with lower litigation levels, and employer costs that are affordable and stable," according to the Workers' Compensation Research Institute (WCRI) study, called "Lessons from the Oregon Workers' Compensation System."

The study outlines the following four key lessons from Oregon's workers' compensation system: cooperation between management and labor through the Management-Labor Advisory Committee; accurate and timely benefits for injured workers; reduced litigation over benefits; and return-to-work programs that help get injured workers back to work faster.

"Oregon's system has become a national model because of the hard work and collaboration of employers, workers, and policymakers that began almost 20 years ago and continues today," said Governor Kulongoski. "Our strong and stable workers' compensation system has played a major role in the growth of our economy because it is a factor businesses consider before they relocate or expand here."

The Oregon Legislature passed a series of workers' compensation reforms beginning in 1990. Since then, the system has experienced an incredible turnaround.

- Reported workplace injury and illness rates in the state have declined 50 percent.
- Benefits for permanent disability have increased between 600 percent and 800 percent, depending on the type of injury. And Oregon's wage replacement benefits are now among the highest nationally.
- The workers' compensation insurance premium rates Oregon employers pay have gone from the sixth-highest in the nation in 1986 to the 42nd highest in 2006. Decreases in the rates have saved Oregon employers a cumulative \$14.5 billion since 1990.

"Oregon is ahead of other states in workers' compensation because we confronted our problems years ago and we were willing – and continue to be willing -- to make tough decisions to ensure injured workers receive the quality benefits they deserve while keeping costs affordable for employers," said Bob Shiprack, executive secretary of the Oregon Building Trades Council and Management-Labor Advisory Committee labor co-chair.

Much of Oregon's success in workers' compensation can be attributed to the cooperation between labor and management. The Management-Labor Advisory Committee (MLAC) consists of representatives from business and labor and makes recommendations about workers' compensation policy.

MLAC has been instrumental in making further improvements to the system in recent years, including providing higher disability benefits to the most severely injured workers and adding protections to workers in the independent medical examination process.

“Our system is a positive example of proactive and objective decision making, oftentimes sprinkled with compromise, between the users—labor and management,” said Sheri Sundstrom, insurance claims manager at Hoffman Construction Corp. in Portland and management co-chair of MLAC.

For more information on the Workers’ Compensation Research Institute study, go to:

http://www.wcrinet.org/result/OR_lessons_result.html. Duncan Ballantyne, the author of the study, will speak in Oregon on May 15 as part of the Workers’ Compensation Educational Conference at the Salem Conference Center. For information on the conference, go to www.wcd.oregon.gov.

The Oregon Department of Consumer and Business Services administers the state’s workers’ compensation and workplace health and safety laws and programs.

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