

NOTICE OF PUBLIC MEETING
WORKERS' COMPENSATION
MANAGEMENT-LABOR ADVISORY COMMITTEE
SUBCOMMITTEE

July 24, 2008
2:00 p.m. – 3:00 p.m.
Conference Room 260, Labor & Industries Building
350 Winter Street NE, Salem, Oregon

Committee Members Present:

Linda Barno, ESIS, Inc., Portland
Tracy Brill, Portland Fire Fighters Association, Portland
Lon Holston, Laborers' International, Local 483, Portland
Kathy Nishimoto, Duckwall-Pooley Co., Hood River
Greg Miller, Gunderson LLC, Portland
Mike O'Rourke, Plumbing and Steamfitters UA 290, Tualatin
Jeri Ray, Timber Products Company, Springfield
Sheri Sundstrom, Hoffman Construction Company, Portland

Committee Members Excused:

John Kirkpatrick, IUPAT District Council, Portland
Bob Shiprack, Oregon Building Trades Council, Portland
Cory Streisinger, Ex-Officio Member, Department of Consumer and Business Services,
Salem

DEATH BENEFITS SUBCOMMITTEE

Sheri Sundstrom, subcommittee chair, called the meeting to order at 2:10 p.m.

There was unanimous consent by the subcommittee that the minutes from June 26, 2008, be adopted with recommended changes.

Ms. Sundstrom wished to have a clear understanding of the Permanent Total Disability (PTD) statutes and what they will have to do with MLAC's legislative concept ideas and how the workers' benefit fund applies to PTD statutes. She said the subcommittee will also address the child with no surviving parent between the ages of 18-23 and their benefit.

Cara Filsinger, Workers' Compensation Division, summarized the death benefit options document from the last meeting, what the subcommittee decided, and areas where there are still decisions to be made.

The subcommittee discussed specific time frames for the remainder of the burial benefit funds to be issued to the estate, after vendors have been paid. Ms. Sundstrom asked SAIF and Liberty NW to check on their timeframes for payment of bills.

Linda Barno said if a timeline is set for 60 or 90 days, all the bills are reimbursed up to that time, then the remainder is issued to the estate and the personal representative or family must pay any outstanding bills.

Lon Holston said he agrees with Ms. Barno and thinks vendors will get their bills out and want payment by the end of the month.

John Fowler, Liberty NW, said routinely when they receive a fatality claim, they start to get bills almost immediately. He agrees with Ms. Barno in regards to the family paying the remaining bills. He said 60 days is a reasonable timeframe from the day of final disposition of the body to issue the remaining funds to the estate.

Ms. Sundstrom said it makes sense to have it begin from the time of client claim acceptance.

Ms. Barno said she would like to see something 60 days from the time of acceptance. She would also be comfortable with 45 days so the family is taken care of if they have other expenditures.

Mr. Fowler said the more consistent we can keep timeframes is good and the norm is 60 days. Ms. Sundstrom agreed that 60 days is a fair specified time.

Ms. Filsinger continued to explain the options document. She discussed the child benefit issue Ms. Barno brought forward at the last subcommittee meeting.

Ms. Barno asked from the document prepared by DCBS staff, what was the benefit to a child 18-23 years of age that has no surviving parent? Ms. Sundstrom said that child's benefit would be \$859.

Mr. Holston said on \$859 benefit, if the surviving parent dies, the child would be living on the street. He agrees this benefit needs to be adjusted.

Lou Savage asked if children going to college up to age 23 were eligible for social security? Jerry Ray said it was changed where now social security only provides benefits to children up to age 19 if there are no surviving parents.

Ms. Barno said this is a group that is not eligible for foster care or adoption. Her belief is children under 18 will be living in foster care, with other family members, or up for adoption – there are options out there for them. At age 18, those options cease so they cannot go anywhere and are not eligible for social security.

Ms. Ray asked Ms. Barno if she was more concerned with those children in school trying to advance in college? Ms. Barno said she is more concerned with those children in school.

Ms. Ray asked if the department knows how many people will be affected per year? Mike Manley, Information Management Division, said there will be very little, somewhere in the single digits per year.

Mr. Holston said the subcommittee has the desire to change the benefit for those children, but how do they get there?

Ms. Sundstrom asked if there was anything comparable in other states?

Ms. Filsinger said she does not recall a specific difference in benefits in other states. Mr. Manley agreed with Ms. Filsinger's observation.

Ms. Filsinger clarified that the 18-23 year old that is still in school is the main issue.

Mr. Savage said a concept could be to back up what the child lost when the social security benefits ceased.

Mr. Holston asked the subcommittee what is livability for a child and how can they get to a spot where they can go to school? If they are forced out of school, what wage are they looking at and what would be livability for them?

Ms. Barno proposed raising the benefit so the child between 18-23 with no surviving parent would receive the same benefit as a surviving spouse would have. This would not change much and they would get the equivalent to the spouse using the same formula.

Ms. Filsinger clarified the child would be receiving sixty-six and two thirds of the state average weekly wage, same as a surviving spouse would receive. She asked what if there is more than one child surviving? If there are several children surviving, would they be subject to the maximum?

Mr. Holston asked how that would work? If there is a maximum divided by several children, does that mean each child's benefit would be reduced?

Mr. Manley said looking at other states statistics many of them have a cap. There is usually language that said a certain percent was divided among the children up to the cap. He said the current maximum could support two kids at the spouse level.

Ms. Sundstrom asked the department to do further research regarding spousal benefit if there are more surviving children between 18-23 and come back with ideas.

Ms. Barno said her preference would be to keep things how they are now by keeping the concept of the maximum, but upping the benefit to the children with no surviving parents.

Ms. Filsinger continued to explain the handout.

Mr. Manley presented the permanent total disability document.

Ms. Filsinger clarified that if a person is on PTD benefit and they die, they are eligible for death benefits.

Ms. Sundstrom asked how many people are out there getting PTD right now? She believes PTD numbers were changed a while ago.

Mr. Manley said currently there are under 20 net PTD a year. In the 70s and 80s, it was much easier to get PTD award. There were over a hundred granted system wide in some of those years and the numbers always skewed towards those older PTD awards. As those PTD awards from many years ago begin to decrease, then the number declines faster.

Mr. Miller said safety is better these days and there are not many fatalities. He does not believe there are going to be that many injuries that will fall under PTD in the future.

Ms. Sundstrom does not want the committee to get caught up on something they are not educated on. She asked the department for a graph that shows the numbers by year of PTD that will come up. Mr. Manley believes it is in the range of about 800 out there right now, but this not a perfect census.

Ms. Sundstrom said she would like an audit on what is there based on age. She would like more numbers and about the PTDs and where that money comes from to pay the additional benefit. She asked if the increase would come out of the Workers' Benefit Fund (WBF)?

Mr. Manley replied yes it would come from the fund. Insurer is only liable for the portion from when they receive the benefit. The make up comes out for the WBF. Ms. Barno added the bottom line is we would like to know if it will affect the premium assessment rate.

Ms. Sundstrom said she would like follow-up information for PTD claims.

Mr. Savage said the statute will be amended for domestic partner instead of spouse.

Ms. Sundstrom asked when does report have to be made to legislature? Ms. Filsinger said it is due in January.

The next subcommittee meeting will be August 20, 2008.

Meeting adjourned at 2:52 p.m.