

April 16, 2014

SAFETY GROUP FYI

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ASSURANCE

Workers' Compensation Legislation Expected Soon

Pinnacol Assurance has been aware that a bill regarding changes to the workers' compensation system was expected during this legislative session. That bill may be introduced as early as today. Proposed changes would go into effect in April of 2015. The bill will increase the number of medical providers an employer must designate from two to four. The bill also provides increased flexibility for employers to designate providers with common ownership, such as clinics or medical facilities. It creates more choice for injured workers while maintaining for policyholders the important first opportunity to designate providers who best understand the needs of their business.

Pinnacol was an active participant and thought leader in discussions about this bill and we are pleased all interested parties were willing to work together. We worked closely with a broad coalition of business community partners to ensure discussions resulted in a balanced proposal. That group included the bill's proponent (the AFL-CIO), the bill sponsors and members of the business community. From the beginning, as always, Pinnacol's priorities were advocating for the interests of our policyholders and maintaining quality care for injured workers.

Throughout the process, Pinnacol remained committed to the following principles:

- Any legislative change could not drive increased medical costs.
- To keep costs from increasing, any legislative change must maintain existing limits on injured worker changes of provider.
- The legislative change must protect current relationships between policyholders and their designated providers.

The proposed bill does maintain these principles. We believe it can be implemented, will not drive medical costs for our policyholders and will maintain quality medical care and access for injured workers. Therefore, we will not oppose the bill and our official position is "neutral."

Specific elements of this bill are still being discussed and we know that you may have questions about its implementation. As the bill continues to progress, we will keep you updated. The latest legislative news will continue to be available on Pinnacol's Workers' Comp News and Issues Network (WCNIN).

If you or your clients have specific questions or concerns, please contact your Pinnacol marketing representative.