

Protect the Integrity of the Mahonia Hall Reforms

HB 3022 would make drastic changes to Oregon's workers' compensation system, including changes to the Mahonia Hall reforms. In 1990, labor and management joined together to reform the workers' compensation system in Oregon. Before 1990, Oregon's workers' compensation system was in crisis: Oregon had the highest frequency of workplace injury claims, third highest medical costs and sixth highest premium costs. The Mahonia Hall reforms improved worker benefits, established safety programs to reduce injuries and balanced worker benefits with employer rates.

These reforms are working for both employers and employees. The emphasis on safety and avoiding the addition of cost to the system resulted in maintaining competitive rates while ensuring excellent employee benefits. Since 1990, claims and premiums have decreased by 70%. Employees are having fewer injuries and employers are paying smaller premiums. If changes are made to the fundamentals of the Mahonia Hall reforms, the ramifications would be wide spread throughout the workers' compensation system, and Oregon's economy as a result.

Given the breadth of these proposed changes and the length of HB 3022, completing our due diligence is a lengthy process. However, initial review has revealed serious problems with the changes this legislation seeks to make, such as changes to the definition of compensable injury and changes to the treatment of combined injuries.

Because of the complicated nature of this subject, we urge that the Legislature allow the Management Labor Advisory Committee to carefully consider the potential ramifications of this legislation and make a recommendation, before taking action on this proposal.

