

Legislative History for Connecticut Act

PA 93-228

AN ACT REFORMING THE WORKERS' COMPENSATION SYSTEM

Act Number:	228	Year:	1993
Bill Number:	HB 7172		
Senate Pages:	3827-3957		131
House Pages:	6141-6350		210
Committee:	Labor & Public Employees 1210, 1214, 1264, 1236-1239, 1248-1254, 1256- 1258, 1268-1271, 1275-1277, 1296- 1297, 1302-1308, 1314-1316, 1322- 1324, 1333-1334, 1342-1343, 1347- 1349, 1352-1354, 1370-1372, 1379- 1380, 1382-1384, 1386-1389, 1397- 1400, 1448-1455, 1472-1478, 1519- 1520, 1537-1540, 1547, 1550-1566, 1603, 1608-1612, 1624, 1626, 1629, 1632, 1689, 1709-1710, 1719-1722, 1731-1733, 1753-1754, 1779-1782, 1792, 1794-1798, 1803-1808, 1812- 1816, 1829-1831, 1835-1836		148
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See also: Workers Compensation in Connecticut. Leg. Prog. Rev. Report
Conn Doc G256pre woco 1991

Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate
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Is there any objection to the suspension of the rules for the purposes of referring those items immediate to the House on Consent Calendar 3. Is there any objection? Hearing none, so ordered.

THE CLERK:

Calendar Page 9, Calendar No. 524, File No. 751 and 917, Substitute for House Bill 7172, AN ACT REFORMING THE WORKERS' COMPENSATION SYSTEM. (As amended by House Amendment Schedule "A").

Favorable Report of the Committee on Appropriations.

The Clerk is in possession of a few amendments.

LAUGHTER

THE CHAIR:

Thank you very much, Mr. Clerk. The Chair would call on Senator Meotti.

SENATOR MEOTTI:

Madam President.

THE CHAIR:

Yes, sir.

SENATOR MEOTTI:

I move passage of the bill in accordance with the House.

THE CHAIR:

Thank you very much. Mr. Clerk.

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THE CLERK:

LCO6217, which will be designated Senate Amendment
Schedule "A". It's offered by Senator Maloney of the
24th District.

THE CHAIR:

The Chair would recognize Senator Maloney. Senator
Colapietro.

SENATOR COLAPIETRO:

Thank you, Madam President. Madam President, I'd
like to call the amendment. Have you already called
the amendment? I'm sorry.

THE CHAIR:

Yes, we've just called 6217, sir. It's been
designated Senate Amendment "A".

SENATOR COLAPIETRO:

Thank you, Madam President.

THE CHAIR:

Would you like to move adoption of the amendment?

SENATOR COLAPIETRO:

I move adoption of the amendment and request to
summarize.

THE CHAIR:

Thank you very much. Please proceed, Senator.

SENATOR COLAPIETRO:

Thank you, Madam President. I just want to start

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out by wayinig I guess everybody knew what was coming down on this bill. I'm going to give you a history lesson on Custer's last stand. I understand that that's the position I'm into and the reason I'm opposing the bill and supporting this amendment is because I cannot come out with a bill that does nothing but cut, hurt, maime widows, workers ready to starve, workers that lost their jobs. I cannot put my fingers on a bill like that and vote for it, especially when I had no part in doing the bill.

There are those out here that claim that they did something wonderful for businesses. They put 19 percent in business' pockets. Well, I challenge any one of those people or any group of lobbyists to show in their campaign literature other than what mind said and mine said that the only way that businesses will get help this year is that if you take the money out of the insurance companies' premiums and you put it into the business' pockets where it belongs and where it should have belonged in 1991, you would have done something for businesses that nobody has ever done before in this Senate that I know of.

I did that and I don't care who knows it, but I did that and I will not allow the high paid lobbyists to take that credit away from me. The other part of it

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is, I figure I accomplished half of what I did and that half was to bring that attention and put that hot potato in the insurance hands where they threw it so fast to businesses that they knew where it had to go, that eyes were all watching them, that the money had to go to business. They threw it was fast as they could to them. I'm proud of that fact, but I'm also ashamed that I didn't accomplish doing something for those people out there that we expect to live on 50 percent of their pay with one arm or a widow or somebody left over from L'Ambiance Plaza who doesn't know what they're going to do next. I'm ashamed and I'm sorry for the working people of the State of Connecticut that I failed to pick up a crumb in the last four days for those people who need it the most.

I'm not a bit ashamed to say up here that's not just union people. Those are working people. They're your sons, your daughters, you grandchildren and maybe even you one of these days, but those people deserve a crumb and I'll say to you today I could not get a crumb and I could only apologize that I did not have the strength to do that. That's why I'm offering amendments. I understand that they'll probably go down the tubes. I wish to vote my conscience I would appeal to any of you that could to vote yours as well.

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Now one of the changes was mental or emotional injuries. The House "A" disallows mental and emotional injuries that do not arise out of physical injuries or occupational diseases. My amendment will disallow mental or emotional injuries that are not a significant result of employee-related injuries, event or a series of events.

And the benefits rates, House "A" reduces the weekly benefit from 80 percent to 75 percent. Let me just say this much. The coalition package, the CBIA package, the so-called friends of the workers package, no package asked for a reduction of 80 percent to 75 percent. No one asked for that, but it's here. That means they knew they had the votes counted and they knew the power of the \$300,000 that were out there on billboards and radio ads every morning brainwashing the public that the only problem in the State of Connecticut is that unemployed -- injured workers cost too much for this damn state to pay for and if I had \$300,000, you can bet I could have turned the tides and said that we can't afford to allow lobbyists to come up here that make the kind of money they do.

And I'm only sad that people out there couldn't come up here again and show their injuries to you and stand in those hallways all kinds of hours or not have

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to take time off from their families to come up here. I wish those injured workers could come here today. I got calls. I had plenty of calls. I had a call last night. A woman says to me, "Senator Colapietro, my name is Linda McCarthy. I'm a voter in your district. I live in Plainville and I want to thank you for trying to do something for me and I know what you're going through." I'm sorry I couldn't help that woman and I'm sorry I can't help others like her, but I'm damned if I'll be ashamed of what I'm trying to do and I'll be damned if I'll be ashamed to stand in here with one lone vote in what I believe because those people out there deserve somebody. We forgot them. We forgot that there's injured workers out there that carried the State of Connecticut to where they are. We forget that we take their tax dollars and we make available business tax breaks and tax incentives and cuts for corporate taxes. We make that available, the working people of this state. Have we forgot that they're the ones that we go to every time we're in trouble? Yes, we have. We forgot or we don't care. One of the two. I don't know which one it is. I didn't forget.

And yet we come back up here and say the problem we have is Workers' Compensation is among the highest in the nation. How many times do you hear that one?

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That's a brainwashing tactic the SS used to use years ago. Just keep repeating it and repeating it on the radio and everywhere else and on billboards and people are going to believe it sooner or later.

If you give me \$300,000, I'll keep going out there and saying look at the lobbyist out in the hallway, among the highest in the nation with their paychecks. You'd believe that too, but I don't even have to spend \$300,000 to prove that. You know what they make.

This puts back in 75 percent to 80 percent. I don't think that's asking a lot and to save a lot of time and explanation on what 80 percent means, 80 percent means after we took away last year's and cut -- in 1991 and cut them and brought it down from 100 percent, from 100 percent, we're going to 80 percent of their -- was supposed to before taxes. We've also added that in now so that we can't include that or we can't include that anymore, so we reduce it again one more time to 75 percent of their net wages, which is even less and we say it's okay that you live out there. Do you know what that means? That means about 50 percent of your paycheck and I know with the big money we get up here, we could probably survive on 50 percent of our paycheck, but can you imagine making \$350 a week and have that cut in half and try to support your

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family on that or pay your rent or eat? Try one of those things on for size.

The trouble up here is there isn't enough of them that have tried that on for size. They haven't seen a layoff. They don't know what a layoff is. They think it's something in the book in the laws up here that says when you get laid off, we've got to give you money. Nobody I know wants to go on layoff and I've seen 3,000 of my members in my own factory go on layoff, 3,000 from one factory in one town and I've got to come up here and put my fingers on a bill that does nothing but cut them more. Sorry. Not me.

The Cost of Living Adjustments for widows, for people that lost their arms and legs or totally disabled, they try to keep up with inflation. We tried to put -- I tried to put that back in in this bill. I don't think that's being unreasonable. I tried to make adjustments that didn't cost any money. That was being unreasonable because I couldn't get a vote for that either. Well, I'm sorry, I could get some votes, but not enough.

This bill restores the Cost of Living for those who are hurt or widows. Everybody up here forgot L'Ambiance. Well, I hope not, but that's what that's for. This would put that back in.

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Everybody said the Cost of Living and Workers' Compensation up here in the State of Connecticut is the highest in the nation. I believe it, but I don't believe it's all the workers' fault, but this bill says it is. This amendment says that we ought to do a study of the state fund, hours worked versus total payroll and Cost of Living restoration, a study. A study is not going to cost a damn thing, but it might show that we could save some money. This state has a right to know if we can do business better than what you're doing in the State of Connecticut. We have a right to know. We don't have to ask anybody if it's okay. We have a right to know if we can do better with Workers' Compensation costs in the State of Connecticut.

Who the hell are they to come in here and say you don't need to do a study to find out that you can find somebody to compete against me. I take offense to that because I think we have a right to know if we can do better and all the statistics and juggling can mean all you want it to, but a study will tell you when you come back next year whether it's feasible to do a state fund and set up competition. If you're afraid of competition, you don't belong in business.

This would do a study for a state fund. It

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wouldn't cost you a damn dime. It might save you a lot of money in the long run. It might put some people on their toes where they'd have to look around in the mirror and say it's about time we cough up a little bit. Loss of a limb. NCCI says it's insignificant. It doesn't cost anything. I put that back in. You've got a problem putting that back in. You make a guy lose an arm or a gal lose an arm or a leg or a hand, leave it out of the bill because it doesn't mean a damn thing. It's only an arm. It doesn't cost anything. It's not worth anything. This puts it back in and according to NCCI it's no big cost. I couldn't get the votes for that, ladies and gentlemen.

House "A" requires the Insurance Commissioner to hold a public hearing to consult an independent actuary. I was told we can't have an independent actuary, people actually watching and challenging me, the almighty insurance companies telling you out there that we'll tell you what we need for making profits. You don't need to have anybody watching me because you might see something that I might have to explain to you why I need that extra money. I was told by the insurance company we're not making it -- I heard with my own ears in the House a gentleman stand up and say I challenge anybody out there to say where we're making

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money under Workers' Compensation costs -- profits under Workers' Compensation. I heard him say it with my own ears and I ran as fast as I could to my office and I picked up NCCI's report that said nationwide average profits after taxes and whatnot, that's not counting all the hidden things about where they take the money and they reinvest it and put that away. That don't count. The nationwide average is 4.5 percent. The State of Connecticut, these poor guys that are starving to death up there, make 9.8 percent, but yet they've got everybody out here believing that Workers' Compensation costs are the worst in the nation. We're going to pull out of the state. We're going to stop making the double national average profits after taxes. We're going to do that. How did they survive this long?

The Senate Amendment requires the Labor Commissioner, in consultation with the Economic Development Commissioner to report to the Labor Committee by February 1, 1994 the bill's effect on employers, employees, insurers and on the state's economy and employment outlook. Do you know what that means? 1991. Ladies and gentlemen, if we do this Workers' Compensation bill we are going to create jobs in the State of Connecticut. Jobs. That's the other

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thing that they scare the hell out of you with. If you don't do this, we're going to lose jobs. Well, I ask anybody in this room or in the balcony or out in the hallways, show me one job that we've created since 1991. One! Maybe they hired another lobbyist. I don't know. But show me one damn job that was created since 1991 with all these great cuts that you did to the worker then. Show me one.

I picked up the Hartford Court two days ago. It said between January 1st and April 1st, 1993 we lost 2,600 jobs. Ladies and gentlemen, I'll show you what we lost. Show me one you did for us since 1991. Jesus, I'm not even from Missouri and you've got to show me and I haven't seen this yet.

You know, what's wrong with asking people to give and then saying if we do this that you've got to come back next year and show me the job that we've created with this devastating piece of machinery we call the best thing that every happened to the State of Connecticut? What's wrong with saying to you, then come back here and show me the jobs, report to this legislature. Make them responsible. What the hell is wrong with that? I couldn't get enough votes for that either and I probably won't get enough tonight either, but you ought to be listening and I hope the press is

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listening and I hope I don't have to pay \$300,000 to get this message out there because there's a hell of a message up here to be said and you ought to be going home and telling your own family what this message really stands for up here. Don't you believe it for one minute that everything that you believe in or are going to do is going to cost somebody a job. It just doesn't happen that way.

I'd like to know that we took 19 percent and gave it to businesses and said to businesses, I want you to take that money and invest it into jobs because it would mean something then. Then we would have done something for the worker with the potential or putting this poor guy back -- or gal, back to work because we took the money away from them again and we put it back into jobs. That's not happening. It's not happening and if it is, somebody show me where it is. I know a bunch of people looking for jobs.

And finally, on the Workers' Compensation insurance card, there are a lot of businesses complaining out there that said that I can't compete with fly-by-nighters, moonlighters coming in and doing work and I have to pay Workers' Compensation costs and no way to prove it. All this last amendment does is require anyone who performs services on a construction

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site requiring a building permit either as an employee or any other capacity, unless the person is not being compensated, to be covered by a Workers' Compensation card. All that says, ladies and gentlemen, is that you have to carry a card that says you're covered by Workers' Compensation. I couldn't get enough votes for that.

The dollars and cents on the bill, I had it right here, would have given businesses 16.6 percent, 16.6 percent. When we came out with a labor bill in the beginning, I was very proud of bringing the message up here and everybody started to agree because they couldn't give me enough argument saying that the money has to go back to the businesses. We came out with a balanced bill. Maybe it wasn't enough, but nobody ever came to me after that bill and said we can adjust it because the coalition that formed and already had their own bill picked out already had their votes counted and I didn't have enough money to hire lobbyists enough to take care of that for me.

So I guess what I'm trying to say is that I hope we don't forget that we have workers carrying this state today and we're here because their dollars are paying us to be here. That may not be a lot of money or enough money, but it's their money and we do owe them

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as well as anybody else and I had somebody else -- I have a bumper sticker in my office that I look at and say, it says, "I was hurt on the job and I vote." People forgot that. There's more of those people out there than there are here and there's more of those people out there that work for those people that the money is coming out of their pockets and giving it to businesses, so one thing I was proud of in the Labor Committee bill was that fact that we did a balanced bill, what I thought, and I was looking for some adjustments, but obviously it wasn't meant to be. I did the best I could.

This bill has none of my fingerprints on it and that's why I refuse to bring it out because it was not my bill and in my heart I couldn't bring out a bill that does nothing but cut injured workers or hurt workers or families or anything like that in any way, shape or form and I'll be damn proud to say that right now, here and there and in my next run for my election, I will say that and I will say I stood here and told these people that and when I go back to the businesses that met with me after my opposition had stuck this thing on my forehead that said labor, which made a dirty word out of it. When I talked to those coalitions of manufacturers that sat down with me and

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said to me, you know, you're this anti-business guy. It didn't take me long to explain to them what I just told you, that if you don't turn around and get a break from the insurance companies, that you're not going to get a damn thing by cutting workers some more. They caught on. The ones that wanted to talk to me caught on. I can go back to them and say you may have considered me you're bitter enemy, but I did more for you than the CBIA did. I only made sure that the CBIA had to get the message back that they had to give you the money and put it in your pocket. I'm proud of that. I'm not ashamed of that and now maybe the manufacturers will probably consider me their friends.

I met with a group of manufacturers from out of my district. I went everywhere that they wanted me to go because I know what the CBIA had spread all over the place and in Waterbury a gentleman called me up and said the CBIA was here and I'm only naming them because they named me and told us what an anti-business guy you were and when we got through they said "You're not so bad. It makes sense." I said, "Well, that's because I asked you if you knew what was in the bill you wanted me to vote for." And they said, "No." I said, "Well, let me tell you what it is."

And I also told the lobbyists to keep them coming

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one at a time if you want to, as long as I get to talk to them. So they can try to take the credit for helping businesses. They're not going to. *

And the other thing on the labor bill, I guess I was a bit naive to think that I could come up here and be fair. I've negotiated for almost 30 years for General Motors. I've had some of the people that sit across the table from me run as a delegate in my delegate primary. I was proud of being a labor guy there because management and labor worked good together. I was proud to say the plant manager slipped me some money under the table and said to me, "Here's a couple of bucks, but please don't tell my friends that I've got to give you some money and help you out, but I know you, Tom, and you've been fair all your life, as far as I know, and you stand by your principles." And I'm proud of that.

So when I came up here with a label stuck on my forehead that said I was labor, it should have said manufacturing because I've got more experience in manufacturing than anybody in this room and I told those people that I met with that I've got more experience in manufacturing than most of you business owners in this room and they agreed with I told them since 1956 I worked in nothing but a factory and I'm

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proud of that. I worked in a factory. More of you ought to try. You'll really appreciate being lawyers and doctors and whatnot because it's not so hot to be in a factory when everybody thinks you're making too much money. How do you think it feels to make \$32,000 a year, think you're doing good, have some guy that you've got to pay work ten hours to give him one hour of his time, telling you you're making too much money. Well, how the hell do you pay you for ten hours of your pay? Well, that's what's happening to the workers in the State of Connecticut. You're telling them they're making too much money, but you want them to spend their money in the business. Well, how? Why? Go ask the restaurants in town why the restaurants are dying. Because you've taken the workers' pockets dry, bone dry. There's nothing left. You don't get it. I sound like George Bush. You just don't get it, you know.

So I say to you by doing this amendment you would show a little compassion and give a crumb back to the workers who are paying your bills for you and paying your state's bills and paying your salary and also showing that we have a little bit of compassion left in our souls and I would hope this amendment would pass, just based on the fact that it actually gives

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businesses 16.6 percent. 16.6 percent is more than this body has ever given businesses in their pockets since I've been coming up here in 20 years. You ought to be proud to vote for an amendment like this. Thank you, Madam President.

THE CHAIR:

Thank you very much, Senator Colapietro. Yes, Senator.

SENATOR COLAPIETRO:

I would ask for a roll call.

THE CHAIR:

Yes, sir. Senator Upson.

SENATOR UPSON:

I rise in support of this amendment for a variety of reasons. I think I'm the only Republican to do so. First of all, no one is against reform of Workers' Compensation. It's how much and how far, and as Senator Colapietro just said, it's a minor change in the monstrous change that the House has recommended.

Workers' Compensation in Connecticut I believe started about 1913. I have compared it with other states and essentially New Hampshire and New Jersey are not that far off in many respects. The problem in the State of Connecticut with Workers Compensation was in 1967 when the back injury was added and that now totals

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40 percent of all Workers' Compensation costs and expenses relating thereto and probably the largest problem, how to pin down, using MRIs, CAT Scans, x-rays, etc. Here we are facing a problem and I think with a severe solution and also it's going to pass tonight and I'm going to end up voting for the final bill, but this amendment I hope has a chance. I don't think it does, but at least I want to throw my oar in.

I think that Workers' Compensation has been bloated. You ask what is the main cost of Workers' Compensation. Medical expenses. What does this bill do to cut down medical expenses? It ends up setting up managed care. Now that was done two years ago and still none of the managed care providers have been set up or approved by any of the commissioners.

Now we do not have to pay workers' insurance, health insurance while they're hurt. They can be fired when they come back to work, in fact, if an employer wants to get rid of them. That's happening. There's no insurance. I understand it's also true in other states, so we should be comparable.

Until we do something to bring down the cost of health care in the State of Connecticut, we are whistling Dixie. Tonight we are moving tonight to reduce Workers' Compensation because industry has asked

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us, not the insurance industry, but our own businesses have asked us and yet are they going to benefit? Is there going to be a roll back from all these excessive presentments of this bill passed for the House? The question is are the rollbacks going to be passed on to business. Is this going to help business in Connecticut? I hope it does. Is it going to help the worker? No. It's going to cut all the scheduled benefits by one-third. So if I lost my master hand, which I believe now is 292 weeks and it's amputated, it's now going to be cut by one-third. It would be 191 weeks. However, with Senator Colapietro's amendment, amputation, I understand, comes back in at least a full amputation.

The real perpetrators are the people in the back. Remember I told you the back is 40 percent of all the problems. This is not going to hit those. This is going to hit those people who lose members and are dismembered, who lose a member of their body, master arms or others, and that is what I'm afraid of. I do think we should have a rollback in some extent, but not this extreme.

I'm not going to belabor it because I know the results and I think Senator Colapietro does too, but at least I wanted to have my oar in to say that this is

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too extreme. The House really did not sit down and decide and figure out and expect the results they're going to get from this legislation.

So, again, we ask for a roll call. I will vote for the bill. I do hope this one amendment goes through. Any amendment I have, Madam Chairman, I do expect to withdraw. Thank you.

THE CHAIR:

Thank you very much. Senator Meotti.

SENATOR MEOTTI:

Thank you, Madam President. I rise in opposition to the amendment before us. If anyone had told me five hours ago this evening that I would have, as I did a short while ago, move adoption of this bill or that I would be standing here now, as the first person to speak in opposition to this amendment and to later explain the provisions of this bill, I would have been completely and totally stunned, but here I am to explain to my fellow members of the State Senate and to our guests in the Chamber and its galleries the reasons why I take this position, a position I take with a great deal of regret and no pleasure in either having to vote for this bill or to stand up and serve as its initial advocate in this debate, but there is a simple fact that I feel everyone in the State of Connecticut,

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and most importantly, everyone in this Chamber and in the Chamber of the House of Representatives down below must accept and come to grips with and that unfortunate fact is that today, in 1993, and for some time now it simply costs too much to create or keep a job in Connecticut when compared with the costs in other states.

This cost differential imposes a burden not just on employers who have options to deal with it, but more importantly, on the people of our state who want a job to support their families. Ultimately, it is the unemployed workers and the young people who must leave Connecticut in search of employment elsewhere who pay the price for the high cost of doing business. Workers' Compensation costs stand out as a glaring symbol, by no means the sole cause, of Connecticut's competitive jobs disadvantage.

We are not just a high cost state, but one of the very highest and this difference cannot be explained away as a result of being a high wage state in the expensive northeastern region of the country.

I want to discuss some simple statistics on two types of professions and jobs in the State of Connecticut, jobs in areas of labor which I have some personal connection, one historical and one more

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recent. The first one is hardware manufacturing. I was born in the City of New Britain as was everyone in my family. That's a city in which my parents were born and grew up. My father was trained to be a machine tool operator, his father before him, an immigrant from Italy, was a machine tool operator and a union member in one of the largest employers, when he could find work, in the City of New Britain 60 and 70 years ago.

Many of my aunts and uncles and other members of my family worked in companies like New Britain Machine, Fafnir and Stanley Works. A few years ago I had an opportunity to walk the shop floor of Stanley Works about the time that they were making decisions to move manufacturing jobs outside of the State of Connecticut to try to come to grips with what was going on, not only in a city that has meant so much to me through my life and my family's life, but what was going on throughout the State of Connecticut to people and families exactly like the family that I come from and I saw on that shop floor people doing a good job for good wages, many from immigrants, immigrants themselves, immigrant families from Eastern Europe and other parts of the world, but working at jobs that are leaving the State of Connecticut in hardware manufacturing and there are reasons for that.

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If we look at other states around us, if we look just in Lawrence, Massachusetts, another community much like the industrial base in the State of Connecticut historically, when you compare wages, there's virtually no difference between the wages in the hardware manufacturing segment of the manufacturing industry in Lawrence, Massachusetts, but when you look at the difference between the cost of Workers' Compensation insurance, it's 63 percent higher to get that Workers' Compensation, pay those Workers' Compensation costs in the State of Connecticut than it is in Lawrence, Mass. Compared to Providence, Rhode Island, we're a little over six percent higher in wage costs, but we're about 20 percent higher in Workers' Compensation costs. In Newark, New Jersey we're again just about even in terms of wage costs, but we're 200 percent higher, 200 percent higher in the State of Connecticut than in Newark, New Jersey. We're not talking about the sunbelt. We're not talking about North Carolina or South Carolina. We're talking about the State of New Jersey, just a two hour drive away because we don't want to talk about North Carolina because when you look at Greensboro, North Carolina or Columbia, South Carolina, yes, we're a little bit higher in wage costs, single digits, eight percent in North Carolina and

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seven percent in Columbia, South Carolina, but for Workers' Compensation costs, we're 409 percent higher than Greensboro, North Carolina and 288 percent higher than Columbia, South Carolina in the area of hardware manufacturing.

It starts to explain to us the reasons why we face the job problems and the economic problems we do in the State of Connecticut and when we look at hard cold facts such as these.

The other job classification I would select is one which is of more much recent acquaintance for me, something I've come to know with a little bit more knowledge and background in my last few years, serving as Chairman of the Transportation Committee in this body and that is tractor trailer driver, a good paying, working job for people in this state and throughout the country in an industry that forms the base of making our economies go. The same numbers -- the numbers tell the same story. Boston, Mass, we're slightly higher, 2.5 percent in wage rates, 31 percent higher in Workers' Compensation costs. Providence, Rhode Island, we're four percent lower in wage rates, 78 percent higher in Workers' Compensation costs. Atlantic City, New Jersey, a community of some recent discussion in this building in the last few months, but not for

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reasons of the cost of doing business. We're almost 14 percent higher in wage rates, but we're 200 percent higher in Workers Compensation costs, and of course, the numbers get even worse when you go to the south.

I wish we could address this issue, the issue of the competitive disadvantage for job growth in Connecticut, solely through the economic development programs carried out by the Department of Economic Development, the Connecticut Development Authority and other agencies, but the hard truth is that we cannot.

Connecticut can no more solve its economic and jobs crisis by ignoring these costs of doing business and pursuing the easy way out, and there's some value in those easy programs. We can no more achieve it that way than we would have been able to in the past to address our state's budget crisis with painless answers.

During the past four years we have taken many difficult steps to address our state's budget crisis. We have laid off state employees. We've cut agency budgets. We've reduced funding to nonprofit groups caring for the mentally retarded and others. None of the things we wanted to do, but things we had to do because of the situation we face.

Two years ago every member of this General Assembly

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voted to increase taxes in some for or another on our state citizens in order to balance the budget and in part lower certain business taxes in order to improve the business climate in the State of Connecticut. We have even cut or frozen benefits for the neediest people in our state, those dependent on General Assistance to the mothers of young children in the AFDC program for years in a row because it was part of the difficult answer and answers we needed to take to solve the state's fiscal crisis.

Now regrettably, we must take another difficult and painful step. That is why I am opposed to this amendment, why I will oppose all the amendments offered today, because we are faced with a crisis in Connecticut and in that crisis we must understand the facts that shape the challenge before us and we must be prepared to take tough steps to meet it.

Later during this debate at the appropriate time I will visit step by step the provisions in this bill and I will explain how the bill, when compared with other states, still leaves Connecticut with very substantial benefits for injured workers. I'll explain how the bill compels premium rollbacks so that the benefits of our actions go to the businesses of Connecticut who will have an opportunity to keep or create jobs in the

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state, which in my opinion, is what this is all about.

I may be dead wrong in my analysis of this issue and what we need to do today, but I have spent a great deal of time trying to come to grips with a fundamental crisis in my home state in how we can address it for the long term so that people 10 and 20 years from now can have the same opportunities that I had as a young person growing up in Connecticut.

I talked about my family in New Britain, a young Italian man going to New Britain High School in the 1930s like my father didn't have a chance, wouldn't have even thought about the chance of going to college or doing anything of that sort, but he was able, in his family, in the Connecticut of the 1950s, the 1960s and the 1970s, to offer those opportunities to his children and in a large part it's because during those decades this state grew and offered job opportunities to the children and grandchildren of immigrants in order to build a future for their families, their children and grandchildren and on into the future. That is the challenge we face today. That is why regrettably I stand here prepared to take steps like this bill to lower the cost of doing business in order to maintain and preserve that kind of prosperity for Connecticut's families so that those family histories,

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that path to success can exist in the future and to do it with some measure of restraint and understanding of the difficult price paid by the people we affect by passing this bill.

THE CHAIR:

Thank you very much, Senator Meotti. Senator Aniskovich.

SENATOR ANISKOVICH:

Thank you, Madam President.

THE CHAIR:

I understand, Senator Colapietro, and I will get to you, but I'm going to call on Senator Aniskovich first.

SENATOR ANISKOVICH:

Madam President, I'd be happy to yield to Senator Colapietro if he'd like to speak now.

THE CHAIR:

Senator Colapietro, will you accept the yield?
Will you accept the yield?

SENATOR COLAPIETRO:

Thank you. I appreciate that. I just wanted to respond and agree with Senator Meotti wholehearted what he said, that we definitely have to do something for the businesses in the State of Connecticut. I think we did that.

On the part of how we did it is where we differ.

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We took 19 percent of cuts and we got commitments on rollbacks, however, there's some loopholes in those rollbacks that don't guarantee business is going to get a whole lot after the year after next. Out of the 19 percent of the cuts that we took out of the workers' benefits, 17 percent came from the workers themselves. Two percent came from the doctors and lawyers and that's a fact and it was taken and handed immediately to the businesses, which I'm happy for, but the workers have done their share. I don't live in California or South Carolina and I've got a lot of figures and I should have brought them all down with me because we can talk until we're blue in the face because nobody did more research or work on this bill than I did and you could call it stealing if you want, but in the file copy of the Labor Committee bill, the coalition adopted quite a few of those things that we addressed that recognized that we had to do something for doing the cost of business in the State of Connecticut was much too high, but if you think it's becoming fun to live in the State of Connecticut and try to work and earn a living while everybody is in your pocket, it's not the friendliest state in the world that I've ever been in and it's getting more unfriendly every day.

We could have helped. We couldn't solve all the

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problems in this room, but 16.6 percent rollback that had never been given to businesses before, I was asking for a lousy three percent so that I could throw a crumb back to some people that may be disabled for the rest of their live. That's what I was asking for. I don't think that's asking a lot. I don't think that's not facing the reality of what's got to be done in the State of Connecticut, not at all. I did that. I had to fight with businesses to keep other businesses out of their own pockets. I had optometrists in my -- a constituent that called me and said why can't I be included in the Workers' Compensation thing? I could save the factory some money. I've been in factories all my life. I know they could. To get a piece of sliver out of your eye from an optometrist costs you half as much as going to a doctor. I said, "That makes sense to me. I'll put you in the bill." Shortly after the vultures came in and out it came, sent out notices all over the place. Look what they're doing to you. They're trying to help some other business. I circled it from the CBIA and I sent it out to the optometrist. It went back in the bill. It was a business that needed help. I responded to that.

The Connecticut Wheelchair Services Association, they do transportation, they transport people with

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wheelchairs all over the state. They said, "Tom, I'm a member of CBIA, but I don't want to talk about Workers' Compensation, about the other stuff. I have a problem. I'm a business owner. One of my problems is that I have good drivers with good driving records. I have to do something. When one of these drivers come up and hit my car or my wagon, my drivers are not at fault, the other driver is. The insurance companies come in. They charge the other driver. My premiums go up. The insurance company goes out and they collect the money, the full boat, but hold me hostage because it's my driver that was there and he got hit, so therefore, my experience rating is high." And I said, "You know, that's one hell of a cost of doing business in Connecticut. I'll do something about that." I put that in the bill. That was mine. That was Tom Colapietro's. I was helping another business and I had to fight the other business people to keep them away from it so that we could help other businesses because it was save money for some of the smaller businesses trying to survive in Connecticut.

So I think that we've addressed that problem and I think we can compare us to any other states in the world and until you bring costs down besides your paycheck, people aren't going to be around to survive

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anyway. You know, the rent still costs \$600 if you make \$6 an hour. If you make \$3 an hour, your rent still costs \$600 and when you go to buy a loaf of bread or your groceries, it's still going to cost you the same money and when you go to the movie and if you could afford a couple of bucks to go to the restaurant, that's not going to come down, so keep on going and see where you come up. Sure, business will be thriving only nobody will have any money in their pocket.

We've got to look for a balance, 17 percent come out of the workers, 2 percent from doctors and lawyers. That's not a balance in my book. For crying out loud, look at it. Have a heart. You're not going to solve all the problems with that little three percent that we're asking to throw for a crumb for somebody who may not be able to survive or live. I don't think we didn't address this. I think we addressed this in more ways than any other bill that every came out of the Labor Committee in the past 20 years that I came up here. So I take offense to somebody saying, the only problem we have in the State of Connecticut is Workers' Compensation costs. It's one of many problems. I've got to pay too much when I go to a lawyer. I can't do anything about it. I've got to pay \$2,000 or \$1,200 to my insurance company. I can't do a damn thing about

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that. It's the only place in the world I know where you get punished for being a good driver. You went so many miles last month. Gee, that means you're due to get hit. Up with your insurance premium. That's okay, but I can't do anything about it. I can do something about this. I can put three percent back into people's pockets that are hurting. I think we've done that job. I think we've addressed that and I'm asking this body to try to help those who are paying for this the most.

Thank you very much. Senator Aniskovich.

SENATOR ANISKOVIICH:

Thank you, Madam President. Madam President, I rise and would just like to point out that W. C. Fields once said, "Never follow dogs or children." I think I'm going to have to add Senator Colapietro to that list.

I rise to associate myself with the remarks of Senator Meotti, the compelling remarks of Senator Meotti that focused on the facts that I think are important and have driven this process over the course of the last several months, but I do rise not regretfully or reluctantly, but confidently, confident that what this bill does is the right thing and what this bill does is move us in the right direction and I would like to observe, because I know others will spend

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time detailing the particulars of this legislation, I'd like to make several observations about the process and about why I believe we should be confident and happy with what we are doing here tonight and not leave this Chamber with any regret or remorse.

The policymaking process always requires us to balance interests. It is very easy, Madam President, for those of us in the Circle to take a snapshot, to take a snapshot in a difficult economic time and not take a longer view and judge a piece of legislation with respect to what has been done over the past. It would be very easy and is very easy for some to treat the savings, savings that are achieved admittedly by reducing benefits to treat those things in a snapshot and to suggest that somehow this is an unfair piece of legislation, but I think, as Senator Meotti pointed out very compellingly, on balance, with a long view, this bill begins to address one of the costs that have been making it impossible for businesses located here to compete.

This bill is not intended to solve all of the problems that affect business and industry in this state, but it is intended to address one and for that very important reason it deserves our support.

Senator Meotti spoke of competitiveness and of

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economic opportunities being available to past and future generations of people who live here and who come here from other lands and I'd like to thank those members, especially of my caucus, who have stood strong from the moment they entered this session, stood strong and steadfast for a bill that truly reduced the costs of Workers' Compensation and who have not allowed amidst all the pressure, themselves to be bent away from the path of reducing those costs and I expect that they share my confidence and that they share my happiness that the policymaking process has brought us to this moment in what looks like the passage of this bill.

It was common for me to give remarks to several groups as I walked through the different campaign events and I would always remind people of the words that were written over 200 years ago, "That all men are created equal, that they are endowed by their Creator with certain inalienable rights, that chief among these rights are life, liberty and the pursuit of property." And it always got something of a rise out of the crowd and I reminded them that those who were students of Jefferson knew that the first draft of the Declaration of Independence read "property" not "happiness." Jefferson, always the man of the Renaissance, got a

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little nervous about the very specific reference to property and switched it in the last draft of the Declaration to "happiness", but the spirit of the private pursuit of property, the protection of those who choose to create economic opportunities through competitiveness is the engine that has driven business and industry in this state and in the United States and has made us the manufacturing giant that we were and that we can be again and it is the spirit that is born of those words, it is the courage born of those words that motivates people to persevere, to hold fast and to try and do what they believe to be the right thing and I believe that it is that spirit of freedom, that spirit of happiness that has driven us to the point in the process that we are tonight and I would urge my colleagues to defeat this amendment. I would ask them to reflect upon those observations that have brought us to this point in defeating any other amendment offered by any member to this bill tonight and to pass this bill as it is and to help businesses create jobs for people and put to bed the tired old notion that we can create jobs here in the General Assembly.

I urge defeat of the amendment and passage of the bill.

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Thank you very much. Senator DeLuca.

SENATOR DELUCA:

Thank you, Madam President. I rise to associate myself with the remarks of Senator Meotti and Senator Aniskovich and also in opposition to this amendment. When this amendment was brought out, there was mention made of having no input into a bill. As a member of the Labor Committee, I know that feeling very well because the bill that came out of the Labor Committee, I had no input in as a member. In fact, the date that it came out, I made many amendments that I thought lowered the cost to business in the State of Connecticut and would improve the bill. They were all rejected.

The final bill that did come out of that Labor Committee that has been mentioned here tonight actually raised costs to the business of the State of Connecticut, actually raised cost and has been hailed as something to help business. I disagree with that.

One of the items in this amendment says we should have study to create a state fund so that we can go in competition with insurance companies. We don't have to create a study to do that. In the Labor Committee we had the results of the various states that already have state funds and without exception they're all in

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deficit from small amounts to very huge amounts in the area of \$200 million. We all know -- we all like to think that government can do it better, but we all know in actuality in business it creates a problem and that would be the result. We don't have to spend any money, as has been mentioned here. I agree to that. We just have to look at other states and learn from their experiences and learn that they are trying to get out of them. In order to start a state fund there is a lot of cost. That would cost us money.

Mention was made that medical expenses are not addressed only by managed care that was put in two years ago. I disagree. The underlying bill has other guidelines and addresses a schedule in other areas to reduce costs. It also addresses some of the complaints of the people that work. As a member of the Labor Committee, the date of the hearing when we heard the bills on labor from labor and business on Workers' Compensation, we had close to 200 people testify on both sides.

Generally, the people that represent workers or their attorneys that represented them talked about Safety Committee, work and management Safety Committees. They are in the underlying bill and the results of that, we will be the beneficiaries of in

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years to come because they will strive to reduce the accidents and reduce the incidence of having to have people avail themselves of Workers' Compensation. No businesses want people, their employees to get hurt. They don't want them to have to go out and do that. It is not good for their production. It is not good for their company and it costs money besides.

I think the cost comparisons that were made by Senator Meotti illustrate what is happening in this world economy. By utilizing and talking about the hardware business, I remember when they were talking about building their first plant out of state and they did and now they compare their costs in that other facility to their costs in the State of Connecticut and they don't complain about wages. They don't say our wages are too high and theirs are lower even though they are. They talk about the additional cost to do business in the State of Connecticut and high up in that area is the cost of Workers' Compensation.

Senator Meotti talked about the comparisons with truckers and we did have those illustrations at the hearings with New Jersey as compared to Connecticut, three times the cost. I have a small company in the small town that I live in, a man with his two sons that runs a small company, they have trailer trucks and they

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pick up milk at farmers, a dying business. He has a few trucks. He has two employees. They have been with him for years. He's never had a Workers' Compensation claim. His costs of Workers' Compensation are three times what it costs to the people he's competing with over the border in New York and Rhode Island and Massachusetts and he has told me he doesn't know -- and other costs continue to go up, how he can hang on. This is real.

It's been mentioned that we didn't create any jobs, maybe not, but maybe we're going to save some jobs and give us the ability for people to invest. Beyond the cost savings in this bill is the reality that we're telling the business community that Connecticut is listening and trying to address some of the problems. Not all, we can't solve all the problems, but we're trying to address some of them. We're telling them that we understand that it's a new way to do business and in order for a company to invest in the State of Connecticut, they want to be able to create those jobs and put those people to work, but they've got to be able to afford it and if we pass this, we'll be telling them that we're trying to address that.

As I mentioned, wages are not the issue. We have been faced with choices and I think Senator Meotti

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illustrated that, faced with choices on can we do something to stem the flow of businesses leaving the State of Connecticut.

When we hear of a business leaving the state, Economic Development and the administration try to go in and work something out and generally the state spends some money to keep them here if we can work out some arrangements. By addressing Workers' Compensation, we will not have to be spending that money and taxing our people more.

I had a person from Pratt & Whitney tell me that he was going to lose his job. He said they negotiated and he gave part back, not very willingly, but in order to save his job. He says now the State of Connecticut is going to give them some money also and where are they going to get that? By taxing me. He said I'm giving twice.

The answer is not welfare for business. The answer is to create an economic climate where business can thrive and prosper and create more jobs and employ our citizens, our young people that have been mentioned. It's been mentioned it's only three percent, it's a lousy three percent. That lousy three percent is \$30 million, \$30 million that can be used to help business to stay here, and in my opinion, help to keep

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and create more jobs.

I hope that others will join me in rejecting this and all other amendments and send the underlying bill to the Governor to be signed so that we can give immediate relief in premium reductions to business and in reducing the benefits those that are self-financed that have their own self-finance programs will also be able to save some money and keep them here. It is vitally important to the future and I hope everyone will join in rejecting this and other amendments. Thank you.

THE CHAIR:

Thank you very much. Senator Maloney.

SENATOR MALONEY:

Thank you, Madam President. I rise in support of the amendment. We all, I believe, share around this Circle the intention and desire to do what is best for a prosperous and growing economy in the State of Connecticut. Where we disagree tonight is how to achieve that goal. To that extent, I certainly agree with Senator Meotti that there are problems to be addressed and Workers' Compensation is one of those problems and needs to be addressed, but again, the question is how do we address it. What is the best way, what is the most effective way? What puts the

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money where it counts? What puts the reduction in cost into the pockets of the businesses, the employers of the State of Connecticut rather than into a hope or a guess or a wish that that might happen?

What the bill does is the latter. The bill says, well, there's a 19 percent rollback, but then it says, well, we know there are a lot of savings elsewhere in this bill. We know there are major savings in the medical fee schedule. We know there are major savings in the worker safety, but number one, we can't really rate those because those are things yet to happen, but even if we could rate them and the estimate, the estimate is somewhere between five and twenty points, not three points that Senator Colapietro is concerned about or that Senator DeLuca commented upon, but an additional five to twenty points, but what happens under the file copy of the bill? Nothing. If those savings are achieved, do those go back to business? Not necessarily. There's no mechanism to see that that happens. One of the real advantages of the amendment is that the amendment assures that those savings go back to business. The amendment, ladies and gentlemen, is a better business bill than the underlying document that we're debating. The amendment says at a minimum there is 16.1 percent immediate rate rollback and then

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as the additional savings are documented, those savings in part respond to a COLA problem that Senator Colapietro talked about and the entire balance of them, somewhere between an additional three to seventeen points goes back to additional premium reductions, cost savings to the business community.

If the members of this Circle wish to evaluate the underlying bill and the amendment on the basis of which is better for business, there is very little doubt as to the answer and the answer is the amendment that is offered.

The second issue. Senator Upson is right. The flaw with the underlying bill is that indeed it goes after the wrong target. It goes after the wrong target. It doesn't go after fraud and abuse. What in the underlying bill goes after fraud and abuse? I agree with Senator Upson. What in the underlying bill substantially takes on misuse and abuse of medical services? The 1991 legislation, which I take some pride in having co-authored, take some pride in the fact that every single member of this Circle who was here in 1991 supported that bill. That bill put in place managed care. This bill does not address the issues where the costs are growing, where the problems exist.

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Senator Upson says, well, this bill goes too far. Well, it does go too far in some respects. It doesn't go far enough in others. I just pointed out there's five to twenty points of additional savings that the underlying bill ignores, so it certainly doesn't go too far in that respect, but it does go too far in other respects, in terms of the damage it does to the people who need the benefits and we're talking about people -- who are we trying to help here? We are trying to help with Workers' Compensation people who have been hurt on the job, by law have no right to sue. Their only recourse is the benefits that are provided.

Does the underlying bill do anything about fraud? No, we talked about that. Medical, no, we talked about that. What the underlying bill does is it goes after the people who need the benefit. That's what the underlying bill does. And does it go too far? Well, let's ask. What did the Governor's office seek to achieve in terms of a rate rollback in Workers' Compensation? The answer was eight points. That was the Governor's proposal. Give us a break in terms of our economic issues in the State of Connecticut. Let's have a rate rollback eight points.

What did the business community seek? I make reference to the Connecticut Business and Industry

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Association brochure on the issue. What did they seek? Fifteen points. What did the House of Representatives believe they had done when they passed the underlying bill? What did they think they had done? Sixteen points. What does in fact the underlying bill do? Nineteen points. The underlying bill hurts workers, takes more benefits away than the House of Representatives intended to, more than CBIA asked for and more than the Governor proposed. It goes too far. A little bit more on the wrong target.

Argument is made, well, we're going this bill because of the need for economic competition. Well, that was an argument that was heard and addressed in the 1991 bill in one very important particular. The 1991 bill reduced the base compensation rate from two-thirds of gross compensation to 80 percent of net. Now where did the number 80 percent of net come from? It came from the business community. That was their recommendation. They said make us competitive on the base rate. Let's make it 80 percent. The legislature, myself, everyone else in this room who was here in 1991 said, yes, that's right. We will become competitive. We will go to 80 percent. What does the underlying bill do? It goes to 75 percent. Why? If we're already competitive on that issue, why do we go to 75

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percent? I argue it's a gratuitous, well, let's just take another five points. Let's just take another five percent.

The -- another important issue about going too far, Workers' Compensation is supposed to provide a benefit for an injury. What the bill says though is you have to have the following injuries. You have to have the following injuries. If you have the following injuries, okay, we're going to give you compensation for those injuries. If you don't happen to have those injuries, well, the bill says or the bill doesn't say and there is no direction in the bill as to how to handle that.

Well, you look through that list and at first you think, boy, that's a pretty comprehensive list, everything must be covered. Well, look a little further. One that was pointed out in the discussions we had is you could be working at a machine and you could be eviscerated by the machine. You could have your guts torn out by the machine. Where is that in the schedule? Nowhere. There is no injury in the schedule that deals with that.

Senator Colapietro's amendment says, well, for those circumstances where there is not a scheduled injury, let's at least have a catchall provision and

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make sure the AMA guidelines in regard to unscheduled injuries are available to us so that when there are injuries that aren't scheduled, there is some minimal level of compensation. The underlying bill ignores that. The underlying bill goes too far.

Now I'm going to close where I started. Each one of us around this Circle wants to help the economy of the State of Connecticut. Each one of us wants to help the businesses of the State of Connecticut. Each one of us wants to help the workers of the State of Connecticut, I hope.

The amendment addresses a series of very specific problems in this legislation and it sets up a mechanism through an independent actuary and review by the Insurance Commissioner that as all of the savings that the bill accomplishes comes on line, that those savings are pumped back into the business community so that they're available to the economy and to the economic growth of this state.

If that is what we are attempting to do tonight, do the right thing, do the right thing in terms of what the bill says, do the right thing in terms of what's in the interest of the business community and the employee community in the State of Connecticut, vote for the amendment. Thank you.

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THE CHAIR:

Thank you very much. The Chair would recognize Senator Eads.

SENATOR EADS:

Thank you, Madam President. I complimented Senator Colapietro because of his speech. Even though he didn't convince me, I thought he articulated very well. Certainly Senator Maloney did the same. I don't know that I can yell as loud as either one of them because they're making their points emphatically. I personally feel in the years that I've been up there that I am very pleased and I am very relieved to see that once and for all we are doing something for the business climate in the State of Connecticut. We have talked friendly business climate. We have written it. We have thought about it, but we haven't done a thing until tonight and frankly I feel that we should be following just what the House did and that was to send the bill as it is to the Governor for his signature.

It is sending an invitation, an attraction to businesses not only in the state, but those perhaps contemplating coming into the State of Connecticut to say, all right, they are not as competitive, but they're more competitive than what they were before and we are not insensitive, Senator Colapietro, and I

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wouldn't want to see somebody "guts", as Senator Maloney said, ripped out. I am sure those things can be taken care of. Why is it that I am receiving in my small Town of Kent from all over the State of Connecticut phone calls and letters not only -- he's going to answer it afterwards, so that's fine -- not only from workers, but administrators and CEOs. The workers are telling me we are about perhaps to lose our job. Our company is either closing up because of lack of business or we're going to the sunbelt, but perhaps if we reduce some of the expenditures that they have been enduring all these years with an ever increasing annual fee, then perhaps then can reduce those expenditures a little bit and we can keep our jobs and they can expand and they don't have to move out of the state.

I really feel that we are doing something very, very worthwhile and even though we did pass some legislation in 1991 and a little bit here and a little bit there, it was just a bite from the apple, but now we're really taking half the apple and let's extend our hand to business.

If we reduce costs, like anything else, we are going to have more jobs. I cannot guarantee it. We cannot estimate everything. Senator Maloney said we

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couldn't estimate this, we couldn't estimate that. How many bills have we passed within the past 48 hours that we couldn't estimate and were not perfect legislation, but we did the best we could and reasonable minds can always disagree, but for once, not only think of yourselves, but think of the other people, whether they be at EB or Pratt & Whitney or in the little place that only hires less than 25 people, but has a tremendous load on his or her shoulders in their company, having to pay this, think of them and I am sure we're going to see an increase in business and let's think positively, but let's do this for the worker and for the owners of the company.

I ask you please to vote against this amendment.
Thank you.

THE CHAIR:

Senator Meotti, for the second time.

SENATOR MEOTTI:

Madam President, for the second time I want to rise briefly on two specific points that I think are important to clarify in this debate. First, for purposes of explaining my intent and my sense of what should be in the legislative history, the issue has been raised recently in the public debate, not only here, but previous to tonight's debate about using

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examples of specific types of injuries that do not appear to be mentioned in the schedule, evisceration and you know, intestinal loss or damage or whatever, and I discussed that specific issues with representatives of the NCCI who were the people that I think all parties in this debate have gone to for costing out and other guidance on the issues and I would say that it is their opinion that based on existing practice in Connecticut and throughout the country that this particular example and other attempts to try to find particular injuries like this and say that they are not covered under this language would not in fact be correct, that the commissioners would have the discretion to find injuries of that sort to be subsumed within other descriptions within that schedule such as stomach.

I offer that not to challenge the assertion, but more to make the legislative history, that that is my view of how this is written in order to fully protect workers and injuries on the job.

More important that that, correcting or stating that legislative intent, I think it is very important to clarify something that has been said here that in my opinion is just incorrect. There have been statements that this amendment does a better job for returning

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benefit reduction in dollars and cents to businesses in terms of premium reduction because the amendment calls for the creation of an independent actuary.

It's very important to compare the parallel provisions in the amendment and the file copy. Both the amendment and the file copy call for an independent actuary. The only distinction in that is that the amendment calls for a joint appointment by two commissioners in the file copy. The independent actuary is appointed by only the Commissioner of Insurance and it should also be -- everyone in this Circle should fully understand that the file copy empowers the Insurance Commissioner working on the recommendations and analysis of that independent actuary to invoke his authority, to regulate rates, to go for rate rollbacks and refunds and to lower prospective rates in accordance with not only on the 19 percent benefit reduction and other related issues that are contained in this file copy, but to go beyond that based on the actual loss experience that accrues in the future.

So any attempt to characterize the amendment's rate regulations provisions as more sympathetic to businesses is just, in my opinion, categorically incorrect. They both essentially establish the same

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process. The amendment has a 16.1 percent figure to be used in benefit reduction, which is what the amendment would achieve. The file copy has a 19 percent, the amendment that allows any savings above 16.1 to go into recreation of a COLA. Aside from that, we're dealing with the same process here and I think it does not serve the debate well to treat the file copy as if the independent actuary's role and all the other authorities that vest the Insurance Commissioner don't exist because they clearly obviously do on the face of the file copy.

THE CHAIR:

Thank you very much, Senator Meotti. Senator Kissel.

SENATOR KISSEL:

Very briefly, Madam President. I rise to associate myself with the most articulate remarks of Senator Meotti and also the opinions voiced by Senator Aniskovich and Senator Eads and I also would like to commend Senator DeLuca for working on this within the committee, the Joint Committee, to try to reach this compromise.

Fundamentally, we have a free economy. It is unlike a socialistic or communistic economy where the ultimate goal is to take care of everyone from cradle

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to grave. Unfortunately, as a price we pay for a free economy, there are injustices which occur which we cannot remedy or remedy in whole. Some of these injustices occur in the form of accidents within the workplace.

We, as an educated society, through our legislative bodies, have attempted through our Workers' Compensation laws and our free and independent insurance industry to remedy these injuries as best we can, always mindful that in that balance are profits, are monies, are jobs.

It is no good having one of the best Workers' Compensation systems for those who are injured if at the same time we are driving jobs out of the State of Connecticut and not protecting the jobs that are here or might be here. It is an extraordinarily serious situation, one so much that during the public hearings I took the time to go down and testify myself.

If you don't feel that the issue is real, simply talk to the young men and women who work in this building who will, after this session is over, be back out in the marketplace. Ask them what the job outlook looks like. Is this the be all and end all, as Senator Colapietro aptly notes? No, it is not. This whole issue will have to be revised in the future, but this

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is one extraordinarily important piece of the puzzle.

I know that when I took the time to go with several of my fellow Senators to Hamilton Standard in Windsor Locks to meet with the Joint Committee of Labor and Management, they indicated that within their company they had driven costs down, but one of the costs that they, as a team of labor and management could not get a handle on without our help, was Workers' Compensation costs and both labor and management said we need help.

We don't want to take it out of the flesh and blood and pain and suffering of the workers alone. I understand that. Nonetheless, it is a balancing of equities and I believe the bill, as adopted in the House, should be adopted by us without amendment, if at all possible, and I myself am prepared to offer amendments if everybody is going to tack on a slew of amendments, but I would prefer that we keep it without amendment so that we can send it over to the Governor and get it signed into law.

I think Senator DeLuca pointed up an extraordinarily important point about this bill. It sends a message to the business community that we are listening. It's imperfect. It's got warts. It's got blemishes, but we are an imperfect body. We do the best we can to make coalitions and to put things

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through for the benefit of all and what I'd like to see in two days is a newspaper article that says, "Connecticut Legislature Sends Message to Business. We are Listening." That's the headline I'd like to see. We haven't seen it in a while and therefore I urge my fellow Senators to reject this amendment. Thank you, Madam President.

THE CHAIR:

Thank you very much, Senator Kissel. Senator Looney.

SENATOR LOONEY:

Thank you very much, Madam President. Madam President, I rise in support of the amendment. I think that some of the prior speakers, some of the proponents have set up what I think is an inaccurate alternative and dichotomy here. The choice, Madam President, is not between doing the bill as it came from the House and doing nothing, but between degrees of savings and degrees of impact on workers, and for that reason, I support the amendment as something that I think moderates some of the excess elements of the bill that came from the House.

I think some of those excesses and some of those extremes have been ably pointed out by Senators Maloney and Upson and also Senator Colapietro and I think there

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are some others. One of the things that I think is an injustice in the bill as it came from the House and is remedied by the amendment is in the issue of mental or emotional impairment.

What the bill, as it comes from the House would do, is disallow as a covered compensable injury for Workers' Compensation mental and emotional injuries that do not arise out of physical injuries or occupational diseases. What that would mean, in practicality, is that someone working in a machine work, working at a machine next to someone who is horribly maimed, working at the same kind of machine as the individual who witnesses that, that individual who witnesses his fellow and his friend at the very next machine being crippled or maimed and thereby being traumatized by that experience, but not physically injured would not have a compensable injury under the bill as it came from the House. I think that that is the real injustice. I think Senator Kissel is correct when he said that we cannot, in a Democratic society, remedy every injustice. Perhaps that true, but we should not create any new injustices either and I think that's part of what we do in the bill as it comes from the House if we don't adopt this amendment.

It's not as if we are doing in this amendment

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anything that would be giving a free reign. There is a significant restraint on the compensability of mental or emotional impairment under this amendment. If you look at lines 221 and thereafter, "personal injury or injury shall not be construed to include a mental or emotional impairment unless a significant contributing cause of such impairment is an event or a series of events arising out of and in the course of employment or a mental or emotional impairment which results from a personnel action including, but not limited for a transfer, promotion, demotion or termination.

So under the amendment there is a significant limitation on mental or emotional impairment, but not so extreme a one as in the bill as it came from the House and that is what I think is a problem with the underlying bill is that in its effort to provide relief, to provide assistance to business, the pendulum has swung too far in some cases and that I think is one of the cases.

I think -- do we all want to do something to cut the cost of business? Yes. Do we all want to do things to make businesses more competitive? Absolutely. Do we want to reduce the cost of Workers' Compensation? Certainly we do and we want to reduce it to the extent that business itself said they wanted to

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have it reduced, which was about 16 percent, as Senator Maloney pointed out earlier. That's what this amendment would do. That is what we should do in a reasonable way. We should not, in our zeal to do something, do something that causes harm and the amendment that's offered, I think, should be the consensus amendment that we should adopt, send back to the House as something that is reasonable, responsive, a moderating perspective that does indeed address the concerns before us on the issues of Workers' Compensation without causing new harm, new injury and new suffering at a time when there has been so much already. Thank you, Madam President.

THE CHAIR:

Thank you very much, Senator Looney. Senator Maloney for the second time.

SENATOR MALONEY:

Thank you, Madam President. I know that Senator Meotti did not intend to misstate the situation relative to the amendment, but both of the comments that he made in his last remarks are flat wrong and therefore do need for both the record and for the consideration of the Circle to be addressed.

The way the law works, as I know the lawyers around this Circle understand, is that legislative intent is

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only useful when there is an ambiguity. There's no ambiguity in the legislation, as drafted. There is simply a statement that the listed injuries are compensable. There is no statement that would then give any comfort to the notion that any injury that's not listed is somehow compensable and I would say further that NCCI may be wonderful people, but I would stop at the point where I start taking legal advice from actuaries.

Secondly, and even more glaringly, is the issue of the independent actuary. The amendment and the bill are not the same, by any stretch of the imagination, in their treatment of that issue.

The bill provides for a single, one time, once, and independent actuary comes in and assesses the immediate relatively short term effects of the legislation. The amendment says that we recognize that some of these things are going to take a long time to implement. The 1991 legislation, as Senator Upson pointed out, on paper, on paper is only now just implemented. It's effects are going to continue to be implemented for years and years. The same is true of what this legislation. What the amendment says is we need to recognize that, that we won't get to the business community, we will not get to them the savings intended

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in this bill unless that independent actuary on an ongoing basis produces for the Insurance Commissioner the information he or she needs to properly set the rates for Workers' Compensation in the State of Connecticut.

What the amendment offers is a process, an ongoing process of continuing rate examination and continuing benefit to the business community. What the underlying bill offers is a one-time quick, little look that will do a nominal amount and produce no substantial benefit as a result.

THE CHAIR:

Thank you very much, Senator Maloney. Would anyone else wish to speak on Senate Amendment "A"? Are there any further remarks? Senator Larson.

SENATOR LARSON:

Thank you, Madam President. Madam President, I rise to associate myself with the remarks of Senator Colapietro, Senator Maloney and Senator Upson. Madam President, I think it's very clear that from the outset of this session and before that in terms of important legislation to come before this body that the issue of Workers' Compensation -- Worker Compensation was clearly one that had been identified by all sides of this issue as an issue that was paramount that we had

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to address in this session of the General Assembly.

I first and foremost want to commend our Labor Chairman, Tom Colapietro, who in his own style and manner has indicated the manner in which he arrived at the General Assembly as a member of the Senate and Chairman of the committee and how he has been off-times stereotyped from whence he came. Senator, let me assure you, never forget your beginnings and stay the way you are. It's important.

Senator Colapietro, and I know this issue has been visited by members of the body today, this committee voted out a bill that the Office of Fiscal Analysis said that would actually rollback rates between two and three percent. As Senator Maloney pointed out, the Governor had indicated that they felt that an eight percent rollback was what business needed and clearly those businesses that had been to visit leadership had indicated that neither two nor eight percent would do it, but that clearly nothing less than 15 percent would be adequate in order to forthrightly address the issue of Workers' Compensation.

The House of Representatives and people that have worked in this Chamber and theirs on this bill, because there is a commitment to listen to business, put together, I'm sure for everybody it was a very

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difficult bill to vote on. And as Senator Maloney has indicated, the savings initially they thought they were going to achieve was 16 percent, but as this rating process, which admittedly is complicated, came through the mist of the debate, it came through at 19 percent. As Senator Upson has said, going a little bit too far, and as Senator Maloney has pointed out, and maybe not far enough in another direction.

And so as this process unfolds as it has year in and year out and the members in the balcony listening today know it better than most of the freshman Senators that are here today and what they know best as in the ebb and flow in debate and give and take in this process that you don't take everything.

Senator Colapietro not only came halfway across the street, he came all the way across the street and extended his hand in compassion for workers, not on behalf of labor, but on behalf of working people and submitted a reasonable amendment, an amendment that goes beyond the expectations of his committee, the Governor and of what the business community anticipated.

He also, as Senator Maloney has pointed out, put in a provision that would provide more dollars in the future to go back to the trucker that Senator Meotti so

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eloquently addressed and to other businesses. As Senator Maloney points out, the difference is that it's a guarantee.

I rise in support of this amendment because I think that it's a common sense, fair amendment that both in the short term and long term is in the best interests of business and in the best interest of the citizens of the State of Connecticut, all working men and women.

The most troubling thing about this debate this evening and I have great respect for people who differ on this issue is that the people in these two balconies need one another. If we're going to be a state that turns around its economic fortunes, we cannot continue down this path of I'm right and you're wrong. We gathered the two parties, business and labor, and leadership offices, to discuss the prospects of a compromise, if there was any movement. The business community indicated that they were hard and fast at 19 percent.

The labor community indicated that they thought the whole bill was an atrocity and they would prefer to start all over again. Hire and individual who would come in and arbitrate the process. Senator Colapietro said, "I want something for business, but I want something for people I have tireless represented, been

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associated with and affiliated with all my life," and ask that we go from 75 percent to 80 percent and went through, went through the entire process, the same process of actuarially substantiating those savings.

I'm in the insurance business. I understand Workers' Compensation, and Senator Upson, you're right. Where we know the greatest savings can be achieved is in medical costs. Senator Maloney, you're right. In 1991 we instituted that bill. Unfortunately we're just getting around now to instituting the practice of managed care.

There's also a provision for worker safety which savings undoubtedly will be achieved as well and so I think this amendment clearly, and as is indicated by NCCI, and you can't blame them for wanting to put on or certify what this future savings may be inasmuch as legislation enacted in 1991 didn't go into effect until 1993 and inasmuch as Workers' Compensation is off-times retrospectively rated in terms of experience, but this is a solid proposal.

What saddens me here this evening and members in this Circle and in both sides of the balcony know how to count as well, is that this amendment is going to go down. Amendments go down routinely and people disagree on issues, but at the core of the process problem here

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that we face as well is the continued split in a state that desperately needs to heal.

Madam President, I rise to support this amendment.

THE CHAIR:

Thank you very much, Senator Larson. Would anybody else wish to speak on Senate Amendment "A"? Would anyone else wish to speak on Senate Amendment "A"? If not, Mr. Clerk, Senator Colapietro requested a roll call vote. Would you make the necessary announcement please.

THE CLERK:

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Thank you very much, Mr. Clerk. The issue before the Chamber is an amendment to Senate Calendar 524. It is LCO6217, designated by the Senate Clerk as Senate Amendment "A". The machine is on. You may record your vote.

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Have all Senators voted and are your votes properly recorded? Have all Senators voted and are your votes properly recorded? The machine is closed.

The result of the vote:

15 Yea

21 Nay

0 Absent

The amendment fails.

Mr. Clerk.

THE CLERK:

Madam President, I'm in possession of a number of amendments. I'm not sure in which order they are to be called.

THE CHAIR:

Senator Colapietro.

SENATOR COLAPIETRO:

Thank you, Madam President. I gave you a list of the order, but I'd like to call LC09135 and request a roll call on all the amendments following.

THE CHAIR:

Thank you, Senator.

THE CLERK:

LC09135, which will be designated Senate Amendment Schedule "B". It's offered by Senator Colapietro of the 32nd District.

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THE CHAIR:

Do you move adoption of the amendment, Senator?

SENATOR COLAPIETRO:

Yes, I do, Madam President, thank you. I just want to thank the members here that stuck by me and thank the comments of my leader, Senator Larson, and I can assure you that my heart is in this, not just my political career or whatever is. I'm going to hear from this point on on every single amendment I make, the same argument that I heard through this whole process and we have to do something for the businesses in the State of Connecticut.

Again, I'm going to say we are doing something for the businesses in the State of Connecticut with every single amendment that I make. We still have 16.6 percent for businesses. I just hope that every time one of these amendments go down that another worker, another person doesn't get hurt, another limb isn't lost, another mortgage isn't paid every time one of these amendments go down.

This amendment restores the 80 percent the benefit cut to 75 percent. I don't think I have to speak too long on this amendment and I don't think I have to beg any longer because I can count, and like I said, I was going to give you a lesson on Custer's Last Stand in

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your own eyes, but I still believe that as long as you're talking, there's always a chance that somebody will come around and say maybe we ought to help them just a little bit, and I'm not saying help me, because I'm retired. I don't collect Workers' Compensation. I never will again, probably, unless I fall in this Chamber and I promise you I won't make the claim, but 80 percent would put back in those people's pockets that have to figure a way to survive day by day.

There was a lot of talk about COLAs or this. I tried to go with a choice of anything anybody else wanted as long as was with something. I got nothing for a choice, but when I look at the choice between COLA or this, I had a choice to figure out what would I do if I had two kids or three kids and I had to make the best I could for a short period of time which most people try to do is get back to work, but nobody that I know can live on \$335 a week. My thought was, well, forget the COLAs and I guess the widows will have to suffer and the people that lost their arms and legs will have to suffer so that somebody could survive on a week to week basis and try to feed their families and pay their mortgages and keep businesses going by spending the money that they do have. That's all this bill does is give them a chance to have a few more

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dollars for groceries or whatnot. It is not going to break businesses. It is not going to break the insurance companies. The insurance companies are still reaping some of the costs as they gained from the 1991 agreement. We're not asking for that back either.

I know there's some provisions in the original bill to do some adjustments on that, but they're only adjustments because they're nothing that businesses can count on after the year after next, so what I'm asking in this amendment is to restore somebody's ability to pay for another meal or two and that's about all it's going to buy.

And I just want to respond to some of these -- I keep getting these states thrown at me. My constituents write me to, and to answer Adela Eads answer why are you getting these phone calls? Because the CBIA has been telling them personally to call you, like they did me and I'm happy for the calls, but they also, when I talk to those people and asked them what was in the bill and they said no they didn't know. They just told them to call and thank you for calling, but I was glad to talk to them and there were four states involved from a constituent of mine, a business person that owns a business in Connecticut, one in South Carolina, one in Tennessee and one in New Jersey

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and wanted to know why his premiums were different in all four states. The cost of doing business is outrageous and I said, "I don't know. Why don't you ask the insurance company why your premiums are higher?" Let me look at what we did here. In Tennessee, they use a formula, and I'm just using an example of \$600 a week, in Tennessee, they receive 66 and 2/3rds percent of their gross pay which comes out to be \$400 a week in Tennessee. That's using \$600. They probably don't make anywhere near that, but I had to use a figure.

In South Carolina, 66 and 2/3rds of the pay, \$400. In New Jersey they go by 70 percent of their gross pay, \$420. And in Connecticut, which is always the most complicated thing to figure out, assuming 25 percent reduction out of paycheck of \$600, it comes out to be \$360 a week because it's 80 percent of your take home pay. So that \$360 a week will now be reduced. So, you know, the cost of doing business in the State of Connecticut are worse than all the other states. Well, that's probably true, but it's not these things that are costing that. It's not these things that are costing that. Nobody talks about why it costs so much to go to the doctor or to your lawyer or why you even have to a lawyer under Workers' Compensation. The

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reason is because somebody bogs your system down somewhere and you can't eat until you get a dollar or two or your check that you deserve. So you have to go to a lawyer and when you go to a lawyer, you have to give him some of it. So again you get reduced there again, but it's not these figures here that are causing all those costs. I mean I'm not a rocket scientist and I don't claim to be an attorney that can speak so well about these numbers and figures, but it doesn't take one of those to look at a figure like this and use a little common sense and ask for a little compassion and say let me try helping the other side. I did cross the other side of the street, but nobody can say in this room or out there that Tom Colapietro did not take into consideration that the cost of doing business in the State of Connecticut is outrageous. You're going to hear that over and over again. We have to do something for businesses. Well, I challenge you to say that when we ever did better and maybe it's not good enough, but this is as good as I think we could go and I'm just asking for a little bit of help on the other side and I would move and ask for a roll call, Madam President, and move the amendment.

THE CHAIR:

Thank you very much, Senator Colapietro. Would

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anybody else wish to speak on Amendment "B"? Are there any further remarks? If not, Mr. Clerk, would you please make the necessary announcement for a roll call vote.

THE CLERK:

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Thank you very much, Mr. Clerk. The issue before the Chamber is an amendment to Senate Calendar 524. It is LCO No. 9135, designated by the Senate Clerk as Senate Amendment "B". The machine is on. You may record your vote.

Is Senator Penn here? Here he comes. Have all Senators voted and are your votes properly recorded? Have all Senators voted and are your votes properly recorded? The machine is closed.

The result of the vote:

15 Yea
21 Nay
0 Absent

The amendment fails.

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THE CLERK:

LCO8221, which will be designated Senate Amendment
Schedule "C". It's offered by Senator Colapietro.

THE CHAIR:

Senator Colapietro.

SENATOR COLAPIETRO:

Thank you, Madam President. I move the amendment and wish to summarize.

THE CHAIR:

Please proceed, Senator.

SENATOR COLAPIETRO:

Thank you, Madam President. This bill is relatively simple. The original bills calls for standards for video display terminals for municipal employees only. I don't see any difference from municipal employees and regular secretaries that work in your offices every day of the week, so I'm just saying that this amendment should say that it establishes standards for video display terminals to prevent carpal tunnel syndrome for all employees alike. The House Bill only covers state employees. This body represents state employees, municipal employees and just plain old employees and I don't know if any of you know what carpal tunnel syndrome is, but it's not the nicest disease for anybody to have. I know a lot of

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people that worked in the stop, women especially, that had to push buttons with their hands every day of the week until their hands went numb on them and they could no longer have control and it's probably one of the most painful operations to ask for and it takes a long time to heal.

Madam President, I would call for a roll call.

THE CHAIR:

Thank you very much, Senator Colapietro. Would anybody else wish to remark on Senate Amendment "C"? Are there any further remarks? If not, Mr. Clerk, would you please make the necessary announcement for a roll call vote.

THE CLERK:

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Thank you very much, Mr. Clerk. The issue before the Chamber is an amendment to Senate Calendar 524. It is LCO No. 8221, designated by the Clerk as Senate Amendment "C". The machine is on. You may record your vote.

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Senator Colapietro. Have all Senators voted and are your votes properly recorded? Have all Senators voted and are your votes properly recorded? The machine is closed.

The result of the vote:

12 Yea

24 Nay

0 Absent

The amendment fails.

THE CLERK:

LCO6592, which will be designated Senate Amendment Schedule "D". It's offered by Senator Colapietro.

THE CHAIR:

Senator Colapietro.

SENATOR COLAPIETRO:

Thank you, Madam President. I move the amendment and ask to summarize.

THE CHAIR:

Please proceed, Senator.

SENATOR COLAPIETRO:

Thank you, Madam President. This is probably one of the most important amendments of all to some people in this Chamber and it's one of the most important of all because it deals with people that are stuck with whatever we can give them under Workers' Compensation,

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are totally disabled or widows that lost their husbands and how soon we forget about L'Ambiance Plaza.

This would restore the COLA after a two year delay. That means you don't get anything until you get two years disabled and the cost is very minimal. For the two year delay it's only minus 0.2 percent. So I don't think that that is a very significant cost for such an important amendment and I would ask for a little more compassion than we had in the last vote and ask for a roll call.

THE CHAIR:

Thank you very much. Would anybody else wish to remark on Senate Amendment "D"? Are there any further remarks on Senate Amendment "D"? Mr. Clerk, would you please make the necessary announcement for a roll call vote.

THE CLERK:

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Thank you very much, Mr. Clerk. The issue before the Chamber is an amendment to Senate Calendar No. 524.

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It is LCO No. 6592, designated by the Clerk as Senate Amendment "D". The machine is on. You may record your vote.

Have all Senators voted and are your votes properly recorded? Have all Senators voted and are your votes properly recorded? The machine is closed.

The result of the vote:

12 Yea

24 Nay

0 Absent

The amendment fails.

Mr. Clerk.

THE CLERK:

LC07637, which will be designated Senate Amendment Schedule "E". It's offered by Senator Colapietro of the 31st District.

THE CHAIR:

Thank you very much. The Chair would recognize Senator Colapietro.

SENATOR COLAPIETRO:

Madam President, I move the amendment and ask to summarize.

THE CHAIR:

Please proceed, Senator.

SENATOR COLAPIETRO:

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Thank you, Madam President. What this amendment does is exempt the amputations from the one-third rollback in permanent partial awards. How anybody can vote against this one, I don't know, but I guess I'll find out.

What it means simply is that it doesn't exempt -- you are not included in the one-third cutback and it leaves it as such for somebody that losses an arm or a leg and it's pretty important to keep all your body parts intact and I would ask for some support on this particular bill mainly because I don't see -- according to NCCI's own numbers, there would be -- and I don't even like to use the word that they use, but it would be insignificant I believe was the word.

Anyway, it wouldn't cost any dollars. So I would ask that this body support an amendment that would at least tell somebody that lost an arm or a leg that you don't have to worry about the one-third cut besides the full cut of your arm being taken off in this amendment and I ask for a roll call.

THE CHAIR:

Thank you very much. Would anybody else wish to remark on Senate Amendment "E", LC07637? Are there any further remarks? If not, Mr. Clerk, would you please make the necessary announcement for a roll call vote.

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THE CLERK:

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Thank you very much, Mr. Clerk. The issue before the Chamber is an amendment to Senate Calendar 524. It is LCO No. 7637, designated by the Senate Clerk as Senate Amendment "E". The machine is on. You may record your vote.

Have all Senators voted and are your votes properly recorded? Have all Senators voted and are your votes properly recorded? The machine is closed.

The result of the vote:

15 Yea

21 Nay

0 Absent

The amendment fails.

Mr. Clerk.

THE CLERK:

LC06586, which will be designated Senate Amendment Schedule "F". It's offered by Senator Colapietro of the 31st District.

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THE CHAIR:

The Chair would recognize Senator Colapietro.

SENATOR COLAPIETRO:

Thank you, Madam President. I move the amendment and ask to summarize.

THE CHAIR:

Please proceed, Senator.

THE CHAIR:

Thank you, Madam President. This amendment calls for a consumer advocate. A Consumer Advocate Office is placed within the Insurance Department. The consumer advocate is appointed by the Governor with the consent of both Houses in the General Assembly. I've just go to say that I've heard the insurance companies telling me over and over again we don't need anybody watching us. We already know what we're doing. We don't need anyone to check on us to make sure that we're spending our money correctly or your money correctly, whatever you want to call it.

I don't think that we should not have somebody monitoring them. In 1991 we've got a Fraud Unit chasing down people to make sure that they're legitimately hurt or injured. We've got our constituents watching us, making sure we do the right things or trying to make sure we do the right things.

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We've got watchdogs all over the place, but the insurance companies don't need one, they say. Well, I think they do and I think they should be players in this part here. We're asking all bodies to share the pain equally. We know that's not happening, but it would be nice to know how much pain that they would really be asking -- sharing, and it's not much. It doesn't cost anything. There's no fiscal impact, according to NCCI again, and I have to use their numbers because they're the only ones that are available to us.

I can't for the life of me understand why every time it's been brought up, if it hadn't be squashed in the committee, it's been somehow along the way made go away and I guess it's the power of the lobby.

Unfortunately, I don't have the strength or the votes enough to turn around say to the insurance industry that I think somebody ought to watch you too. I mean everyone else in here is being watched and I don't think they should be any different than anyone else. And who are they to say they don't need somebody watching them? I say this state ought to get off its duff and if you're going to ask people to have pain in here to start everyone to share the pain. We're not doing it again.

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We're saying the only thing that's going to save businesses are these workers cuts, amendment after amendment after amendment, even the ones that don't cost anything are still going down the tubes because we're not sharing the pain like we should.

I would ask this body to stand up to the insurance lobby and stand up and go to them like I had to go back to my constituents and say, look, I'm going to get the best deal I can for every working person in the State of Connecticut before I leave tonight. The best deal I can is probably nothing for me, but I still keep in mind and I still keep trying and I go back to my labor friends, non-union and union alike and I say to them, look, you're going to have to accept the fact that sooner or later we've got to do some different things and I'm going to go with the other way and ask anybody that knows Tom Colapietro if I'll sit and crumble when my own friends come to me and say something other than what I believe.

Well, stand up and tell the insurance companies that you've got to start coming and playing ball with us up here. I dare you to vote for this one. I challenge you to vote for this one. It will be sending a message to the business community that we're serious about doing something for the businesses by keeping an

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eye on where the money goes that comes out of the Workers' Compensation and making sure those savings go to the businesses where they belonged in the first place.

So I challenge this body to stand up and do something for businesses and vote for a consumer advocate so we can make sure that happens. Thank you, Madam President.

THE CHAIR:

Thank you very much, Senator Colapietro. Would anybody else wish to remark on Senate Amendment "F"? Are there any further remarks? If not, Mr. Clerk, would you please make the necessary announcement for a roll call vote.

THE CLERK:

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Thank you very much, Mr. Clerk. The issue before the Chamber is an amendment to Senate Calendar 524. It

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is LCO No. 6586, designated by the Clerk as Senate Amendment "F". The machine is on. You may record your vote.

Have all Senators voted and are your votes properly recorded? Have all Senators voted and are your votes properly recorded? The machine is closed.

The result of the vote:

11 Yea

25 Nay

0 Absent

The amendment fails.

Mr. Clerk.

THE CLERK:

LCO8339, which will be designated Senate Amendment Schedule "G". It's offered by Senator Colapietro of the 31st District.

THE CHAIR:

Senator Colapietro.

SENATOR COLAPIETRO:

Thank you, Madam President. I move the amendment and ask to summarize.

THE CHAIR:

Please proceed, Senator.

SENATOR COLAPIETRO:

Madam President, here again, and ladies and

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gentlemen of the Assembly, this we're talking about is a state fund. We have been challenged over and over and over again to cut the cost in Workers' Compensation. The only response that's come out of this body is cut the workers' benefits. We think there's a better way and I keep hearing these stories about all the states that are going down the tubes, but I also know some states that are doing fairly well with a state fund and I know the insurance companies are going to say we don't need any competition. We don't want anybody watching us. We don't need any competition. I mean that's not fair. You might put somebody up there and figure out a cheaper way of doing business in the State of Connecticut if you do that and that's what we're here for, aren't we? Figuring out how to do a better of way, a cheaper way of doing business in the State of Connecticut. Well, I think this is one way to find out and all it is a study. Are we that afraid of a study that we're just going to say, oh, we don't need that either. We don't need anything that really does something or might do something that really cuts costs without cutting people's benefits.

You know, I have to wonder and I look at these faces around me and people saying, oh, you're one of

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these bleeding heart liberals that go out there and bleed hearts all over the place, but I have to wonder if we're really here to do what we say we're doing. Stand up and help businesses the best way you can and we're saying here if you say no on this amendment, we're saying, no, we don't want to know if there's a cheaper way of doing business in the State of Connecticut because the insurance companies are saying we don't need to know because you might have to put somebody up against us that might help you out.

Well, ladies and gentlemen, if you're serious about doing something about businesses and helping businesses without hurting people, then vote for an amendment like this and let's find out if there's better ways. I mean why does this have to be a party line or a non-party line or a one-way street here where it doesn't matter what you say and no one cares what you say, but they sit there and they say we have to do something about doing something about the cost of doing business in Connecticut. We keep saying it over and over and voting against them and voting against those things, unless it comes to worker benefits. Look at the record and tell me I'm wrong. Tell me I'm wrong. We do it over and over and over again.

We vote against those things that we could find out

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if we can cut the costs of doing business in the State of Connecticut and we run all over this place saying, look, we have a problem here. Workers' Compensation is a terrible thing. It's costing jobs. It's doing things wrong and yet we don't want to know if there's a cheaper way of doing it. Ladies and gentlemen, this isn't a compassion thing. This is common sense.

This just says let's see if we can do something better than what we're doing now without making people bleed. That's reasonable. Can we do something reasonable? If we can, then let's vote for this amendment. Thank you, Madam President.

THE CHAIR:

Thank you very much, Senator Colapietro. Do you wish a roll call on this amendment as well, sir?

SENATOR COLAPIETRO:

I believe, madam, that I asked for a roll call on all the amendments.

THE CHAIR:

Would anybody else wish to remark on Senate Amendment "G"? Are there any further remarks on Senate Amendment "G"? If not, Mr. Clerk, would you please make the necessary announcement for a roll call vote.

THE CLERK:

An immediate roll call has been ordered in the

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Senate. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Thank you very much, Mr. Clerk. The issue before the Chamber is an amendment to Senate Calendar 524. It is LCO No. 8339, designated by the Senate Clerk as Senate Amendment "G". The machine is on. You may record your vote.

Have all Senators voted and are your votes properly recorded? Have all Senators voted and are your votes properly recorded? The machine is closed.

The result of the vote:

7	Yea
29	Nay
0	Absent

The amendment fails.

THE CLERK:

LCO6585, which will be designated Senate Amendment Schedule "H". It's offered by Senator Colapietro of the 31st District.

THE CHAIR:

The Chair would recognize Senator Colapietro.

SENATOR COLAPIETRO:

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Thank you, Madam President. I move the amendment ask to summarize.

THE CHAIR:

Please proceed, Senator.

SENATOR COLAPIETRO:

Thank you, Madam President. I guess we're not as serious about cutting costs for businesses in the State of Connecticut after all, but on this amendment, all it does is delete the requirement that Workers' Compensation Commissioners be attorneys. I know of several people that are not attorneys. The world does revolve around them, I realize, but there are some jobs we can do without them. It's my turn to pick on other people. I've had it for two weeks. Everybody gets a turn in the barrel up here. That's the good part about the Circle, but we don't need attorneys to be people to do Workers' Compensation.

I have some very good friends of mine that are experts on Workers' Compensation. I don't of anybody -- well, I've got Senator DeLuca next door to me that's an expert on Workers' Compensation. I'm sure he would do a fine job if he had the job and he doesn't have to be an attorney. I'm trying to get you to see -- you were telling me all night you were going to keep speaking back and forth here, but ladies and gentlemen,

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I don't think that there's a need that it has to be a Workers' Compensation, has to be a lawyer, has to be a lawyer or an attorney to be a Workers' Compensation Commissioner. We have some very good people out there doing some very good jobs, going to hearings, doing what they have to do and you guys get the money anyway when you get in trouble, so I would assume you're going to vote this down, but I'm not. I think that the requirement that the Workers' Compensation Commissioner be an attorney should be turned down and I ask for a roll call.

THE CHAIR:

Thank you very much. Senator Aniskovich.

SENATOR ANISKOVICH:

Thank you, Madam President. Madam President, a question to the proponent of the amendment, through you.

THE CHAIR:

Yes, sir. Senator Colapietro.

SENATOR ANISKOVICH:

Senator Colapietro, is it correct that the amendment before us is LCO No. 6585?

SENATOR COLAPIETRO:

LC06585, well, on paper it says -- it's 7266 I believe.

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SENATOR ANISKOVICH:

Okay, thank you.

SENATOR COLAPIETRO:

Wait a minute. Something happened here. Well, that's the right number on that. It's just on the wrong paper here.

SENATOR ANISKOVICH:

Thank you, Madam President.

THE CHAIR:

Anybody else wish to remark on that esoteric discussion? Any further remarks? If not, Mr. Clerk, would you please make the necessary announcement for a roll call vote.

THE CLERK:

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Thank you very much, Mr. Clerk. The issue before the Chamber is an amendment to Senate Calendar 524. It is LCO No. 6585, designated by the Senate Clerk as Senate Amendment "H". The machine is on. You may record your vote.

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Have all Senators voted and have your votes been properly recorded? Have all Senators voted and have your votes been properly recorded? The machine is closed.

The result of the vote:

10 Yea

26 Nay

0 Absent

The amendment fails.

THE CLERK:

LCO6591, which will be designated Senate Amendment Schedule "I". It's offered by Senator Colapietro of the 31st District.

THE CHAIR:

Senator Colapietro.

SENATOR COLAPIETRO:

Thank you, Madam President. Before I go on to the next amendment, I would like to ask the Chair if it is ethical for an attorney to vote on that last amendment.

THE CHAIR:

The Chair refuses to answer the question.

SENATOR COLAPIETRO:

Well, I mean I was unethical for being on the Labor Committee. I'm just wondering --.

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It would be unethical for me to answer it because I'm an attorney, so --.

LAUGHTER

THE CHAIR:

Can I get an attorney to respond to that? Thank you, Madam President. The next bill, I won't waste your time. I think Senator Looney explained this one very well on the stress language, it returns it to the original file copy and I would ask for a roll call.

THE CHAIR:

Thank you very much. Would anybody else wish to remark on Senate Amendment "I"? Are there any further remarks on Senate Amendment "I"? If not, Mr. Clerk, please make the necessary announcement for a roll call vote.

THE CLERK:

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Thank you very much, Mr. Clerk. The issue before the Chamber is an amendment to Senate Calendar 524. It is LCO No. 6591, designated as Senate Amendment "I".

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The machine is on. You may record your vote.

Have all Senators voted and have your votes been properly recorded? Have all Senators voted and have your votes been properly recorded? The machine is closed.

The result of the vote:

13 Yea

23 Nay

0 Absent

The amendment fails.

THE CLERK:

LC07188, designated Senate Amendment Schedule "J".

It's offered by Senator Colapietro of the 31st District.

THE CHAIR:

The Chair would recognize Senator Colapietro.

SENATOR COLAPIETRO:

Thank you, Madam President. I move the amendment and ask to summarize.

THE CHAIR:

Please proceed, Senator.

SENATOR COLAPIETRO:

Thank you, Madam President. 1913 the Workers' Compensation agreement or law was changed so that if a worker got injured he would give up his right to sue

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for the compensation that he gets. We've slowly eroded the workers right and yet no one dares to address the fact that the worker still has no right to sue for any injuries lost.

All this amendment does is say that injured workers still receive compensation for their injuries, but also have the right to sue on top of what they're compensated for. In other words, as their benefits have been eroded, they still have no right to sue and they should have an option to try to pick up the tab on how they could survive with the right to sue in this amendment. Madam President, I move --.

THE CHAIR:

Thank you very much, Senator Colapietro. Would anybody else wish to remark on Senate Amendment "J"? Are there any further remarks on Senate Amendment "J"? If not, Mr. Clerk, please make the necessary announcement for a roll call vote.

THE CLERK:

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate. Will all Senators return to the Chamber.

THE CHAIR:

Thank you very much, Mr. Clerk. The issue before

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the Chamber is an amendment to Senate Calendar 524. It is LCO No. 7188, designated by the Clerk as Senate Amendment "J". The machine is on. You may record your vote.

Have all Senators voted and are your votes properly recorded? Have all Senators voted and are your votes properly recorded? The machine is closed.

The result of the vote:

3 Yea

33 Nay

0 Absent

The amendment fails.

THE CLERK:

LCO6593, which will be designated Senate Amendment Schedule "K". It's offered by Senator Colapietro of the 31st District.

THE CHAIR:

Thank you very much. The Chair would recognize Senator Colapietro.

SENATOR COLAPIETRO:

Thank you, Madam President. I move the amendment and ask to summarize.

THE CHAIR:

Please proceed, Senator.

SENATOR COLAPIETRO:

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Thank you, Madam President. Madam President, ladies and gentlemen of the Assembly, this amendment mandates a 21 percent reduction in insurance premiums for Workers' Compensation. We have stood here all night and debated and dickered with numbers and now is your real chance. We said that we have to do something to help the businesses out in the State of Connecticut.

You can now go from 19 percent to 21 percent and honestly go back to your people and say we did better than 19 percent. We gave you 21 percent. And why I say there's 21 percent floating around out there is you still have the harvest coming in from 1991. The Fraud Unit is putting money back into the premiums. They're not delivering those immediately to the businesses.

You are going to include Health and Safety Committees and the factories that I can't get any actuaries to put their numbers on, on paper, but I have estimates from 10 percent to 31 percent savings because the Health and Safety Committees are in place. Those are viable and there's a big savings there. Asking for three percent for businesses in the State of Connecticut is not being outrageous if we can take that three percent from those potential savings of anywhere from 10 to 31 percent and give it to the businesses and let them really do well with it and come

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back to us next year and show us the jobs and the reinvestments that they've taken with this money.

If you're really sincere, you'll vote for this one and Tom Colapietro can say that he voted for the highest premium giveback to the businesses in this Chamber tonight and I hope that I have the rest of you with me on this one.

THE CHAIR:

Thank you very much, Senator Colapietro. Would anybody else wish to remark on Senate Amendment "K"? Are there any further remarks on Senate Amendment "K"? If not, Mr. Clerk, would you please make the necessary announcement for a roll call vote.

THE CLERK:

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate. Will all Senators return to the Chamber.

THE CHAIR:

Thank you very much, Mr. Clerk. The issue before the Chamber is an amendment to Senate Calendar 524. It is LCO No. 6593, designated by the Clerk as Senate Amendment "K". The machine is on. You may record your vote.

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Thank you very much. Have all Senators voted and are your votes properly recorded? Have all Senators voted and are your votes properly recorded? The machine is closed.

The result of the vote:

10 Yea

26 Nay

0 Absent

The amendment fails.

THE CLERK:

LCO9015, which will be designated Senate Amendment Schedule "L", offered by Senator Colapietro of the 31st District.

THE CHAIR:

Thank you very much. The Chair would recognize Senator Colapietro.

SENATOR COLAPIETRO:

Thank you, Madam President. I move the amendment and ask to summarize.

THE CHAIR:

Please proceed, Senator.

SENATOR COLAPIETRO:

Before I go into this amendment, I want it on record that I'm going to leave here tonight saying I did the best I could. I didn't do a lot for the

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working people as far as I'm concerned, but I did the best I could. I won't sleep well even though I'm going home thinking that.

I think we've flushed out a lot of things that we can look at and see after we leave this Chamber on whether we're really serious about doing what you say you want to do. We can look at those votes. We can look at the record and see who is really serious about doing things for business.

What this amendment does is requires the Commissioner of Labor to report to the General Assembly on how many jobs were created as a result of legislation. Ladies and gentlemen, I don't think that's asking a lot is to find out if what we're doing does anything. I mean 1991 they hammered us over the head with jobs, jobs, jobs and here it is 1993 and I asked for somebody to show me one job and nobody showed me one job.

This is the biggest chunk that we're taking out of workers and I ask you again, am I going to come back here in 1994 and 1995 and start looking for jobs and find out that there's no more jobs and we don't have any way of keeping track of it. All this does is to ask accountability, to see if what you're doing up here is working or are we just going to come back again

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next year and say let's drop the 75 percent to 50 percent. You know, maybe that'll work. Or maybe we'll just do away with them and put people in boxes out in the streets and maybe that'll work. We have no way of finding out what we're doing is working. All this does is ask for a report back. I don't think I'm asking for a lot here.

I would ask that this body consider doing this amendment to at least see that you're telling the truth and saying that we're going to create a lot of jobs in 1994. Thank you, Madam President.

THE CHAIR:

Thank you very much, Senator Colapietro. Would anybody else wish to remark on Senate Amendment "L"? Are there any further remarks on Senate Amendment "L"? If not, Mr. Clerk, would you please make the necessary announcement for a roll call vote.

THE CLERK:

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Thank you very much, Mr. Clerk. The issue before

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the Chamber is an amendment to Senate Calendar 524. Its LCO No. 9015, designated by the Senate Clerk as Senate Amendment "L". The machine is on. You may record your vote.

Have all Senators voted and are your votes properly recorded? Have all Senators voted and are your votes properly recorded? The machine is closed.

The result of the vote:

13 Yea

23 Nay

0 Absent

The amendment fails.

Mr. Clerk.

THE CLERK:

Madam President, Senator Colapietro has five additional amendments. I'm not certain that they need to be called.

SENATOR COLAPIETRO:

What do you think? Do you want me to go on with them or --?

LAUGHTER

Madam President, I would ask to withdraw the rest in my name.

THE CHAIR:

Thank you very much, Senator. The Chair would then

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recognize Senator Meotti.

SENATOR MEOTTI:

Madam President, very briefly just to explain the key provisions of the bill. First, I would point out that the provisions of the bill which I'm about to explain did not apply to any current recipients of Workers' Compensation benefits and in fact would not apply to any recipient of the Workers' Compensation benefit unless and until the injury occurs on July 1st of 1993 or thereafter.

The file copy will reduce the weekly compensation rate from 80 percent of net pay to 75 percent and exclude state income tax and when taken into account with the change in the maximum benefit to 100 percent of the state average weekly wage would give Connecticut a maximum benefit weekly wage of \$609.

For comparison, Massachusetts is currently at \$543, New Jersey is a \$431 maximum and New York is at \$400. The file copy in front of us does repeal the automatic annual COLA. For comparison, Massachusetts, New Jersey and New York do not have an automatic COLA in their statute. Maine recently repealed theirs and only about 16 states in the country have it all with a two to three year delay.

The bill also reduces maximum awards for the

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scheduled injuries. It requires that total disability benefits be reduced by any Social Security retirement benefits received. This also is very common throughout the nation and it's present in the New Jersey, New York and Massachusetts systems currently.

The bill narrows compensability standards for mental and emotional injuries, recreational injuries, scarring and for non-residents. It denies compensability for most injuries caused by use of alcohol or drugs. It requires claimants who are covered by an employer's managed care plan to use the plan's doctors and for those not so included, there would be an establishment of medical fee schedule to be applied.

Perhaps most importantly of all, the bill requires insurers to give employers whose existing policies expire after July 1, 1993 a rebate on their premiums for the terms remaining after that date and it also requires that new rates filed after July 1, 1993 reflect the reduction in Workers' Compensation benefits of 19 percent as spelled out in this bill and that they be verified by an independent actuary and it also does require the establishment of labor/management Safety Committee and establish video display terminal safety standards for state workers.

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THE CHAIR:

Thank you very much, Senator Meotti. Would anybody else wish to remark? Yes, Senator Crisco.

SENATOR CRISCO:

Thank you, Madam President. Madam President, as Chairman of the Commerce Committee, I was recently reminded that I have an obligation not to vote for any amendment and that I really should, you know, do what's right for business. Madam Chairman, to some of those people who said that to me, because of my work with them over the years, I respect that and appreciate it. However, I will not stand in this Circle and be intimidated by any group to say that I have to vote for this bill or against the bill because I'm Chairman of the Commerce Committee. I will not accept any threats and I say to you, be my guest.

In addition, Madam Chairman, I've walked these halls for 17 years. I've worked as hard as anybody else in regards to the support of business and a better business climate. I'm proud of my record in saving jobs. My committee, along with my colleagues, have done some very positive work this year and we will continue to do it.

That people wish to judge my performance on one vote or one issue, again, be my guest.

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In addition, Madam Chairman, we have a long way to go. It's against my beliefs that one just votes just because they're in a particular position. I've expressed my votes on some of the amendments tonight because of my concern for some of the benefits that have been taken away for workers. It was mentioned earlier that this is a positive thing for business and I agree and I compliment those people, the proponents who have worked so hard and some of the people in coalitions who have worked so hard to achieve this tonight, but let me also review that what has been done the past several years for a property tax exemption for new machinery and equipment, new redefinition of manufacturing on the sales tax, the Manufacturing Assistance Act, various funding for CDA and CII, R & D credits, a corporate tax increase this year that we adopted, advanced technology centers, deployment centers, plant and sub base, you know, closing legislation, all very positive legislation.

And I agree, Madam President, that we still have a long way to go because we have to scrap and claw and scrap for every job and I thank my colleagues for their efforts, enjoying all of this, and as Senator Larson mentioned earlier, it does take a team effort and hopefully from this moment on we could work together to

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address the issues of this economy.

Tomorrow we're faced perhaps with an unemployment compensation tax bill that perhaps will wipe out some of the savings that are achieved tonight.

Unfortunately, perhaps there is no other solution, but again, there is still a big challenge out there and I'm just proud to be a member, you know, of the Circle, and pledge my continued support in regards for a better business climate.

THE CHAIR:

Thank you very much, Senator Crisco. The Chair would recognize Senator Sullivan.

SENATOR SULLIVAN:

Thank you, Madam President. Just briefly, I rise first to commend Senator Colapietro for his passion, his persistence and his principle in this matter. Unlike Senator Aniskovich, I would also agree with the observation generally of Senator Colapietro that this is indeed bitter medicine, but like Senator Aniskovich and Senator Meotti and the majority of this Circle, it is unfortunately bitter medicine that comes at a time when the economy of this state is as sick as it's been since the Great Depression and it is only in that context that this Circle considers this kind of legislation. There is pain. No one should celebrate

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this vote, but it is one of the steps that is necessary as we try to rebuild the real purpose that we all came here to serve and that is the creation of jobs, the expansion of opportunity in this economy and the recovery of the State of Connecticut. That is, I think, what we are doing at least in some small way this evening.

THE CHAIR:

Thank you very much, Senator Sullivan. Yes, Senator Milner.

SENATOR MILNER:

Thank you, Madam President. I rise also to commend my colleague, Senator Colapietro, because I believe he was quite sincere in his entire effort to assist the workers of this entire state. None of us will be 100 percent satisfied with the final bill, I'm quite sure. I'm a former union delegate, a strong union support, long been supported by the unions and never received support from CBIA, but I have a stronger obligation that stretches beyond just the workers. In my district there are many unemployed who haven't had the opportunity to get into the unions, haven't had the opportunity to have a job or draw a paycheck.

We talk about jobs, jobs, jobs. Unfortunately, without business there would be no jobs. We have to do

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something to begin to turn around the economy in this state. Yes, it's going to hurt. I don't think this approach was the right approach to talk about cost containment. We didn't talk about the skyrocketing lawyers and doctors' fees, the runaway claims, the non-job-related heart and hypertension escalating costs. Those are some things that we did not talk about, but we did make a step I think, if only a small step, in the right direction.

As Senator Crisco said, there are some other bills, a lot of things that have been done by everyone in this Chamber that will help the economy of this state. I would like in the future to see some stronger efforts made to do something with cost containment in the area of Workers' Compensation. I think it has to be done if we're going to turn around this entire state.

I would like to see the unions open its doors to many of those who have been blocked out and locked out so we can make a very strong union, but we can't have any strong unions if we don't have jobs. So I think that what we end up with tonight is what I call a weak compromise, but it is, as I said before, I think we are trying to do something, that we all at least can say we had a part in. I'm not going home sleeping comfortably tonight either, Senator Colapietro.

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I don't think any of us can go home saying we're proud of what we did tonight. I think we can say that we worked hard to do the best we could under the circumstances.

Workers' Comp, Unemployment Compensation, these are tough things because all of us have our individual concerns and individual ideas and individual recommendations. We all know, we saw it in caucuses. I was not in the Republican Caucus, but I'm quite sure they had the same problems we had in the Democratic Caucus. I'm quite sure they had the same thing in the House, but at least we're going away from here tonight with something, with some cuts, with some cost containment and I hope next year and the years after we can go back with much, much more and really do something to stimulate jobs in the State of Connecticut. Thank you.

THE CHAIR:

Thank you very much, Senator Milner. Senator Upson and then Senator Colapietro.

SENATOR UPSON:

Yes, very quickly. I am going to support this bill, as I said earlier. I was not against the concept, but I was against how far we were going to go and tonight I think we're shifting now probably from

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business to another entity, Unemployment Compensation, which they end up paying for too or the Social Security -- SSI or some other form of handout. We've cut down substantially scarring awards. Now scarring will be neck, head and face, no longer hands or any other parts of the body.

We've cut back on substantially one-third of specific award benefits. We've also cut back if someone has a carpal tunnel injury and it affects their arm or elbow. That will no longer be. Whatever the original injury is is what you get. These I think will be severe. I think it's going to hurt a lot of people. However, business is important to the State of Connecticut, I agree, but I do think we've taken out more on the worker than we should have. I think the real culprit is the cost of the delivery of the health system to the State of Connecticut and in the State of Connecticut and that's why we're highest in the country in a lot of respects and I don't see that being done and I don't see the insurance companies actually trying to control the prices charged in the health delivery system.

So I think we are in a way tonight, we are doing something temporarily for business and if that helps us in the State of Connecticut, I hope it does and I

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congratulate CBIA, etc. if that happens, but we're merely shifting the cost from one entity to another because who is going to pick up that fall through the cracks and a lot of people fall through the cracks and you're going to see that, all of you in all your areas when people are out of work and have nowhere to go. There will be no light duty. There will be no job. No insurance. There will be a lot of desperate people who honestly are in the system. Most people do not want to be injured. Most people do not want to in the Workers' Compensation system. Fraud is not a major problem so what we've done is for 95 percent of those people who are hurt by accident through no fault of their own, we have severely have penalized them tonight. Thank you.

THE CHAIR:

Thank you, Senator Upson. Senator Colapietro.

SENATOR COLAPIETRO:

Thank you, Madam President. I think I've talked enough tonight. I just want to take a minute to thank those of you who stuck with me and thank those of you who didn't for your patience and thank you, Madam President, for your patience with me. I'm still a freshman up here and I beg your forgiveness that if I'm not as couth or as cool as I'm supposed to be, but -- and I also want to thank Joe Crisco for standing up for

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what you believe in and the rest of you who do that and I think if from this day forward a lot of good things are going to come out of this. I think those votes up there are going to make a lot of people go home and think. My whole intent was to make you think, if it's possible, to make you think about what we can really do about bringing those votes all in the same line and try to go together on the next round that we go on the Workers' Compensation or any other bill that comes before it, but I also want to take a minute to take a little pride in the bill that it's going to be coming out of. A lot of those things were my ideas that had come forth that were never thrown in the file copy -- I mean that were in the file copy were mine and I did them for business constituents of mine and I just hope that the business community realizes that I am not the enemy that they thought I was when I came here. I am not this pro-labor guy who thinks nothing of labor. I think I've proven that.

And the only thing I want to say is that I know where the votes are and I would vote my conscience on this and I just cannot vote for a bill that inflicts this much pain on my closest and dearest friends, the workers of the State of Connecticut, and I mean that sincerely and I'm not voting against business. I've

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voting with my conscience and I'm voting no. Thank you.

THE CHAIR:

Thank you very much, Senator. Senator Maloney.

SENATOR MALONEY:

Thank you, Madam President. I too will be very brief. The prior debate, both on the bill and the amendments that Senator Colapietro offered, I hope make clear that this is a very badly flawed bill. I think it's ill-conceived in many, many respects. It does not take advantage of some of the savings that clearly are available that could be applied to assist the business community.

It is therefore not second best. Maybe it's third best. More likely it's fourth best. My person opinion is it's maybe fifth best, and frankly, I cannot settle for that. I cannot settle for that. This is not the time to adopt this kind of flawed, and in some respects counterproductive legislation. Thank you.

THE CHAIR:

Thank you very much. Senator DeLuca.

SENATOR DELUCA:

Thank you, Madam President. I'd like to thank Senator Meotti for bringing this bill out yesterday.

LAUGHTER

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You know, I can feel for those of us that are making hard decisions and have made hard decisions to bring us to this point. Whether we support this bill or not, I think everybody feels that they are doing what they think is best for the State of Connecticut. I don't think that anybody that can't support this bill is wrong. I just feel as though -- feel that we want to arrive at a solution that we all agree there is a problem in different ways.

However, this is the one we have before us tonight and we come here to make difficult decisions. That is our job. They don't all go on the Consent Calendar and many of these items that are in here, possibly not one person could embrace them all, but we are used to making decisions based on give and take and that's what this is.

This is a bill or a proposal to help business as all of us -- I've often said that last fall you couldn't tell what party anybody was running from because everybody talked about helping to create a better climate for business in the State of Connecticut so that we can hopefully keep jobs, maybe create some, but hopefully keep our people working.

This bill may not solve all of that, but at least it makes a step. We always hear we hope, we try, a lot

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of the bills in the past few days this week we've heard we hope this will do something. We hope this will do something.

We have NCCI has given us a 19 percent reduction. We know that will do that. It has been verified by another source, so we know it will reduce costs and a hope to keep those people here.

One thing that sometimes in our debates we lose sight of, whatever side we're on, we can't have employees without employers. We will never be able to do that if we don't have the employers here. The government can't be the employer of last resort. We can't do that. We can't afford it.

So hopefully those of us who are making hard decisions tonight and can support this bill will have made a step towards keeping some employers in the state and hopefully creating a few more and doing what all of us want to do, whatever our decision is, to keep our citizens working in Connecticut. Thank you.

THE CHAIR:

Thank you very much, Senator DeLuca. Senator Genuario.

SENATOR GENUARIO:

Thank you, Madam President. I'll be very briefly. I did not want to let this opportunity pass without

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adding my support for this bill and I understand that this is a, in many ways, a painful bill, but I also think that this bill is one of the most significant pieces of legislation that we will pass this year for many of the reasons stated because of the direction it points us in because of the message it sends to businesses in this state and in other states because it is a recognition that real changes have to be made in order for this state to become competitive, not easy changes, but real changes and this bill, and indeed the amendment, that Senator Colapietro had carefully drafted and Senator Maloney had supported would have been a real change also, but I think I would offer the observation that many of us are quick to talk about savings and reductions and talk about how we're going to get those savings and reductions through efficiencies and reshuffling this and reshuffling that, but the fact of the matter is that the real money and the real savings and the real changes comes from making difficult decisions with regard to benefits, with regard to services, with regard to priorities as to what is important in the state.

Clearly, in 1993 the priorities in this state are jobs and business development and that's clearly why the vote turned out the way it did tonight because

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that's the balance that I believe this Senate has decided to strike.

I would make one more observation about this bill and one that I'm very proud of and very proud of this General Assembly for and that is that both in the House and in the Senate this bill is passing because of bipartisan support and that if this state and if this General Assembly is going to move in a direction of becoming more competitive and making the state more competitive, that it will have to be done on the basis of bipartisan support and with bipartisan effort.

I think this bill signals a significant step in that direction as well and I appreciate the efforts of all of my colleagues around this Circle to put their beliefs, regardless of what their positions were, ahead of party loyalty because I think that we have come to a good bill as a result. Thank you.

THE CHAIR:

Thank you very much. Senator Somma.

SENATOR SOMMA:

Thank you, Madam President. I know the hour is late, but I wanted to get up to speak in support of the bill, but I have some comments and some questions that I'd like to direct to Senator Meotti as well.

One of the conditions that I put on supporting

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additional Workers' Comp reform measures after supporting the measures of 1991 was that we have a guaranteed rate reduction. In 1991 I supported the reforms that we made in terms of medical costs, benefit reductions, and of course, we were told that we had to trust the insurance companies and promises were made and unfortunately they were not delivered, so a guaranteed rate reduction which seemingly is in the bill is a critical component for me and I just had a number of questions that I'd like to direct to Senator Meotti, through you, with regard to the apparent 19 percent reduction in insurance premiums to employers, if I might.

THE CHAIR:

Senator Meotti.

SENATOR SOMMA:

Senator Meotti, I just wanted to know what the assurances were that any savings that are achieved through benefit reductions, what have you, in the legislation, will indeed be passed on to employers.

THE CHAIR:

Senator Meotti.

SENATOR MEOTTI:

Through you, Madam President, I really should turn the questions over to the authors of these provisions,

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but looking downstairs, they all went home a while ago, so I will respond to that on the basis of the language that is in the file copy in Sections 32, Subsections A, B and C, as has been discussed previously tonight, that this bill requires, even as quickly as prior to July 1, 1993 that the rating organization for Workers' Compensation insurance licenses in the state will file new volunteer peer premium and assigned risk rates effective July 1, 1993, containing a 19 percent benefit level reduction and allowing due consideration for changes in lost costs based on experience updated through the end of 1992.

These filings will then be used by the Insurance Commissioner working through an independent actuary engaged for the purpose of certifying the accuracy of the benefit level reduction in order to effect both a premium refund for policies in effect on July 1, 1993 and premium -- prospective premium reductions for policies written on and after July 1, 1993.

THE CHAIR:

Senator Somma.

SENATOR SOMMA:

Okay, thank you, Madam President. Just further, there's a reference to the benefit level reduction of 19 percent, I guess, in line 2810. Can you just

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elaborate as to what exactly that means, for legislative intent?

SENATOR MEOTTI:

The 19 percent figure is a figure that was developed by the rating agency known as NCCI which costed out the various provisions of this bill and includes issues such as benefit reductions, but also includes a cost factor, is my understanding, for the medical fee schedule and that number is used as the basis for the determination of the experience filings, projected experience filings and premium refunds and premium rollbacks.

THE CHAIR:

Senator Somma.

SENATOR SOMMA:

Thank you, Senator Meotti. Just in conclusion, as I mentioned, I do plan to support the bill. I think a number of speakers have said that this is indeed painful and there's sacrifice involved certainly by the workers. At the same time, I believe that we extract some not only promises, as in the past, but indeed in legislation, a guaranteed reduction on the part of the insurance companies which is clearly what employers want to see, some meaningful reductions in their premiums and I believe this guaranteed rollback is

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meaningful and I think will be imperative in terms of retaining and creating additional jobs. Thank you.

THE CHAIR:

Thank you very much, Senator Somma. Would anybody else wish to remark on Senate Calendar 524? Yes, Senator Larson.

SENATOR LARSON:

Thank you very much, Madam President. Madam President, I, like my many members of the Circle, as has been indicated, traveled around the state most recently with Senator Harper conducting public hearings at which point several people have come forward, both in labor and the business community and indicating a need for Worker Compensation reform.

Clearly, Connecticut's business community has made it clear that Workers' Compensation reform is its number one priority for 1993. All of us have heard and have been told that this reform is essential to our state's economic recovery.

It has also been strongly implied that Workers' Compensation is a system out of control and a leading cause of our economic misfortunates. Today the General Assembly is responding to these concerns, but I must tell you, as indicated by the previous debate, not without reservation, I am not convinced that this

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proposal is fair for working people in this state, but I, like many people in this Circle, am willing to take the chance that the business community will honor its commitment to retain and create jobs in return for this bill.

I do believe, as I said earlier, I think it's about time for all of us, business, labor, government, to put an end for the search for scapegoats in this vicious recession. We've all played a roll and can easily point fingers and cast blame. Frankly, I just think it's time that we make economic recovery our number one priority and get on with the job.

THE CHAIR:

Thank you very much, Senator Larson. Would anybody else wish to remark? Senator DiBella.

SENATOR DIBELLA:

Thank you, Madam President. I sat here and listened to the debate and I'd like to commend all the members of this Circle, Senator Colapietro, Senator Maloney, Senator Meotti, for the caliber and quality of debate.

The decisions of the decision that will be made here this evening will not be made easily. I don't think there's any winners here. I think that the decisions are critical to what we do as we go forward,

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however, I supported a different version, the vast majority of amendments that were proposed this evening.

I think that this issue takes us beyond where I feel comfortable in terms of what the future holds for not only the State of Connecticut in terms of its businesses, but also the workers and I can't help but think of the long history of workers' efforts to protect themselves, their families, their aspirations of their families and their children and I listened to Senator Meotti talk about his father and his family before him in the efforts that they made in the area of manufacturing in New Britain and I could only think of the long history of all the other people that have done the same thing and for those people that have been fortunate enough not to have the loss of limb or the loss and injury to their bodies, that American Dream was accomplished. For a whole lot of other people that did suffer in that process and suffered loss, the Workers' Compensation process has been beneficial to them, not only to them and their families, but to our general economy and our abilities to maintain a credible way of life, to maintain our homes and things of that nature, so that I think that there's no easy decision here this evening.

I would have been much more comfortable to see a 16

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percent level. I don't think anybody in this room and I don't think anybody in this process every thought 19 percent was going to be where we'd end up. I think there should have been more balance. I do agree that we do find ourselves in a major economic problem. No one, the most casual observer could see that, however, when we start to look at what we've done over the last two to three years for the business community, I think Senator Crisco articulated very capably and very well the sacrifice that the people of this state are making towards business.

This is another indication of a sacrifice by a whole lot of working people in this state to protect and preserve their jobs, and sure, there's got to be competitiveness, but we haven't talked about some of the other things that have happened in this economy that I don't think the business community and some of the people that have been business leaders in this community can really be proud of in terms of some of the other catastrophes that have happened through a whole lot of other economic problems we've had.

So that there has to be balance in any process, and believe me, as I look around this Circle, this is not an easy decision. There are no easy decisions in front of us. If Connecticut is going to crawl out of the

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economic recession we find ourselves in, it's going to require not one solution and I don't see this as a solution. I don't see this as any single solution to this process. I think it's a whole series of things to get competitive and I think we're moving in that direction very slowly, but I think our commitment has to be to move forward.

Again, I am not comfortable with this bill evening, but again, I think a message is being delivered. I would have been much more comfortable with a bill that had some mitigation in it for workers, but again, I will very reluctantly support this piece of legislation this evening.

I think, however, that in doing what we're doing tonight without compromise, without a more common ground, I think going forward this may not have the beneficial effects that we anticipate, those people that are voting for this in the final analysis. I think a more common ground between workers and business would have been a better solution, some compromise, but again, I will say I will very reluctantly vote for this piece of legislation.

THE CHAIR:

Thank you very much, Senator DiBella. Would anybody else wish to remark on Senate Calendar 524?

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Are there any further remarks? If not, Mr. Clerk, would you please make the necessary announcement for a roll call vote.

THE CLERK:

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Thank you very much, Mr. Clerk. The issue before the Chamber is Senate Calendar 524, Substitute for House Bill 7172. The machine is on. You may record your vote.

Have all Senators voted and are your votes properly recorded? Have all Senators voted and are your votes properly recorded? The machine is closed.

The result of the vote:

32	Yea
4	Nay
0	Absent

The bill passes.

Mr. Clerk.

THE CLERK:

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GEN. ASSEMBLY
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PROCEEDINGS
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House Bill 7108 as amended by House "A".

Total number voting	148
Necessary for passage	75
Those voting yea	148
Those voting nay	0
Those absent and not voting	3

SPEAKER RITTER:

The bill as amended passes. The Clerk please continue with the Call of the Calendar.

CLERK:

Page 10, Calendar 566, Substitute for House Bill 7172, AN ACT REFORMING THE WORKERS' COMPENSATION SYSTEM. Favorable Report of the Committee on Appropriations.

SPEAKER RITTER:

The Honorable Chair of the Labor Committee, Michael Lawlor of the 99th. Good afternoon, Sir.

REP. LAWLOR: (99th)

Good afternoon, Mr. Speaker, thank you very much. I move acceptance of the Joint Committee's Favorable Report and passage of the bill.

SPEAKER RITTER:

The motion is on acceptance and passage, please Sir.

REP. LAWLOR: (99th)

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Thank you, Mr. Speaker. I'd like to just stress to the members of the Chamber what was in the Committee that came out of the Labor Committee, what was in the bill that came out in the Labor Committee.

In our bill, which was arrived at after extensive public hearings and many, several field hearings and meetings around the State, the Labor Committee recommended a bill which I think formed the basis for wide-ranging and substantial reform of the workers' compensation system, not simply reduction of benefits to injured workers, but actually changing the way the system works, because there have been many complaints aside from the cost of workers' compensation insurance. Many complaints about the way the system works.

Our original bill included changes in the compensability for injuries which occur during employee sponsored sporting events when those were a voluntary participation.

Changes in the way stress claims can be filed.

Changes in the definition of what types of scarring would be compensable under workers' compensation.

Imposition of a mandatory fee schedule for health care providers and doctors, and the amount that they can charge injured workers under the worker compensation laws.

Fine tuning the managed care for State employees.

Imposition of penalties for insurance companies and employes who don't pay on time those benefits and medical bills that they are obligated to do under the system.

Opening the 28 day restriction on the time during which an employer can challenge application for workers compensation system. We allow challenges up to one year.

A provision for what happens when an employer is contesting a medical bill and an employee cannot pay that medical bill and the hospital or the doctor is trying to collect it.

A two year delay in the cost of living adjustments for beneficiaries.

Allowing for the factoring in the payment of State income taxes in determining what net income is for beneficiaries. And I should point out this does not mean that workers' comp benefits are now subject to the State income tax. What it meant was we would just factor in that in determination of net pay.

Changing the duration from 780 weeks to 520 weeks for the wage differential benefit.

Establishment of a consumer advocate within the

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insurance department, who would essentially play the role of a watchdog whenever a workers comp insurance premium was being applied for.

Mandating worker safety committees throughout the State at all work places for more than 25 employees.

Video display terminals safety standards for State and municipal employees.

A review of the prescription practices of health care providers when they are prescribing narcotics to workers comp claimants.

The establishment of a reform of the Second Injury Fund and the establishment of a competitive State fund for workers' compensation benefits.

And finally, we attempted to deal with a very difficult problem which emerged last December when the United States Supreme Court overturned a District of Columbia law similar to one that we have, which requires that injured workers will continue to receive whatever group health insurance coverage they had on the day they were injured.

The United States Supreme court declared that these types of state law were preempted by the federal ERISA law and the effect in Connecticut was many families lost their health insurance coverage when employers discontinued those benefits in light of the Supreme

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Court decision.

Our Committee felt that if we included the value of those group health insurance policies in the calculation of what the weekly benefit would be, then injured workers could keep in force those group health insurance programs.

After addition study, it was clear that even that would be preempted by the federal law and that provision was stripped out when the bill was before the Judiciary Committee some weeks ago.

And, Mr. Speaker, I'd suggest that the bill that came out of the Labor Committee really was wide-ranging reform of the workers' compensation system.

However, it's also clear that based on my own personal experience over the last couple of months in talking to people, employers, and injured workers around the State, that there was an outcry, especially in Connecticut's business community, to dramatically bring down the cost of workers' compensation insurance.

And after a series of meetings that I think all the members of this Chamber are familiar with the fact that those meetings were taking place, it was clear that we had to, when all was said and done, effect a dramatic decrease in the cost of workers' compensation in Connecticut. So in the hope that we can build upon the

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wide ranging reform that emerged from the Labor Committee, fine tune it and to add cost controls on doctors and lawyers, cut benefits for many workers, provide a mechanism which will require insurance premiums to come down, Mr. Speaker, I'd like to offer the following amendment.

The Clerk has LCO6537. I'd ask the Clerk to call and that I be allowed to summarize.

SPEAKER RITTER:

The Clerk has amendment LCO6537 which will be designated House "A". Threatening to say call and read it, but I think we'll let him summarize it.

CLERK:

LCO6537, House "A" offered by Representative Krawiecki et al. Representative Ritter, Krawiecki, Luby, Belden, Lawlor et al.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. Mr. Speaker, this bill -

SPEAKER RITTER:

I should have had him read it, I think.

REP. LAWLOR: (99th)

This bill, Mr. Speaker, this amendment, if it is adopted, will result in a 19% cut in the cost of

workers' compensation insurance in Connecticut. It will be immediate, and it will result in refunds being mailed to all employers who are not self-insured in our State within the next couple of months.

It also provides for a change in the way insurance premiums are approved after this year.

It mandates worker safety committees for all employers with 50 or more employees, with 25 or more employees.

It changes the way the medical system works for workers' comp.

It allows for enhanced managed care plans, the so-called PPOs. It eliminates the option of opting out of those PPOs.

It imposes a medical fee schedule, utilization review, and practice protocols for health care providers.

It changes the compensability in some respects similar to the bill that emerged from the Labor Committee but it goes far beyond those, involving stress claims, voluntary participation in sporting activities, scarring, injuries due to alcohol and drug use, the maximum for total disability and dependent survivors, the benefit rate for all types of benefits.

Cost of living adjustments are eliminated.

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The maximum duration for wage differential benefits is decreased and the schedule of benefits for permanency award across the board is reduced by a third.

But what it does, Mr. Speaker, I think is the most important of all, it reduces the cost of insurance premiums for workers' compensation in our State.

I think it is balanced. It affects everybody, doctors and lawyers and insurance companies, claimants, the State government, and I think it ought to pass. I urge adoption of the amendment.

SPEAKER RITTER:

The question is on adoption, Sir. Anyone remark further?

REP. ANDREWS: (87th)

Mr. Speaker.

SPEAKER RITTER:

Representative Curt Simmons of the 87th.

REP. ANDREWS: (87th)

Representative Andrews, Mr. Speaker. Ladies and gentlemen, Mr. Speaker, I too rise urging adoption of this piece of legislation. This is state of the art workers' compensation reform. This is something that is unprecedented countrywide.

As we met over the last several hours, several

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days, both sides of the aisle, it became clear that there was, within us, the urge to do something meaningful to send that message to the business community.

It was also clear that every single one of us, as Representative Lawlor said, wanted to come forth with a balanced attack, if you will, on the reform, that everybody that stepped up to the plate was going to get a shot. And I think everybody has. The medical profession, the legal profession, the insurance companies, injured employees, and I think business does too.

And I think one of the things that we need to say today, that what business needs to do to help the process along is business needs to become a little bit more employee friendly. We've taken a step with this piece of legislation. I think the business community has to now take another step and work with injured employees and become more injured employee friendly and urge employees to get back to work sooner.

But I think more than that, the key to this whole bill is that we are sending such a positive message to businesses in Connecticut and businesses throughout this country and indeed throughout the world, that this Legislature means what it says.

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One of the things that I found on my trip to Europe a month and a half ago, is people in Europe actually see Fortune Magazine and Business Week Magazine with the ads about Connecticut, that you come here and we have a House that's ready for you and a Senate, too. And people read those things and it's getting attention.

The State agents, the agents we have throughout the world working on behalf of you and I, attracting the business and keeping the businesses that have invested in Connecticut are seeing these advertisements and they know that it means something.

The Manufacturers Relief Act we did two years ago is meaningful. That was state of the art in 91. A number of states have followed suit. This is state of the art. This is another aspect, another key to making Connecticut competitive, and I think what you're going to find after this is adopted, and I hope that we find, is that we will get some announcements from some major manufacturers and employers in this State that we're going to retain jobs, we're going to add jobs, and in fact, we're going to see more companies moving into the State of Connecticut.

But one thing that I would like to do is, I want to congratulate the Speaker, the Majority Leader and my

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good friend, Representative Lawlor. One of the things that we said from day one in the Labor Committee is that this is a new Labor Committee. Representative Lawlor and I have been friends for a number of years. We work very closely together and I want to congratulate you for coming to the table and working with us.

And I've got to say, for me, this has been a very enjoyable several months putting this piece of legislation to the table and I want to thank the members of the majority party for working with us to doing what's right for the people of the State of Connecticut and passing \$190 million investment plan in the State of Connecticut.

I urge the adoption. Thank you.

SPEAKER RITTER:

Thank you, Sir. Anyone else comment?

REP. KIRKLEY-BEY: (5th)

Mr. Speaker.

SPEAKER RITTER:

Representative Kirkley-Bey.

REP. KIRKLEY-BEY: (5th)

Thank you, Mr. Speaker. Through you, I rise in opposition to this piece of legislation. I would like to say that I feel that it is not very productive for

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the workers of the State of Connecticut.

Never did I think when I ran and sought office that there would become the day that I would stand before this Body and amongst this Body and feel very negative and sad for something that we were about to do.

I remember Representative Krawiecki talking about the injustices we were doing to the people of Connecticut when we passed this budget that was screens and shams. Well, I want to say I feel that this injustice we're about to do to the workers of the State of Connecticut if we pass this piece of legislation.

I just happened to receive the letter today and it's written to whoever cares, hopefully you. And it's a person who's on workers' compensation and has lost his medical benefits and says that he's unable to get medical benefits through anywhere because of his infirmities. And he says, no one who has any moral or ethical sense or compassion for the human rights of disabled workers or individual, should support or vote for this economically disastrous piece of legislation. And he says he should not be humbled that he should have to beg for State welfare in order to have medical coverage. And I do not believe that this is equitable among the business community and I'm not anti-business, among the workers of the State of Connecticut and the

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doctors who are reaping a harvest.

And I'm sorry, and I urge my colleagues not to support this piece of legislation. Thank you, Mr. Speaker.

SPEAKER RITTER:

Anybody else?

Representative Donovan from the 84th.

REP. DONOVAN: (84th)

Thank you, Mr. Speaker. Mr. Speaker a question to the proponent of the amendment.

SPEAKER RITTER:

Please proceed, Sir.

REP. DONOVAN: (84th)

Mr. Speaker, through you, I have a question on the amendment, line 232 dealing with mental or emotional impairment. I received a call yesterday afternoon from a woman from the City of Hartford who had been involved in working one of the City jails where she was sexually assaulted. However, there was no injury that took place. She was attacked. She fought off the attacker, but subsequent to that, she suffered emotional damage. She was unable to ride a bus, she was unable to go to work, she was stuck in her house and afraid to move on.

It took her a year to get worker comp benefits for that. Now, my question to the proponent of the

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amendment, according to the new language on line 232,
would this person be covered under worker compensation?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. Just to clarify to
Representative Donovan, I am not sure -- if he could be
more specific about what the sexual assault consisted
of. On my left.

SPEAKER RITTER:

Representative Donovan, can you clarify the
question for Representative Lawlor?

REP. DONOVAN: (84th)

Yes, Mr. Speaker. According to the individual, she
was dealing with a window in the prisoner's cell. The
prisoner grabbed her body - various parts, ripped her
clothes and engaged in a tussle. She was able to
subdue the prisoner, close the door and receive some
assistance.

She pushed her beeper and the beeper did not work.
She did all that on her own. But according to the
language here, there was not physical injury at the
time. There was contact, but no physical injury.

SPEAKER RITTER:

Representative Lawlor.

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REP. LAWLOR: (99th)

Thank you, Mr. Speaker. In my opinion, there is a physical injury there, although if she was touched and physically assaulted, I think that is an injury and she may be compensated and I would point out that she is a correction officer, is that right, Representative Donovan?

REP. DONOVAN: (84th)

Yes.

SPEAKER RITTER:

Through the Chair, Sir.

REP. LAWLOR: (99th))

Through you, Mr. Speaker. She is a corrections officer?

REP. DONOVAN: (84th)

Yes.

REP. LAWLOR: (99th)

Well, not only would that be compensable, in my opinion, but she would receive that hazardous duty pay that I think she and all other corrections officers are more than entitled to and that is if they sustain an injury during the course of their employment which results from one of the hazards and certainly, being assaulted by a prisoner is one of the hazards that takes place inside our State's prisons and I think she

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is more than entitled to receive workers' comp benefits, she will receive 100% of her gross base pay and I think she deserves it and I hope no one ever suggests that is taken away in that kind of situation.

SPEAKER RITTER:

Representative Donovan, you have the floor, Sir.

REP. DONOVAN: (84th)

Yes, Mr. Speaker. Mr. Speaker, I guess I bring that up because the language has certainly changed from the file copy and the bill that was voted out of the Labor Committee in which then, a mental or emotional impairment also was related to an event. And I think that we would be much more clear under that language and I would hope, certainly, that she would not have any problem getting that benefit.

I would also to speak some more against the amendment. Again, the file copy that we had voted out of committee, dealt with the issue of health insurance and as many people know, as of December 11th, in this Country, the Supreme Court ruled and struck down a State law that would say that people on workers' compensation would receive health benefits if they were already receiving that. Well, this bill does nothing to restore health benefits for those people and I think when we calculate the savings that have come to

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industry, since December 11th, we have to calculate the cost of health benefits.

Mr. Speaker, I would like to say that the file copy again, spoke to, I consider, real reform. There is a clause for consumer advocate which is not in this amendment that would help industries bring down rates. There are rebates for industry for safe workplaces which are not in this amendment. There is actually a freeze on insurance rates, again, which are not in this amendment and there was actually the study of competitive state fund, so our State could look at ways of reducing workers' comp costs by running our own fund. Again, that is not in this amendment.

So, I think, this amendment speaks against true reform and focuses mainly on reducing workers benefits. And what I mean by workers' benefit, I want to strike the word benefits and bring it back which is compensation. We are talking about workers who are working and were injured on the job and are only asking to be duly compensated for that injury. We are not talking about benefits. This is compensation and there are forty to fifty thousand people in Connecticut, every year that are injured on the job.

Just to put that in perspective, 55,000 died in Viet Nam, 40,000 - 50,000 get injured in Connecticut

every year and what this proposal does is say, now that you won't get any health insurance, and you have to buy it yourself, we are going to reduce your net pay, we are going to also reduce the worth of your bodily limbs.

For instance, apparently your arm is worth approximately 312 weeks of compensation if you lose your arm 100%. According to this amendment, that would be reduced in third. So, as a body if we vote for this amendment, we will say that that arm is worth less. An arm that will no longer be able to throw a pitch, caress a loved one or be involved in meaningful work.

And I would like to say too that since I came here, the only thing I saw was workers' compensation as the leading cause of industrial ills in our State. I think it is pretty sad that we are saying here that we are basing the rebound of our recovery in this state by taking money from the injured workers of our State and I think that is a shame and I think we should vote down this amendment.

Thank you.

SPEAKER RITTER:

Thank you, Sir.

Representative Rapoport.

REP. RAPOPORT: (18th)

Mr. Speaker, the other day I took in anticipation of this debate, I took the file copy of the bill that the Labor Committee passed on this issue home and I read it and I was sort of impressed. I thought that that bill recognized that we had a serious problem in this State. That there were significant changes that could and should be made to the Workers' Compensation system in order to make some changes and I thought that the bill struck a reasonable balance, in my mind, between some reductions in benefits, some caps on medical costs and restraints on the increasing costs of medical care and some checks and balances on the insurance industry who sells the workers' compensation policies to make sure that those costs are kept in line.

So, I said, okay I might be concerned with some of the benefit reductions, but I would be prepared to vote for it. Today, what I see in front of me is something that is extremely different from the file copy of the Labor Committee's bills and in some ways I find it extremely disturbing what some of those changes are and I guess, let me start by posing a couple of questions to the proponent to the amendment.

SPEAKER RITTER:

Please proceed, Sir.

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REP. RAPOPORT: (18th)

Okay, Representative Lawlor, through you, Mr. Speaker. I noticed that in the amendment that is proposed, the basic benefit for an injured employee or for their widow or widower if that employee dies in the course of their employment has been reduced from 80% to 75% of their pay. Let me first start by asking if I could find out from the proponent of the amendment, what is the average weekly benefit paid out under Workers' Compensation in this State?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. Through you, it is my understanding that number is \$327.00.

SPEAKER RITTER:

Representative Rapoport.

REP. RAPOPORT: (18th)

Mr. Speaker, thank you. \$327.00 per week. I did a quick multiplication of that by 52 and we are talking about someone who is earning, after being injured on the job, somewhere in the vicinity of \$16,000 to \$17,000 per year. Presumably, they still have their rent or their mortgage to pay. They may have a family. If, as Representative Donovan pointed out, thanks to

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the Supreme Court, the United States Supreme Court, their health insurance has now been cancelled by their employer who is no longer required to maintain it. They now may have somewhere in the vicinity of \$400, \$600 maybe more dollars a month that they have to pay for health insurance for their family.

Mr. Speaker, if I could ask the proponent one more question on this matter.

SPEAKER RITTER:

Please proceed, Sir.

REP. RAPOPORT: (18th)

This reduction - let me not phrase it as a question because I think I can do the math myself. If we take this benefit down as the bill proposes from 80% to 75% from \$327.00, this person is going to go down to roughly \$305.00. So now, in addition to being injured on the job, in addition to being unable to work, in addition to the medical costs that they are going to have to pay, in addition to trying to keep up their mortgage, the State of Connecticut, through this legislation, if it is passed, will do that person, that injured person and their family, or perhaps that widow, the great favor of reducing their benefit \$327.00 to \$305.00.

I don't find that a very impressive change to the

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file copy. In fact, I think it is a horrible change.

There is another section of the file copy that I thought was a good one. It was a section that said there is going to be a consumer advocate office within the Insurance Department. I thought that was a reasonable way of saying that if we are going to make significant benefit reductions in our workers' compensation system, that we ought to make sure that the insurance companies that are providing the workers' compensation insurance and other insurance have someone that can participate in these cases that will represent the consumer's interest. I said, hey, I applaud the Labor Committee for doing that.

I guess the question that I would have for the proponent of the amendment is, Mr. Speaker, through you, why was the consumer advocate's office within the insurance department deleted from this amendment?

SPEAKER RITTER:

Representative Lawlor, you have the floor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. I personally think a consumer advocate within the Insurance Department could probably play a constructive role. But I think the main reason why a consumer advocate's office was suggested in the Labor Committee's file copy was

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because, as former President Reagan used to say, trust, but verify. And I think that in this case, we have removed all issue of trust by writing into the statute that there will be at least a 19% reduction in premiums this year. That is going to happen. No ifs, ands or buts about it, if this bill passes.

And I think, at least as far as I am concerned, will remove my primary, immediate concern. But I can tell you, Mr. Speaker and through you, to Representative Rapoport, that if in the future, there was any suggestion that some of these savings which are being achieved through cuts and benefits, are not being passed onto Connecticut's business communities, I will be the first one to suggest a consumer advocate and I will fight for as much funding as possible for that office because I don't feel like trusting anybody here today. That is why we wrote it in the bill. And for the record, if these savings are not passed on to Connecticut's businesses, there will be a bill and I hope it will receive unanimous support in this Chamber and upstairs because I think it is that important because the reason we are doing this bill today is not because anyone thinks it is a good idea to reduce benefits for workers, but because it is a good idea to reduce the cost of business in Connecticut.

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We have tried to be as fair as possible in adjusting benefits. We tried to be as fair as possible with the business community and the medical community. And I think, at the moment, this is the best way to do it. I hope it passes because the savings will be real.

SPEAKER RITTER:

Thank you, Sir.

Representative Rapoport, you still have the floor.

REP. RAPOPORT: (18th)

Mr. Speaker, I appreciate that very much, those remarks by Representative Lawlor. As I read the analysis of the amendment before us, there are a number of factors that the insurance companies and there is an immediate 19% decrease, quite a large one, based on the benefit reductions and other changes that are made in this bill, but in future years, the insurance companies will come before the insurance commissioner taking the benefits reductions into account, taking their ratios, etc. into account and will present to the Commissioner, an argument for what their rates should be in the following year.

I can't personally see of how having an advocate for the consumers in this process would be extremely helpful to this process. I can't see how it would hurt. I saw the actuaries's analysis of both the bill and the

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amendment which said the consumer advocate didn't save money or cost money. Frankly to me, that raises a question of how much confidence we can have in these actuarial figures if they think there is no savings of having a consumer advocate that assumes that every single penny that the insurance companies have proposed in terms of their rates is accurate and absolutely necessary. I don't think that we ought to assume that. I think we ought to trust, but verify and we can do that today. We don't have to do that in a future bill. We can do that today and perhaps later on today, an amendment will be forthcoming that will allow us to do this should this amendment pass.

Mr. Speaker, another question, if I may to the proponent of the amendment?

SPEAKER RITTER:

Please proceed, Sir.

REP. RAPOPORT: (18th)

I notice that there are -- one of the things that I thought was reasonable in the Labor Committee's bill was that there were cost of living allowances being made. Cost of living continues to go up. There are fears of renewed inflation that I read about in the newspapers. I think people who are injured who cannot, if they are in need of financial need, they can't go

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out necessarily and get a second job. If they could get a second job, they would be working at their first job.

So, as the price index goes up, these people are going to be -- we are legislating today, by this amendment, that those people will lose ground to inflation each and every year.

Then I noticed in the amendment a very interesting thing which is that the commissioner is going to set medical rates for various practices by the medical profession. Those rates will be set initially and then those rates, the prices charged to the people who are injured and who are out on workers' comp benefits, those will increase according to inflation. The doctors' fees go up, presumably because there is a problem here. We have inflation. It costs the doctors extra money and therefore, they ought to be compensated by an inflationary increase each year.

I guess I can't understand in looking at this amendment, why it is that a cost of living increase is necessary for the physicians who are providing the services, but not for the families of the injured workers who are receiving the services and if I may ask that as a question of the proponent of the amendment, why is that we have no cost of living increase in benefits, but we have cost of living increases for the

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physicians?

Through you, Mr. Speaker.

SPEAKER RITTER:

Keep calm. Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. Through you, just so that the factual record is complete, the COLA elimination achieves a total savings as rated by NCCI which is an organization which does such things as rate these types of changes. The total cost savings is 2.6% for the elimination of all COLA's. The issue of what price index to apply to the medical fee schedule that we have required to be implemented, there was quite a bit of discussion about whether there should be a price index and if so, which one should it be. There are quite a few varieties. I came to find out the highest of which is the CPI for the medical component which is very high and grows at an extremely high rate. It is almost 8% this year.

There are other CPI's and we chose one of the lower ones. We chose the CPI for all urban workers. And that is the one that is written in the bill. Because we felt that the medical component of CPI would be quite high and we didn't want to do to that especially in light of what we are doing to COLA's, but the

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tradeoff was that we felt that if we did not have a price index, the concern was that some providers would chose not to treat workers' comp claimants.

It certainly is a tradeoff. It is one that I am not 100% comfortable with, but I think it is necessary under the circumstances to achieve the goal of 19% total cost reduction and to respond to your factual question, Representative Rapoport, that is why it is in there.

SPEAKER RITTER:

Representative Rapoport, you still have the floor, Sir.

REP. RAPOPORT: (18th)

Mr. Speaker, as always, I appreciate the response from the Chair of the Labor Committee. I think he has done an excellent job this year, including his work on this amendment, but I think we should have stopped with the file copy. It was just fine.

I was given some statistics today that were provided by the National Association of Insurance Commissioners that I found interesting. People have presented the fact that Connecticut's workers' comp system is way out of line. That the cost of the employers are excessive. That we have a problem here although the benefit reduction that we passed in 1991

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didn't seem to get translated into any rate reductions. And that other states have a better system that are taking care of injured workers reasonably well, but because of the benefit structure we have here, the insurance companies are unable to make a profit and therefore, they have to pass cost increases onto our businesses.

So, I was sort of interested to see this information from the National Association of Insurance Commissioners based on data from 1991. Which lists the seven states in our region, New York and New England and lists the benefits paid to workers as a percentage of the insurance premium. Now, I thought from the discussion that we have had, that Connecticut was out of line, that our benefits were too high, that somehow, as a percentage of the premium dollars paid, they were too much. So, we had to bring them down to line, so I was very interested to see the following statistics.

Connecticut is last of the seven states in our region, the percentage of the premium dollar that goes to pay benefits for injured workers and their families is dead last. In the State of Maine, the benefits paid to workers as a percentage is 186.4%. In Massachusetts, 109.1%. In New Hampshire 111.2%. In Rhode Island 127.7%. Now we get to the states that are

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under 100%. Vermont at 87%. New York at 85%. And Connecticut, in seventh place in the statistic, at 82.7%.

And the profit of the insurance companies as a percentage of the insurance premiums paid is the highest - 9.8% compared to 4.6% and 5.9% in New York and Vermont and everybody else in every other state that took a loss.

Obviously, we have some major problem to correct, but these figures here seem to indicate to me, that the problem is not that our benefit structure is out of line, the problem in the system lies in a wider range of problems.

Mr. Speaker, I guess I find in looking at this amendment -- one other question for Representative Lawlor, if I may, Mr. Speaker?

SPEAKER RITTER:

Please proceed, Sir.

REP. RAPOPORT: (18th)

Mr. Speaker, one of the thing that I thought was a good feature of the file copy your committee reported out -- I have to keep praising you because I don't want you to feel bad here, but one of the things that was apparently added by other parties in the course of this discussion, in the file copy, there was a study to see

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whether a state fund, which a number of other states use and which has been shown in many cases to bring the cost down, was proposed to be studied. Not implemented or about putting a state fund in here. We are talking about a study to see whether that might be a savings.

I notice in reading the amendment that no study of any such state funding is included even though the experience in other states, maybe some states had bad experiences. I know some states have had good experiences, but it seems certainly worth a study.

My understanding is that in order to find out whether you want to do something about it, you have got to know something about it and you ought to study it.

So, if I may, Mr. Speaker, through you, to Representative Lawlor, how come there is no study in this amendment, on the creation of a state fund?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. Through you, I don't want Representative Rapoport to feel bad, but we did impose one and it wasn't a study. It actually established one on January 1, 1995. That is what the file copy said. And it asked the Treasurer and the DAS Commissioner and

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several others to report back to us next year on what will be necessary to actually fund it.

But I think, in fact I know, part of the reason to consider a state fund was to insure that there is sufficient competition with the private insurance companies to keep premiums down for Connecticut businesses. And in part, the concern which led to the recommendation of the establishment of a state fund is allayed by the 19% roll back which is now written into this amendment and will, in fact, take place, should this amendment pass.

As I said, we don't have to guess. We don't have to encourage. We actually wrote it into the law. There will be 19% roll back and that met, at least as far as I am concerned, the concern which resulted in the recommendation of the consumer advocate and a state fund.

SPEAKER RITTER:

Thank you, Sir.

The floor is still yours, Representative Rapoport.

REP. RAPOPORT: (18th)

Mr. Speaker, I guess I understand the answer, but I still think, like some other areas where we have, if you don't study and you don't know what it is you might be able to do, you won't know and you won't be able to

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make an informed decision. And I am saddened at the fact that this amendment and the people have pushed for it, have taken out even our ability to know whether that would be a good idea.

Alright, I don't want to monopolize the floor, Mr. Speaker although I understand there are some amendments in the process. Maybe other people will have some questions as well, but let me say this. I really think this amendment should be defeated. I believe that we do need workers' compensation reform in this state. I believe we started on that path two years ago. I think the Labor Committee, after hearings, after sitting down with members of all sides, came out with a bill that was balanced and I would have been prepared to support that or something quite close to that.

I think what this amendment does is take a balanced approach to the situation and lopsided it in favor of eliminating benefits to the workers. You have a situation where the cost of living increases, which were not eliminated in the file copy, are eliminated. You have a situation where the average weekly benefit of \$327 is going to be cut down to \$300. I could say that it was lower than the General Assistance benefits, but we have lower those as well, so we are still going to be slightly higher for a person who is an injured

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worker than a person who is on General Assistance.

Weekly benefit compared to monthly.

I think that the absence of a consumer advocate is a serious flaw in this amendment. I think that the taking down of the maximum wage base on this from 150% to 100%, I think that is also a problem. That only affects a few workers, perhaps in the construction trades. Perhaps the highly skilled technical workers, but reducing the benefits from \$769.00 down to \$609.00 which this amendment does, that is a serious loss of disposable income for those families on top of the injuries that they are seeking.

As I look through this amendment, there are some good things in it. I don't want to say that they aren't, but I think that on balance, this is heavily weighted towards a system which takes benefits away from injured workers, does not put sufficient cost controls on the providers of the system, does not adequately stress safety, although I was very pleased, Representative Lawlor to see that the Health and Safety Committees which were provided for in the file copy are intact in this amendment. And certainly, does not provide beyond the 19% immediate roll back for effective controls on the insurance providers in this area.

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Mr. Speaker, I guess I would conclude by urging my colleagues to vote no. By the way, if we vote no on this amendment is it not that we won't have workers' comp reform, we then have the file copy which we then can vote yes on and that, I think, will provide us with a tremendous valuable thing that we have done for the State of Connecticut.

Mr. Speaker, I would urge no and since I believe this is an extremely important amendment, I would ask that when the vote be taken that it be taken by roll.

SPEAKER RITTER:

All those in favor, say Aye.

REPRESENTATIVES:

Aye.

SPEAKER RITTER:

Twenty percent having been met, we will do it by roll.

Anybody else care to comment? Representative DeMarinis.

REP. DeMARINIS: (40th)

What I would like to say echoes a lot of what Representative Rapoport says. But I've got a more personal level to add to it. We seem to have forgotten in this so called reform bill, this amendment, that we are democrats. I came up here brand new and prepared

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to compromise and you have taught me well, managed to do it and smile. I knew we were going to talk about workers' comp. I come from an old labor family and I admittedly have some pretty strong feelings in that area, but I agree that they system was a mess.

I sat through hearings in this Chamber, where people signed up either as workers or employers. I found out very quickly that that is not where the problems were. Between the workers and the employers, admittedly some fraud perhaps, on both sides, but not nearly what I thought I would hear.

The problems were insurance, medical costs and the system itself. A more screwed up mess I have never heard of. I heard incredible stories as we all have including the one about the man who always seems to be on a ladder somewhere painting the side of his house. I think they transport him from location to location.

We all heard a lot of those stories and I went back into the Labor Committee and worked as hard as a freshman is allowed to do. Again, with compromise to produce that file copy. Gave me some heartburn, but I did it and then this morning, I got this amendment and I read through it and I couldn't believe it. If you lose a foot in this State, right now, we are going to punish you, if stupid enough to get hurt. And I

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thought we guaranteed that this was not, that this was a benefit that you got for getting hurt.

I clearly saw that the abuses in the system were not from workers and not from employers. They are from insurance, medical cost and a messed up administrative system and I would like us to return to the file copy. I urge rejection of this amendment. I can't see it as a democrat. I can't support it. I have tried very hard to be logical. I want business to stay in this State as much as anybody. I live in Southeastern Connecticut where we are taking some of the hardest hits that we have ever had aimed at us.

So, I urge rejection of this amendment. And I would like to see the file copy adopted. Thank you.

SPEAKER RITTER:

Thank you very much, Madam.

Representative Varese.

REP. VARESE: (112th)

Thank you, Mr. Speaker. Good afternoon.

SPEAKER RITTER:

Good afternoon, Sir.

REP. VARESE: (112th)

Through you, Mr. Speaker, I have some questions to the proponent of the bill.

SPEAKER RITTER:

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Please proceed.

REP. VARESE: (112th)

Thank you.

SPEAKER RITTER:

On the amendment, Sir?

REP. VARESE: (112th)

On the amendment.

SPEAKER RITTER:

Please proceed.

REP. VARESE: (112th)

Thank you, Mr. Speaker. Through you to Representative Lawlor. Could you, as I understand it now, under this proposed amendment, if someone has a scar and the scar is not on the individuals head or face and if the scar does not affect that individual's ability to work, then, in that event, that individual would not be able to obtain compensation for this scar? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. Through you, yes that it true, but you wouldn't receive separate compensation for the scar as you do under the current law. Certainly, whatever gave rise to that scar, whatever

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injury gave rise to that scar, you would be compensated for any permanency that had resulted. And you would, if you had missed any work, you would be compensated for the period of time that you are out of work. But the separate scarring award, you do not receive compensation for.

SPEAKER RITTER:

Representative Varese, you have the floor, Sir.

REP. VARESE: (112th)

Through you, Mr. Speaker there is language in the amendment, I believe that indicates than a mental or an emotional impairment would be covered if it were the result of physical injury. Is that correct, through you, Mr. Speaker?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Yes, Mr. Speaker. That is correct.

SPEAKER RITTER:

Representative Varese.

REP. VARESE: (112th)

Through you, Mr. Speaker, could it not be that if an individual had an injury which resulted in scarring, that the scarring caused that individual to have a mental or an emotional impairment, i.e., that

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individual has problems with his spouse or she has problems with her spouse, or that individual is fearful of going to the beach or that individual is fearful of going out as a result of the scarring, which scarring was the result of a trauma - would it not then be compensable under the mental or emotional impairment? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, they would get their money because it is stress resulting from an injury.

SPEAKER RITTER:

Representative Varese.

REP. VARESE: (112th)

Thank you, Mr. Speaker. Mr. Speaker, again through you, if I may, there were some indications, I believe, under section 28 of the Amendment, of a worker safety committee. And as I understand this worker safety committee, it would take effect if one employed twenty-five or more individuals or if that particular business had less than twenty-five individuals, but had an occupational injury or illness incident rate that exceeded the average of all industries in the State, then that employer also would be required to have a

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worker safety committee? Through you, Mr. Speaker, is that accurate?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Yes, that is right.

SPEAKER RITTER:

Representative Varese.

REP. VARESE: (112th)

And through you, Mr. Speaker, under this worker safety committee, in essence, what would happen is the commissioner would set up a committee membership insuring representation, I would imagine, by employees and employers would indicate how often this committee would meet, the records the employers must keep concerning the committees, and that the employees who participated would receive regular pay for time spent, etc., as far as training was concerned. Through you, Mr. Speaker, is that accurate?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, yes. Among other requirements, yes that is accurate.

SPEAKER RITTER:

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Representative Varese.

REP. VARESE: (112th)

And through you, Mr. Speaker, in essence, would this not be a quasi union? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, in essence, no it would not be a quasi union.

SPEAKER RITTER:

Representative Varese.

REP. VARESE: (112th)

Through you, Mr. Speaker, would the proponent be familiar with any NORB decisions that might have come down in other areas regarding worker safety committees?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, no, the proponent would not be.

SPEAKER RITTER:

Representative Varese.

REP. VARESE: (112th)

Through you, Mr. Speaker, it is my understanding that in essence, if you have a workers safety,

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committee, there is a possibility or a potential that through this committee, it would be treated as a quasi union that the NORM could indeed intervene if requested and from that, many of our small businesses might well have put themselves in a position of becoming involved in unions. And I am not just talking about industry. I am talking about offices, too.

I think that is something the Chamber at least should be aware of as we go through this process.

Another question, through you, Mr. Speaker, if I may?

SPEAKER RITTER:

Please proceed.

REP. VARESE: (112th)

In regard to third party recovery actions. It is my understanding that the employer or the insurer would have a lien on any judgment or any settlement that occurred, through you. Is that correct?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Yes, that is correct, Mr. Speaker.

SPEAKER RITTER:

You have the Chair, Sir. Representative Varese.

REP. VARESE: (112th)

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Thank you, Mr. Speaker. Through you, Mr. Speaker, would that be, for legislative intent, would that be a lien in total or would that be a lien after taking into account costs, fees, etc. that would have had to be expended by the worker in order to obtain the additional funds? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, in the current law, those are allowed deductions.

REP. VARESE: (112th)

Through you, Mr. Speaker, and in conjunction with this proposed amendment, and if the current law of the amendment were married, would that still be the law? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. The answer is yes.

SPEAKER RITTER:

Representative Varese.

REP. VARESE: (112th)

Thank you, Mr. Speaker. Mr. Speaker, I pondered this myself. I have to admit, for a long time. And I

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attempted to balance the equities. And as with many on the other side of the aisle, I too had concerns, I have to admit.

I wanted things to be fair for the worker. I wanted things to be fair for the employer. One main point, however, that continued to crop up in my head was the fact that as we continue down this road, we are losing jobs. Now, I don't know whether this is going to be the saving grace or whether it is pie in the sky. But, I do know that it is time for us to make some substantial changes and try, at least, to retain jobs here in Connecticut.

I am not overly enthused, but if we have compensation versus jobs, I would rather have people back to work so that we will be able to help our economy and help our citizens as a whole. And that is the reason I will support this amendment.

SPEAKER RITTER:

Thank you, Sir.

Representative Mary Eberle.

REP. EBERLE: (15th)

Thank you, Mr. Speaker. Mr. Speaker, I rise in support of this amendment. As Vice Chair of the Labor Committee, Representative Lawlor and I have worked for many months on these issues and we have each, as we

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have gone through them, have gone through a balancing act in our minds and with the various constituencies that have lobbied us.

As I went through my campaign, knocking on doors, the one concern that came to me very clearly was concern for the economy, pessimism that anything could be done to turn it around and certainly that the Legislature could have any significant impact on that.

And I assured my constituents that I thought there were things that we could do. That while there were many factors that were beyond our controls, such as international competition, there were things that had a direct impact on business that we could make a difference on, such as business taxes, workers' compensation and unemployment compensation.

After my election, I went to the briefing at the Department of Economic Development to which freshmen were invited. It was very clear, one of the first things they told us that was that in the surveys done of instate employers as to what are your biggest obstacles to success in the State of Connecticut, workers' compensation was one of the top three.

They then detailed a study they had done of out-of-state employers saying what is the biggest obstacle to you considering locating or establishing a

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business in Connecticut. And again, workers' compensation was one of the top three.

It became clear to me that this was one area where we really could make a difference for the constituents of the State, not just for our districts. That jobs are the overriding issue now and that workers' compensation costs are one of the main obstacles, at least one of the main ones that we can have an impact on.

As we worked through the bill, and I learned more about our system, it seems to me that there are three or four factors that make a difference. One is how often workers get injured which we attempted to deal with the health and safety committees which we mandated not just that they exist, not just that employers take a look at their conditions of their workplace, but employees be included in that discussion.

Another was the cost of medical treatment and whether it was appropriate and necessary and directed towards healing and getting the employee back to work.

We have made a concerted effort on that regard in requiring employees to be treated within the managed care plans whose purpose is not just to control medical costs, but also the focus everyone, from the day of the injury to healing the employee and getting them back to

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work.

Another one that we have to deal with, though is the benefit structure that we have. It is approximately 40% of the cost of our premiums and you can't have significant effect on the overall costs unless you deal with it.

There are many elements to the benefits that we pay to injured workers. One is wage replacement for the time they can't work. Another is wage differential for the time they can return to work, but they can't earn as much as they did before. Another is permanency for the fact that they have lost some use of the the part that was injured. Another one is scarring. And virtually all those categories, we are at or near the top of the states, certainly of surrounding states and the states in the South with which we compete for business in our structure as well as that being applied to one of the higher wage bases in the Country.

We can't have an impact on jobs if we don't deal with that element also. I believe this is a balanced bill. And I bill I would urge its adoption.

SPEAKER RITTER:

Thank you, Madam.

Representative Cafero.

REP. CAFERO: (142)

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Thank you, Mr. Speaker. Mr. Speaker, contrary to what has been said a few speakers back, we are not all democrats in this room. And I don't say that facetiously, I say that because what we are is 151 people who were elected to come up here and do what is in the best interest of the citizens of the State.

A few weeks ago, this body, by majority, passed a budget and that budget has been touted ever since as one that changed the way we did business here in this State and sent out a message. It was a budget that came after months of public hearings in various committees, hearings where we heard about very needed sincere people asking that we appropriate money for programs that would help them. People who testified in front of committees and left many committee members with tears in their eyes and lumps in their throats and no one doubting that they certainly were in need.

But when we passed that budget, those that passed the budget said, that it was something that had to be done to send a message out that we are doing business differently in the State of Connecticut.

That budget gave many people less than what they had the year prior. But it was done, we were told, for the best interest of the entire State. And I see this workers' compensation bill amendment to be in the same

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light. We have lost over 200,000 jobs recently. We are the only State in the Union that has lost population. This bill, though it does reduce benefits, for some, and nobody can jump up and down in happiness over that. The letters that have been read in the various public hearings and here on the floor, are people that are really truly hurting. And there is no doubt about that. We are also hurting as a state, Mr. Speaker and I believe this bill, like the budget, was in the best interest of the people of the State of Connecticut and I urge its adoption.

Thank you.

SPEAKER RITTER:

Thank you, Sir.

Representative Jeff Davis.

REP. DAVIS: (50th)

Thank you, Mr. Speaker. A couple of questions to the proponent of the amendment, please.

SPEAKER RITTER:

Please proceed, Sir.

REP. DAVIS: (50th)

Representative Lawlor, can you tell me what percent of the premiums paid by employers in the State of Connecticut go for wage replacement of those injured workers? Through you, Mr. Speaker.

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SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, just to clarify, including permanency settlements, things like that or just strictly wage replacement, wage differential?

REP. DAVIS: (50th)

Strictly wage differential.

REP. LAWLOR: (99th)

I don't know the answer to that question. There are some statistics about what portion actually end up in the worker's pocket, but wage replacement, I don't know.

REP. DAVIS: (50th)

Through you, Mr. Speaker, if you are able to say how much ends up in the worker's pocket, please clarify the definition of how it gets there. That might be an appropriate figure.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. I think the ranges are from 45% to 55%.

SPEAKER RITTER:

Representative Davis.

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REP. DAVIS: (50th)

And do you believe that that figure, through you, Mr. Speaker, includes the medical benefits that employees in the State of Connecticut used to be able to get before the court case which struck down that?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, I think it is about 40% for medical, roughly. Maybe a little bit less. But I didn't hear the last part of your question. I think you were talking about the Arisa pre-emption issue?

REP. DAVIS: (50th)

Yes. Through you, Mr. Speaker, I am talking about health insurance benefit, not medical claims on the accident.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, the health insurance benefit really technically had nothing to do with workers' comp. We had a statute that said that employers were obligated to keep in force a group health insurance policy, but that really wasn't factored into your workers' comp insurance premium.

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That is a separate premium that an employer which had group health paid, but that was his group health premium.

So, that particular amount doesn't effect workers' comp premiums. However, I would add that in the file copy, in the bill that came out of the Labor Committee, which did add to the definition of wage, the value of any group health insurance policy - that was costed out at a 4.5% increase. So, I think it is safe to assume that if you are asking what's the value of that coverage, it is about - it would translate to about 4.5% total cost of workers' comp.

SPEAKER RITTER:

Representative Davis.

REP. DAVIS: (50th)

Thank you. So, you said that the wages would be roughly 45%. You said that the medical cost for treatment of the injury was roughly 14%. So what you are saying, through you, Mr. Speaker, is that 15% of total premiums go to the insurance companies?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, I think roughly, I mean the estimates are somewhat wide ranging, but it is in

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the area of 15% - 20% of the total administrative costs which would include profits and reserves and administrative costs.

SPEAKER RITTER:

Representative Davis.

REP. DAVIS: (50th)

Thank you, Representative Lawlor. I, like many here, have been troubled by the workers' compensation costs in the State of Connecticut. I have been a small business owner who has had to pay workers' compensation costs. I don't know how many people who sit in the chamber have actually run their own business and had to pay those costs directly. And I do believe that we have changes that we need to make. However, time and time and time and time again, we are looking to make this state more competitive by taking away from the workers of the State of Connecticut. I don't care what issue we are talking about. Whether it is giving back on wages. Whether it is giving back on benefits. Whether it is giving back now on workers' compensation costs. I just don't think it is a balanced equation.

If we want to make the State of Connecticut into a low wage, low benefit, low cost state, I still think we are going to lose on the competitive end because we still don't have a good climate.

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It is not the direction we ought to be going in. We ought to be directing our efforts on what we can do to try and continue to keep this as a high wage state. I will be voting against this amendment because I just think it is one more slam of the anvil onto the back of the workers of the State of Connecticut and I don't feel there is an appropriate balance that we are trying to achieve through the various steps that we tried to address in turning our economy around.

Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, Sir.

Representative San Angelo, please.

REP. SAN ANGELO: (131st)

Thank you, Mr. Speaker. I rise today in support of this amendment. But I do not do so lightly.

It is going to be a tough vote for each of us in this Chamber, but it is a vote we must take today. I am concerned about cutting the benefits to any worker, but I am also very concerned that the jobs that we are losing are also hurting the working people of Connecticut. Jobs are leaving this State.

Our Department of Economic Development has put out a campaign to sell Connecticut to the rest of the Country. To create new jobs, but still, businesses

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have not come to Connecticut. And they haven't done so because they know that the cost of doing business is still too high in this State. We need to create jobs for those who are unemployed. We need to bring jobs back to Connecticut. We can't have a campaign, an advertising campaign if it has no substance. And this brings substance back to those businesses that will consider coming to our state.

I want to thank and commend both sides of the aisle that have worked on this amendment. It is a tough decision for each of us today, but it is a decision that we have to make.

Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you.

Representative Backer.

REP. BACKER: (121st)

Thank you, Mr. Speaker. I, like a lot of people in here want to reduce the premium rates, the costs of worker's comp in Connecticut. As a person who pays those costs for employees, I know how high they are and I know how difficult there are to make. However, I also want my employees, when they are injured, to be able to survive in the economy that we have in Connecticut and be able to support their children.

The average, the average that they are going to get is \$325.00. They are going to lose their health insurance. They are going to have to pay \$800.00 mortgage. If you guys can do that on \$325.00, I salute you.

I have to oppose this amendment. Even though I pay the high cost of workers' comp in Connecticut, as many people in this room do not pay it directly in business, we pay it. We are talking about shared pain to bring jobs and keep jobs in Connecticut, but there is no shared pain in this amendment.

Nineteen percent of the savings, 17% comes out of the workers. That is not shared pain. That is abuse of workers. There is no share of pain in here. Seventeen percent of it comes out of the workers' benefits. We held up a mirror and the insurance companies were free to give back a dollar for dollar that we cut off the workers. There is no shared pain. Where is the insurance companies sharing in the cost of this?

Managed care is only 2%. That is the only place we share it. We are willing to fix medical costs somewhere at something. No guarantee on a reduction, but we are guaranteeing reductions to workers.

There is another issue here that really disturbs

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me. In many of my conversations in the hall and talking to people on both sides of the aisle, this has been cast as a union organized labor issue. Let me remind the guys in this room. Most of my constituents don't have a lucrative union contract. Most of them are workers and the only benefit they have in their life is workers' comp. If they get hurt, it is the only real benefit they have.

I am urging rejection of this amendment. I believe we can do better than this amendment. I also believe that we can reduce workers' comp rate in Connecticut without dumping on the worker.

They need to share some pain, but there is no shared pain in this document.

Thank you, Mr. Speaker.

SPEAKER RITTER:

Representative DiMeo.

REP. DIMEO: (103rd)

Thank you, Mr. Speaker. This isn't an easy decision for any of us. I can still recall, as a little boy, and I must have been between three and five years old and I don't know exactly what. It was nearly sixty years ago. The grief my father felt when his co-worker was killed on a construction site. He was lead carpenter, my father on those apartment houses

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that you, in New Haven, will recognize on House Street.

And his partner was ripping a timber with one large saw, and at that time, they didn't have any safety devices and the saw bucked and it hit him in his gut and he laid on the ground for over an hour before anyone got an ambulance to take him to the hospital.

He bled internally and he died. I, even as a little boy, remember the grief of his family and those children who were my own age. My father was an absolute fanatic about safety and making sure that a job site was clean so that men could not only work efficiently, but that they could work safely. He was a compassionate man.

Now, we have come a long way. We have come a long way and thank God and a lot of that has to be attributed to the labor unions who fought for these laws.

I sadly have to say that we have to retreat. We have to retreat a little. We have to retreat a little because we can't afford it today. I hope someday, we can, but we can't. I want my boys to work. I want your sons to work. I want your daughters to work and they can't. Ask those students that are graduating from college today if they can find a job. Ask these young interns that work for us what their prospects are. I

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have long talks with them. They can't find jobs. And Mr. DiMeo, will you sit with me and go through my resume and tell me what you think. I am sure they have said the same thing to you. We have got to create jobs in this state. There is nothing else that matters. Because if we don't create the jobs, if we don't create an environment where we can have jobs and where we are competitive, because whether we like it or not, we are in a free enterprise system.

Like it or not. And you might not like some aspects of the free enterprise system, but that is the system we work under. That is the system that is giving us the benefits that we enjoy. Imperfect as it is. But whatever other alternative there is, is not an alternative we as Americans can accept and we have seen socialism and communism collapse throughout the world. Because that doesn't work either.

It's jobs. We have got to be competitive and I am not going to tell you, and stand here and say it is not going to hurt. But it is the greater good because it is the greater good for all us and it is the future that we should be in favor of. And what we have to work towards. If there is anything that we must work for, that is what we should work for. Let's work for a society that our children and our grandchildren are

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going to inherit. And whether we are going to be able to have that same society. This bill is not perfect. This amendment is not perfect. But it does talk about safety committees and we are setting them up. In fact, I would like to see safety committees set up even in the smaller groups and I think that they should and they should be encouraged.

We have a rigid, more rigid managed care. In fact, it is so rigid, that I am not sure if I like it because it eliminates some aspects of choice which has been a cross of mine, but I will accept it ... for now.

It is going to also control -- the commissioner must control attorneys fees, my brothers and sisters on both sides of the aisle. It is going to control your fees and doctor fees. It is going to do certain things as far as to say to the worker out on the field, if you are under the influence of alcohol or drugs, don't come to work. Don't come to work. Because not only are you going to get hurt, but you are going to hurt your colleague and your fellow brother and sister on the job.

And in fact, we are even controlling that aspect of whether you have come to work and you are engaged in some sports activities. I can recall as Mayor, that we had, in our public works garage, some men brought in a

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ping-pong table. And they would come in a half-hour earlier or so before they had to punch in and no one really commented about it, one way or another and they would play a little ping-pong and it seemed pretty harmless for them to amuse themselves. One of them twisted his ankle and we thought, administratively, it was a little unusual that we would have the town to pay for his recreational injury, but we ended up having to pay for it. And we fought it. I thought it was ridiculous, but we did.

It is not Eutopia. This is not Eutopia. But we don't live in a eutopia. It is a balance of equities, I think as our attorneys say. And I, not with joy, and not with pleasure accept this amendment, but I am going to vote for it because it is an unpleasant thing, but we must do it and there is more unpleasant medicine that we must take before we are going to shape up the State of Connecticut so that we are once again, the leader in the state and keep in mind, my brothers and sisters, take West Hartford out of the equation, take Fairfield County out of the equation and then tell me what the average income is of the State of Connecticut.

SPEAKER RITTER:

Thank you, Sir.

Representative Winkler.

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REP. WINKLER: (41st)

Thank you, Mr. Speaker. Question, through you to Representative Lawlor.

SPEAKER RITTER:

Please proceed, Madam.

REP. WINKLER: (41st)

Thank you. Representative Lawlor, how long has this list of weeks of compensation, the schedule, been in effect? As an example, we heard Representative DeMarinis mention about penalizing a worker for the loss of a foot. And the old schedule states that they would have received 188 weeks of compensation and under this particular amendment, it would be cut to 125 weeks. Could you tell me how long this has been in place at 188 weeks?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. The schedule has been in place since 1913. The last time it was changed at all was 1967.

SPEAKER RITTER:

Representative Winkler.

REP. WINKLER: (41st)

Thank you, Mr. Speaker. Thank you, Representative

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Lawlor. I would just like to address the fact that with this change, an individual would be out of work almost eight months as opposed to almost eleven months by the old ruling. And just to make a comparison, an individual today that goes in for open heart surgery is out of the hospital in a week's time.

I am a card carrying union member and I am supporting this legislation. I don't like some of the things that are in it, but the bottom line is jobs. We have heard this. We have heard it many times today and I can relate and I would hope that all of the legislators from Southeastern Connecticut that have attended all of the various chambers of commerce breakfasts meetings, that this was one of the things that was brought out in the forefront to all of us. The necessity to do something about workers' compensation.

As I said, I don't like and don't want to burden the workers, but this legislation is going to have an impact. We heard people say that, Representative Backer, about the impact this was going to have on his constituents. I would like to say don't lose sight of the fact that this isn't going to have any impact on his constituents that are currently out on workers' comp. This particular piece of legislation doesn't go

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into effect until July 1st. So, it sets new rules for the future.

I would like to remind everyone that might not have been here, over the past couple of years, that you have to make hard choices. I have made hard choices in the past to get the State back on track. I will continue to make hard choices in the future. The bottom line is jobs. If we want our workers to have a job to go to, we have to make this state competitive and think this is one way to do it. And I urge the chamber to support the legislation.

SPEAKER RITTER:

Thank you, Madam.

Representative Mikutel.

REP. MIKUTEL: (45th)

Yes. Thank you, Mr. Speaker. Mr. Speaker, I rise in support of this amendment. And I think it is unfortunate that this commitment is being characterized as an anti-labor amendment. I was endorsed by the unions during my campaign. I don't consider myself to be anti-labor, but I am supporting this amendment.

I look at this bill as a jobs bill, not an anti labor bill. And during the campaign, most of us campaigned about creating jobs and when I walked

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door-to-door, people asked me over and over again, what am I going to do to help create jobs in Connecticut.

Well, I think this is a really good opportunity to do something meaningful, to create jobs in Connecticut. So, I would say this is one of the most important pieces of legislation that is going to confront us today.

I want to do something significant about helping improve the business climate. I would consider this a failure if we went home to our constituents and didn't pass a meaningful legislation that would help promote jobs in this State.

So, I urge my fellow Democrats to vote for this amendment. I think it is going in the right direction. The amendment has some balance in it. It is not an anti-labor bill.

So, in conclusion, I would just urge my fellow Democrats to support this amendment.

SPEAKER RITTER:

Thank you, Sir.

Representative Metsopoulos.

REP. METSOPOULOS: (132nd)

Thank you, Mr. Speaker. Mr. Speaker, I would just like to put a little more facts into this discussion and I would just like to make a few points on the fine

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Representative from West Hartford. Yes, Representative Rapoport was correct. Maine does pay \$1.86 in benefits. And Massachusetts does pay \$1.09 and Connecticut only does pay \$.82, but what that translates into ladies and gentlemen is that for every dollar those states bring in, they are paying out \$1.86. That means their systems are bankrupt.

They are not leading, Mr. Speaker. They are hemorrhaging. The net worth of the industry in Maine shows a deficit of 24.6%. They cannot get workers' compensation insurance in those states and they are looking for more drastic solutions than the State of Connecticut is currently looking at right now because, thank God, we do not have an availability crisis in this state. We have a problem with benefits.

We pay out 82.7% on the dollar in benefits in the State of Connecticut. Now, some people may think that the medical is not a benefit. But, if it is getting you better, I look at it as a benefit.

The State of Connecticut has a good system. Now, we hear a lot about the underlying bill. The underlying bill was costed out and if it is passed, it will save the businesses and the people of this state because people who work for businesses, one percent. That is the underlying bill and in all honesty, if you

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feel the one percent is good, then support the underlying bill. However, I believe our businesses and the people that work for those businesses are crying out for a balanced approach. And this amendment brings this balanced approach.

It brings a 19% roll back. That saves jobs. That creates an atmosphere in this state where we can attract jobs. And with jobs, come dignity and that is what the people of this state are calling for. Dignity, Mr. Speaker.

So, I am supporting the amendment and I am not supporting it reluctantly. I am supporting it wholeheartedly because I believe it is a balanced approach to a very serve problem in the State of Connecticut.

Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, Sir.

Representative Joyce.

REP. JOYCE: (25th)

Thank you, Mr. Speaker. We are supposed to make a decision here between the amendment and the file copy, but I am really not very sure what the file copy has in it and if I may, Mr. Speaker, through you, I would like to ask some questions to the proponent of the

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amendment.

SPEAKER RITTER:

Please proceed, Sir.

REP. JOYCE: (25th)

Representative Lawlor what does the file copy say about approved managed care plans? We know what the amendment says, but what does the file copy say about that? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. Through you, the proposals in the file copy and the amendment are virtually identical.

REP. JOYCE: (25th)

How about sports and recreation? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

It is identical, Mr. Speaker. Through you.

SPEAKER RITTER:

Representative Joyce.

REP. JOYCE: (25th)

Through you, Mr. Speaker, how about alcohol and

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drug use?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Different in the respect that in the amendment, people who are habitual users in other words, addicts or either drugs or alcohol, who sustain injuries at work on account of the fact that they are using drugs or alcohol, those would be non-compensable. That is different from the file copy.

SPEAKER RITTER:

Representative Joyce.

REP. JOYCE: (25th)

How about emotional or mental injuries, through you, Mr. Speaker?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

That is somewhat different, Mr. Speaker in that all stress injuries, in effect, which do not result from a physical injury, are not compensable in the amendment.

SPEAKER RITTER:

Representative Joyce.

REP. JOYCE: (25th)

Through you, Mr. Speaker, the change in benefits.

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Can you give that a run down, through you, Mr. Speaker?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you. Through you, Mr. Speaker, yes. There is approximately, there is an across the board cut of one-third in the number of weeks in the permanency rating, in the amendment and that is not presently in the file copy.

In the amendment, the calculation of the weekly wage, the weekly benefit is based on 80% which is the current law and in the amendment, it is 75%.

In the file copy, the deduction for the State Income Tax is there and it is also in the amendment.

The COLA's in the file copy are delayed until two years after the date of the injury. In the amendment, there are no COLA's. There are offsets in the amendment for the amount that is received on a social security pension. Not on SSI, but on old age pension.

The maximum benefit is different. In the file copy, there is no change in the maximum benefit which under current law, is 150% of the average production wage. In the amendment, it is 100% of the average weekly wage.

I believe that is a general summary of the

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differences.

REP. JOYCE: (25th)

Well done. Thank you, Mr. Speaker. Thank you, Representative Lawlor.

SPEAKER RITTER:

Thank you, Sir.

Representative Beals.

REP. BEALS: (88th)

Mr. Speaker, I am finding it extremely difficult to decide how to vote on this amendment. I did feel that there were a great many, very good things in the Labor Committee bill. However, it did not seem to me that it achieved enough in the way of savings.

It is my understanding that as a result of the 1991 reforms, there were cuts in benefits, however, the insurance premiums, either stayed the same or increased.

So, I was hoping that in what we would see today would be a significant sacrifice on the part of the insurance companies as well as other parties. I was quite dismayed to find that of the 19% savings, over 17% is coming from cuts in benefits. I just find this difficult to accept.

As I say, I am having a hard time deciding how to vote on this. If this amendment passes, I am sure I

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will be supporting some further amendments. I am just expressing my frustration that feeling that there were good things in both of these packages and I wish we could come to something that would achieve some of the positive things in each one and I do not believe that the insurance companies are being made to contribute as much as they should to achieving the savings.

Thank you.

SPEAKER RITTER:

Thank you, Madam.

Representative Villano.

REP. VILLANO: (91st)

Thank you, Mr. Speaker. I rise to support the amendment.

I represent a largely blue collar district in Southern Hamden and I believe the best way I can serve my constituents is by supporting legislation which will protect their jobs. Of course, one of the ways to do that is to bring down the cost of doing business in Connecticut.

Like many in this room, I have heard from employers in my district, I have had phone calls, as many of you have and I have had letters from employers and I want to read just one paragraph from an employer in my district. He said and I quote, "as a manufacturer, we

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have had a difficult three years. Everything you have heard concerning the extremely high cost of doing business in the State of Connecticut is absolutely true. We recently were forced to change our workers' comp insurance to a pool coverage affair for after our previous carrier raised our annual premium from \$95,000 to \$143,000 in one jump. If many full measures are not taken now, irreversible damage will force many more businesses to go out of business or leave the state".

Like previous speakers, I am also unhappy about some features in the bill, those that reduce benefits. But we have to do something to protect the jobs that we do have and this is a good first step in that direction and I urge support of the amendment, as well.

Thank you.

SPEAKER RITTER:

Thank you, Sir.

Representative Garcia.

REP. GARCIA: (128th)

Thank you, Mr. Speaker. Mr. Speaker, through you, a question to Representative Lawlor.

SPEAKER RITTER:

Please proceed, Madam.

REP. GARCIA: (128th)

Representative Lawlor, am I correct in assuming

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that compensation for emotional and mental injuries will be disallowed under this amendment?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. The answer is No. They will not be disallowed. They will only be disallowed if they are not the result of some form of injury. So, for example, in the instance that was cited earlier in the debate where a corrections officer is assaulted, in that case, sexually and physically assaulted by an inmate, and there was a mental injury which followed from that, I think very understandably, most of us would suffer those types of consequences after such an assault.

That type of injury would be compensable under workers' compensation. The only injury that would not be compensable that is purely a mental injury is that which was not caused by any type of a physical injury, in the first place.

SPEAKER RITTER:

Representative Garcia, you still have the floor, Madam.

REP. GARCIA: (128th)

Thank you, Representative Lawlor. So, you would

have to be a physical injury, not an emotional injury to be compensated?

Mr. Speaker, I rise to oppose this amendment. Under current law, most emotional and mental injuries are compensated. This amendment allows no benefits for emotional injury. As a woman and a minority, I have a serious concern over what is being proposed here.

Minorities and single parent women make up the largest population of the state underclass. All these women will suffer the most if this amendment is enacted the way it is proposed. Since they will lose the right to be compensated if they are emotionally harrassed at their place of employment. This is grossly unfair.

There are several ways an employer can harrass a woman. He can make demands on her. It doesn't necessarily have to be sexual, but how about constantly criticizing or demeaning your work performance? There are some employers out there who love to humiliate their workers. Especially if they want to get rid of them.

A woman was asked to work hours other than the ones she was hired to work can be put in a situation where she would have to decide between her job and her sanity, really. Some women have committed suicide over

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emotional stress. It can really be an emotional hell.

Now, you are imposing an extra added burden on us. Don't we argue when we speak about child abuse. That language used toward a child can constitute child abuse. Well, let me tell you something. Words cannot be physically shown. But there are words or even gestures that can be as devastating. Obviously, as someone has punched you in the face.

Mr. Speaker, members of this assembly, I urge you to defeat this amendment which does nothing to protect the worker. Instead, it protects the insurances. I agree that we need jobs in the State of Connecticut, but what is the sense of having a lot of jobs if you don't have people that are able to perform them?

We need to look at the worker. He should be our major concern here.

Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, Madam.

Representative Radcliffe.

REP. RADCLIFFE: (123rd)

Thank you, Mr. Speaker. I rise to support the amendment, but because it is such a change over existing law, some questions, if I may, through you to the proponent of the amendment, Representative Lawlor.

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SPEAKER RITTER:

Please proceed, Sir.

REP. RADCLIFFE: (123rd)

Representative Lawlor, on line 383, of section 3, it states that an individual who uses a medical provider, this is the managed care portion of the plan, an individual who uses a medical provider who is not recognized by a plan or is not on the commissioner's list, shall suspend his right to compensation subject to the order of the commissioner.

Under those circumstances, would a commissioner, if he approved the provider, would the employer be liable for the entire amount of the bill so incurred, through you, Mr. Speaker?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. Through you, first of all, it is somewhat unorthodox, but I wanted to directly respond to Representative Santiago's assertion a moment ago. Make it very clear that in each of the instances that she cited, those injuries would be either compensable under workers' compensation

SPEAKER RITTER:

Garcia.

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REP. LAWLOR: (99th)

Garcia. I am sorry. Would be compensable under worker's compensation or would allow a direct right of action. You would be able to sue or you would be able to go to the Workers' Compensation Commission. No doubt about that. This bill does not affect it either way.

Secondly, in response to Representative Radcliffe's question, if it was part of a PPO, and the commissioner had approved it, then the amount of money that was charged by the provided would be irrelevant.

REP. RADCLIFFE: (123rd)

Then under those circumstances, if an individual chose to use a provider who was not, the individual was not a PPO, let's say, and chose to use a provider that was not on the approved list, and the employer suspended his or her right to compensation, if a commissioner supported the employee's choice of provider, the employer would then be responsible for the entire amount of the cost of the medical care, through you, Mr. Speaker?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, yes.

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SPEAKER RITTER:

Representative Radcliffe.

REP. RADCLIFFE: (123rd)

Thank you, Mr. Speaker. That seems to represent a significant change in the current managed care plan which does allow freedom of choice, but allows the employee, at least under the regulations, as I understand them, to chose another provider and to pay the difference of cost. Through you, Mr. Speaker, the regulations to implement the managed care plans, first adopted in 1991, were only approved eight to ten weeks ago. Through you, Mr. Speaker, why is this particular change being made in light of the fact that we have no experience factor, really for the current regulations?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, I am not sure that we are on the same page, Representative Radcliffe. Maybe I misunderstood your earlier question. But I don't think this change is as you are suggesting.

REP. RADCLIFFE: (123rd)

Well, through you, Mr. Speaker, as I understand existing law, if a managed care plan is adopted and we only received the regulations about it ten weeks ago,

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if a managed care plan is adopted, an employee may chose to avail himself of a different medical provider, but the plan is only liable up to the amount of the cost provided by the plan. The balance is paid by that employee. I believe this represents a change in that plan that the individual is not given the opportunity to use the plan to that amount, but only to the approval of the commissioner, is the employee compensated if he exercises a choice not provided in the plan?

Through you, Mr. Speaker, I guess I will repeat the question. Why, since the regulations are such recent vintage, I think they are only eight to ten weeks old, have we decided to in affect, change existing law without the experience factor for those regulations? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, the only change we are discussing here is the elimination of the option of the employee to go outside the plan unless he or she goes first to the workers' comp commissioner and gets approval to do it.

If that permission was secured, the fee charge by

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that provider would be subject to the guidelines which are also being promulgated.

REP. RADCLIFFE: (123rd)

Alright. Through you, Mr. Speaker, must that approval be received in advance of any treatment?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Yes. Through you, Mr. Speaker. Yes.

SPEAKER RITTER:

Representative Radcliffe.

REP. RADCLIFFE: (123rd)

And section 7 on line 782, another somewhat significant change. As I read this quickly, we have eliminated the obligation of the employer to intervene as a third party plaintiff in any lawsuit and have given them an automatic lien.

Also, in any suit, the employee has to allege on line 782, the amount paid. The assumed amount of compensation paid to date. Through you, Mr. Speaker, does that mean that in any action against a third party, the employee must allege the exact amount of dollar compensation received from the workers' compensation carrier? Through you, Mr. Speaker.

SPEAKER RITTER:

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Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, my reading of this would be a requirement that the exact amount of to the date of the complaint plus the indication that more is likely.

SPEAKER RITTER:

Representative Radcliffe.

REP. RADCLIFFE: (123rd)

Through you, Mr. Speaker, that would include line 784. In other words, they would have to allege the dollar figure of all benefits paid and estimate the amount of any damages in this case, perhaps a specific award which would be forthcoming in the future. Is that correct? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, yes, that is correct.

SPEAKER RITTER:

Radcliffe.

REP. RADCLIFFE: (123rd)

And through you, Mr. Speaker, that would be done, unlike existing law, that would be done by the claimant in making the claim against the third party, the

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employer would not be required to intervene in that action provided that the employer had given notice to the claimant of the amount of damages paid in order to perfect the lien? Is that correct? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, I am not sure of the answer to that question.

SPEAKER RITTER:

Representative Radcliffe.

REP. RADCLIFFE: (123rd)

Well, through you, Mr. Speaker, on line 794, it talks about having a lien on any judgment. I believe I also read something about notice requirements for that lien.

Is it necessary for the employer to intervene as a third party plaintiff or are the employer's rights protected or guaranteed by virtue of the lien when the claimant brings an action against a third party? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

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Through you, Mr. Speaker, yes. It is my understanding that the employer's rights would be protected under this language.

SPEAKER RITTER:

Representative Radcliffe.

REP. RADCLIFFE: (123rd)

And final question on section 7, through you, Mr. Speaker. Would the employee or would the employer, rather, have to deduct from the lien the amount of the costs of recovering the lien such as reasonable attorneys fees as are provided for no-fault, basic reparations benefits under existing law or is this a lien for the entire amount? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

I am not sure that there is language in here that answer that question. I am sure there is not language in here that answers that question. I think the intent was for the entire amount.

REP. RADCLIFFE: (123rd)

Then the intent is, through you, Mr. Speaker, that this be treated as an actual lien and not be treated similarly to basic reparations benefits paid in the event of an automobile accident under existing law.

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Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker yes.

REP. RADCLIFFE: (123rd)

Representative Varese asked several questions on Section 19 before as far as scarring was concerned. And particular the language at line 1649. A scarring award as I read this bill again, a change from existing law, would only be possible if the employee is handicapped in obtaining or continuing work.

So therefore, the Commissioner would retain some discretion in the case of scars which are purely cosmetic, regardless of what part of the body the scar is on. Is that correct? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, except if the scar is on the face or the head, or the neck, in which case in any of those three cases, it would be compensable. Other than in those locations it would be as you stated.

REP. RADCLIFFE: (123rd)

But, through you, Mr. Speaker, would the

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Commissioner have any discretion, for example, to issue a scarring award in the case of third degree burns over 10 or 15% of an individual's bodies if none of the named body parts were effective, and the injury were purely cosmetic. Is a scarring award possible under those circumstances? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker the answer is yes, if it handicaps the claimant from continuing to work.

REP. RADCLIFFE: (123rd)

So therefore, is it fair to say that for some jobs, given the type of employment, a cosmetic injury could receive a scarring award, but for other jobs, a scarring award could not be had because of the nature of the employment and not the nature of the cosmetic injury. Is that correct? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. In that case, it wouldn't be cosmetic, it would be something different. It would be an injury which is preventing someone from, or handicapping them from obtaining employment or

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continuing to work. It would not be purely cosmetic.

SPEAKER RITTER:

Representative Radcliffe.

REP. RADCLIFFE: (123rd)

And one final question on Section 26, the Second Injury Fund which I think is also a change. As I understand this language, the State would be required to reimburse the fund for the expenses of State employees drawing from the fund. Under the 1991 act, as I understand it, the State would contribute as if it were a private employer.

Why the change in terms of the State's contribution rate to the Second Injury Fund. Isn't that an added tax on private employers based on this change? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. One of the principal reasons, aside from the budget was that of the almost 40,000 State employees, approximately 30 are in the Second Injury Fund.

SPEAKER RITTER:

Representative Radcliffe.

REP. RADCLIFFE: (123rd)

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So therefore, if that's the case, there are only 30 individuals who are State employees are currently drawing from the Second Injury Fund. Did I hear that answer correctly? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, yes.

SPEAKER RITTER:

Representative Radcliffe.

REP. RADCLIFFE: (123rd)

So what is the projected savings for the State in Section 26 of this act. Does the proponent have a fiscal note? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Through you, Mr. Speaker, it's approximately \$11 million.

REP. RADCLIFFE: (123rd)

As a savings?

REP. LAWLOR: (99th)

Savings.

SPEAKER RITTER:

Representative Radcliffe.

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REP. RADCLIFFE: (123rd)

Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, Sir. Anybody else comment?

Representative Lawlor, are you going to wrap up, or were you all done?

REP. LAWLOR: (99th)

Am I being recognized, Mr. Speaker.

SPEAKER RITTER:

I just wanted to make sure. It's tradition in this Chamber that the proponent on a major debate, I just want to make sure anybody else? Representative Rapoport wants to speak. I'm just trying to do my job. Representative Rapoport.

REP. RAPOPORT: (18th)

Thank you, Mr. Speaker. And you do it very well.

SPEAKER RITTER:

Thank you, Sir.

REP. RAPOPORT: (18th)

I guess I want to make a comment on something that was said by several speakers about, that this is a balanced bill. And clearly, there are provisions in it that have a wide range of effect. But to me, a balanced bill would be a bill in which all of the parties in the system gave up something in order to

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solve the problem.

A balanced bill would be that of the 19% savings that are in this bill, you know, if I divide that by 3, roughly speaking, maybe 6% ought to come from the injured workers, 6% ought to come from the providers, 6% ought to come from the insurance industry. That would be balance.

Okay. Maybe more of it should come from the workers. Maybe 9 of it should come from the workers and 6 of it from the providers and 3% from the insurance industry. But Mr. Speaker, what do we find? These are the figures that are given by the actuaries about where the savings in this bill come from.

I don't know whether all the members of the Chamber have received this. I did because I had to draft some amendments. But let me read to you of the 19%, how are these savings achieved? Point 25% are achieved by compensability which I assume means that there are certain things that were being compensated for before that are no longer going to be compensated for. So that's a benefit cut.

Managed care. 2%. Alright, you know what? I'll leave that out. It's not clear to me always whether managed care comes from the providers or comes from the ability for people to utilize the system, but let's

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assume that's a savings from the providers. Okay? So that's 2% coming from the providers.

Number three here is the elimination of the COLA. That's 2.6% of the 19%. Social security offset which means that if people are collecting social security, that vast sum that it will be offset from what they're getting from workers' compensation.

4.4% of the reduction is based on lowering of the weekly benefits.

Number 6, the biggest single savings, 8.3% are gotten by the, by recalculating in a downward direction, the duration of the permanent partial disabilities that people will suffer.

1.5% is from disfigurement. I guess what that means is that people who are permanently disfigured by occupational injuries are going to get less money for them, so their arm will be worth less. Their eyes will be worth less. If they break their back and have only partial use of it in the future, they'll get less for that.

If they have a scar, if it's on their face they can get money for it. If it happens that the bleeding and the cut was on the chest, and since they wear a shirt, they won't get money out of that, so there are savings here from the scarring are 1.5%.

Putting something on out-of-state people, that's actually going to increase. That's not a savings, so we won't count that. And .5% of the savings are from subrogation.

By my count, of the 19% savings, 17% maybe 16.5 will take out to subrogation, 16.5% out of the 19% savings are straight out of the benefits of the injured workers and their families. I, Mr. Speaker, do not call that balanced. I don't see the balance in this.

Where's the hit that the insurance companies take to help solve the problem of the cost of insurance for small businesses?

How about the providers? They're busy getting their cost of living increases. Every single piece of this, with one exception that I just read, according to the actuaries, come out of the hides of injured workers and their families. I don't call that balanced.

Now, it's interesting, because I want to make a point that may come back to us later. I think there are going to be other savings. All the indications that we have are that the single largest way of saving on workers' compensation is to have people not get injured and so the bill has health and safety committees. That's going to be a hell of a savings. Because employers now will have to have some

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consultation with their employees about a safe work place. Not clear to me why we haven't mandated this before, but if we're mandating it here, then that's terrific. That's a lot of savings. The actuary doesn't say that's going to save us anything.

So if we save maybe another 1% or 2% savings from the health and safety aspects, where does that go, according to this bill? It goes to the insurance companies. It doesn't go to the small businesses in their workers' compensation premium. We haven't put in a nickel for any of the other things all of which presumably are designed to save money or they wouldn't be in the bill.

The penalties for late payments. The requirements for out-of-state companies. The elimination of people subcontracting, all of those things that are in the bill, all of the cost savings that are in the bill for the small businesses presumably are going to save money. And what did the actuary tell us? The NCCI actuary paid for by the insurance industries? Those costs are incalculable. Not to mention the cost that would be saved by an insurance consumer advocate in the insurance department, which I hope we will add to this bill and have the decency to add to this bill after we finish.

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So what happens? All of the savings that are gotten from the safety elements, all of the administrative savings, go straight into the insurance industry's pockets. I think that's not what I call a balanced bill.

How about if the insurance premiums were to go down 22% instead of 19 and 3% was based on some contribution from the insurance industry. You would think that a bill that was designed to lower people's insurance premiums might be of some concern to the industry, but obviously not. They've been here fighting for this bill since the beginning.

Anyway, I don't think this bill is balanced. I don't think the insurance industry contributes. I don't think the providers contribute very much at all. The only people who are asked to contribute are the injured workers and their families and their widows. I don't call that balanced and I think the right thing to do with this amendment is to defeat it and let's go on to put some amendments on the file copy that will make some sense. Thank you, Mr. Speaker.

SPEAKER RITTER:

Okay, thank you. Anyone else?

REP. LAWLOR: (99th)

Mr. Speaker. Mr. Speaker.

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SPEAKER RITTER:

Representative Mozzoccoli.

REP. MOZZOCOLI: (27th)

Thank you, Mr. Speaker. I wasn't going to address this, but after the last comments, I really have to. And I work for one of the insurance companies, Mr. Speaker, and so do 50,000 other people in the State of Connecticut. And I challenge anyone here, anyone here who could tell me what insurance company in the State of Connecticut is making money off of workers' comp. They're not, and that's part of the problem.

People don't simply understand what this issue is about. And it's unfortunate, because it's not the insurance company's problem. The insurance companies by far, as an industry, have worked more than any other group to help improve workers' comp as a system for employees and employers, to help keep costs down, and I challenge anyone to tell me over the last 10 years if the insurance industry is grabbing more of the workers' comp dollar. Quite the contrary.

And the fact of the matter is, you can't get insurance companies to participate because they can't make money. And State pools don't work either, folks, do they? Why? Because there's no incentive to control cost in this system.

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When you collect a million dollars in premium and you pay out a million in losses, I don't care if it cost you 15% to service, you're not making money. And that's the issue. And some people just don't seem to understand that.

We've got people who work for insurance companies who are now out of work. We've got manufacturers who have left the State because they can't afford to work here any more. I got a letter too, from Sheperd Steel Company saying that their competitive edge is down \$2 an hour compared to states like Virginia, Georgia, and you know, the ice cream on the cake on this deal, on this letter, is that they told me about some of the jobs they bid on in the State of Connecticut, in our great State here. Somers prison. Lost to an out-of-state competitor. Connecticut Department of Transportation. Another lost to an out-of-state competitor. Montville Prison. Lost to an out-of-state competitor. Granby High School. Irving Robbins School. 1401 Retirement Home. What else do we need to say, folks, it's broken and it's time to fix it.

And this amendment is fair, Mr. Speaker. I ask all the members to support this amendment. It's not the insurance companies, it's not the workers, it's not the employers, but it's going to take us all to work

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together to fix the program. And if there's some aspect of this deal that's not fair this year, I'd be willing to revisit the issue in the future, to address some of the inequities that may come out, but I like to think that they're not going to happen.

Let's give this deal a chance, because I think it's going to help workers and employers in the State of Connecticut. Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, Sir.

REP. DONOVAN: (84th)

Mr. Speaker.

SPEAKER RITTER:

Representative Donovan.

REP. DONOVAN: (84th)

Mr. Speaker, I have a question to Representative Lawlor.

SPEAKER RITTER:

Representative Lawlor. Please proceed, Representative Donovan.

REP. DONOVAN: (84th)

Yes, my question is on the 19% figure. The question is, is that 19% savings on the benefits or is that on the total workers comp costs?

SPEAKER RITTER:

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Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. Through you, the 19% represents not the total anticipate savings. It represents the total quantifiable anticipated savings. In other words, it's our hope that there will be a lot more than this actually saved.

REP. DONOVAN: (84th)

Through you, Mr. Speaker, so I guess the clarification --

REP. LAWLOR: (99th)

I wasn't through with my question, my answer, Mr. Speaker.

SPEAKER RITTER:

I'm sorry, Representative Lawlor, I cut you off.

REP. LAWLOR: (99th)

Out of the 19% approximately 17% come from benefit reductions and the other 2% is from the managed care part and I would just point out that in the bill, although the number 19% is in the bill, it is not a maximum of 19% reduction. What it says is, that's the amount that is documentale today, to the extent that there is more that can be quantified down the road, the insurance commissioner must engage with an independent actuary to determine what is the total actual savings

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from this bill. And once that number is arrived at, that will be the number by which premiums will be adjusted in the future.

SPEAKER RITTER:

Representative Donovan, you have the floor, Sir.

REP. DONOVAN: (84th)

Yes, thank you, Mr. Speaker. I guess, I think that answers my question in that the 19% then is what is perceived as the overall savings. And as Representative Rapoport says, the 17% of that comes from worker benefits. And worker benefits only makes up 40% of worker compensation costs. Then I would think the actual worker contribution toward that 17% savings is more in the category of 35 to 40%.

So what we're saying then is not a pure 17% savings from workers, but actually a much larger amount. And I think workers are taking the biggest hit in this amendment, and to answer the Representative on the other side. We talk about figures and profits and I guess the only thing is, we've been relying on various agencies and I could only rely on the National Association of Insurance Commissioners that says that Connecticut insurers receive a 9.8% total profit as a percentage of insurance premiums. Thank you, Mr. Speaker.

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SPEAKER RITTER:

Representative Diamantis.

REP. DIAMANTIS: (79th)

Thank you, Mr. Speaker. A question, through you, Mr. Speaker, to the proponent of the amendment.

Through you, Mr. Speaker, was there contemplation about increasing the benefits from 75% to 80%? And if that was, what would be the savings at that point.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. Through you, there were a whole assortment of alternatives put forward. The one you're suggesting, Representative Diamantis, if it's quantified it results in a total savings of 16.2% rather than 19%.

REP. DIAMANTIS: (79th)

And was that savings contemplated in drafting this bill as not being sufficient as a positive movement forward, or was there other justification for not doing it, or the numbers not present? Through you, Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

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Through you, Mr. Speaker, the former.

SPEAKER RITTER:

Representative Diamantis.

REP. DIAMANTIS: (79th)

My concern is as one of the attorneys, in listening to a debate this evening is that nobody seems to be making any money, but somehow or other we're spending it. Doctors aren't making money. Lawyers aren't making money, and it's hard to swallow, insurance companies aren't making any money.

So somehow or other we're spending a great deal of dollars and right now we're in a position economically that people in my district, people in our town, my town, including Representative Krawiecki's town are workers that work for non-union, small factories, who have called me and indicated that they wished me to support this bill because they're afraid of losing their jobs.

On the other hand, I have other people working in the larger factories who do not want me to support this bill, this amendment. It certainly leaves a dilemma. We're trying to sell this amendment as an amendment that is going to create jobs, and yet there is no guarantees of what that roll back number actually will be. There are no guarantees that businesses are not

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going to move out. There are no guarantees that the small factories will not be forced to shut down. But there certainly is one guarantee. And that is that the general assistance number benefit, and that number on workers' comp are almost going to be relatively the same.

I have a problem with that. I think I could more wholeheartedly support this amendment if this Chamber were able to swallow that approximately 2.5% difference in savings and work from that 16% mark and not have to achieve that giant step forward to 19% and I think that would be in the spirit of cooperation.

I think there needs to be some honesty brought forward both from the commercial industries, the work forces, the employers, as well as that of the unions and recognize the fact that unless there's some honest brought forward on that table, unless there's a true spirit of compromise and negotiations, that never shall we reach one that is equitable. And I heard that balance of equitable term this evening.

My father in approximately 1968 had a ton of steel literally fall on his shoulder. He felt that it was inappropriate for him to file a workers' comp claim because he was thankful he had a job. Right now, it's not a ton of steel that's falling on anyone, but

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certainly people are thankful that they have a job.

But that's not enough. That doesn't mean that we need to effectuate approximately a 2.5% savings at the expense of injured employees. What we're really after, I think honestly in this Chamber, are individuals who perpetuate a particular injury, are individuals who perpetuate a particular sickness and are out on workers' comp at the expense of those who actually need it. But I really think we're talking about fraud at that expense, at that time.

I don't really believe that anyone in here wants to hinder the benefits, or someone's family at the expense of making that giant leap of a whole 2.5% increase in savings. Maybe we should take it a step back. Accept the compromise at 16% and we'll worry about how we achieve that extra 3% and maybe in the following year. I think that would be fair. I think that would be equitable. That would certainly be balanced.

Based on that premise, I don't believe that I can support at this time, the amendment as it is. But I'm hoping that future amendments will come forward right after this, that would change that 75% to 80%, and I think then we've got a better bill and one that would be balanced for all parties and keep businesses in the community. Thank you, Mr. Speaker.

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SPEAKER RITTER:

Thank you, Sir. Representative Scipio.

REP. SCIPIO: (93rd)

Yes, Mr. Speaker. I rise in favor and support of the amendment as it stands. I, too, am from a city of the jobless and the homeless and the poverty. I'm also from the city of the cultural background unlike most of these in the State. I'm also very much for labor.

However, I do think what we must put in the first and foremost in front of people today at present are jobs.

We've allowed our country, and nonetheless our State, to become captive by the S&L scandals. The House scandals and the stock scandals and at present we are now faced with the dilemma that we have a scandal of proportions we've never seen with their being jobless.

The benefits that we have now, the benefits are an enigma. We've always have jobs, but very few benefits. Benefits are only secondary to what comes first in almost everyone's mind and that is the jobless.

So let's please bear in mind that this is not a perfect vehicle to carry us into the future but it's the best we can do at the moment until someone, and particularly this august Body, takes the forefront in leading us to and for a medical realignment. Thank

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you.

SPEAKER RITTER:

Thank you, Sir. Representative Kirkley-Bey for the second time.

REP. KIRKLEY-BEY: (5th)

Mr. Speaker, I would just like to address my comments to Representative Mazzoccoli. I worked for 23 years for Aetna Life and Casualty --

SPEAKER RITTER:

Representative Kirkley-Bey, is this a question? Otherwise --

REP. KIRKLEY-BEY: (5th)

No, I'm responding to what he was talking about with regard to insurance companies.

SPEAKER RITTER:

Fine. Just try not to personalize.

REP. KIRKLEY-BEY: (5th)

I worked 23 years for a major insurance company in the City of Hartford and the department that makes the most money in that company is Aetna Health Plans. It makes reams and reams and reams of money. So I do not believe, and I know for a fact that your statement that they're not making money on health insurance is not the truth.

The second piece that makes the, is annuities. My

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question to Mr. Lawlor, the maker of this bill, is if someone is on workers' comp and has a family and the family loses their medical benefits, where are they to pick up medical benefits?

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. Through you, a good question. You know, the problem is, as we, as I explained when I brought the bill out, unfortunately, unfortunately, because of a decision by the United States Supreme Court and the Connecticut State Supreme Court, there appears that there's nothing that we as a Legislature could do in the way of passing a law which would get us back to where we were last December, which was, we have a statute that says employers must continue an employees group health insurance coverage for as long as they're out on workers' comp. That's still our law in Connecticut. It's still in the statute books.

But two supreme courts have said we can't enforce it because they say it's preempted by a federal law. And until the federal law is changed, there's nothing we could do here today to get back to where we were before. So the answer to your question is, if the

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employer cancels the insurance, which they have no obligation to cancel it, if they want to cancel it, they can cancel it under this supreme court decision. Then, you're on your own.

I hope that one of the reasons I voted for President Clinton is, I think there should be health insurance for everybody, across the board, whether they're on workers' compensation or they're on unemployment compensation, or they're out of work, or they're a child or they're a senior citizen. I don't think we should have to argue about these things as Legislatures any more. We should provide it to everybody.

REP. KIRKLEY-BEY: (5th)

Mr. Speaker, through you, I just wonder, Mr. Lawlor if we're now creating a new class of poor?

SPEAKER RITTER:

Anyone else care to comment before Representative Lawlor wraps up? Representative Mulready.

REP. MULREADY: (20th)

Mr. Speaker, I'd like to make a couple of points that I think have been missed in the debate so far. You know, somebody once asked Willie Sutton, the famous bank robber of several years ago, why he robbed banks. And his answer was, because that's where the money is.

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Well, somebody, some have talked today about where these cost savings are coming from, they've talked about all the savings or a disproportionate share of the savings coming from the workers. And if somebody asks why, then the true answer is, because that's where the money is.

While it's perhaps true that only 40% of the total cost of the workers' comp, total workers' comp cost go to workers in direct benefits, it's untrue to think that the other 60% doesn't benefit the workers.

For instance the other 38%, on top of the 40% that goes directly to workers that is spent on medical care. It is spent on medical providers, is in fact spent for the benefit of the workers. It goes to a third party, but it goes for medical care for those workers. So if you take that as a given and you add the 38% to the 40%, some 78% or so goes either directly to or for the benefit of the workers in the State.

That last 20 or 22% is essentially spent on administrative costs, and I agree with the point that there's got to be a lot more done in that area to see if there are true savings that don't benefit workers that can be achieved.

Now there's a legitimate point being made as to whether 19% is the right target or not, as to whether

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the hit on workers is too great, but we shouldn't miss the point. That not 40% of the benefits are not, 40% of the dollars goes to workers, some 78% of the dollars either goes to workers or for the benefit of the workers.

I'd like to make another point on the insurance companies. It's not always popular to stand up here and defend insurance companies, those big, emorphous unknown faceless beasts out there in the marketplace. But, insurance companies are not eleemosynary institutions. They are profit making institutions.

If they don't in fact make a profit, then they won't be in the market that they are supposed to be in, or that we chose to have them in. They will get out of that market, they will no longer provide workers' compensation coverage. If they don't provide workers' compensation coverage and nobody steps in to fill that void, then there will be no coverage. And if there is no coverage, there will be no awards for workers. So it does not particularly trouble me that insurance companies don't take a hit in this bill. That's not part of the system. Their part of the system is not to lose money for the benefit of anybody in the State of Connecticut. Their part of the system is to provide market coverage so that people can get that coverage

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and get their benefits.

It would trouble me, however, if we took something out of the hide of our workers and the insurance companies in fact made more money on this, but that does not appear to be the case and I think there are protections in this bill that talk about passing those cost savings along, whatever they happen to be, whether they happen to be 19% now, or become some greater amount, the insurance commissioner is empowered to in effect, roll back those rates to the point where they do not benefit from this particular cost saving measure.

So, Mr. Speaker, I don't think that the insurance companies are the bad guys in this particular bill. I think it is not in their interest to run up administrative costs. I think it is appropriate that they make a reasonable profit and I don't consider 8.7% return on equity to be an unreasonable profit, and I also think that if in fact they are not in that position where they can make a profit on any line of business that they sell, they won't be in that market, the market will shrink and coverage will not be provided.

So, Mr. Speaker, I think the debate should be over whether 19% is appropriate, whether that is the level,

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whether we in fact care to cut back the amount of benefits that workers do get to achieve that level of savings or not, and that then comes down to a value judgment and the value judgment is, by cutting those amounts of benefits from workers, and saving that amount of money, are we in fact doing enough, too much, or just about the right amount to encourage the creation of jobs in the State of Connecticut.

Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, Sir. I think we're ready to wrap up.
Representative Lawlor, Sir.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. I think most of what needs to be said has already been said. However, based on some of the questions I've gotten, not during the course of the debate but privately during the course of the debate, I wanted to clarify what exactly is in this amendment and what's not in this amendment because over the past month or so there's been quite a few different amendments floating around and I think there's some confusion about what was in some of those and what's in this one.

So, just to run through some of the differences between what is and what is not in this amendment.

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First of all, in some of the amendments that have been discussed earlier, the maximum benefit for dependent survivors and those on total disability was \$513. In this bill, it will be \$609.

That's the 100% of average weekly wage for all workers instead of the average production wage. Overtime and bonuses are included in the calculation of benefits under the amendment which we are about to vote on.

There is a longer duration for wage differential benefits in this bill than in some of the other bills that had been suggested, 520 weeks instead of 260 weeks.

There are no total disability benefit offsets for unemployment comp or for federal workers' comp or public or private pension benefits. Those deductions had been in some of the other versions which have been floating around.

No offsets of any kind, for partial disability benefits.

In this bill, and this is one ingredient that I am especially happy is in the amendment we're about to vote on. There is a 20% penalty for insurance companies or employers who make late payments of doctor bills or benefits for wage replacement after they have

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been ordered to be made by the workers' comp commission or after they were part of a voluntary agreement by the employer.

In other words, there are many informal and formal hearings at the workers' comp commission where insurance company lawyers or lawyers promise to make a payment within a few days, or who are ordered to make that payment. If they don't make the payment and there are no effective penalties on the books today. This imposes a 20% penalty going directly to the claimant for those late payments, plus interest.

There are also penalties in this amendment that were not in other amendments that have been floating around for employer insurance fraud, especially when employers misclassify employees as independent contractors. That is not a felony, when it can be proven.

There are increased interest on the late payment of permanent partial awards, 6% being raised to 10%.

There is a deadline of one year on the amount of time during which an employer can contest an application for benefits.

There is no deduction for social security payments which are not paid by certain employees. For example, some Connecticut State Police troopers do not pay into

social security. Some of the previous amendments that had been considered would have required a deduction for that amount, even though those employees do not pay into social security.

Worker safety committees in this amendment apply to all employers with more than 25 employees. Some of the other suggestions did not apply to all employers, did not apply to all employers. Some only applied to employers with 25 or more employees in a single location.

This amendment includes the establishment of safety guidelines for video display terminal use by State employees. Other versions did not.

This amendment does include prescription practice review by the Department of Consumer Protection to insure that injured workers who are out on comp who are using narcotics, do not become addicted by those narcotics and therefore are not able to return to work after they are cured or reached maximum medical improvement under their initial injury.

This amendment does allow for light duty programs for State employees to work in other agencies if that can be agreed to through collective bargaining.

And finally, this amendment does include fee guidelines for attorneys' fees which was not included

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in other amendment which have been considered.

Given these improvements that are included in this final essentially compromised amendment, I think, considering all the factors, considering the level of difficulty for employers in Connecticut, for business in Connecticut to compete with other states, considering all of the factors that have been brought forward in this debate, I think this is an improvement on the system. It does achieve the goal that we have all been seeking since the beginning of this debate in January. It reduces the cost by at least 19%. That will be returned within a couple of months to every employer in the State of Connecticut who pays insurance premiums, and Mr. Speaker, I think the time for this amendment has come.

SPEAKER RITTER:

Thank you, Sir. Staff and guests will come to the well of the House. The machine will be opened.

CLERK:

The House of Representatives is voting by roll.

Members to the Chamber, please. The House is voting by roll call. Members to the Chamber please.

SPEAKER RITTER:

Have all the members voted? If all the members have voted, the machine will be locked. The Clerk will

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please take the tally. The Clerk please announce the tally.

CLERK:

House Amendment "A" to House Bill 7172.

Total number voting 150

Necessary for adoption 76

Those voting yea 111

Those voting nay 39

Those absent and not voting 1

SPEAKER RITTER:

House "A" is adopted and ruled technical. Anyone else remark on this bill? Representative Rapoport.

REP. RAPOPORT: (18th)

Mr. Speaker, the Clerk has an amendment, LCO Number 6540. If the Clerk would call and I be permitted to summarize.

SPEAKER RITTER:

I'm sorry, could you say that number again, Representative Rapoport.

REP. RAPOPORT: (18th)

6540.

SPEAKER RITTER:

The Clerk has amendment 6540 to be designated House "B". If he would please call, Representative Rapoport will summarize.

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CLERK:

LC06540, House "B" offered by Representative
Rapoport et al.

SPEAKER RITTER:

Representative Rapoport.

REP. RAPOPORT: (18th)

Thank you, Mr. Speaker. Fortunately this amendment was drawn to House "A" so it's ready.

SPEAKER RITTER:

How did you know that, Representative Rapoport.

REP. RAPOPORT: (18th)

Just a guess. And I can understand, and I guess I want to put this in context. I know a number of members of the Chamber on both sides of the aisle came to me and said that they found many elements of the, House "A" distasteful, but on balance overall it was something that had to be done.

So now we will have an opportunity to make the bill as amended better. So what this amendment does is to establish a consumer advocate office within the State's Insurance Department. It reinserts the file copy and before I explain it, Mr. Speaker, I move its adoption.

SPEAKER RITTER:

The question is on adoption. Will you remark further?

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REP. RAPOPORT: (18th)

Yes, Mr. Speaker. I think enough has been said here on the question of what will happen to the savings that are made by this bill. It's very clear that the benefits for injured workers and their family have been significantly reduced. We think that there are significant other savings in the bill administratively, in the Health and Safety Committee, in prevention, and things like that. Those savings have not been costed out. 19% is the savings that Representative Lawlor said that we could identify in the first year that would take place.

We could find perhaps even in the first year, but certainly in the second year, after we get used to the managed competition, after we get used to the, after all of the readjustments in the cost of living, and the calculation in this abstraction of the State income tax from an injured worker's wage, we may find there are other savings. How will we know?

Well, the insurance companies will come and tell us on July 1st of each year and say to the Commissioner of Insurance, this is how much we anticipate saving, this is how much our loss reserves are, etc.

I think that the people in the State need someone on their side in those proceedings who will challenge

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the figures, the assumptions, the statistics that are given by the industry. Not to say that they're wrong. They may be absolutely right, but they ought to be looked at independently.

I think having an insurance consumer advocate would be at a tremendous advantage to this Chamber in understanding and in feeling competent that the decisions that are made by the Insurance Commissioner are valid.

I guess the argument has been made to me in the past that the Insurance Commissioner is, in and of himself, a consumer advocate. I guess I would say to the members of the Chamber, if you believe that, I'll sell you the Brooklyn Bridge.

The Insurance Commissioner has, as a major responsibility, to insure the solvency of the insurance companies. That's a good thing to do. It's important to do it. But it is a secondary, or tertiary, or maybe not existent function in the Insurance Commissioner's office to make sure that the consumers are represented in those rate cases.

You know, we have a Department of Public Utilities Control. Those people are supposed to represent the public interest, but in the wisdom of the Legislature, they put in independent consumer counsel to represent

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the consumer in those cases, to make sure that there's somebody with the knowledge and the staff to look at those filings.

I want to compare one interesting statistic. Several people have raised the issue that there were benefit reductions that were made in 1991, and what happened to them. Well, interestingly enough, there are about \$65 million in savings, \$45 million in the first year, \$20 million in the second year.

At least some of these savings, ladies and gentlemen, have gone to increase insurance industry profits. I'm not against that, but I notice very interestingly in the workers' compensation insurance profitability statistics that have been provided both by NCCI and the National Association of Insurance Commissioners. In Connecticut, in 1986 the figure was 8.7, 87, 4.2, 88, 5.1, 89, 7.7, 90, 9.5 and in 1991, 9.8. Far from taking a bath on worker's compensation, the insurance industry's profits since 1987 in this particular line of insurance have risen every single year.

We're out of line with the national average, we're told. Well, we are, because the national average in the same line of insurance, last year, 1991 was 4.6. Insurance companies operating in Connecticut on

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workers' compensation made over twice the national average of money and that's in part what happened to the savings in the last benefit reduction we passed.

I just think it would be a shame not to take this opportunity to make sure that there is a voice for consumers in those proceedings. It doesn't, we have 19% of savings in this bill. According to the actuary at least, there is no impact, one way or another from having a consumer advocate. I happen to think it would save us a lot of money, but if the actuaries that NCCI have provided say there is no impact, I'll accept that, there is no impact.

So we're not costing any additional money. All we're doing in this amendment is insuring that consumers have a voice at the table when those are made. So I guess I would say to the members of the Chamber on both sides of the aisle, and I have some more appreciation for the Minority's role in these debates after today.

It we needed to be in lock step on that last amendment because it was a whole total package and if we didn't like one piece we couldn't vote against it because we had the whole picture, and I know that many members have said that to me.

But here's an opportunity, without changing the

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basic situation in House "A", to add a voice for consumers in there. I would urge the members of the Chamber to take this opportunity and put that in and I would certainly assume and hope that since the 19% savings are still there, that all the people who pushed so hard for House "A" wouldn't view this as a negative or detriment to this amendment. Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, Sir.

REP. LAWLOR: (99th)

Mr. Speaker.

SPEAKER RITTER:

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. I rise to oppose this amendment for reasons which I stated earlier, and let me state the most important part of it one more time.

First of all, this bill does insure a minimum of a 19% roll back in rates, and if that doesn't happen for any reason, and if in the future I or other members of this Chamber don't believe that the insurance industry is reducing insurance premiums to correspond with these cuts in benefits, then I'll be the first one to testify in favor of this as a bill in Committee, because I

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think that's the purpose of this bill.

But it's not necessary this year because we wrote the reductions into the law. In the future maybe we'll have to do that. Maybe we'll need a consumer advocate, but I don't think this is the time.

SPEAKER RITTER:

Thank you, Sir. Will you remark further?

REP. BACKER: (121st)

Mr. Speaker.

SPEAKER RITTER:

Representative Backer.

REP. BACKER: (121st)

I rise in support of the amendment. I think it's better to not show up a day late and a dollar short on a consumer advocate.

You know, we're elected people. We're watched by the Ethics Commissions, the Elections Enforcement Commission, the Capitol Goon Squad and all of our constituents at home. We live in a fishbowl. All our actions are watched.

I don't want to come back two years from now and say, hey, we didn't see the savings that we took out 17% that we took out of the workers pockets, the injured workers pockets. Now we need a consumer advocate.

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We can start out with a consumer advocate because if we really want this to roll back worker comp premiums so business can thrive in Connecticut, we should make sure that the benefits are getting passed on so I rise in support of the consumer advocate. Thank you.

REP. SCHIESSL: (60th)

Mr. Speaker.

SPEAKER RITTER:

Representative Schiessl.

REP. SCHIESSL: (60th)

Thank you, Mr. Speaker. I rise in opposition to this amendment, and I must acknowledge at the outset the seductive nature of the title. It has the word consumer in it. It has the word advocate in it. Two appealing ideas. We want to protect the consumers. We want to advocate for the consumers, we want to do what's right for consumers.

But I get a little distressed when I see the proponent of the amendment, when offering the amendment, talk briefly about the merits of the position and then launch into one of the themes of the opposition of this bill, generally, is that we simply do not trust the insurance company and that they're making profits, and I don't intent to characterize

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what was said. This is just my interpretation of what was said, so we'll leave it at that.

But let me offer you some reasons why I believe the creation of an insurance consumer advocate is not going to solve all the problems relating to passing along the benefits of our actions here in the General Assembly to the ratepayers.

Item one, within the Insurance Department, there already exists a consumer's advocate concerning State insurance issues.

Item two, there is a division of consumer affairs within the Insurance Department which receives and addresses consumer complaints, assures compliance by insurers with their contractual and statutory obligations, reports to the commissioner on the complaints received and assists the commissioner in reviewing rates.

I have not heard the case made that that division is not doing its job.

One of the more important reasons why an insurance consumer advocate is not a great idea is that the insurance industry is highly competitive, which unlike the DPUC, which regulates monopolistic industries, involves several companies competing to provide a produce. There are competitive forces in the insurance

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industry that serve to police the marketplace.

Unlike situations in public utilities where this simply does not exist. So that's a very key consideration when you analyze whether or not we need an independent consumer advocate to advocate for the consumer. There are competitive market forces in place.

The other thing that distresses me about the idea of an insurance consumer advocate is that the presence of a player like a consumer advocate in a competitive industry will lead to what I call a politicized rate setting process, and I think one of the reasons we put the language in the bill, to have an independent actuarial analysis of our work product, and then to do our best to guarantee that those savings are passed along to the ratepayers, is to accomplish the depoliticization of the rate setting process, to guarantee that the savings we achieve here in this nonpartisan setting, are passed along to the people they are intended to help.

And so I agree with Chairman Lawlor that we have taken adequate steps to guarantee that the work we're doing today, the savings we achieve by this bill will be passed along to the businesses we're intending to help. And for the reasons I've stated, I think that

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we'd be premature in simply putting into place an insurance consumer advocate who we think, or perhaps suspect, might ultimately watchdog an industry that in my opinion, does not need to be watched.

Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, Sir.

REP. ANDREWS: (87th)

Mr. Speaker.

SPEAKER RITTER:

Representative Andrews.

REP. ANDREWS: (87th)

Thank you, Mr. Speaker. Mr. Speaker, I rise also in opposition to this amendment, and first thing I'd like to do is ask if I may, a question through you to Representative Rapoport.

SPEAKER RITTER:

Representative Rapoport, please brace yourself.

Representative Andrews.

REP. ANDREWS: (87th)

Through you, Mr. Speaker, Representative Rapoport, I notice in your argument in stating the need for a consumer advocate, an independent consumer advocate, that this person shall be in the Insurance Department and I'm curious, I've got a fiscal note in front of me

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and I'm curious, through you, Mr. Speaker, how the consumer advocate position will be funded.

SPEAKER RITTER:

Representative Rapoport.

REP. RAPOPORT: (18th)

Mr. Speaker, through you, the consumer advocate, as stated in the file copy of the bill, is an independent office of consumer advocate within the Insurance Department, so he would be funded, he or she would be funded out of the funds for the Insurance Department which are paid for by the insurance industry.

SPEAKER RITTER:

Representative Andrews.

REP. ANDREWS: (87th)

Thank you, Mr. Speaker. I guess that's exactly the point that I intend to make and I appreciate that, Representative Rapoport. We're trying to set up an independent consumer advocate in the Department of Insurance that will be funded by the insurance industry to fight the insurance industry, and I would suggest to you, through you, Mr. Speaker, that we do have such a person in place in the body of Commissioner Googins today. That is his charge. He is already funded by

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the insurance companies and as my good friend, Representative Schiessl has said, has already a charge to do these types of things.

I understand the concern, and I truly understand where you're coming from, but I don't think that this is the way to do this. I think quite frankly if you had intended to do this and had funded it differently and it truly was independent funding through general fund or some other means, it may have made it a little bit more palatable, but I think you lose a little bit of the lustre when you fund it through the industry, through the Insurance Department.

And I might add, another thing that's important, I truly believe that Commissioner Googins and Commissioner Frankl, the Chairman of the Comp Commission, have both done a remarkable job in consumer advocacy since they've been in office and I would urge the rejection of this amendment. Thank you.

SPEAKER RITTER:

Representative Metsopoulos.

REP. METSOPOULOS: (132nd)

Thank you, Mr. Speaker. Mr. Speaker, I rise to strongly oppose this amendment and I'd just like to make a few points. I'd like to begin with, that the commissioner goes, I believe, through our Committee,

Legislative and Executive Nominations, if I'm wrong, please somebody stand and correct me, through you, Mr. Speaker.

He then comes before this General Assembly and gets approval before this General Assembly. If anybody at either of those junctures feel that this gentleman or the woman, however the case in the future may be, is not doing a good job, or is not going to be fighting on behalf of the consumer, they can question them before the Committee and they can bring those concerns up here. We are empowered to be the ultimate defenders of the consumer.

And we have the power to confirm or reject the man that's going to sit as commissioner that's going oversee the insurance industry. There is no need for an independent counsel within the Department of Insurance, especially, ladies and gentlemen, when you look at the figures. The figures attest to the fact that if you take workers' comp alone, they are losing 16% on what they are paying out. They are then, through investments, making a profit of about 9%.

Now people may object to the profit they're making, but the profit goes to fund a lot of the pension funds that the citizens of this State benefit by.

Representative Rapoport, and I respect Representative

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Rapoport, says the insurance commissioner is charged with making sure the insurance industry is solvent. Well, that's not a bad thing to have a solvent insurance industry in the State of Connecticut.

If the industry is insolvent, the State of Connecticut is going to have to bail out the insurance industry. We don't want to do that. That's a lot of money. He's doing a good job. He's making sure that there's product availability. He's made sure that the industry is solvent, and for all matters, he's made sure that the product has been to the much, to the most cases, available to the citizens of the State of Connecticut.

This sounds good on paper, and believe me, my first year, I don't even know if people remember, I brought out an amendment to set up a consumer advocate in the Department of Insurance. But the more I got to study the issue, the more I read up on it, the more I saw what other states had done, other states have this.

And let me tell you, it doesn't do anything, because the factors that drive the cost of insurance aren't in many instances, any different than what our insurance commissioner says are the problems. An insurance counsel within the Department of Insurance on behalf of the advocate we already have.

This may sound good. It may make people feel better, but it isn't going to do anything except complicate a situation that is already a very complex situation in setting rates. We don't need it. We have an individual that's on our side in the Department of Insurance.

And in the future, ladies and gentlemen, if you don't believe that the individual meets those criteria, we can reject him in this Chamber. Thank you, Mr. Speaker.

SPEAKER RITTER:

Representative O'Rourke.

REP. O'ROURKE: (32nd)

Thank you, Mr. Speaker. Ladies and gentlemen, I rise in strong support of this amendment. The very reason that we're here today, why this legislation is here today is because businesses in our districts large and small have been crying out about the massive increases in workers' comp insurance premiums.

Now if anyone thinks that the Department of Insurance has been doing its job and will continue to do a good job, I ask you to take a look at the massive increases over the last several years, 10.7% increase, 22% increase, 9.9% increase. Folks, this is why we're here today, because of the massive increases that have

been allowed in workers comp insurance premiums that are passed on to the businesses of this State.

If we really want to protect businesses and try to help lower the cost of doing business in the State of Connecticut, we'll vote for this amendment here today.

Now, I voted against the last amendment and one of the reasons is folks, I believe you can only squeeze so much blood out of the victims, the injured workers in this State. And if this bill pass today, I'm telling you, you're going to have a hard time coming back to ratchet the benefits down further.

So how are we going to insure that any gains made here today for our businesses, for our business climate, are kept? How are we going to make sure that we don't have to come back next year and the year after that and continue to hit the working people, the people who are injured on the job through no fault of their own.

The way we're going to do that is by putting a watchdog in place to protect business in this State, a watchdog in the Department of Insurance. And I'll tell you, all you have to do is look at the history of premium level changes in the last four years. Take a look at it folks and you'll know why you have to support this amendment here.

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If we're really serious about holding down insurance costs and workers' compensation, let's pass this amendment here today. Let's put a watchdog in place to protect business, to protect the business climate in the State of Connecticut. Thank you very much.

SPEAKER RITTER:

Thank you. Representative Holbrook.

REP. HOLBROOK: (35th)

Thank you, Mr. Speaker. One of the happenings in the State of Connecticut recently which I'm sure had a major impact on bringing about the previous amendment, and even bringing about the file copy was the threat by Pratt & Whitney to leave the State of Connecticut and the mass exodus by many other companies.

I don't know how many people in this Chamber are aware of the fact that Pratt & Whitney and approximately 10 to 20% of the companies in the State of Connecticut are self-insured. And through you, Mr. Speaker, I have a question to the proponent of the amendment.

SPEAKER RITTER:

Representative Rapoport.

REP. HOLBROOK: (35th)

Through you, Mr. Speaker, if this amendment was to

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pass, and this individual was put into place, how would that really help a company like Pratt & Whitney or the workers at Pratt & Whitney?

SPEAKER RITTER:

Representative Rapoport.

REP. RAPOPORT: (18th)

Thank you, Mr. Speaker, and thank you Representative Holbrook for the opportunity to explain. I think it's very clear how it would help. Because when the, after the mandatory, we have to look ahead a little bit when we make legislation here.

We've written into this bill a 19% roll back for the first year but workers' compensation and the insurance industry, hopefully Pratt & Whitney will be here for a long period of time. So next year, after the 19% statutory roll back is long since gone by the boards, the insurance industry is going to come in and say, well this year we really need a 6% increase, or maybe we can roll back rates 6% this year, but not the 12% that you hoped for.

The consumer advocate in that case would go to Pratt & Whitney, would look through the loss data, would examine the insurance industry's contentions and maybe the insurance consumer advocate would find something that the insurance industry inadvertently

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left out of their rate filing. And maybe if they found it, those rates for Pratt & Whitney would go down and then we actually would be accomplishing the purpose of this bill. So I think the consumer advocate would have a terrific effect on Pratt & Whitney and I hope that everyone here realizes that.

SPEAKER RITTER:

Representative Holbrook, any other questions?

REP. HOLBROOK: (35th)

Well, thank you, Mr. Speaker. I've got to respectfully disagree with the proponent of the amendment. I see it quite to the contrary, and I wonder if Pratt & Whitney would really like somebody going through their books.

But we've had a lot of insurance company bashing here today and I think this is just indicative of that by way of this amendment. Unfortunately, I don't think their efforts are directed correctly. Thank you.

SPEAKER RITTER:

Thank you. Anybody else? Representative Courtney.

REP. COURTNEY: (56th)

Thank you, Mr. Speaker. I'd like to expand on Representative Rapoport's answer to Representative Holbrook's question. The office of consumer counsel or the DPUCA, I believe, is one of the best friends that

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small business and business has in this State.

When the rate increases come in from utilities, and they go in and fight those rate increases before the authority, the fact of the matter is, it's not just individual consumers who win, it's businesses who win. And if you look at this amendment, I think in fact that would be the net effect of creating a consumer advocate in the Insurance Department.

I would also note that it's not just workers' comp that would be effected if we enact this amendment. It would be all lines of insurance, whether it's auto, medicare supplement or regular health insurance which a consumer advocate, I believe, could present the views of consumers at the time the commissioner is being asked to increase rates.

We now, I believe, ask the Commissioner of Insurance to do an impossible job, which is on the one hand be an impartial tribunal over rate requests and at the same time advocate for individuals and for businesses.

This is not a knock on the insurance commissioner, this amendment. It's simply recognizing a fact of life that you cannot wear two hats at the same time. Be a regulator and in fact represent the interests of consumers. We should have an independent spokesman for

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consumers. We should have those views presented independently of the individual or the entity that has to make those decisions.

And finally, I would just point out that the Office of Consumer Counsel at the DPUCA is funded by utilities, so that there is a clear precedent that we have in the State of asking regulated industries to fund the cost of a consumer counsel.

Again, I don't think, and I've always been puzzled, really, by the people who say that this is a knock on insurance companies to say that we should have an independent consumer counsel. In fact, it just brings a rational fairness to the process that exists in this State when rate increases come in for insurance. And the fact of the matter is, folks, insurance is not a commodity that people can just withdraw from in terms of purchasing or not, it is a fact of life.

You need health insurance, whether you're a business or an individual in this State. You need auto insurance if you're going to drive a car in this State, and you need workers' compensation insurance if you're going to operate a business in this State. And to say that the regulator is going to have an impartial presentation made to him at the time when these rate requests are being presented, I think dictates that

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this amendment pass and that we have an independent consumer counsel. Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you. Representative Mary Eberle.

REP. EBERLE: (15th)

Thank you, Mr. Speaker. Mr. Speaker, I rise in opposition to this amendment because I see it as one primarily of form over substance.

The consumers, in this case the employers, already are paying through their rates and the premium taxes that they pay, to support one set of regulators and one set of watchdogs in the sense that the Insurance Department and the insurance commissioner to look over the operations of the insurance companies.

I don't understand why we need to pay for two. And in another sense, the best consumer advocates we have are the competition, the very intense competition we have in this industry.

A major difference between this situation and the situation of the DPUCA is that the DPUCA deals with monopolies. I can't choose to get my electricity from anyone but Connecticut Light & Power. I can't choose to get my water from anyone but the MDC where I live.

I can choose to get, if I'm an employer, I can choose to get workers' compensation coverage from any

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number of carriers who compete intensely for my business and who are watching each other every day, who have people on staff who do nothing but analyze their competitors rates and methods of doing business and the services that they offer.

Ask any agent what it's like to be underpriced and have business taken away from them. They will tell you that the competition works. Ask any friend or neighbor who works for an insurance company and has been through the downsizing that they're going through over the last few years in an effort not to increase their profits, but to reduce their expenses and improve their ability to compete for market share.

I don't think that this is needed and I will oppose the amendment.

SPEAKER RITTER:

Thank you, Madam. Anybody else? Representative Rapoport.

REP. RAPOPORT: (18th)

Mr. Speaker, I'm sort of just again, for the second time in support of the amendment. I really think that a consumer advocate, the function is very clear. Not only in workers' comp, but on auto insurance, on other lines, on medicare supplement policies, many of you I'm sure have heard from senior citizens in your district

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about the outrageous increases that have come from Blue Cross or others.

I just think that, how can it hurt us to have someone there who is looking from out point of view. It's not an anti-industry point of view. It's our point of view, and I think it's essential. It is an essential function. The insurance commissioner cannot and I would submit to you, does not perform that function.

Mr. Speaker, I really believe that the consumers the insurance consumers of this State need a consumer advocate. I think it is an extremely important issue for us and I would ask that when the vote be taken, Mr. Speaker, it be taken by roll.

SPEAKER RITTER:

The question is on a roll call. All in favor of a roll call say aye.

REPRESENTATIVES:

Aye.

SPEAKER RITTER:

A roll call will be ordered. Anybody else? Staff and guests come to the well of the House. The machine will be opened.

CLERK:

The House of Representatives is voting by roll

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call. Members to the Chamber, please. The House of Representatives is taking a roll call vote. Members to the Chamber.

SPEAKER RITTER:

Have all the members voted? Please check the roll call to make sure that your vote is properly cast. The machine will be locked. The Clerk please take a tally.

The Clerk please announce the tally.

CLERK:

House Amendment "B" to House	Bill 7172.
Total number voting	148
Necessary for adoption	75
Those voting yea	52
Those voting nay	96
Those absent and not voting	3

SPEAKER RITTER:

House "B" fails. Anybody else comment on the bill?

Representative Jackson-Brooks.

REP. JACKSON-BROOKS: (95th)

Mr. Speaker, I have an amendment, LCO Number 6539. Would the Clerk please call and may I be allowed to summarize.

SPEAKER RITTER:

The Clerk has an amendment, LCO6539 designated House "C". May be please call and Representative

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Jackson-Brooks will summarize.

CLERK:

LC06539, House "C" offered by Representative
Jackson-Brooks et al.

SPEAKER RITTER:

Representative Jackson-Brooks.

REP. JACKSON-BROOKS: (95th)

Permission to summarize, Mr. Speaker.

SPEAKER RITTER:

Please proceed, Madam.

REP. JACKSON-BROOKS: (95th)

The amendment before you seeks to alter section 2 of House Amendment "A" which would eliminate the requirement of the workers' compensation commissioners to be attorneys. It simply returns the language to the language in the statute as it was before the amendment and it does allow for the increase from 14 to 16 commissioners.

I move adoption, Mr. Speaker.

SPEAKER RITTER:

The question is on adoption. Will you remark further?

REP. JACKSON-BROOKS: (95th)

Yes, Mr. Speaker, I would just like to allow for some equity on the commission, to allow for more

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representation of various professions and consumer advocates, if you will, and those people that do have the qualifications and interests to serve on this commission.

I do not think that they have to be attorneys to address the issues that come before the Workers' Compensation Commission. Thank you.

SPEAKER RITTER:

Anyone else? Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker. I certainly agree with the thought behind this amendment, but I rise to oppose it and I point out that the reason the recommendation is here, and this was in the Labor Committee original bill, by the way. The reason this proposal is part of the amendment is that over time, the hearings before the Workers' Comp Commission have grown more and more complex from a legal standpoint and the sentiment is that although I'm sure lawyers don't have the best of reputations, probably just a little bit higher than politicians, which puts those of us who are both in some sort of an unenviable position.

They do, or they are trained to deal with the technicalities and procedures of the hearings that actually take place within the Workers' Comp

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Commission.

And Representative Jackson-Brooks has indicated that part of the reason that perhaps they should not all be attorneys is so that they wouldn't all have that sort of narrow focus. But I would point out that two years ago we did create an advisory council for the Workers' Comp Commission which is composed of four representatives representing labor or claimants and four representing the business community. In theory and I think in practice that advisory council has evolved over the last two years, they have brought to bear on the proceedings of the Commission and the regs that are developed to govern the Commission, the point of view of workers who are affected by the decisions on a daily basis and I think that is the proper place for people who want to effect the policies of the Commission and let the hearings be governed by persons who are trained to conduct an evidentiary hearing and consider evidence.

SPEAKER RITTER:

Thank you, Sir. Anyone remark? Representative Mulready. You've been upstairs, huh?

REP. MULREADY: (20th)

I have, Mr. Speaker. Mr. Speaker, I'd like to speak in favor of the amendment. I think it's maybe

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time, there's certainly a need for legal expertise in this matter on the Commission, but I think there's also a need for some common sense on the Commission, not that attorneys don't necessarily have common sense, but I think that a new perspective and a different perspective and a wider perspective other than just a narrow legal perspective is necessary on the Commission itself, and I think the amendment makes a lot of sense.

I urge the members to support it.

SPEAKER RITTER:

Thank you. Representative Ward.

REP. WARD: (86th)

Thank you, Mr. Speaker. Mr. Speaker, I rise to oppose the amendment, and frankly to agree with most of what, or I think all of what Representative Lawlor said.

This bill has been discussed. We had discussions. It was in the file copy. There were discussions as this bill was being put together. There were discussions in prior years on this issue and I think frankly, the right answer is that workers' compensation contested hearings have been more and more common. The complexity of the law it is not just an informal process and the person making the final judgment who in many cases will be confronted with an attorney on both

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sides, ought to be well schooled and well trained in the law.

Is it possible you could find an individual who meets those criteria who is not a graduate of a law school? Certainly that's a possibility. Are you much more likely to insure that the person has that training and the experience, and keep in mind the file copy also requires five years of experience so that you don't have somebody just fresh out of school.

I think that is much more likely to insure that workers and employers, or insurance carriers that are contested case, get a fair and just result if we have someone trained in the law. So I would urge you to reject this amendment and be sure the person who is acting in a judicial capacity in fact has the proper training. Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, Sir. Anybody else? Then I'll try your minds. All in favor say aye.

REPRESENTATIVES:

Aye.

SPEAKER RITTER:

Opposed, nay.

REPRESENTATIVES:

No.

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SPEAKER RITTER:

No has it. House "C" fails. Anybody else care to comment on this bill? Representative Donovan.

REP. DONOVAN: (84th)

Mr. Speaker. Mr. Speaker, I have an amendment, LCO6986. Will the Clerk please call and may I be allowed to summarize.

SPEAKER RITTER:

The Clerk has an amendment, LCO6986 to be designated House "D". If he may call and you may be allowed to summarize.

CLERK:

LCO6986, House "D".

SPEAKER RITTER:

6986, I apologize.

CLERK:

That's right, 6986 offered by Representative Donovan et al.

SPEAKER RITTER:

Hold on one second.

CLERK:

House "D".

SPEAKER RITTER:

Okay. Representative Donovan. They have copies.

REP. DONOVAN: (84th)

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Thank you, Mr. Speaker, looks are deceiving. This looks like a thick amendment but actually all this amendment does is change the calculation on the wage base from a 75% to an 80%, and this amendment is offered because in the last week or so there were various ideas out there and I believe the coalition plan actually left the percentage at 80%, and there was actually, there was talk of savings within the plan of around 16%.

What this amendment does is change it to an 80% and results in a savings of approximately 16.2%. I move its adoption.

SPEAKER RITTER:

The question is on adoption. Will you remark further? Representative Cafero.

REP. CAFERO: (142nd)

Thank you, Mr. Speaker. Mr. Speaker, I rise in opposition to this amendment. This bill, as has been stated many times on the floor today, is the result of a lot of deliberation for many people on both sides of the aisle. It is a very complex bill and one whose savings was arrived at after a balance of many factors, one of which, a very important factor is the 75% figure, and any change in that figure would effectuate the savings that we are relying on, and therefore I

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would oppose the amendment.

SPEAKER RITTER:

Thank you, Sir. Anybody else comment?

Representative Lawlor.

REP. LAWLOR: (99th)

Thank you, Mr. Speaker, I rise to oppose this amendment, and the reason is, that if this amendment passed instead of a 19% savings, there would be a 16.2% savings.

So I guess the decision that each member of the House has to make is, is 16.2 good enough?

SPEAKER RITTER:

Thank you, Sir. Representative Donovan.

REP. DONOVAN: (84th)

Yes, Mr. Speaker. Mr. Speaker, earlier in the talk here in the Chamber, people, a lot of people complained about the hit that workers were taking in, on the amendment, Amendment "A". And I think this amendment helps that a little, not a lot, but a little.

If the calculations are correct and worker benefits would be reduced by somewhere in the category of 40%, then this amendment by lowering one aspect of all the benefit cuts within Amendment "A", in the bill as amended, would soften that blow.

And, Mr. Speaker, the numbers we are talking about,

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people were talking about savings. I don't think 16.2% savings overall workers' compensation is a small amount, and it's an amount that was talked about I know in our caucus and its actually talked about in the floors and in the halls of this building.

So Mr. Speaker, I think this is an important amendment. I think it helps the workers in our State. It still falls within worker comp reform and Mr. Speaker, I ask that when the vote be taken it be taken by roll call.

SPEAKER RITTER:

All in favor of a roll call say aye.

REPRESENTATIVES:

Aye.

SPEAKER RITTER:

A roll call will be ordered. Close. Anybody else?

REP. DONOVAN: (84th)

Mr. Speaker.

SPEAKER RITTER:

Representative Gelsi.

REP. GELSI: (58th)

Thank you, Mr. Speaker. Mr. Speaker, I rise to support this amendment. Probably one of the hardest votes that I've taken up here in the last 13 years was House Amendment "A". I voted for, against my better

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judgment. The calls the last couple of days and I'm glad that I'm back here to do the vote. People from the large industries and the small industries telling me to support changes in the workers' comp laws in order to preserve their jobs.

I come out of that industrial base, and there's no question in my mind for those people to be calling me is, they're scared. But there's one thing that we have to do as legislators, and that's be fair.

I can remember from days on the floor when I argued to bring people back to work for light duty and they just shook their heads and said no, this was a company that had 12,000 employees. They could have found that light duty. And they could have cut their costs down. They didn't choose to do it.

The things that we seem to forget is that the employees in this State both private and the public sector, have taken the same hits in the last four or five years that the employers have. They've given back on fringe benefits. They've gotten laid off and lost their jobs. They've given back on salary. They've taken no increase in wages, and we ought to be well aware of that because we did that to the State employees.

We're talking about giving some breaks to the

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industrial base by them not paying the taxes on their utility bills. Well, let's face it folks, that's fine. I agree with that. I think we've got to help them. I think we've got to keep them here. But somebody is going to pick up that cost, and everything that we do to keep business in this State, somebody's going to pay for and it's just as much on the backs of those folks that are out there still working.

We're doing all kinds of stuff through economic development. Those grants that are being given are going to be paid for, not paid for by just you and I, they're paid for by the taxes of the citizens of this State, and I think to stop this thing at 80%, I think is absolutely right, and I think there's no question that this amendment should pass. Thank you, Mr. Speaker.

SPEAKER RITTER:

Will you remark further? Representative Beals.

REP. BEALS: (88th)

Thank you, Mr. Speaker. I also rise to support this amendment. As I indicated earlier, I did not think that there were significant savings in the Committee bill. Sixteen percent I think is significant.

I think that as Representative Gelsi said, I

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reluctantly supported House "A". I did feel that there were too many cuts being made on the backs of the workers. I think this is one way we can help redress that balance. I urge support of this amendment. Thank you.

SPEAKER RITTER:

Thank you, Madam. Representative Belden.

REP. BELDEN: (113th)

Thank you, Mr. Speaker. Mr. Speaker, I rise to oppose the amendment. And it's not easy to do. In fact the passage of House "A" was certainly not easy to do for any member of this Chamber, because it does cut benefits.

But let me share with you. I have experience in other states dealing with what goes on in some of those other states, and one of the things that has come to light in the discussions we've had with workers in other states is that if they have an accident and they don't work, they don't have a lot of spendable income. And for many of them, it creates a very significant interest in having a safe workplace and working safely in the first place.

And we have experience in other states that the lost time accidents are significantly less than they are in Connecticut for the same type of work.

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This bill, House "A" which became the bill certainly took a lot of effort on many parts of many people to try to craft something that would as best we can in this environment, protect our workers, but also in all of the various areas and components that you see in this legislation, put us in a, the best posture possible when people are looking at the statistics for our State versus other states and where are we at in terms of what we allow for benefits.

The amendment would return one of those particular areas to what it previously was, and unfortunately, I don't think at this time that we have the luxury to be able to do that.

I think we ought to work very diligently with our employers in the State to encourage safe work practices in the beginning and I think one of the other ways we can get this workman comp cost down is to reduce the rate of injury that causes the claims in the first place. Thank you.

SPEAKER RITTER:

Thank you, Sir. Representative Mulready.

REP. MULREADY: (20th)

Mr. Speaker, I would make two observations. First of all, in talking about amendment "D" we are now talking about the heart of the bill. And I think that

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whereas before some of the issues were discussed were extraneous, this is really at the heart of the issue.

My second observation would be this. In the Democratic caucus at least, as of yesterday, we were talking about the possibility of a 16% savings. It was only this morning at about 11:45 that we found out that the package of savings contained in House "A" was 19.2%, and everybody thought that 16% was a hell of an achievable number.

This amendment, as I understand it, would bring it down from 19% to 16.2% which we thought, until about six hours ago, was in fact the goal of the bill. Given that, Mr. Speaker, I urge support for this amendment because I think 16% is a very healthy savings. I think there will be additional savings in subsequent years through other provisions of the bill and I think that if the Democrats were thinking that 16% was in fact the goal of the bill, that the Republicans were probably getting some sort of similar messages before today, perhaps at 11:00, 11:45 as well.

And as a third observation, I would say this. If this amendment passes, it is not a killer amendment. This does not kill the bill because we're still dealing with 16% versus nothing. So given that, Mr. Speaker, I'd urge support of the amendment.

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SPEAKER RITTER:

Thank you, Sir. Anyone else? Staff and guests, I apologize, Representative Ward, followed by Representative Munns.

REP. WARD: (86th)

Thank you, Mr. Speaker. Just to make clear that for some of us working on the bill, all along it had been 20% and that's really the target that we had been shooting for in an attempt to achieve savings. It appeared at some point that we couldn't get there. We can't quite get there now, although extremely close.

And I think in fact, we'll be there a year from now when some of the benefits of some of the cost containment aspects of this bill are there. However, I think as much as no one enjoys looking at a reduced benefit level, if you keep in mind compared to what some of the other versions were, that overtime and the like was put into the bill, when you go to the 75%, I think it is a fair compromise that we should achieve as much of the savings as we can.

I think frankly what moved it from 16 plus to about 19% was the change in the COLA, and as negotiations went back and forth as to the COLA worked as opposed to how this aspect of the bill worked. We all know that in the future, if this Legislature finds that the COLA

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is inappropriate, we have the power to change that and to grant one if we think it should be. I think this is vital not to make this change at this time in the bill and to stick with what I think is a suburb result which is the 19% reduction, which is the, what the amendment, House "A" now gives us.

I would urge everyone to stay with that amendment, achieve the maximum savings and if in fact we find that some point in the future some unfairness, of course we're here to deal with that. But at this time, I would urge the members to vote against this amendment and to leave House "A" in tact. Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, Sir. Representative Munns.

REP. MUNNS: (9th)

Thank you very much, Mr. Speaker. Mr. Speaker, I'm willing to try to bring up a point that I don't think has been brought up throughout the whole debate on this bill. It's a rarity, I know.

SPEAKER RITTER:

I can't believe it.

REP. MUNNS: (9th)

There has been many good arguments for this amendment and many good arguments against House

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Amendment "A". But I think what we have to keep in mind, ladies and gentlemen of the House, is that the whole reason why this bill is here to begin with.

We are compared to other state when businesses decided to leave Connecticut or come to Connecticut. Maybe, Mr. Speaker, where those arguments, very good arguments by Representative Rapoport, Representative Donovan and other Representatives here, maybe those arguments should be made on a federal level. If you're going to talk about workers' compensation in the United States.

However, we must remember that the reason we're here today voting on these amendments and this bill today, is because we are compared to other states and other benefit levels in other states, and that is the reason why businesses leave Connecticut and that is the reason why business is not coming to Connecticut.

I urge defeat of this amendment. Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, Sir. Representative Eberle.

REP. EBERLE: (15th)

Thank you, Mr. Speaker. I also rise in opposition to this amendment. As Representative Ward and others have indicated, a lot of work in the last few days went

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into reaching a very careful compromise on a number of things that various people wanted to see in it, or wanted out of it. Many of the provisions of the bill inter-relate to each other and rather than throw all that work out the window and start over at this late date when this is a bill we desperately need to give to our business community and to the workers in this State, I would oppose this amendment.

SPEAKER RITTER:

Thank you, Madam. Representative Donovan. Chris.

REP. DONOVAN: (84th)

Yes, Mr. Speaker. Just one final thing. The 80% number actually comes from 1991 when previously the number was 66-2/3 of gross. And it was along negotiations that took place and 80% of that was agreed upon. That's only two years ago. And in the amendment we just passed, we're making other changes.

We eliminated the COLA, social security offset, the calculation of weekly benefits have changed, the permanent partial awards have changed, State income tax is deducted, and the maximum benefit has been changed as well.

So all I'm saying is, there's a lot of changes in the amount going to the injured worker and I think this is a small add back to that worker and still results in

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significant savings. Thank you.

SPEAKER RITTER:

Representative Stratton.

REP. STRATTON: (17th)

Thank you, Mr. Speaker. I rise in support of this amendment. I listened to the debate on the adoption of House "A" and was struck with the sincerity of many people on both sides of the aisle who echoed my own feelings that that was a very difficult vote.

Many, many times in this Chamber we do not have the option of voting for perfect legislation if we alone went to write it, and that was certainly my situation in House Amendment "A".

But as those remarks were made about the difficulty of that first vote, people focused over and over again on, they did not want to take the savings or unnecessarily hurt the workers who were duly in need, and justifiably so, of workers' compensation benefits.

This amendment more than any other that I think we will consider tonight, addresses what I heard people say was their difficulty in voting for House "A", and it is for that reason that I rise at this point to very, very strongly support it. It is one small part of this overall bill. The savings that we are seeking tonight are significant. They are needed, and for many

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of us, supporting House "A" was really for that reason.

Two years ago, I voted for workers comp reform, which was almost entirely focused on the benefit levels. We did not see the savings that we were guaranteed then that we would see, and hence we are revisiting that issue tonight.

The other parts of House "A", many of them I think are important steps that we must take at this point because of the situation the State of Connecticut is in, but I do not think that it is necessary at this point to go back once again to benefits that we so recently revisited and for that reason, I strongly urge many of you who I think shared my quandary as to what to do with House "A" to support this amendment. Thank you.

SPEAKER RITTER:

Representative Stillman.

REP. STILLMAN: (38th)

Thank you, Mr. Speaker. I assume you recognized me. I didn't hear you. I also rise in support of this amendment. As a business owner, I had great difficulty supporting the first amendment, and I'd like to think that I'm a fairly decent representation of the small business owner in this State.

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But I also care about the benefits that I need to give to my workers. Granted, and I'm delighted that I have a business that is not a high risk business, but if anyone is injured on the job in my business, I want to make sure that they still can count on a benefit that I can afford them some decent wages.

I supported Amendment "A" because there were some good things in it. This 75% was not one of the good things in Amendment "A" and I would urge everyone to support this amendment and restore the payment level to 80%. Thank you.

SPEAKER RITTER:

Thank you, Madam. Representative Graziani.

REP. GRAZIANI: (57th)

Thank you, Mr. Speaker. Unfortunately, when you get to vote on legislation, you get to push either the yes button or the no button, and there are various aspects of any legislation that look good and some that are bad.

I voted for the amended bill but the bad aspect of it, in my opinion, and probably the most serious, was the reduction of the benefits from 80% to 75%. Keep in mind that for people who are living in a recession, for people who are injured, and that's what workers' compensation is about, every dollar does indeed count.

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So I urge support for the amendment. I do not think that it is unfair to keep that standard the same. I think that there are adequate savings in the other aspects of the bills that really will increase the ability of businesses to operate competitively in this nation, and I urge support of the amendment.

SPEAKER RITTER:

Thank you, Sir.

REP. GRAZIANI: (57th)

Thank you, Mr. Speaker.

SPEAKER RITTER:

Anybody else? Representative Diamantis.

REP. DIAMANTIS: (79th)

Thank you, Mr. Speaker. As I indicated in the earlier House Amendment "A" that I thought being in the profession that House Amendment "A" had some good things in it. However, it wasn't good enough. And I was concerned with the respect of the benefit levels, and being in small business myself, my family having a small business in which worker's comp has to be bought to protect the workers, it became very important to me that the benefit levels were retained by those that were injured while employed.

This workers' comp bill has been a bill that has been projected as a jobs bill. Yet, I haven't seen any

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provisions in it that would insure the return of some 200,000 plus workers that are currently employed. I haven't seen any provisions in it that would restructure the type of industries that we produce in the State of Connecticut outside of defense work that would bring back jobs.

I haven't seen in this bill, the type of work, the restructuring of the educational aspect for people to retool them as well to be productive in this community. The reason for that is that this is not a jobs bill.

This is not one that we need to fool our constituents to believe that by supporting this we're going to create jobs. What this bill merely does is structure a way in which people who are injured legitimately on the job will be able to sustain their life, sustain their family. It is unlike the general assistance bill which offers medical insurance along with it.

This bill merely says we will give you a bare minimal amount of dollars in which to support your family. I, as the sole provider for my wife and three children, if I were injured, would need some sort of assistance. It must go beyond foreclosure assistance. It must go beyond being able to work on general assistance. It means an entitlement right of some sort

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for some sort of protection in the event I am injured, not fraudulently pursuing the system and abusing it.

I have seen a reluctance in this Chamber for a consumer counsel, not just here, but dealing with auto insurance reform. There seems to be a reluctance in protecting the people and selling them a bill of goods that says, this creates jobs. It does not. This is a bill that merely deals with working with people who are injured and offering them a way to sustain themselves.

Therefore, I would urge your support of this amendment, increasing it from 75 to 80%, living with a 16.8% plus profit or return, to support both industry and the working individual. Thank you, Mr. Speaker.

SPEAKER RITTER:

Anybody else? Representative Rapoport.

REP. RAPOPORT: (18th)

Mr. Speaker, I only want to make two very quick comments. One is actually only partially related to the amendment, but I believe that the comments made by Representative Gelsi were the first since his accident and I would ask that the members of the Chamber give him a round of applause. (Applause)

And Mr. Speaker, secondly, I would just say that, reiterate what several people have said. This is not a killer amendment. This takes us to the 16% savings

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that we said was acceptable yesterday.

I guess I would only ask the members of the Chamber to consider when is enough enough? Please, let's pass this amendment.

SPEAKER RITTER:

Anybody else? Staff and guests come to the well of the House. The machine will be opened.

CLERK:

The House of Representatives is voting by roll call. Members to the Chamber. Members to the Chamber please. The House is voting by roll.

SPEAKER RITTER:

Have all the members voted? Please check the roll call machine. Anybody else? Please check the roll call machine. The machine will be locked. The Clerk please take a tally.

The Clerk please announce the tally.

CLERK:

House Bill 7172 as amended by House "A".

Total number voting 149

Excuse me.

House Amendment "D".

Total number voting 149

Necessary for adoption 75

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Those voting yea	60
Those voting nay	89
Those absent and not voting	2

SPEAKER RITTER:

House "D" fails. Anybody else? Anybody else to comment on this bill? Representative DeMarinis.

REP. DEMARINIS: (40th)

I have an amendment, LCO7705. Will the Clerk please call and may I be allowed to summarize.

SPEAKER RITTER:

The Clerk has amendment, LCO7705 which will be designated House "E". May he please call and Representative DeMarinis will summarize.

CLERK:

LCO7705, House "E" offered by Representative DeMarinis et al.

REP. DEMARINIS: (40th)

I move adoption of the amendment.

SPEAKER RITTER:

The question is on adoption. Will you remark further, Madam?

REP. DEMARINIS: (40th)

All right. This is typical of this Amendment "A" in that two of the three parts came out of the committee and are in this bill and they are good ones.

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One is about the employee who is in a recreational -- in a company party or a legislative softball game and is injured and that's in here.

The other one is mental or emotional impairment which results from a personnel action. The third part -- the third piece of this is the one that I would like to see an amendment for.

It changes the language of the file copy which says a mental or an emotional impairment unless a significant contributing cause of such impairment is an event or series of events arising out and in the course of employment to a mental or emotional impairment unless such impairment arises from a physical injury or an occupational disease.

We seem in that language to have forgotten Freud, Jung, Bettelheim or even Dr. Ruth. The language that allows mental or physical impairment claims in the case of an event or series of events, we fully discussed it in committee and supported it.

I urge we return to the file copy language. Anyone who has been through trauma or extreme stress caused by a series of events, for instance, harassment by an employer, L'Ambiance Plaza, being involved in a California postal workers shooting, the Towers in New York or I can even draw the analogy out a little

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further. Look at the little girl who was under the train tracks the other day. I don't think she had a scratch on her, but I bet she's not back at her work, which is school.

So I would urge adoption of the amendment to restore the language of the original, which allows for stress compensation for events or a series of events and doesn't make it rely solely on physical injury.

SPEAKER RITTER:

Thank you, ma'am. Anybody else comment?

Representative Staples.

REP. STAPLES: (96th)

Mr. Speaker.

SPEAKER RITTER:

Please proceed, sir.

REP. STAPLES: (96th)

Thank you, Mr. Speaker. I'd like to speak in favor of the amendment. We're very concerned here about the savings that we're passing along to employers and I think it's important to note that the elimination of this provision was projected to save .1 percent of the cost of the Workers' Compensation premiums. So I think that it's very important to focus on this. We are not costing the savings that everyone is so concerned about passing along to employers if we pass this amendment

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and I think what we have to recall is that there are many incidents where a mental illness or a mental injury results when a physical injury does not.

There are incidents that we are familiar with in this state, such as the L'Ambiance Plaza disaster where many people were not injured physically, but if they had witnessed the injuries occur to their co-workers and have experienced a mental or an emotional reaction to that, then they would be compensable under this bill, but not under the system that we would adopt if we were to reject this amendment.

And, Mr. Speaker, I'd like to ask that when this amendment be voted on, it be voted on by roll.

SPEAKER RITTER:

By roll, let me try your minds. All those in favor of a roll call vote signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER RITTER:

The 20 percent having been met, when the vote is taken, it will be taken by roll.

SPEAKER RITTER:

Thank you, Mr. Speaker. I just want to wrap up by stating again that this is not, as has been said before, another amendment, a killer amendment. It will

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result in a reduction of the savings of .1 percent if we adopt this amendment.

There are many incidents where there are mental and emotional traumas that would have to be proven and would have to have medical testimony to prove that it would be compensable if were to adopt this amendment, that would not be compensable if we were to reject it and I think for us to take this step would be a complete injustice of those who have legitimate injuries and emotional and mental injuries and I urge my colleagues to support the amendment.

SPEAKER RITTER:

Thank you. Will you remark? Will you remark further on House "E"? Representative Gerratana.

REP. GERRATANA: (23rd)

Mr. Speaker. Thank you, Mr. Speaker. I rise in favor in support of this amendment. This is fair to legitimate claimants. It supports a worker who may suffer mental or emotional impairment as a direct result of any occurrence on a job site. We have only to look at L'Ambiance Plaza right here in Connecticut or the California postal workers incidents. They are but two examples of the severe mental trauma that was experienced by employees although they were not physically injured.

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I ask the General Assembly to please support this amendment. Thank you.

SPEAKER RITTER:

Thank you, Representative Gerratana. Will you remark? Will you remark further on House "E"? Representative Kyle, you have the floor, sir.

REP. KYLE: (36th)

Thank you, Mr. Speaker. I find it very difficult to understand the mental anguish that some people have from some kinds of jobs. I would have to point out that I, for a living, pursued an avocation that was inherently dangerous. I have indeed seen friends killed pursuing that avocation and yet that same day or either the very next day I went out and pursued it once again.

I think that it is a very subjective thing when we speak of and interject into our laws things as ill defined and as difficult to define as is emotional stress and those sorts of things. I think we just make a big mistake by throwing that in. If a person is physically injured and cannot work, then by all means they do deserve help, but for an emotional or stressful type things, there is stress in life and we need to accept that. Thank you, Mr. Speaker.

SPEAKER RITTER:

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Thank you, Representative Kyle. Will you remark further? Will you remark further on House "E"? Will you remark? If not, staff and guests to the well of the House. Members please be seated. The machine will be opened.

CLERK:

The House of Representatives is voting by roll call. Members to the Chamber please. Members to the Chamber please, the House is voting by roll call.

The House of Representatives is voting by roll call.

SPEAKER RITTER:

Again.

CLERK:

Members who may have voted, please return and cast your vote again. That's my brother.

LAUGHTER AND APPLAUSE

SPEAKER RITTER:

I'm just trying to call the question.

LAUGHTER

The House is voting by roll. Members please return to make sure that your vote was cast.

SPEAKER RITTER:

Again.

CLERK:

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Again.

SPEAKER RITTER:

Why don't the two leaders just make sure when we stop the roll call to make sure that someone may not have -- not vote again. I'd hate to have --.

Will members please check the roll call machine, and again, if there's someone, if a neighbor of yours you think has been around and hasn't voted, please check -- John Lescoe. Okay.

If all the members have voted, please check the roll call machine to make sure your vote is properly cast. The machine will be locked again and the Clerk will please take the tally.

The Clerk please announce the tally.

CLERK:

House Amendment "E" to House Bill 7172.

Total Number Voting	150
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Necessary for Adoption	76
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Those voting Yea	47
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Those voting Nay	103
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Those absent and not Voting	1
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SPEAKER RITTER:

House "E" fails.

Will you comment further? Representative Pelto from the 54th, sir, you have the floor.

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REP. PELTO: (54th)

Thank you, Mr. Speaker. Last but not least, the Clerk is in possession of an amendment, LCO No. 6987. If the Clerk could please call and I have leave to summarize.

SPEAKER RITTER:

The Clerk has Amendment, LCO6987, be designated House "F". May he call and Representative Pelto will summarize.

CLERK:

LCO6987, House "F", offered by Representative Pelto, et al.

SPEAKER RITTER:

Representative Pelto.

REP. PELTO: (54th)

Thank you, Mr. Speaker. This amendment leaves in place 99 percent of the bill that, as amended by House Amendment Schedule "A". This amendment has to do with the Cost of Living Adjustment. It does not put the Cost of Living Adjustment back into the Workers' Compensation Program, but puts in a modified Cost of Living Adjustment, that there would be a two year delay before any Cost of Living Adjustment would be made. It tracks the language of the original file copy.

Mr. Speaker, I move adoption.

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SPEAKER RITTER:

The question is on adoption. Will you remark further, sir?

REP. PELTO: (54th)

Thank you, Mr. Speaker, I will. Let me very briefly discuss the importance of this amendment. Mr. Speaker, in the file copy we dealt with the Cost of Living Adjustment in one way. With House Amendment Schedule "A", the Cost of Living Adjustment for injured workers was removed. However, what was left in place was the Cost of Living Adjustment for doctors' fees. While doctors' fees and other medical fees are increasing each year, injured workers will get no increase.

What this says is it says to the legislature and the State of Connecticut you have two years to work on this issue, that there would be no Cost of Living Adjustment in 1994, that there would be no Cost of Living Adjustment in 1995, that an injured worker who was injured under this new law would not be able to get any adjustment in their settlement for at least two years. I think it is the minimum that we could do, as a Chamber, as a legislature, to begin to address the unfairness that would occur to those people who are going to be injured on or after the effective date of

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this act.

The fiscal impact is obviously nil for 1993 or 1994 or 1995 and what it says to us is it puts on additional burden to continue to work on reforms.

Mr. Speaker, I think it is the least that we can do. It gives us a chance to go back to the workers and say you have our commitment to continue to work on this important issue and we recognize that if we fail in that, the least we owe you is a Cost of Living Adjustment two years after you have been injured.

Again, Mr. Speaker, I move adoption.

SPEAKER RITTER:

Thank you, sir. Anybody else?

REP. PELTO: (54th)

Mr. Speaker.

SPEAKER RITTER:

Representative Pelto.

REP. PELTO: (54th)

I'm sorry, Mr. Speaker. Also, if I could ask for a roll call vote on this item.

SPEAKER RITTER:

All in favor of a roll call say aye.

REPRESENTATIVES:

There will be a roll call. Any other comment?

Representative Ward.

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REP. WARD: (86th)

Mr. Speaker, really just one point that I think is important to bring out because Representative Pelto indicated it had no fiscal impact. It may not have a fiscal impact on the state, but the language of his amendment reduces the 19 percent savings to 16.8. It is in fact the 2.6, even though it's delayed two years, because you've built into the law the Cost of Living increase. When a claim is filed, the reserves have to be set aside for that, so you are getting rid of 2.6 percent of the savings.

I think that that's wrong thing to do at this point in time. There is in fact an impact on the people that pay the premiums, therefore, an impact of how the bill works.

I would urge that this be rejected. If at some point, if we're a year or two down the road and it appears that this is having an unfair impact on employees, this legislature can certainly change the rules, but let's stick with the 19 percent savings that are in the file.

Unless I'm misreading something in this amendment, it clearly says, it strikes the section that has a 19 percent savings and reduces it to 16.8.

I would urge its rejection.

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SPEAKER RITTER:

Thank you, sir. Anybody else? Staff and guests come to the well of the House. The machine will be opened.

CLERK:

The House of Representatives is voting by roll call. Members to the Chamber please. Members to the Chamber please, the House is taking a roll call vote.

SPEAKER RITTER:

Please check the roll call machine to make sure that your vote is properly cast. If your vote is properly cast, the machine will be locked. The Clerk please take the tally.

The Clerk please announce the tally.

CLERK:

House Amendment "F" to House Bill 7172.

Total Number Voting 145

Necessary for Adoption 73

Those voting Yea 54

Those voting Nay 91

Those absent and not Voting 6

SPEAKER RITTER:

House "F" Fails.

Will you comment further on this bill?

Representative Rapoport.

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REP. RAPOPORT: (18th)

Mr. Speaker, very briefly on the bill itself. I feel that the bill that we have done, as amended by House "A" and unamended by any of the other amendments does a disservice to the working people of this state. It cuts costs, but very disproportionately on the backs of those injured people.

It does some good things I think to reform the system, but it's still too heavily weighted. I have avoided making any mention of what might happen to the bill elsewhere. I was pleased to see that on some of the issues that were raised subsequent to the passage of House "A", a number of members seem to thinking carefully about them and listening clearly.

Perhaps if this bill comes back to us from the Upper Chamber, there will be another chance to discuss this. Anyway, I offered the amendments and other people did in good faith to try to make what I think is on balance a bad bill better. Those amendments having failed, I personally intend to vote no on the bill. We can do better than this.

SPEAKER RITTER:

Thank you, sir. Anybody else care to comment?
Representative Jones.

REP. JONES: (141st

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Thank you, Mr. Speaker. Just briefly. I realize this has been difficult moment for all of us because there are many priorities that come into play when we talk about something as complex as this.

I would say for my part I disagree with the view expressed by some that this is not a bill about jobs. There is an issue of competitiveness in all states now and it's important that to the extent we can legitimately do so, we can give our manufacturers and our service companies a competitive advantage against other geographic locations.

It's the only way ultimately to increase our gross domestic product in the State of Connecticut, to have more capital flow into the state, to have more entrepreneurs willing to take risks, feeling that their cost structure is reasonably competitive with those with whom they have to compete.

Now that may not be a restaurant in Cheyenne, Wyoming versus a restaurant in Middletown, Connecticut, but it is any business that is selling into global or international markets, any business that is exporting where our biggest growth is going to come. That's where our competitive advantage has to be pursued.

Now obviously the cost of Workers' Comp or any other particular cost is not the totality of the

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equation. There are many other areas we have to addresses, taxes, other mandates, health care, costs in general, but in fact, ladies and gentlemen, we have to deal with these things one at a time and I think we do the best we can to try to address the broadest issue within the framework of the details we've talked of today.

I would urge you to support this bill and send that message to the men and women who work in our state and to the men and women who invest in our state and to the men and women who start and manage businesses in our state. We're willing to make these concessions in order to improve your competitive position. I believe it's the only way and that our situation today is desperate enough that what we have done this afternoon is really a productive and forward step. Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, sir. Representative Holbrook.

REP. HOLBROOK: (35th)

Thank you, Mr. Speaker. I can't tell you how happy I am this evening and on behalf of the people of the 35th District, the people of the State of Connecticut, I want to personally thank you, our Minority Leader and all those that worked to bring this about.

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I think in all my years in the General Assembly, this is probably the single most significant piece of legislation that we will ever pass to help the businesses and the people of this state.

I am proud of what occurred here today and I hope that we can all join together in passing this piece of legislation.

SPEAKER RITTER:

Thank you, sir.

REP. DONOVAN: (84th)

Mr. Speaker.

SPEAKER RITTER:

Representative Donovan.

REP. DONOVAN: (84th)

Mr. Speaker, I would like to speak on this bill. I think of this us as a commonwealth and all of the people in this state share in that commonwealth and one of the pieces of it is Workers' Comp. The other one is business and other things and I think one of things that this bill does, it just focuses on one aspect and that is to reduce the benefits of injured workers and I think that is a sad commentary on where we are going to start our recovery.

We are basically saying that in order for our state to recovery, we have to hurt those who are already

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down, those people who are hurt on the job, who have lost their health insurance, we are going to further their pain by reducing benefits to keep them surviving and I personally feel that that is a bad start if we're going to compete.

If people look at our state, they'll say what is your major issue to pull yourself out of the recession and if they look at the signs of what happened here, they answer has to be we are going to lower the benefits for people who are injured on the job. That is our economic stimulus and I think that is wrong and I urge rejection of this bill. Thank you.

SPEAKER RITTER:

Thank you, sir. Representative Backer.

REP. BACKER: (121st)

Mr. Speaker, I find it necessary to vote against the bill. It's a lopsided bill. It took all of the savings out of workers' hides. Had it been a bill that shared the pain to bring down the cost of premiums, I would have been happy to vote for it. However, it focuses the pain on those who are hurt the most, my constituents. Yes, they need jobs, but they also don't need to loose their houses when they're out of work, so I'm going to vote against this bill and urge everybody to do so.

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SPEAKER RITTER:

Thank you, sir. Representative Stillman.

REP. STILLMAN: (38th)

Thank you, Mr. Speaker. I'm very disappointed. I voted for Amendment "A", thinking that we could right some wrongs that were in that amendment and we didn't do that and at this point now, I'm not going to support the bill.

I had hoped that enough of us would come to our senses to put back some of those benefits because by putting some of them, we really would not have lost that much. The reduction still would have been greater than 15 percent, which I think the business community would still greatly appreciate, but we have now done an injustice to the workers in this state.

I'm very disappointed at the way the amendments votes went and I hope that if we get an opportunity to address this bill again, because I'm sure the Senate is going to have a great time with it, that I would hope that when it's finalized, that we will have something to be proud of. Thank you.

SPEAKER RITTER:

Thank you, madam. Representative Young.

REP. YOUNG: (143rd)

Thank you, Mr. Speaker, very briefly. As the

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Ranking Member of the Commerce Committee, I think it's only appropriate for me to make a comment that I'm very pleased to see this bill going through this House on a bipartisan basis.

I think it's an important message we send to our businesses in the state, if we as a legislature, Republicans and Democrats alike, support their activities in the state. We hope to keep the ones that are here, here on a profitable basis and we hope to attract new businesses to our state and by doing this, by passing this bill, we'll show them that Connecticut is a good place to operate a business and a good place to work.

SPEAKER RITTER:

Thank you, sir. Representative Ward.

REP. WARD: (86th)

Thank you, Mr. Speaker. I rise to support the bill as amended. I've indicated I've sometimes been a little critical about the process around here and I really want to take this time first to thank the members of our side of the aisle that have stuck together and set aside their differences about nuances on it and the members of that side of the aisle that sat down and put aside our party difference and said we want to work together to improve the business climate

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of this state.

I think we do have an end product of the product that members on both sides can be proud of, not proud because some individuals' benefits are reduced and I will tell you certainly that has occurred, but I believe in the most significant part most of the workers' benefits have very little reduction. It's those at the highest level that have the most reduction. Those at the lowest level have been left as close intact as possible, but we've come up with something that is not only a 20 percent reduction in premiums and a requirement that it not be taken by the insurance companies, that it be passed to the employers, nearly \$190 million -- \$180 million to \$200 million of savings for the business of the people of Connecticut of those who aren't self-insured.

If you throw in the self-insured, we have well over \$200 million, maybe a quarter of billion dollars in savings to businesses in Connecticut. That sends a throughout the nation that Connecticut is serious about changing its business climate. That stops the pain of joblessness.

It stops the drain of people that leave this state to find work. It means that perhaps your children or grandchildren won't have to move out of this state to

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find the job or the career of their choice.

It is not an exaggeration to suggest that that's what this bill does. So while I completely understand those that are concerned about some injured workers, and it's appropriate to have that concern, in the balance we need to be concerned about the fact that maybe no one will have a job if we didn't adjust the business climate.

I thank all the members for their hard work and support on this bill and I'm optimistic that the Senate will see the wisdom of it, the Governor will sign it and will see jobs come back to the state. Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, sir. Representative Prelli.

REP. PRELLI: (63rd)

Thank you, Mr. Speaker. Mr. Speaker, when I was out campaigning last fall and talking to the small and medium sized businesses of the State of Connecticut, the backbone of the State of Connecticut, I asked them what is the hardest part of you staying in Connecticut? What's causing you to think about leaving Connecticut.

When I talked to three or four of the small companies in my area that were really thinking very hard of leaving, every time the number one issue was

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Worker Comp cost -- Worker Comp cost, that was the issue.

We've taken a giant step forward to keeping jobs in the State of Connecticut. We've taken a giant step forward to helping those businesses in the State of Connecticut. We've got to continue to keep jobs here. We've got to continue to grow. We all feel the pain. We all understand the arguments, but I think this is our first step in keeping Connecticut a working state and a caring state. Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, sir. Representative Gavin.

REP. GAVIN: (133rd)

Thank you, Mr. Speaker. I also rise in support of this bill, as amended, and I know that many of us here know that Workers' Comp was one of the number one issues that we faced with a lot of business people. I know that I got calls even from my opponent's son saying that he couldn't add a new employee because his Workers' Comp was 21 percent of his payroll costs, but there was something that crystalized very well to me and that is that when I went to the Department of Mental Retardation, class presentation, which is an outreach home for the mentally retarded, and they indicated to me that in the state budget five percent

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of the Department of Mental Retardation's budget was attributable to Workers' Compensation and they expressed to me and I also believed them that this is a widespread belief there that some of this money that we save today, not only for our workers here, but also in the state budget so that perhaps some of the money that we will save today can go to the social services that we so desperately need in tough times.

I'd just like to close by saying today was an exciting day and I want to compliment the Speaker, the Majority Leader, the Minority Leader, and everyone else that was involved in this. It was a fine bipartisan effort and I'm very proud of the House today. Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, sir. Representative Beamon.

REP. BEAMON: (72nd)

Thank you, Mr. Speaker. I would like to associate my remarks with the distinguished Deputy Minority Leader, Minority Leader Ward, who hit the nail probably right on the head, that today we have an opportunity to save money for businesses.

It's not very easy to develop, as Representative Ward mentioned, that balance and I know this is very painful, but we have to start developing some

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partnerships between our government and the private sector.

We would hope that we would recycle some of those funds into the areas for which people are begging for jobs, safe, decent jobs that will help the least of us have an opportunity not only to live, but to survive and to raise families and to also work in a safe working environment.

I think some of the aspects of House "A", which is now the bill before us, tells you if you're going to go to work, you're not going to go to work drunk. You're not going to go to work under the influence of drugs, that you are going to be a more responsible and productive worker. Those are the good things, but we also need business more than anything else, through its downsizing, to understand what workers need and what workers must have in order to be in this new modern workplace.

Workers are taking on so much more with less, but we've given an opportunity today, coupled with our CDA Program, with our Department of Economic Development, with a so-called elimination of the credit crunch by many of the major financial institutions of this state to allow businesses to grow.

It's not the best, but it's not the worst either.

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For that reason, I support this legislation.

SPEAKER RITTER:

Thank you, sir. Your friend, Representative, the Deputy Speaker, David Pudlin, you have the floor.

REP. PUDLIN: (24th)

Mr. Speaker, excuse me for a minute. When you talk as seldom as I do on the floor of the House, it's important to have notes. Ladies and gentlemen, today we decide the fate of Workers' Compensation reform. Before us is probably the most sweeping legislation, to my knowledge, since the inception of the act.

Behind this effort is our state's lingering recession and the accompanying corporate restructuring, closings and relocation, housing values falling, commercial real estate vacancies soar, wages are stagnating and many of our communities flutter on the edge of bankruptcy.

Few, if any any of our corporate or government "Merlins" anticipate much change in the coming fiscal quarters. Against this daunting backdrop is now raised the cry to cut the money paid to injured workers, give them less to live on per week, reduce the number of injuries for which anyone is responsible, give them less money for lost limbs and damaged organs.

Some feel that \$340 a week to live on to support a

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family is too much money or that \$50,000 is too large a settlement for a lost foot or that there should be no payout to a young worker's scarring unless it's on her face.

We take these harsh steps, some feel, to improve our business climate. We take these steps to make Connecticut a better place to live. I don't mean to trivialize the remarks of the proponents of this bill. Their actions I take to be sincere. These are in fact dire times and they are taking what it seems to some to be appropriate steps.

However, I too want to rise to the aid of our beleaguered manufacturing community. My guts are wrenched every time one of our factories close or moves. These are jobs and lives of our families and neighbors. I think back a few centuries ago to when I was a teenager. The prospect of life on a machine in a large factory was one hell of a jail sentence to a free spirited, conquer the world teenager, but most knew even at that age, the only prospect worse than that was not getting that job.

My generation followed their parents into the machine shops, boat yards and aircraft plants. We were probably the last generation in this state to do so. Today decent shop jobs are as scarce as lobsters in

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Long Island Sound.

As much as anyone here, I want to see good shop jobs, good solid jobs that the kids growing up in my neighborhood can educate for, train for and prosper with, jobs demanding skills and sophistication that my parents could never have dreamed of, but I think we can create jobs. I think we can dump the archaic property tax structures that sap our urban industries. I think that we have to tackle the highest health care costs in the country. Sure, it'll take some mighty hard choices, but hell, if we can debate how much money to take from some guy who lost a foot, we can belly up to the challenge of deciding on a rational system for giving doctors and hospitals our money.

Let's educate and train the heck out of this and the next generation of workers. They are not, as some say, our best natural resource. In Connecticut they are our only natural resources.

Let's use well and expand if necessary every state program of grants, loans, training programs, incentives to industry. Connecticut is the best place to live in this country. It is not the best place because of oil wells, grain fields or coal mines. It is the best because of our brains, our skills and our talent. We can take substantial steps to improve this jobs

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climate. We can also reduce the cost of Workers' Compensation in Connecticut, but we must not make Connecticut's workers the scapegoat. We must not further victimize injured workers. Ladies and gentlemen, I oppose this bill. Connecticut can do better.

SPEAKER RITTER:

Thank you, sir. Anybody else care to comment?

Representative Diamantis.

REP. DIAMANTIS: (79th)

Thank you, Mr. Speaker. Very briefly, as a history major at one time, I recall -- and a history teacher, for that matter, we went on to teach our youngsters about the United States and Connecticut's evolution in talking about the days when the farming industry was important and we talked about the ranchers and we talked about people who worked in the mines and we talked about child labor and we talked about the hardworking people in factories during time of war.

We continually talked about how important labor was in producing a particular product, a good product that was viable to this country's need for security and for good way of living. We continually taught our children that it was on the backs of labor that this country became great and certainly our state.

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We also talked about the Carnegie's and the steel industry and how important they were as investors into this country and to our state, but I say this to you in a final note on two points. One, we will see this bill again quite shortly, I'm sure. It is the nature of politics. When it sees the third floor, I'm sure it'll be right back here again, and on a final note, history truly does repeat itself because once again, should this bill pass, if this bill were to work, it will once again be on the backs of labor.

SPEAKER RITTER:

Thank you, sir. Representative Eberle.

REP. EBERLE: (15th)

Thank you, Mr. Speaker. Mr. Speaker, the economy of the State of Connecticut is not a partisan issue and I believe that the different opinions in this Chamber are differences in good faith, areas where we need to agree to disagree, that we can all agree on the problem and have different ways of approaching solutions.

I think one of the things we need to agree on is that our economy is close to broke and that changes have to be made. Changes that are meaningful are never easy. They involve people rethinking and redoing things, but the best return to work program, the best rehabilitation program and the best job retraining

program are meaningless without job openings to go into.

I've had calls not only from employers, but a number of calls from employees, people who work on the factory floors, who know that their machines are sitting idle, who know that their employers don't have orders and who know that if that doesn't turn around, they won't have Workers' Compensation benefits to worry about because those only go to workers and they won't be working soon.

This is a way to put \$200 million back into our economy without raising taxes, to give tax relief to our municipalities who also are burdened with high Workers' Compensation costs, to give tax relief to our state budget, which also is burdened with high Workers' Compensation costs and this bill works at many of the other issues in the system. It doesn't just go to benefit cuts. I think it is a balanced bill. In my judgment, it does what we need to do and I support it.

SPEAKER RITTER:

Thank you, madam. Representative Jarjura.

REP. JARJURA: (74th)

Yes, thank you, Mr. Speaker. Contrary to what some may say, this has been a very difficult day, a difficult day for me too. We don't like to cut

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benefits for anybody, especially once somebody has something. It's very difficult to vote to take it away. I'll be voting in favor of this measure. I think the measure sends a clear signal to businesses that are hanging on by their fingertips that this legislature, Democrats, Republicans and Independents, are serious about the job situation and the economy situation and it sends a message to companies that when they look at these sheets and they see the pluses and the minuses, should we go to Connecticut, that this will be message to them that we are serious, that we want them to come and relocate here.

You know, throughout the session we've heard the doom and the gloom of the economy, but I tell you, Mr. Speaker, it takes each one of us here to go back to our communities and talk about the positives because there a lot of positives that are happening in the economy today. I think businesses and workers are working in a new coalition like never before. You know, our grandfathers and grandmothers didn't when the going got tough, they didn't whine about it. They went out and did something about it and it wasn't so much what could they do for themselves, they thought of the country and the state and I think in a way we're saying that here. We're looking at the macro-economic sense.

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My good friend, Eddy Krawiecki, during the budget was wondering when we were going to have some bipartisan discussion and support, but it was difficult, like I say, for the workers. I think on the whole, this was a good balance and I thank the people that work throughout the evening and on both sides to deliver this bill and I look forward to the days when the Connecticut and United States will lead the world again in prosperity, but that's not going to come without hard work on all of us and I think we should make a concerted effort to do that in each one of our communities. Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, sir. Will you comment further?

Representative Ireland.

REP. IRELAND: (111th)

Thank you, Mr. Speaker, just very briefly, because I think that just about everything that has been said on this subject could be said this afternoon and I think it's very evident that we're all elected in this process to represent different viewpoints and they have been represented here this afternoon, but I think that we should make no mistake that this was an easy thing to do, nor was it an easy conclusion to come to and I would just like to add my voice to those of some others

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who have thanked those who have worked cooperatively on this effort to put this measure forward and I would like to especially thank Representative Lawlor. I think he has done an outstanding job to try to put together a bill that is truly balanced.

I think that there has been a lot of discussion about harm to the Connecticut worker and I think that changing benefits is not something that we do lightly and I think that to try to balance that out, we looked at all aspects of this issue and all aspects of the problem to see what we could do about it, what changes we could make, so that each aspect of that problem had to share some of the pain, so to speak, had to share some of the sacrifice and I think we do this because we recognize that Connecticut is at stake in this process, that how we come out of this recession is at stake, how this region comes out of this recession is a stake and I live in an area of the state where I talk to a lot of different companies and I know the kinds of literature that they get, trying to entice them to the southwest, to Virginia, to Georgia, to those other states. We cannot compete with the weather. In some instance we cannot compete with the property taxes that they pay in those states. We cannot compete at this point with energy costs and those are some of the things that

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companies look at in making decisions as to whether to go to a state or whether to stay in a state, but this is one area where we can make a difference and I am glad to see this General Assembly step up to the plate and be willing to say we're willing to make that difference because it's important to the State of Connecticut. It's important to our future. Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, madam. Will you remark further?

REP. NORTON: (48th)

Mr. Speaker.

SPEAKER RITTER:

Representative Andrew Norton.

REP. NORTON: (48th)

I would just like to say one sentence. In the seven years I have been in this Chamber, I believe this is the best, most productive piece of legislation this Chamber has every passed.

SPEAKER RITTER:

Thank you, sir.

REP. NORTON: (48th)

Thank you, Mr. Speaker.

SPEAKER RITTER:

Anybody else care to comment?

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APPLAUSE

Representative Krawiecki, the distinguished
Minority Leader.

REP. KRAWIECKI: (78th)

Thank you, Mr. Speaker. Mr. Speaker, I rise in support of the bill and I have really been quiet this afternoon. I haven't spoken on the bill at all and to those of you that don't support the bill, I want you to know that I listened very carefully and I understand some of the concerns and I'm going to tell you that in addition that some of what's in this bill I don't like.

I didn't support it and I didn't put it on the table. It's been said that there's no limit, however, to what can be accomplished if we're not concerned with who gets the credit and today I would tell you that I think we're viewing a historic development in this Chamber as we address the issue of Workers' Compensation.

Today you really do see the end product -- you do see the end product of a true, bipartisan discussion about a very sensitive issue. The bill before us is co-sponsored by the Speaker and the Majority Leader and the Minority Leader and I respect people who have a different point of view than I on this final package that's before us. I truly do, but these are not normal

times and some of what I heard today is the conversation that I have heard over the last decade in this Chamber. These are not normal times. These are not the times that we can make the same old decisions that got us in the shambles we find ourselves in.

These are times that require difficult decisions, and frankly, dynamic change. This bill is the work of legislators from both parties and from both Chambers of the General Assembly. It has the fingerprints of business and labor and will make substantial changes to a system that so desperately needs them.

Members of the House, last November Ross Perot campaigned for president on the theme that we needed to break gridlock in Washington and that all parties had to start working together if we're to truly try to break that gridlock that has stifled our economy. Ladies and gentlemen, I think that today we have broken the gridlock on Workers' Compensation that has gripped the State of Connecticut for a very long time. It's that system that we break the gridlock of that has threatened the jobs of hundreds of thousands of our neighbors and our friends and no single element of the formula of costs has scared off more potential new employers or scared away more employers that had been located in this state than the issue of Workers'

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Compensation and we all heard that message during the last election cycle and when we surveyed people after the election, I'm sure we all heard from employers, small and large, that we had to do something about Workers' Compensation in order to begin to attract business back to the state, to show the people not just -- not just of the northeast or of this country, but frankly, in the world marketplace, the global marketplace that we now live in, that Connecticut's legislature was prepared to make some very tough decisions to show that we wanted to attract business back to this state and they aren't easy decisions and when we live in a global economy, we don't have the luxury anymore, folks, of saying that we will make change slowly over a period of time because we have time. We don't have time.

The world has changed out from underneath our feet. The world is different than it was even three years ago and we need to be moving rapidly in lots of different directions.

To that end, a group of us have been meeting regularly to fashion a reform package that will make a difference, a package that will protect the jobs of Connecticut workers and give us a chance to lure new employers to the state. This reform package that is

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before us today is and will be the best in the nation, the best in the nation. When was the last time we talked about that in this Chamber about something dealing with business and attracting business to this state? I don't remember.

This bill produces a 19 percent savings, an economic stimuli to the businesses of the State of Connecticut. We didn't do much in the budget and several of you have mentioned my comments on the day when we adopted the budget and that was one of, I thought, the fatal flaws, the fatal flaws of what we didn't do in this year's budget, but I think we redeem ourselves some today and we do it in a real bipartisan way. The savings will mean that employers will have more to invest in new equipment and new expansion that can lead to more jobs. The savings will mean that Connecticut will be a more attractive state for potential employers who look very closely at the cost of doing business in a state before moving there.

This bill I really do believe will stop the flow of jobs from our state. It addresses the issues that employers have been telling us had to be addressed if they are to expand and the proof will be in the pudding.

Mr. Speaker, ladies and gentlemen of the House, I

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suggest we should be proud today of the job we have done. That is not to say that it is a perfect product, as we have listened to the debate this afternoon, and yes, I agree, we would make some of us different choices and we might not do exactly what's before the Chamber today, but let me repeat again, this is the product, the true product of some very, very creative bipartisan debate about what is in fact good for the State of Connecticut and there is no one group of people who can claim credit for this bill. It is all of our bill.

Mr. Speaker, during the last election, many of us campaigned on the issue of jobs, economic development and creating a better climate in this state for new business. I would suggest that today we fulfill one very large part of that campaign promise by passing this comprehensive work -- Workers' Compensation bill and arguably the most comprehensive Workers' Compensation bill in the nation where the bipartisan nature of the reform demonstrates to the people of Connecticut what can be accomplished if we are not concerned with who gets the credit.

Mr. Speaker, I urge the members of the other Chamber who might be listening tonight to examine this bill, review it closely and then adopt it, as I believe

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we will do shortly.

Mr. Speaker, I urge adoption of this most important bill of the 1993 legislative session.

SPEAKER RITTER:

Thank you, sir. The distinguished Majority Leader, Tom Luby from the 82nd, sir, you have the floor.

REP. LUBY: (82nd)

Thank you, Mr. Speaker. Mr. Speaker, first of all, I'd just like to start by saying that there are many things that we all agree on that bring us here on this issue this evening. First of all, I think we all agree that Connecticut has never been under as much economic pressure as it is right now, with \$180,000 jobs lost, and those are jobs we had. It doesn't include the jobs we might have had if things had been different.

We know that we're under enormous economic pressure. We know that the status quo is simply unacceptable. I think we all agree. We all know that if we do nothing, we merely guarantee a slow economic death for Connecticut. We know we need change.

I think we can all agree no matter what position we've taken on the amendments or on the file copy or on the bill that I think we can all agree that Representative Lawlor, backed by Representative Eberle and Schiessl, Ireland and Amann and the others on side

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of the aisle and the members of the Republican Caucus on the other side of the aisle, have worked very hard to try to craft a bill that if you want to make a change, it does so, that if you want to save money for businesses so that they can invest in equipment and hire new people, it can help them do that, but I can tell you that the task that Mike Lawlor led over the last few months was not for the faint hearted. It was very hard to be innovative and fair and decisive and to find savings all at the same time and we don't claim this thing as perfect, but we do claim that it is a major step.

It is not a happy moment although we can be proud I think of the legislative achievement. Let's face it, it is not a happy time when we can take people who need help and offer them less of an outreached hand, but it is not the first in this Chamber this session we have had to decide to do that and it is my hope that this kind of legislation will make sure that some day we won't have to do this kind of thing again.

This dialogue on Workers' Compensation, on competitiveness, on making our Connecticut business climate better is going to continue. This debate will continue upstairs and perhaps down here again. The details of this bill are something that we can all have

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our own personal opinions about. I think what we can all agree on is that something major must happen and that must happen for very simple reasons.

First, all those build has painful, it is not as painful as a layoff slip and that the best way to preserve Workers' Compensation benefits is to preserve work. Thank you, Mr. Speaker.

SPEAKER RITTER:

Thank you, sir. Staff and guests come to the well of the House. The machine will be opened.

CLERK:

The House of Representatives is voting by roll call. Members to the Chamber please. Members kindly report to the Chamber. The House of Representatives is taking a roll call vote.

The machine will be locked. The Clerk please take the tally.

The Clerk please announce the tally.

CLERK:

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House Bill 7172, as amended by House Amendment
Schedule "A".

Total Number Voting	151
Necessary for Passage	76
Those voting Yea	116
Those voting Nay	35
Those absent and not Voting	0

SPEAKER RITTER:

The bill as amended passes.

The Clerk please continue the Call of the Calendar.

CLERK:

Page 30, Calendar 477, Substitute for House Bill
7118, AN ACT CONCERNING ELIGIBILITY FOR ASSISTANCE
UNDER THE BUSINESS ENVIRONMENTAL CLEAN-UP REVOLVING
LOAN FUND AND ENCOURAGING THE USE OF VEHICLES POWERED
BY CLEAN ALTERNATIVE FUEL.

SPEAKER RITTER:

Representative Betkoski.

REP. BETKOSKI: (105th)

Mr. Speaker, I move acceptance of the Joint
Committee's Favorable Report and passage of the bill.

SPEAKER RITTER:

The motion is on acceptance and passage. Please
proceed, sir.

REP. BETKOSKI: (105th)

JOINT
STANDING
COMMITTEE
HEARINGS

LABOR AND
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EMPLOYEES
PART 4
1038-1390

1993

Again, Commissioner Frankl will speak to reforms that the commission has already undertaken to make changes in the system. And we also should point out that businesses have an awful lot of control over workers comp, of course, themselves. We need to encourage them to adopt managed care programs, workers safety committees, shop for carriers and look for good rates, and have the appropriate attitude toward their employees who have suffered an injury on the job.

We've been working with Commissioner Frankl and with the Department of Insurance to put together educational material for business that we believe will help them lower their cost, and that the legislation is one piece of the total package as a result.

We think this is a balanced approach. And I think a balance is important. This debate has been characterized by more heat than light in a lot of instances. We all know about dueling campaigns in the media, and I just hope that the state will be characterized by reasonableness and a balance between the business interests and the interests of employees.

We want and try to avoid postering in the debate and take a balanced approach to this issue. I'd now like to pass it over to Commissioner Frankl.

CHAIRMAN JESSE FRANKL: Thank you. Good morning Representative Lawlor, Senator Colapietro, members of the Labor Committee. My name is Jesse Frankl, I'm the Commissioner and Chairman of the Workers Compensation Commission. I'm here to comment and support the Governor's proposal as submitted by HB6939, and also to make some comments on HB7152, and HB7172.

With regard to the provisions of HB6939, as they pertain to state employees, I will not make any comments, those will be done by Mike Barletta of the Department of Administrative Services. With regard to the rest of the HB6939, as it applies to workers compensation, on page 22, the provision, a new provision that restricts non-residents from receiving workers compensation benefits if they are employed by an out-of-state employer, or if the

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LABOR AND PUBLIC EMPLOYEES

March 11, 1993

CHAIRMAN JESSE FRANKL: I only have three other provisions.

REP. LAWLOR: Okay.

CHAIRMAN JESSE FRANKL: Very quickly, in two minutes. Page 8 of HB7152 requires three of the comp commissioners to serve as the compensation review board. I think we, I'm against that provision personally, it should, we should retain it the way it is.

Page 10 of that bill is a provision that requires the regulations requiring a majority of workers compensation commissioners, this would be going backwards against 91-339 which centralized all the authority in the chairman, I'm also against that provision.

And HB7172, on page 8, I support the powers given to the commissioners to enforce subpoenas and orders for production of documents and I'm also subject to any of your questions that you may have with regard to any of these things that I just testified to, thank you.

REP. LAWLOR: Thank you very much Commissioner. If any members of the committee have a question. I don't see any. Thanks very much. Next is Donna Napier, Assistant State Treasurer.

ASST. TREASURER DONNA NAPIER: Good morning Chairman Colapietro, Chairman Lawlor, and members of the Labor Committee. I am here to voice my support of three second injury fund proposals currently before you.

SB 1017
- P. 1216

HB 7152 - P. 1216

Let me begin by saying that I'm not here advocating on behalf of either labor or business. However, the Office of the Treasurer does administer the second injury fund, and to the extent we can do that effectively and efficiently, both sides will benefit.

The first proposal SB1012, is an act modifying requirements for cases transferred to the second injury fund. Under Section 31-349, workers compensation claims may be transferred to the fund by self-insurers and insurance carriers once

so much so that, unfortunately, in 1992, we discovered four such cases, and these people lost their jobs because of fraudulent claims.

These four people had almost sixty years of seniority. We at UPS would also encourage you to consider limiting the commissioner's award of 308A benefits where the earning capacity of the individual warrants such action. We would prefer to see that award not exceed the number of weeks of the individual's initial permanency benefit.

We would also urge you to carefully consider employer sponsored functions where attendance and participation is voluntary, such as soft ball tournaments, and family picnics, as non-compensable activities. Over the past six years in Connecticut, we have had 20 lost time injuries that have cost us \$400,000. That is an average of \$20,000 per employee injury.

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Without this change, it will leave an employer no choice but to cancel these employment enhancing activities, that most people look forward to engaging in and employers want to provide for their people. We are all exposed to a continuing drum beat of being competitive in both the national and worldwide economy.

The current workers compensation system in Connecticut tends to make both employees and employers throw in the towel rather than take aim at the competition. My office is here in Hartford, and my staff and I will be eager to assist this committee in any way we can in helping you craft workers compensation reform.

I want to thank you for this opportunity and I'll take any questions if there are any.

REP. LAWLOR: Thank you John. Any members of the committee have a question? If not, thank you very much. Next is Steve Perruccio to be followed by Bonnie Stewart and then John Kucan.

STEVEN PERRUCCIO: Good morning union brothers and sisters and members of this committee. My name is Steven Perruccio, and I'm the President of the

Connecticut Employees Union Independent. We represent maintenance and service employees who work for the State of Connecticut.

I'm here today to voice my strong opposition to HB7171, HB6939, and SB373. I'm also here to state our support of HB7172, and HB7153 (715A). At the present time, however, I will limit my testimony on those bills, but on the continuing problems that we face on an every day basis with the state's insurance company, Alexis Incorporated.

Before any type of reform can be discussed you should be aware of the fraud and problems workers face every day with the way compensation laws are administered in the state, in state service. The state pays a private contractor, Alexis, \$2.8 million yearly, just to administer workers comp for state workers.

Those representing injured workers often do everything short of signing the check to ensure payment to our workers. Another union staff representative who is dedicated strictly on workers comp cases will provide you with additional testimony later.

She meets with Alexis on a regular basis to provide them with whatever they need to pay our members. But as you will see in the testimony, our workers wait as long as five months before seeing any type of compensation. This type of administration is what workers do not deserve.

Another key to reducing workers comp costs is simply to reduce the injuries. It sounds so simple, yet there are ways through training, education and commitment by management to reduce and eliminate accidents.

Instead of slashing benefits, which workers and their families need and earn, we need to compensate on workers not getting hurt in the first place. That is the logical way to cut costs. It's not by further increasing profits to businesses who hid behind the symbol of jobs, which actually stand for just overlooking basic safety, which is their customary way of just doing business.

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Also attached to that, I'd like to see the workers comp 100% benefit attached to that bulletproof vest when we're out there protecting everybody in this room trying to make this a better community for all of us to live in. And I'm sure we have more speakers to say the same type of information to you. It's really all I have to say.

REP. LAWLOR: Thank you very much trooper Kucan, and I think I speak for all, no applause please. I think I speak for all members of our committee, especially those of us from the New Haven area who followed the incident when you were shot several years ago.

I want to say how grateful we are to you for your bravery and especially to see you walk into this room today, we really appreciate that.

JOHN KUCAN: Thank you.

REP. LAWLOR: If there any other questions from members of the committee, if not, thank you very much. Next is Tom Mercer to be followed by Rich Gross, to be followed by John Milette.

STEVE BURGERT: Good morning, my name is Steve Burgert, and I'm here on behalf of the Bic Corporation. Bic is a household name, known for manufacturing quality writing instruments, shavers and lighters.

We as well as other manufacturers in the state compete in a global marketplace. That means that we can only charge so much for our product. The global marketplace is a fiercely competitive marketplace gentlemen.

And what I have to tell you is that an increasingly disproportionate part of the cost of our product is due to the cost of doing business in the State of Connecticut. One of the most significant factors negatively affecting the cost of our product, is the cost of workers compensation.

Bic is self-insured for workers compensation in Connecticut. We've invested hundreds of thousands of dollars in equipment and other state of the art technology to make our workplace safer. We've also developed in-house safety and health committee,

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introduced into our workplace the DuPont Safety Training Observation program, and implemented an aggressive injury prevention program.

However, in spite of these efforts, over the last five years, we've spent an average of \$1.3 million per year to pay for workers compensation benefits. What that translates into, is a cost of 52 cents per man hour worked, just to cover workers compensation benefits alone, in Connecticut.

In contrast our facilities in South Carolina manufacture the same products using the same processes and our cost for workers compensation benefits in South Carolina is 3.3 cents per man hour worked.

Connecticut's costly workers compensation system has contributed to the loss of approximately 25% of our manufacturing jobs from our Milford, Connecticut facility to the State of South Carolina. As you are aware, this state has lost 187,000 jobs since February of 1989. The whole issue here ladies and gentlemen is jobs.

Bic wants to continue to manufacture quality products here in Connecticut, but we can only be competitive when we have systems that allow us to be competitive. We wholeheartedly endorse the workers compensation reform coalition recommendations for workers compensation reform.

In particular we endorse the reduction of permanent partial disability payments, implementation of the medical care plan and limitation of 308A benefits. We can't continue to lose jobs at the rate we've been losing them over the last four years. We still have an opportunity to save 750 highly skilled, high-tech manufacturing jobs, let's do so. Thanks for this opportunity.

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REP. LAWLOR: Thank you very much Steve. Is there any members of the committee have a question, there are none, thank you. Next is Rich Gross to be followed by Tom Mercer.

ATTY. RICHARD GROSS: Representative Lawlor, Senator Colapietro, and members of the committee, my name is Richard Gross. I am here today as a trial lawyer, and as an employer and as a safety and health advocate.

I've been practicing law for eighteen years. My practice is at least 75% workers compensation law. I am here representing my injured clients. I'm also an employer, who pays workers compensation insurance. I am personally affected by premium increases, and I too want to see the spiraling premium costs reduced for Connecticut businesses.

I'm also a member and officer of the Connecticut Council on Occupational Safety and Health. A non-profit organization dedicated to reducing work place accidents and disease by educating and training workers and by advocacy of protective legislation and regulations.

I think the objective of all fair-minded people in this chamber today, and of all those involved in the workers compensation issue, is to find ways to lower costs of workers compensation premiums, while making the system fairer and not inflicting any greater pain on injured workers.

Coming from the perspective that I do, I believe there's a way we can do it. But cutting benefits to the injured, the sick, and the most vulnerable is indefensible. Taking from workers and giving to insurers will do nothing to reduce premiums to employers.

I urge you to reject all legislation that cuts benefits of injured workers. SB373, HB5089, HB6939, and HB7171 are among those. On the other hand, if we had fewer injuries in the state, we would not have the spiraling costs to the system.

The number of workers compensation claims increased 300% in the past decade because safety has not been a priority in our state. Connecticut's employers hold the keys to the cost of workers compensation. Employers and workers together have the power to prevent injuries and any legislation that facilitates reduction in injuries is crucial.

I urge you to pass HB6818, which I understand is supported by the Governor because it makes safety a joint responsibility of management and labor, and does so at minimal costs. HB7173 will reduce the proliferation of crippling and costly repetitive motion injuries.

SB1013 is also a step in the right direction. Cost savings can also be achieved by enacting measures that inject speed and efficiency into the system, and that eliminate duplication. SB1017 establishes a competitive state fund to underwrite the risks.

Several measures in HB7172, HB7152, SB1012, SB1016, and HB6939, are essential to improve efficiency and reduce costs. Finally if the committee passes any legislation that reduces the cost of the system, insurance companies must be held accountable and premium reductions must be guaranteed. If not, both workers and employers will lose. Thank you Mr. Chairman.

REP. LAWLOR: Perfect timing Rich, the bell just went off. Any questions? If not, thanks very much. Tom Mercer, to be followed by Stephanie Ashton, followed by John Milette, followed by Shaffner.

TOM MENDER: I'm Tom Menger. I've been employed with Pratt and Whitney for nearly 30 years. I started with our Southington plant as an hourly worker and presently I'm the manager of workers compensation.

On a daily basis, I am intimately involved in every aspect of workers compensation and regular interact with all the major players in the system. Good people are losing their jobs, including many of my coworkers and friends at Pratt.

Part of the problem is escalating operating costs and decreasing competitive advantage. Workers compensation costs are significant contributors to that problem. We are a self-insured company. To be insured we pay the bills, and are exercising many initiatives internally to control costs, but we need external help from you to help preserve jobs in the future.

MATTHEW SCHAFNER: Thank you. I will, sir. There's only one provision in all of the bills which even deals with the premium, and that's insignificant matter. This, the workers were two years ago. Isn't it time now in all fairness to take a close look at insurance? When a worker is injured, everybody loses. When the workplace is made safe, everybody wins. Thank you, Mr. Chairman.

REP. LAWLOR: Thank you, Matt. Any questions from members of the Committee? If not, thank you very much.

(Adjourn for technical session.)

REP. LAWLOR: ...other members of the public who are here to participate in our public hearing.

DONALD VALERIE: Thank you, Mr. Chairman, members of the Committee. I appreciate the opportunity to come here this morning and give you some of my thoughts on the matters before us. My name is Donald Valerie, and I am the President of Valerie Transportation Service, which is a trucking company serving the State of Connecticut for over 70 years.

We have terminals in Norwalk which is our headquarters, and South Windsor, Connecticut. I'd just like to go on the record that my company is in support of Workers' Compensation Coalition Reform package for the following reasons. It puts Connecticut in a better competitive position to retain and attract new business. It would demonstrate to business, in my opinion, looking at Connecticut as a place to locate that the Legislature is responsive to the needs of business and its employees.

My company will be able to compete with out of state truckers because they are not confronted with high workers' compensation costs. The insurance industry is going to develop rates based on the potential costs. The rates developed by the NCCI based on legislative mandates presently for a truck driver are \$30 per \$100 of payroll. My company cannot compete with a trucker from New Jersey because of rates that are \$10 per \$100 of payroll or 2/3 less. This state and my company needs these reforms to retain the 250 Connecticut jobs and to

attract new business. I'd just like to add also that from the policy year October 91 to October 92, my company spent \$2,087,000 on workers' compensation insurance.

That represents 8% of my gross business. In the words of Commissioner Googins, you don't have to be a rocket scientist to figure out how long I'm going to last at those particular rates. Thank you very much.

REP. LAWLOR: Any members of the Committee have a question? Representative Andrews.

REP. ANDREWS: Thank you, Mr. Chairman. Mr. Valerie, you have a fairly large concern here in Connecticut. Have you, we've heard an awful lot about worker safety and safety committees and like duty. Does your firm have a worker safety committee in place, and do you have a light duty type of alternative for injured employees?

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DONALD VALERIE: Yes, we do. We do have a worker safety committee, and we do have a light duty program instituted in conjunction, the guidelines that are set up in conjunction with our labor union, the Teamsters, that has worked very effectively, and it's gone a long ways towards reducing our costs.

REP. ANDREWS: A number of people have urged us to mandate a safety committee on all businesses. In your opinion as a business owner with operations in other states, is that something that we should be doing in mandating that type of thing, or do you think we should leave it. Let me put it to you this way, have your savings that you've seen from a safety committee and light duty work made it a good decision to you to make based on your bottom line?

DONALD VALERIE: I think it's been a good decision for my company. I can't speak for other companies. We're a very labor intensive company. All I'm basically selling is labor. It's worked very well for me. I can't, I wouldn't want to speak and say how it would affect other companies, but it certainly prior to the costs skyrocketing, if you will in the comp area, we always had a safety committee. We always reviewed injuries. We always

got into this thing very, very heavily, but when you're dealing with mandated benefits, the NCCI is going to calculate rates based on what the potential is and if the potential is outrageous as it pertains to my company, I just can't afford it.

REP. ANDREWS: Thank you.

REP. LAWLOR: Thank you, Representative Andrews and Mr. Valerie. I'd just like to say thank you. This is the second time you've spoken before our Committee this year, and we certainly appreciate your input. It's good to hear the points of view of not necessarily a lobbyist, but someone who's actually involved.

DONALD VALERIE: It's nice to be able to speak.

REP. LAWLOR: Thank you. Any other questions? If not, thanks very much. Roger Buxbaum to be followed by Jack Braddock, to be followed by Bruce Olsson, then Jack Fogarty. Mr. Buxbaum. I believe he's indisposed at the moment. Then we'll go to Jack Braddock.

JACK BRADDOCK: Good morning, Mr. Chairman, and members of the Labor Committee. My name is Jack Braddock, and I am manager of occupational safety for United Technologies Corporation. I appreciate this opportunity to discuss briefly our concerns regarding mandatory safety and health committees. We believe that employees should have an active role in the safety program at their workplace. There should be formal means for employees to raise safety issues without concern regarding retribution.

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We also believe that improving safety and reducing the frequency of job related injuries are complex issues which require solutions which are creative, flexible and involve as many employees as possible. There isn't a question that employee involvement will contribute to safety performance. We have a concern however that the proposed legislation is a one size fits all approach to this very complex issue.

At most of our locations, we have employees HB 6818 actively participating in programs to address safety issues. We have committees or action teams evaluating general safety issues, employee communications, awards programs, case management issues and and economics issues. Frequently, these committees or teams are modeled after TQM or a total quality concept which we have implemented in many of our manufacturing operations.

The integration of safety into our operating unit's cultures has occurred over time. We were able to successfully integrate safety into our business environment because we were not bound by one employee safety involvement. We tailored the teams to the issues, cultures and resources within the operating or business unit. Many of the committees and teams which we now have in place would probably not satisfy the requirements detailed in the bills being considered.

Any legislation passed should recognize the differences in workplace cultures, issues, hazards, and resources. Legislation should recognize the need for flexible and creative employee involvement programs. In the 1991 workers' compensation reform package there is performance base language regarding safety and health committees. UTC was an active participant in the sweeping and creative changes introduced in the 1991 legislation. Because of delays in issuing the rules, industry has not yet been able to implement the committee concept that was a major part of the 1991 legislation.

We should be able to move forward soon to see how the 1991 legislation worked regarding safety committees. We encourage the Legislature to allow business and labor to learn from the implementation of committees as these new regulations are implemented. The 1991 Legislature also created a task force to study methods of improving safety and reducing the frequency of job related injuries. That task force has never met. We support this task force, and we'd like to be a participant.

One of the issues the task force should be charged with evaluating is employee involvement programs. Let the task force evaluate how committees required under the workers' compensation statutes are functioning, as well as how other employee involvement programs work.

REP. LAWLOR: Jack, if you could begin to summarize, we'd appreciate it.

JACK BRADDOCK: We believe that we should learn from the legislative initiatives already signed into law before we mandate a one size fits all approach. I thank you for your time and attention.

REP. LAWLOR: Thank you, Jack. Any members of the Committee have a question? If not, thanks. Next is Bruce Olsson, to be followed by Jack Fogarty who'll be followed by Roger Buxbaum if he's gotten back in, and then George Wilson.

BRUCE OLSSON: Representative Lawlor, Senator Colapietro, and members of the Committee, my name is Bure Olsson. I'm a Legislative Director for the Connecticut State Council of Machinists. We represent workers at United Technology Plants, at Electric Boat and at numerous manufacturing facilities around the state. The current debate on workers' compensation in Connecticut is about sustaining the possibility of achieving the American dream.

It asks us whether we will punish the victim, the injured worker or whether we will seek real solutions to the workplace hazards that confront the citizens of the our state. The first issue that needs to be addressed, however, is that of jobs. Connecticut has lost thousands of jobs due to major cuts in defense spending by the federal government, worldwide recession and the real estate crisis which has weakened the state's insurance industry.

To falsely claim that the state's unemployment problems are due to workers' compensation costs as some in the business community would have us believe is to ignore reality. We'd be fortunate if the solution to the unemployment problem in Connecticut was as easy as cutting benefits to

injured workers. The structural, economic realignment to the global economy calls upon us to invest more not less in the human capital of our state.

A third rate investment will not create jobs, but rather will guarantee third world economy for Connecticut. A number of proposed bills, HB5089, HB6939, HB7152, and HB7171 would cut benefits for injured workers. The machinist union strongly opposes any cuts in benefits whether it be for scarring, the method of computing the basic benefit rate or specific awards for permanent partial disability. It is not a picnic to be totally disabled. In addition to the physical suffering a worker endures, there is a significant reduction in weekly income.

Even for the small minority who collect the maximum benefit, there's still a 20% cut in the injured worker's average weekly pay. Cutting benefits to the disabled adds insult to injury. The key to containing workers' compensation costs and providing for a better quality of life for the citizens of our state is a safe workplace. Employee involvement through health and safety committees will cut injuries and reduce costs. At Pratt-Whitney health and safety committees combined with a light duty work program significantly cut injuries and reduced worker compensation costs from 6.8 million in March 1991 to 3.4 million in March, 1992.

I've attached a copy of my source which is a Pratt-Whitney News dated April 24, 1992. The machinist union supports legislation as described in HB6816 and HB7172 which would establish health and safety committees in the work place. SB1013 calls for a task force to study ways of improving workplace safety. We feel that this is very important. However, special emphasis needs to be placed on studying repetitive trauma injuries such as carpal tunnel syndrome which constitutes the fastest growing type of injury.

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REP. LAWLOR: If you could summarize, Bruce.

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BRUCE OLSSON: Only 38 cents out of every dollar goes toward benefits for injured workers, yet some would have us believe that the injured workers are the reason for loss of jobs in Connecticut and the high cost of workers' compensation. In reality that is not the case. If Connecticut is truly serious about reforming workers' compensation, then legislation must be passed to establish health and safety committees that creates a competitive state fund that controls medical costs. In addition, benefits must not be cut. Then we will create a win win situation where the workers' compensation system will live up to its original intent of helping injured workers and costs are reduced to employers. Thank you.

REP. LAWLOR: Thank you, Bruce. Are there any questions from the Committee? If not, thanks. Next is Jack Fogarty, and I wonder if Mr. Buxbaum is back. If he'd just like raise his hand or something. Well, if he's not here, next will be Mike Ferrucci, then George Wilson, then Howard Ault, then Sheila McCafferty, and by the way we've been through 10 of 160 people so far, to give you any indication where we stand.

JACK FOGARTY: Senator Colapietro, Representative Lawlor and members of the Committee, I'm Jack Fogarty, Vice President of Human Resources at Electric Boat. Thank you for this opportunity to present Electric Boat's perspective on workers' compensation reform. EB is the state's second largest private employer with a work force of some 13,000 with an annual payroll of more than \$500 million. We are self insured against workers' compensation claims, and as you know, we're now battling for our survival.

One of the key issues that will decide the battle is the cost of workers' compensation. From 1990 to 1992 Electric Boat saw its annual cost in the state system skyrocket 34% to more than \$10 million. That's only a part of overall expense. Last year HB 5089 we paid a total of \$60 million, most of which were claims filed under the federal long shore and harbor workers' act. In most states, the maximum weekly workers' compensation benefit is set at 100% of the average weekly production wage.

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As part of EB's own effort to improve its workers' compensation experience, management and labor are tackling the root cause of the issue which are injuries. One initiative involves a labor safety committee that for 25 years has worked with management to reduce accidents.

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REP. LAWLOR: Would you summarize please?

JACK FOGARTY: The issue, gentlemen, is jobs. Workers' compensation reform can play a crucial role in the effort to make Connecticut more competitive with other states and jobs what it's really all about. If we want jobs, we've got to control the cost of doing business in Connecticut plain and simple. Thank you.

SEN. COLAPIETRO: Thank you, Mr. Buxbaum. Any questions from the Committee? Senator DeLuca.

SEN. DELUCA: Thank you. Did I hear you say that you have a worker management safety committee?

JACK FOGARTY: Yes, we do.

SEN. DELUCA: And could you comment on to its effectiveness in reducing cost of workers' compensation in your business?

JACK FOGARTY: We had a committee for some 25 years and between labor and management we've worked well at trying to address the injuries in the work place. In addition to that the last two years, we have instituted a workers' safety program called Operation Safety, which in fact over the last year has reduced work force injuries by a third.

SEN. DELUCA: The previous speaker mentioned the need for mandated safety committees, and since you already have one, do you think that a mandate would improve your safety committee at all, or would it improve or work in reducing the number of injuries, in for instance your business? Your company alone?

JACK FOGARTY: I'm not in favor of mandated committees. I think each employer and the employees that work for that employer need to address that themselves. Mandating something into an environment where it

could go in with the people that are not in sync with one another I'm not sure is the right thing to do.

SEN. DELUCA: Thank you very much.

SEN. COLAPIETRO: Any further questions from the Committee? Thank you very much for your testimony, sir. George Wilson.

GEORGE WILSON: My name is George Wilson, and I'm here to testify in behalf of the Manufacturing Alliance of Connecticut, the Ansonia Copper and Brass, an employee owned company for which I am president.

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Workers' compensation is a very emotional issue for me since compensation costs were a major factor where our previous owner almost liquidated our company. The primary goal of Legislators, business leaders and workers should be the preservation of Connecticut jobs. A reduction in compensation costs would assist manufacturers to accomplish this goal. Compensation benefit changes must occur to preserve jobs. However, the workers should not be the only party contributing to job saving efforts. Structure changes must occur, and insurance companies and medical providers must also be part of this change.

A very small segment of medical community shows complete disregard for the real purpose of compensation and constantly stretches the system to the limit. Insurance companies, compensation commissioners, company management workers, members of your Labor Committee and other members of the medical community know who they are, but nobody recommends legislation to stop it. Questions to be asked: Should doctors be restricted from sending compensation benefit patients to their own labs and physical therapy? Should doctors be required to fill out a standardized work restriction sheet within two business days of the patient visit or be fined? When they don't they stop light duty programs. Should doctors be restricted from asking patients if their injury is compensable? Higher fees for guaranteed payment? It just doesn't make sense.

Should an ombudsman be appointed to report questionable medical practices and uncooperative medical providers? I think so. Requiring employees to participate in their workers' compensation managed health plan would certainly help eliminate questionable doctors from the system. Another approach to eliminate questionable doctors is to allow companies to post a list of 10 doctors which their employees could not utilize.

Excessive insurance rates have occurred since passage in 1991 workers' compensation reform package. We cannot let this happen again. Let's require as part of the reform package a reduction in insurance rates. There is no real incentive for insurance companies to control workers' compensation expenditures since premiums grow with costs. They know the system abuses better than anyone, but they do not take a leadership role to correct it. Inadequate by two previous insurance carriers almost cost our workers their jobs.

Finally, we were fortunate enough to find an insurance carrier who understand what his duties were and we brought our costs under control. Summary of benefit changes: limit scar awards since such action would reduce manufacturing costs and not impact the quality of life of the worker; elimination of overtime and bonuses calculated for benefit programs will have a larger cost reduction impact on small manufacturers and small manufacturing companies than reducing the benefit from 150 to 100, and we're trying to save small manufacturing jobs.

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SEN. COLAPIETRO: Would you try to summarize?

GEORGE WILSON: Limit award for psychological stress claims, and if you don't limit them say goodbye to small manufacturing. Thank you.

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SEN. COLAPIETRO: Thank you, Mr. Wilson. Hold on a second. We might have some questions. Are there any questions from Committee members. I have a couple. I must say I admire your candor, Mr. Wilson. I did read your testimony you gave me in

MICHAEL FERRUCCI: Well, then if I have to summarize, I also want to make sure the provision of this bill HB 6937 which would discontinue the heart and hypertension benefit is bogus. Please don't do that for any of our workers whether they're current or new employees, and finally, if I'm out of time, please read this testimony because one thing I wanted to say about the executive chamber is that while his excellency is against gambling, he appears to be the kind of a governor who would gamble however with worker safety, and we're not about to accept that from him or anyone else.

SEN. COLAPIETRO: Thank you. (Applause) Please, please don't. You're going to get me fired if you keep it up. (Boos) Are there any questions from the Committee? Thank you, Mike, wherever you went. That's why we brought the mallet this time here. Please hold the applause. It doesn't do anyone any good here. It doesn't help me or Mike or the chair to keep things in order and it doesn't help us except we sell a lot of newspapers the following day.

At this time here I'd like to call Sheila McCaffrey, followed by Howard Ault.

SHEILA MCCAFFREY: Chairman Colapietro, Lawlor and other Committee members, I'm Sheila McCaffrey, manager of government relations at Pitney-Bowes, a manufacturing and marketing company, employing over 6,000 people in the State of Connecticut. With me today is Jane Millard, disability rehabilitation medical consultant for the company. I have also been asked to testify on behalf of SACIA.

Pitney-Bowes urges your support for meaningful reform of the workers' compensation system. Connecticut employers pay among the highest workers' compensation rates in the country, and the state's benefits for specific injuries are among the highest in the nation. In 1991, the General Assembly sought to reduce the cost of the system by eliminating some of the existing financial disincentives to return to work, and by enabling employers to monitor the medical treatment provided to workers on disability.

hearing, but by more serious penalties. Thank you for taking the time to hear my testimony in regards to workers' compensation claim and how important the job of the administering the workers' compensation carrier is.

SEN. COLAPIETRO: Your time is up. Could you summarize, please?

HOWARD AULT: Pretty much all you've got to do is oversee what people are doing. Pay attention to these insurance companies more. Thank you.

SEN. COLAPIETRO: Thank you very much. Any questions from the Committee? Thank you. Joseph Pouliot, you can correct me on that please.

JOSEPH POULIOT: Good morning, Senator Colapietro, Representative Lawlor and members of the Committee. I'm Joseph Pouliot, the director of industrial relations with the United Illuminating Company in New Haven, Connecticut, and my responsibilities include occupational safety, workers's compensation and benefits. UI is an investor owned electric utility serving roughly about 300,000 customers in Fairfield and New Haven Counties, and we employ approximately 1500 employees.

I'm here to speak in support of reform of the workers' compensation system, specifically the twelve issues identified by the business coalition and distributed to the members of the State Legislature prior to this meeting. First, let me explain that even though UI is self insured as many businesses in Connecticut are, our workers' compensation have risen an average of 14% annually since 1987.

This fact disagrees with the argument that's been raised that insurance rates are driving up the cost of the system. Being self insured we have no insurance company to which we pay the premiums, no third party backing us up. We pay all the bills. Last year we paid out approximately \$1.8 million in workers' compensation and that's an average of \$1200 per employee. UI has a very active accident prevention program which includes employee safety

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meetings and things of that type, and we do all we can to reduce worker's accidents, and we have been successful.

We've had to major generating facilities in Bridgeport and New Haven that operated for in excess of one year without a lost time action, so there's a lot of good things taking place in our company, but it's ironic that from 1987 to 1991, while we reduced the lost time accident rate by 61%, loss days by 27%, our workers' compensation costs rose 65%.

We also pride ourselves on being fair to our employees. We insure that every employee who experiences a job related injury receives every benefit to which he or she is entitled to. No one wants workers treated unfairly, but something must be done about the skyrocketing cost of workers' compensation. Reform is needed because the current system is not working. Companies citing the cost of workers' compensation as one of the major reasons are moving to states where these costs are more reasonable.

We have to ask ourselves a question. What good is it for workers to have access to one of the nation's highest workers' compensation benefits if he or she loses their job because those compensation costs are too high a price to pay for doing business in Connecticut. Time doesn't allow me to go into some of the details addressed in the business coalition's proposal, but I would like to answer any questions that you may have, sir.

SEN. COLAPIETRO: Thank you. I just have a couple of quick ones. How many of your employees would qualify for that \$769 roughly? 110% 5089

7171

JOSEPH POULIOT: I would take a guess, Senator, that we're looking at probably about 2% of the non management people. If we include the management people, we're probably looking at about 4.

SEN. COLAPIETRO: That's a good job. That's great. Just one other thing, when you say self insured, you mean you take your money and you give it to the insurance companies to administer for you, correct?

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JOSEPH POULIOT: No, what we do is we have hired a third party administrator which is not an insurance company. We're not insured, we don't pay premiums, and we have some people in house, a manager of occupational health and safety who is responsible for workers' comp, and she manages a third party administrator. We pay all the bills. All they do basically is to process the claims. They attend some hearings for us now and then, but those are handled by our in house staff.

SEN. COLAPIETRO: They do administer for you, whether it's an insurance company. It's an outfit that takes care of your money and handles your claims and what not for you, correct?

JOSEPH POULIOT: It's a third party administrator, yes, sir. It's not an insurance company.

SEN. COLAPIETRO: Okay, thank you.

JOSEPH POULIOT: We could not afford to be fully insured. It would probably raise our costs by 25%.

SEN. COLAPIETRO: I know you have a good program going over there at UI too on your safety committees. I commend you for that. I talked with Carl Lewis a couple of times and I was impressed.

JOSEPH POULIOT: Thank you very much, Senator.

SEN. COLAPIETRO: Are there any questions from the Committee? Thank you very much. George Strutt followed by Joseph Minetti.

GEORGE STRUTT: Good afternoon. I'm George Strutt, compensation representative for the Metal Trades Council. I'm here to address you on behalf of Metal Trades Council which represents 7500 workers, men and women at Electric Boat Division in Groton, Connecticut. I'd like to address you on the proposals on restricting scarring and disfigurement awards. We oppose any change in this law. I would like to call to your attention the fact that working in the shipyard can be very dangerous and hazardous work. Our members work under dangerous conditions because of the very nature of the job of building submarines.

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I don't know if anyone from the Committee has ever been on a submarine, but some of the places we're required to work are extremely tight and this can cause unavoidable injuries. From my own observation, I would say that 90% of the scarring is on other parts of the body other than the head and face. I cannot understand taking a benefit away because in most cases, it is unavoidable to get injured because of the type of work we must perform.

I would also like to ask you to support HB7172. I would like to address Section 15g, page 38. This is to allow partial disability workers to collect compensation while they are engaged in vocational rehabilitation programs. At the present time there is no tie in between vocational rehab and workers' compensation, so what often happens is the claimants are forced to drop out of the school when their comp is cut off.

For some to work is the DWR plays substantive benefits. Most workers, however, are dependent on the generosity and good will of the insurance company. This proposal would promote retraining and reduce long term compensation costs by the providing claimant, would financially support while they participate in vocational rehabilitation programs.

In conclusion, I ask you to stop any cuts in our benefits. Representatives in the past have accomplished much to improve the workers' compensation in the State of Connecticut. I request you as our Representatives not to take a step backwards by reducing our benefits. Thank you.

REP. EBERLE: Thank you, Mr. Strutt. Are there questions from the Committee? Seeing none, thank you. Joseph Minetti, and then Patricia Petersen and then Beekman Beavers. Mr. Minetti.

FRANK JOHNSON: My name is Frank Johnson. I'm the executive director of the Manufacturing Alliance of Connecticut.

REP. EBERLE: Could you take the mic and speak, hold it close to your mouth please?

We have begun to work in that direction through the PPO for workers' comp as well as the safety committees in the work place and mandatory training. I would now like to have Sara Cover Fraser, one of my colleagues in the Department speak to her experience on the job which forced her to use hazardous workers' comp.

SARA FRASER: Good afternoon. My name is Sara Fraser and I'm a state school instructor with the Department of Mental Retardation and a member of CSEA.

REP. EBERLE: Can you summarize quickly? I'm sorry, but the three minutes is up.

SARA FRASER: Okay, in July of 1986, I was working with several clients and without warning a client threw a punch and hit me directly in the jaw. My jaw was shattered and it's changed my life dramatically. I have chronic pain in the jaw, constant headaches and dizziness have become a part of my life. After five operations in which surgeons used my ribs to reconstruct my jaw, I'm scheduled for the sixth at the end of the month.

I'm here today to make it clear to members of this Committee that anyone who works with clients with unpredictable and often violent behaviors is at risk for serious injury. I urge you to vote no on this bill. Thank you.

REP. EBERLE: Thank you very much. Are there questions from the Committee? Seeing none, thank you. Beekman Beavers, followed by Steven Embry and then Don Kiley, please. Is Mr. Beavers here? Alright, Steven Embry, to be followed by Don Kiley and then Ken Delacruz.

ATTY. STEVEN EMBRY: Members of the Labor Committee, my name is Steven Embry, and I'm an attorney and like you I represent the interest of injured workers who have given their arms and their backs and their hearts to help build this country. We're here to determine today whether or not those workers are going to be sentenced to a ghetto of poverty, pain and hopelessness. We here in Connecticut are not living up to our obligations to our injured workers. We rank first in the country in income,

and 14th in the amount of money paid in compensation indicating that we are far behind what we need to be doing.

An injured worker in Connecticut loses his job. He loses his pension and he loses his health insurance, and now he's blamed for the bad economy and all I can say is shame on you for blaming him for that. A worker who is so disabled that his employer refuses to take him back to work should be treated fairly and the burden shifted to the insurance company to prove that work is available. The worker is so disabled that he can only get back to work with retraining should be supported while he is in school.

We should more fully compensate workers who have permanent wage loss and are truly suffering. When a medical bill is submitted to an insurance company, the insurance company should pay it promptly or tell them why not. An employer who discovers his employee has been injured should be required to report it to him out of fairness and justice and to notify the employee of his rights. Our system for compensating asbestos victims is a tragedy and a farce.

It's a disaster that now takes years to solve because of multiple hearings requiring multiple employers to be brought in. We here on the Connecticut Trial Lawyers support a system of simplified justice of joint and several liability to insure that workers are paid promptly and fairly. We must restore health insurance benefits to injured workers. It is absolutely unacceptable to end medical care at the very moment that a worker is hurt. Most importantly we strongly support efforts to reduce injuries.

It's injuries after all that cost jobs, not workers' compensation. We should not be blaming the victims. We support safety committees and safety inspectors to end the carnage and cost of injuries. When an employee, employer intentionally disregards OSHA regulations, it should be stripped of the shield of workers' compensation. For workers' compensation is a shield designed to

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protect employers from the consequences of industrial accidents, shifting those costs onto the broken backs of workers.

Do not be confused by those who suggest that if we only pretend that there is no cost to injuries that those costs will go away. Last year we took a step back from fairness. The forces of darkness are gathering again here at this very Chamber.

REP. EBERLE: Could you please summarize, sir?

ATTY. STEVEN EMBRY: Yeah, I will. The sound that you hear in the State of Connecticut now is swords being beaten into plow shares. Unfortunately the business alliance wants to beat those swords over the workers' heads. They get to keep the shield of workers' compensation while the worker gets the sword.

REP. EBERLE: Alright. Are there questions?
Representative Andrews.

REP. ANDREWS: Sir, you talked and stated that you're in favor of simplification of the system.

ATTY. STEVEN EMBRY: Yes, sir.

REP. ANDREWS: To that end would you favor streamlining the system that would make it a heck of a lot easier for a worker to get into the system to go through the informal and formal hearing process without the necessity of an attorney?

ATTY. STEVEN EMBRY: Well, I certainly would if that could be done. And then there's a simple rule for that. If you don't allow employers to be represented by attorneys, then there's no reason why workers should have attorneys. My experience is quite simple that the employer cuts off the faucet and the employee has to turn around and seek for help from someplace else, and the Commissioners can't do it.

On the other hand, we certainly should have a simpler system without multiple litigation costs. For instance, under the statute now, an asbestos victim who has worked for 50 employers has to bring all of those 50 employers in and each of those

I have been brought under a lot of stress, bad reviews, every kind of problem that an employee could possibly be put through, I have been put through. I have been rushed to the hospital four times, three of which were for an anxiety and stress and the last time which was in October I was brought to the hospital with what the hospital diagnosed as a heart problem. My doctor advised me that the fifth trip, he cannot guarantee I'll come back.

At that time, I told my company that I can no longer - my doctor wrote a letter to the company telling them that he advised me not to go back any longer. That was in October of 82, we had a preliminary hearing, compensation hearing. It was denied by the company and as of yet I have not heard anything. As of now, I have zero income, and I'm losing my house, car and my family. I'm 56 years of age. I have 34 years experience in my field. I'm an expert in my field. I can no longer get another job because of my age, and I'm really scared of what's going to happen with this new proposal that the State of Connecticut's going to have, and I protected the public and this is what I get for protecting the public. Thank you.

REP. LAWLOR: Thank you very much. Any questions? Next is Patricia Olbrook, followed by John Olsen, followed by Bruce Hogan, followed by Renee Reese and those of you who are keeping score, we're now just beginning the second of four pages, so we're about 25% of the way through. We're at number 20 on each side. 20 people from each side have already testified out of 160. Patricia Olbrook. Then we'll go directly to John Olsen if Patricia's not here. John Olsen, followed by Bruce Hogan.

JOHN OLSEN: Thank you, Mr. Chairman and members of the Committee. My name is John Olsen. I'm president of the Connecticut state AFL-CIO, and I'm here today to speak on behalf of all the injured workers of the State of Connecticut as well as all those who are working productively out there. I'm outraged by the demagoguery and the distortion and the exploitation of an issue and the scapegoating of workers here in the State of Connecticut.

CBIA and others have turned around and come up here with buttons that say jobs, and it's costing Connecticut jobs. The jobs that we're talking about are jobs that are lost and that are gone, and that when you look at what's been in the way of keeping jobs here in the way of abatements and we can document how companies have been given money to stay here and they've still left and that this should not be exploited this way.

To talk about the distortion of the issue is the 150% of the average production wage, and I wish HB 5089 everybody was here to hear it. No one in this state receives any more than 80% of their net pay with the exception of those in hazardous duty, and I profess to say that if anybody watched on tv the other night when there was a press conference that correction officer sitting there with his head blown up that we have to reduce his net pay by 20% and yet maintain the corporate salaries of a million, million and a half and all those attorneys that work for them over there making a half a million dollars in excess of that, then I don't know what the hell we're talking about as far as equity in the system that we have here, but we in the AFL-CIO are not for status quo.

We're for meaningful reform, and when we look at meaningful reform, we talk about health and safety HB 7172, committees. Again in the discussion of debates up 6818, here, there's people who say well, we support 6939 health and safety committees, but we don't believe in mandating them. Well, I profess to you, Mr. Chairman, that what we ought to do, I believe in the 55 mile an hour limit and I abide by it, but I think it ought to be voluntary because most people abide by it and it has no affect on us, so let's remove the state limits.

By the way, let us disassembly this whole place, because everything that you pass in these Chambers are mandates and that's what you're here for is to pass mandates, and I will say to those who argue that health and safety committees aren't affecting anyone else, and that they do affect the absence of those injured workers, the cost to society, the lack of productivity, all that affects all of us, business, citizens alike.

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Again I would say that for those other areas that if someone wanted to collective bargain, collective bargaining. I'll give you a good example of a non-union collective bargaining setting. Electrolux in Greenwich, they collectively bargained and it was non-union. They had no outside affiliations whatsoever. They had democracy there within that workplace, and what they did was the workers got together and never organized officially, but they did come forward and set demands, and you can check that out with your Representatives from Greenwich, because it would apply to any collectively bargained agreement.

REP. LAWLOR: Thanks very much. I don't know if Patricia Olbrook came back, but if not, she sort of lost her place. Bruce Hogan is next, followed by Renae Reese, followed by Roger Chapman, followed Sylvia Tirrell, followed by Don Kiley, who I think I saw testifying earlier. I don't know, and Mike Minny following that. Or Bruce Hogan was next. I'm sorry. Is he here? Well, then Roger, go ahead. One desk down, Roger. There you go.

ROGER CHAPMAN: My name is Roger Chapman. I am Chairman of Connecticut Constructions Industries and president of Blakesly, Arpeia, Chapman, a heavy and marine contracting firm, located in Branford, Connecticut. You'll hear many specific proposals for Workers' Compensation reform today. I'd like to address that we consider most important. The first is to make the managed care plan provided by HB 5039, the employer more effective. The Legislature worked diligently to come with the provisions of 7171 the present law two years ago. The employer must provide the employee a choice from a panel of physicians.

The Commissioner must review and approve any plan and the physicians in it. The employer orders insurance company have every economic incentive to provide the best medical care that money can buy. The bill was amended to allow employees to opt out of the plan. We believe that this legislature should do away with the opt out provision.

REP. LAWLOR: That wasn't the bell for you, Roger. That was just a telephone ringing. So you're still within your time.

ROGER CHAPMAN: Oh, okay. The second reform to the present law has to do with the way the specific award is computed. The specific award is a sum of money awarded to an injured worker for any loss of use of body part that he or she suffers. The way the law now reads the specific award is for the total loss of use of that body part that the individual has without regard to how small a fraction of that loss of use is work connected. 1159112
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We submit that this is not the proper use of a Workers' Compensation system. We don't understand any way anyone can claim any form of fairness to the idea that a person should be compensated by the Workers' Compensation system for prior injuries or for the effect of aging. We believe that the Legislature here has a great task in front of it, and we hope that these will not be looked at as Democratic proposals, Republican proposals, Connecticut Party proposals or labor or management proposals.

This has to do with the total economic well being of Connecticut. Our industry is suffering tremendous leverage effects from the economic downturn in Connecticut. The unemployment runs in the order of 25% in our industry and this is a very vital thing for our whole state to turn around. Thank you.

REP. LAWLOR: Thank you, Roger. I'd just point out that we did have a very fruitful discussion several weeks ago, you and I, and I appreciate the interest of yourself and many other employers in the state who take a very constructive approach at, so to speak, constructive approach at this problem. If there's any questions from members of the Committee?

Then, thank you very much, and just for the convenience of everyone, I realize that we are just still at the beginning of a very long list. Our clerk, John Emera, has copies of the list as you signed up so if you want to get a sense of where you stand on the list at this point, John will be over here on the side. You can just check where you are on the list.

We're just at the top of page two for both, page two of four for both sides, so if you just want to check and get a sense of where you are, and from now on forward I think for simplicity's sake if you're not available when your name is called, we're probably going to skip right by you, so with that we go to Renae Rees who will be followed by Don Kiley, who I think already testified, then Silvia Tirrell and Larry Prapela and Mike Minney. John Laperty and David Greenleaf.

RENAE REESE: My name's Renae Reese. I'm the Director of the Connecticut Council on Occupational Safety and Health. We come before the Labor and Public Employees Committee today on an artificially even playing field. We're all dressed up. We're all on our best behavior. This morning we sat side by side in the Halls of the Legislative Office Building, but I submit to you that the playing field was very different outside these halls.

Out there in the bowels of industry and the trenches of construction, on the one side you have people who are directly or indirectly responsible for injuring people and making them sick. On the other side, you have people who are struggling, struggling to stay alive, struggling to keep their health, struggling to keep working because that after all is what they want to do, and struggling to keep supporting their families.

To illustrate the imbalance in the playing field in 1991, there were approximately 117,000 reportable injuries and illnesses in the State of Connecticut. In order to be reportable, an injury or an illness has to require medical care, so we're not talking about an injury that could be taken care with a bandaid. I don't think I need to tell you that will the casualties were on one side. Consider the difference in what is at stake here for people in the room.

Also I should let you know that there are many injured, sick and dead workers who don't show up in the Workers' Compensation system. In 1991, more workers died of occupational diseases including asbestosis, silicosis, mesophilioma, hard metals disease. More died than received Workers' Compensation benefits or than whose families

received Workers' Compensation benefits. If Connecticut business really wants to save money, which is not by the way the same thing as creating jobs, if they really want to save money, they would be proposing to prevent injuries and illnesses.

They'd be proposing to keep their productive skilled workers on the job, to keep them healthy, to keep them safe. They'd be proposing to pay people to work, not to languish in agony. They'd be proposing to protect morale for workers who watch their co-workers get hurt or get sick. They'd be proposing to have mandatory health and safety committees to protect themselves and other businesses who don't voluntarily establish such committees.

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These committees should exist with real worker involvement and with real authority to make changes in the workplace and eliminate hazards. Six states now have mandatory health and safety committees. Tennessee, Minnesota, North Carolina, Washington, California and Oregon, all of these states point successes with this mandate and Oregon for one has pointed to decreases in their Workers' Compensation premiums over the last three years because of their mandatory health and safety committees.

Business would be proposing to pounce on the epidemic of repetitive strain injuries. These injuries and illnesses have increased 350% over the last five years. HB7173 goes part of the way towards preventing these injuries by mandating the use of video display terminals. Business if they wanted to really save money would be providing light duty work to get their treasured employees back to work while they're recovering from their injuries and illnesses.

They would be pressing for real health care reform A single payer national health care plan. After all medical care costs account for 4/5 of the increase in Workers' Compensation costs over the last decade. Why are we looking at the small piece of the pie? Why are we looking at the amount of increasing costs that are a result of worker benefits which is in part a result of increases in injury and illness rates?

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REP. LAWLOR: Sylvia, if you could just summarize at this point. I mean, Renae.

RENAE REESE: I will summarize. Thank you. As you just heard only about a third of premium dollars actually go to workers as wage replacement. Why isn't the committee and why isn't business looking at the other 2/3? Workers have actually received a reduced portion of premium dollars over the past few years. Finally, I just want to say that injured workers and their families have just taken a big hit in this state. The U.S. Supreme Court just empowered business to cut injured workers and their families off from their health care benefits, and I want to note that the U. S. Supreme Court did not require business to cut workers off from their health care benefits. They merely opened the doors for this possibility. Injured workers have suffered enough. They've taken a big hit. Thank you.

REP. LAWLOR: Thank you, Renae, and you mentioned something that I think might be the first time I've heard that statistic and perhaps you could elaborate on it, and that is did you indicate 4/5 of the cost was health care oriented or not?

RENAE REESE: 4/5 of the increases in costs over the last decade are a result of increases in medical care costs, so the other 1/5 is other increases. Any kind of increases in the other 1/5.

REP. LAWLOR: Thank you. Questions? Thanks very much. Next is Larry Drapela followed by Sylvia Tirrell then John Lapidis, then Mike Minny, then Peter Campbell, then David Greenleaf.

LARRY DRAPELA: I appreciate the opportunity to speak to you today about Workers' Compensation reform. My name is Larry Drapela. I work at the safety department at American Scientamid, now Sci-Tech Industries in Wallingford. We have 650 employees involved in the manufacture of resins, plastics and molding compounds. We believe the best method for reducing injuries and improving safety in the work force is good safety programs, those in which management and employees work together on safety committees and teams.

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We have done this for many years, and it seems a continued improvement in the severity and frequency of injuries. In 1989, our local unions nominated us for an employer safety award from the Division of Workers' Education. We received this award later that year. Workers' Compensation experience should be directly related to injury performance. The better the performance, the lower the Workers' Comp experience. Unfortunately this is not the case.

Even as our injury performance has improved, we have experienced rising Workers' Compensation costs. Obviously factors other than safety are impacting our Workers' Compensation experience. WE believe the major factor now impacting our Workers' Comp costs is the high level of claims consciousness in the work force which is the result of high and readily available Workers' Compensation benefits.

We are frequently compared within our organization to two sci-tech facilities located in other states. I do have a fax sheet which outlines the comparison of reportable injuries, claims and total costs for 1989 to 91 for these three facilities. The Wallingford plant and the two others. At Wallingford we had 223 claims during this three year period costing almost \$1.4. The other two facilities both with similar populations to ours had a total of 27 claims at a cost of \$332,000. All three facilities operate under the same management and safety policies. Our Wallingford plant has a least an equal if not better safety performance than the other two.

We have a quality action team comprised of management and hourly employees whose mission is to identify and help in the implementation of improvements to our internal Workers' Compensation process. Some of these improvements have been made and have helped us expedite our internal process, but meaningful cost savings cannot be realized until we like many of the other employers who have given testimony here today receive help in the form of legislative reform. Despite our improving safety performance, we have seen our Workers'

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Compensation premium rise from \$440,000 in 1991 to \$775,000 in 1992 to \$970,000 in 1993. Almost a million dollars for a population of 650 people.

In summary, we support the business coalition reform proposals which will help us as well as other manufacturing employers to make those changes in the work place which will in turn make us a more competitive company for the future. I'd be happy to answer any questions.

REP. LAWLOR: Thank you very much, Larry. Any questions from a member of the Committee? Thank you. Just by way of explanation, many of the members of the Committee are also members of the Public Safety Committee. We're all members of at least three committees, and the Public Safety Committee is meeting for votes at this time and that's why most of the members are out of the Chamber. Sylvia Tirrell, followed by John Lapidis.

SYLVIA TIRRELL: Representative Lawlor and members of the Labor Committee, as some of you may know, I'm Sylvia Tirrell, an administrative assistant at Fairfield Hills Hospital, and president of AFSCME Local 562, one of the eight state employee clerical locals. I am speaking today of HB7173. For ten years clerical workers have been appearing before you and asking for legislation setting safety standards for video display terminals.

This year is the eleventh. All that lost time has lead to millions of dollars in medical costs, disability claims, lawyers' fees and administrative costs. We have ten years of medical documentation to back up our claims that VDTs cause physical and mental trauma and that cumulative trauma disorders are clearly job related. We have not yet had any success in convincing you to face these facts. Yet last year the state police unit appeared before you claiming that hand held radar guns cause cancer. Miraculously and immediately hand held radar guns were banned. Is that luck or is it just another clear cut cost of sexist behavior?

They had no medical proof, but we have proof that VDTs cause harm to arms, fingers, eyes and backs, but there are those silly women complaining again. Well, clerical workers are not the only workers

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REP. LAWLOR: And secondarily I think there's a lot said and done about what's going on in Connecticut's prisons all time. I think unfortunately many people mistake, forget that in addition to criminals being in prisons there are corrections officers, and I think people say, well, who cares what happens in there if there's a riot, etc., and all too often you guys and women are overlooked, and certainly you're going to get a fair hearing in this Committee. I can guarantee that.

MICHAEL MINNY: We appreciate that.

REP. LAWLOR: Next is Peter Campbell, then David Greenleaf.

JIM KELLY: Good afternoon. My name is Jim Kelly. I'm filling in for Peter Campbell who obviously is not here. I'd like to thank the Committee today for this opportunity to speak on a very vital topic, regarding the competitive edge in business. For years that edge was very sharp and was easily maintained in the State of Connecticut. Today that edge is becoming increasingly dull in the state and a big factor in this challenge to this edge is of course the workers' compensation. The complaints about the workers' compensation system has been around for a long time. It is no longer just a matter of complaining. It is a matter of survival for business and industry in this state and maintaining jobs. In 1991, this party implemented some reforms to the workers' compensation system.

While that act to reform was a beginning, it did not change many of the mandates where the costs remain high and disproportionate to other states. I read an ad in the paper last week which stated that workers' benefits had been slashed, slashed being in quotes. Interestingly in talking with a great number of our employees who have received both pre and post reform benefits, none of them have complained of slashed benefits while some have noted that the weekly benefit has been reduced somewhat it is not unbearable.

The ad goes on to ask that the employer responsive medical plans be given a chance to work and in our organization we have been using a similar plan for almost two to three years prior to the 1991 implementation. This of course we are providing to our employers with their permission and their full knowledge. I must say that this plan works. The system has worked for us insofar that our people now are seeing quickly unnecessary followup visits are virtually eliminated, the channels of communication between us and the health care provider are very open and the injured employee gets well.

While the system may be helpful in delivering care, it does not address the mandated benefits above and beyond lost time. For example, permanency award, 308A benefits, and preexisting conditions which the employer could not have found on the placement exam and subsequently waived. The most common thing there is back disorders. I represent a firm which employs approximately 1,000 people in the Hartford area. My company also has three plants in the south, one in Florida and two in North Carolina.

A comparison of our workers' compensation experience in these plants should demonstrate part of the reason our system needs reform. In 1992, the average weekly production wage in Connecticut was 513. In North Carolina, it was 387 and in Florida 384. Connecticut was roughly 33% above these two states. The maximum weekly benefit in Connecticut 769, in North Carolina 426 and Florida 409. This means Connecticut's maximum weekly benefit was 81% higher than it is in North Carolina and 88% higher than it is in Florida.

My company's average cost per claim for the policy year ending 4/1/91, I must clarify that our data for 1991 and 92 is still maturing under this system, the claim dollars really don't reflect accurate numbers for approximately a year and a half or more, was going at a 2 to 1 ration, as twice as expensive in Connecticut as it is in the south. It becomes clear that Connecticut is not the place to be if one wishes to control

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compensation costs, and these costs are a prime consideration when a business chooses to locate, relocate or expand.

Our compensation system evolved as a no-fault system where a business would take care of an injured employee and make him well or move forward onto the next day. We have tried that in our organization. I think we have eliminated a number of the hearings that go before the Commissioner over the last 18 months. Of the many claims that we hear from individuals, we take them on a legitimate basis. This has increased our number of claims obviously because we're not going to dispute a great number of them. Unfortunately it does not address the cost at the other end of this.

We are assuming greater costs at the beginning now to treat the employee, get the employee back to work, end the story. Do not cause a dispute.

REP. LAWLOR: If you could summarize, I have a couple of questions for you.

JIM KELLY: I was afraid of that. Well, in any event, I think one of the most important costs that we can control as was mentioned earlier are the permanency awards, and the wages as they are established based on overtime and bonus benefits. Looking at our claims over the last two years, the permanency awards reflect about 3 to 1 ratio. They're three times higher than the actual medical benefits paid. HB 7172

I was just informed yesterday, we have a claim that had 20 days of lost time injury, \$800 in medical bills and has a \$25,000 permanency award attached to it. There was a question earlier about carpal tunnel. All carpal tunnel claims are bilateral, are running between 15 and \$23,000 for permanency. Bear in mind, these people are back on their regular jobs with no restrictions. Okay?

REP. LAWLOR: I just want to ask you it comes up time and time again, this 150% maximum benefit. How many employees at your company are actually collecting over 100% of the average weekly wage? HB 5089

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RAY HENION: Yes, I'd like to thank the Labor Committee for giving me the time to talk. My big concern is HB 7172, the loss of benefits through the 31-284b. 6939 Something has to be done about this immediately. It can't wait until tomorrow. It should have been done yesterday. What the insurance companies were doing if we're talking about insurance fraud here is that for months on end they were sand bagging and not paying the medicals that they should have. They knew that this was coming up in the Supreme Court and that they had a good chance of this passing.

Also as far as going to comp hearings, for every three hearings I've gone to, on two of those occasions, the insurance company, representatives for the insurance company would not show up. When the Commissioners handed down decisions, insurance companies just blatantly disregarded anything they had to say. As far as the way the workers' comp system is run, I think there's an awful lot of room for improvement there. I've been in the system now unfortunately for eight years. It gets to the point where there is times when my checks do not come in. I tried to go through the system and get it corrected through the attorneys. It takes up to four months, still no check. I take it upon myself to make a phone call. Two days, I've got the problem rectified myself.

What's wrong with the system? I don't understand. It should be working for the people. It's the labor groups, the laborers out here are the one's who are the backbone of the state, and we're the ones that are constantly taking the hits on this thing. I've been accessing numerous people and everyone that I talk to have the same exact problems. I'm not the only one who's having problems with the insurance companies. They are not complying to the laws.

Nobody is putting any type of fine on them for not complying to the laws. There is nothing done to them whatsoever, so why abide by them if nothing's going to happen? Do as you please. This is why the system is not working. The labor, the U. S. Labor Department states that in the last year, since 1989 to 1991, 36% of safety programs have been cut. This is so that the companies can save

money, and this is where they took the cuts in. I hear about safety programs here. I was in the trucking business. I never saw any safety programs. It was exactly the opposite.

If you had to work ten hours a day, which the DOT allowed you to do driving, your company would tell you, well, you have to get that load there. I don't know how you're going to do it. Don't tell me, but do it. So here they put the burden on you, and it goes further and further and your safety is not an issue with them. You're expendable. You're a commodity. They can replace you at any time they want and this is what they do, but this 31-284b has hit with me an awful large amount of unpaid medical bills. I have nowhere to turn, and I wish somebody in the Labor Committee could tell me where to go about this. Thank you.

REP. LAWLOR: Thank you, Ray. Any questions? Thanks very much. Next is Steve Senior, followed by Tammy MacFayden, then Tom McGee and Matthew Capece, then I think it's David Brown, Wayne Peccini.

STEVE SENIOR: Thank you very much. My name is Steve Senior, and I'm the Terminal Manager for Roadway Express in Enfield. I appreciate the opportunity to testify before the Joint Committee on Labor and Public Employees on Connecticut's Workers' Compensation system.

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Roadway Express is a nationwide long haul less than truckload motor carrier of general freight serving the 50 states through over 600 terminals. We operate seven terminals in Connecticut with over 250 employees at an annual payroll of over 6.6 million. As an employer concerned about our workers' health and welfare, Roadway has invested substantial time and effort to improve workplace safety. We have a comprehensive safety program in place that identifies the causes of accidents and injuries. Part of that program identifies the most costly injuries both in terms of employee lost time and work activity. As a result, we have initiated several programs to improve lifting procedures and to prevent back, hand and other injuries.

Corrective Action Teams or CAT teams throughout the company are examining our work methods constantly to improve safety and productivity. Because we self-ensure for Workers' Compensation, each injury directly affects our bottom lines. No employer wants injuries, but few invest more in trying to prevent them than Roadway.

In spite of our aggressive programs to identify and prevent injuries, our Workers' Compensation costs in Connecticut continue to grow. In fact, our costs for employees under the Connecticut's Workers' Compensation law are over 1.6 times higher than the Roadway's average nationwide.

In 1992 Connecticut was the highest state for Workers' Compensation costs per employee, more than twice as expensive as New York and New Jersey on a per employee basis. This fact weighs heavily on expansion plans we presently have for New England.

Among the factors driving Connecticut's high Workers' Compensation cost is the high weekly benefit rate, presently 150 percent of the state's average production weekly wage. These benefits should not exceed 100 percent of the state average production wage and should be reduced further if the employee is also receiving retirement or other income. HB 5089

Workers' Compensation benefits should be disallowed to people who are injured as a result of drug or alcohol abuse. Permanent partial disability awards need to be reduced and employees should be required to participate in their employer's management medical care plans where available. HB 5089,
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Currently if a claim is not contested within 26 days of our knowledge of that claim, it is presumed to have been accepted. If an employer pays a medical bill, he has fully accepted the claim although he may want to contest the disability issues.

Employers can only do so much to reduce injuries and provide a safe work environment. We need help in controlling medical and benefit costs. We feel the present situation offers little incentive for

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WAYNE PECCINI: Good afternoon. My name is Wayne Peccini and I represent the Metal Trades Council Safety Committee and I'm also Co-chairman of the Workmen's Compensation Committee. The Metal Trades Council is the umbrella union representing 10 local unions and over 7,000 workers at Electric Boat.

As union representatives, we realize the financial problems the State of Connecticut and the businesses and our state are faced with and we also recognize Workers' Compensation costs are high. We understand the benefits are reducing these costs.

There are many options that should be looked into in achieving this goal. The first and most important is prevention of accidents in the workplace. An example of this would be the Operation Safety Program now in effect at Electric Boat.

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The unions and the company agree to join forces to reduce and prevent injuries in our shipyard. According to the Bureau of Labor Statistics, shipbuilding is the most hazardous occupation in the country. Through our Operation Safety Program, which consisted of safety training session for all workers, purchasing more of and better quality of personal protective equipment and counseling sessions for all injured workers, we were able to reduce our recordable injuries by 33 percent in a 30 month period.

We also reduced days away from work by 25 percent. If a shipyard can reach these levels, all businesses should be able to succeed in doing so. Another option that should be looked at is the cause in profits in insurance carriers. These insurance companies are receiving over 30 percent of the total compensation costs to the state.

Another problem area is health care. The dollars spend on medical bills and hospital stays is staggering and some control on these costs should be sought. These are just a few of the options our elected officials should be focusing on. Cutting the benefits to injured workers in this state should not be considered. In most cases

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these people are hurt because of unsafe conditions in their workplace and it's your job as elected officials to protect them.

By reducing their compensation rates, you are in effect taking away food from their table and their families and allowing and encouraging the businesses of this state to continue operating unsafe workplaces.

I also wanted to go on record as supporting safety committee and also SB1013. Thank you.

REP. LAWLOR: Thank you, Wayne. Any questions? If not, thank you very much. Next is Bruce Ogen, who, if I see correctly, is testifying from the Majority Leader desk, although he's signed up on the pro-business sheet. We'll make an exception there. Bruce will be followed by John LaPerle and then Daniel Combs.

BRUCE OGEN: Senator Colapietro, Representative Lawlor, members of the Labor Committee, my name is Bruce Ogen. I'm the Safety, Health and Environmental Manager at Adahass North America located in Kensington and also the Vice Chairman of the Connecticut Chemical Council.

I'm before your committee to offer some constructive criticism on Raised HB6818, AN ACT CONCERNING THE ESTABLISHMENT OF WORKPLACE SAFETY AND HEALTH COMMITTEES, and to give an historical account of my experiences with workplace teams and specifically with safety teams.

I'll start off by saying that I think workplace committees or teams are a good idea. Over the last five years my side has changed its management style from the traditional commanding control organization to a team-based organization.

Having been a part of this evolution, I'm very familiar with and a strong proponent of establishing workplace teams. A precursor to establishing our teams was to develop a shared vision of what it would be like to work at an ideal place to work. Our goal was to make this ideal place of work our place of work.

would be competitive so they'd have to bring their prices down or control them somewhat or be swallowed up by this competitive fund and I think what you were saying, and correct me if I'm wrong, was that being that as it may, if that were the case, then they would in fact want to be part of that fund, 95 or 97 percent of it because of that and we've been doing a lot of talks on that. I would love to share some of that information with the committee back at the office.

: You should have been here for SNET. They explained it.

SEN. COLAPIETRO: Yes, well, I was here before that too and you'll probably be gone later too. Thank you. Any further questions? Thank you, John. Jack Washburn. We'll go to Carol Burgess followed by James Carabetta.

CAROL BURGESS: Good afternoon. My name is Carol Burgess and I'm a lead mental health worker. I work for the state Department of Mental Health at Norwich Hospital and I'm a delegate with 1199 and I'm speaking in support of the full pay provision HB 6439 for our injured workers and I too would like to note, along with my brother from Corrections, that that benefit is not being paid currently to our workers unless they are directly injured by a client assault.

We are having great difficulty with other payments that we feel are due to indeed the unusual hazards of the nature of the work that we do, such as having to respond to emergency situations running to situations where behavior is out of control.

This is a real difficulty for us and it's a tremendous hardship on our workers to contemplate the loss of the 100 percent benefit because of the frequency of injury and the type of work that we do.

Indeed in this climate where there are so many fiscal constraints and there has been such a reduction in the state workforce due to the early retirements and the lack of being able to replace posted positions in our facilities and indeed at the same time the increasing acuity of the

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illness of the people for whom we care because the people who are better able to care for themselves, whose behavior is better controlled are no longer housed in our facilities. The population remaining is indeed much sicker and the care that we give is much more intense and much more intervention is required.

Therefore, our work is actually becoming much more difficult, so we would encourage the committee not to consider removing this benefit.

It's also important to note that unlike many other jobs, when someone is injured in this kind of work, they can't go back to their usual line of work. They're essentially more disabled and we would encourage the committee to indeed implement legislation about cooperative Labor Management Safety Committees. We have done that in the state sector very successfully in our department. We've reduced injuries in that way and the other area that we've been able to make tremendous progress is on light duty assignments.

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This is a great benefit to people to be able to return as soon as possible to some form of work with their employer and we would encourage the support of this.

SEN. COLAPIETRO: Could you please summarize?

CAROL BURGESS: And the support of Labor Management Safety Committees to work these kinds of arrangements out so that all employers can benefit. Thank you.

SEN. COLAPIETRO: Thank you. Any questions from the committee? Thank you, Ms. Burgess. We will call James Carabetta, followed by Cynthia Lee.

JAMES CARABETTA: Good afternoon, Senator. Good afternoon, members of the committee. My name is Jim Carabetta. I am the Director of Administration for Fosdick Corporation in Meriden. Let me first preface my remarks by stating that although I speak to you on behalf of my company, I cannot ignore the fact that I'm also a Connecticut resident whose lifestyle may depend upon this state's ability to both retain and attract jobs.

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Otherwise if this condition advances into the final stages, I can lose the use of my right arm. I just have a little more to go.

SEN. COLAPIETRO: Yes, could you please summarize. Your time ran out.

CYNTHIA LEE: Okay. And it could progress into the other uninjured arm. This insurance company and their attorneys have denied me treatments and weekly total benefits. I have to admit I'm scared because the longer I delay, the more my health is being placed in jeopardy.

My husband and I have been forced into selling our home before losing it to the bank and to come up with the money to pay for my treatments. It's been a physical and emotional financial toll on myself and my family and it's very important that you protect and not take away any of the benefits from the people that get injured because -- and look for other ways of trying to reduce the premiums for businesses. There's go to be many other ways to reduce that so businesses can survive in the State of Connecticut because we need them too and we need employers.

SEN. COLAPIETRO: Thank you. I'll have to leave it open for committee members. Any questions from the committee? Thank you very much for your testimony. Jack Dwyer followed by Sid Shaffer. Sid Shaffer I believe left.

JOHN DWYER: Good afternoon. My name is John Dwyer and I'm the Director of Human Resources for Sargent Manufacturing Company in New Haven. Sargent is in the business of manufacturing and selling high quality architectural hardware and we've been operating profitably in New Haven for 129 years.

Despite the recession and the downturn in commercial construction we still employ nearly 800 people all within the State of Connecticut. This makes Sargent New Haven's largest industrial employer. Of the 800 jobs provided by Sargent, approximately 350 are unskilled jobs. Our present hourly wage for bargaining unit employees is \$13.60 per hour, making Sargent one of the highest paying factories in the region.

Additionally, we provide employees and their dependents with one of the most comprehensive medical plans I know of and this pays for the health care needs of almost \$3,000 employees, dependents and retirees. Unlike service industries which tend to swap dollars among themselves, Sargent brings into the state over \$100 million a year in new revenues from outside states and countries.

What I'm here to tell you today is that Sargent is losing the battle for economic survival within the State of Connecticut and primary among the factors contributing to this reality is the high cost of our Workers' Compensation.

At a time when we began struggling with drastic declines in demand for our products because of the recession, we saw the cost of Workers' Compensation triple in the period 1989 to 1992. Being self-insured, this increase had a dramatic impact on our bottom line, prompting urgent concerns from our senior management both within Sargent and within our parent corporation, S-Star Holdings, Inc. The reason Sargent is still around for 129 years is because we've been a company of action, responding quickly to the challenges which threaten our economic survival.

This crisis has been seen as really being no different than others we've successfully overcome in years gone by and we set up specific initiatives to address the types of issues that experts say can help reduce the cost of your Workers' Compensation associated with occupational injuries and occupational disease. Among the initiatives have been revamping all of our Labor Management Safety Committees, development of management of ergonomics task forces to re-engineer workplace designs and processes which pose risks for occupational disease, the construction of a light duty workroom for employees with any type of work restriction. We've given managers and supervisors over 15 hours of classroom training on risk factors that can lead to occupational disease and we've begun a program to teach production workers exercises they can perform at their work stations which will help reduce the risk of certain types of occupational diseases.

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SEN. COLAPIETRO: Could you summarize please?

JOHN DWYER: I will. What it comes down to is this. I'm urging this committee at this time to recognize some fundamental economic realities employers like Sargent face when trying to compete with other domestic manufacturers of the same type of goods that we produce in states like South Carolina, North Carolina, Indiana, Kentucky and Illinois.

The fact is that the richness of our system puts Sargent at a competitive disadvantage with other manufacturers of architectural hardware in other states and unless relief is granted through the reforms proposed before this body at this time, Sargent, like many other manufacturers, are going to have to explore other types of alternatives in an attempt to achieve parity with our competitors. Thank you.

SEN. COLAPIETRO: Thank you. Any questions from the committee? Thank you very much. We have Joe Pivano followed by Michael Pietro. Joe Pavano. Michael Pietro. Brian Lynch, followed by Edward Givens.

DR. BRIAN LYNCH: Mr. Chairman, members of the Labor Committee, I'm Dr. Brian Lynch, an Optometrist practicing in Branford, Connecticut and President-Elect of the Connecticut Optometric Society. I'm here today in support of HB6571, AN ACT TO INCLUDE OPTOMETRY IN THE WORKERS' COMP STATUTES.

Currently the Workers' Comp statutes specify that the services of physicians of various specialities, chiropractors, psychologists, dentists, podiatrists and other providers be made available to those injured on the job. However, the services of optometry, the primary eye care provider for the majority of Connecticut residents, is not.

The purpose of this bill is to add optometry to the list of provider services. Seventy percent of Connecticut residents entrust their visual welfare to their local optometrist. Through the years a doctor/patient relationship develops as well as a trust and confidence in that primary eye care provider.

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DR. BRIAN LYNCH: Generally, studies have been done where comparing procedure code to procedure code, meaning the identical procedure done in an optometrist's office versus an ophthalmological office, and study after study proves that the cost savings is approximately 20 percent when optometry is used on a primary care level.

SEN. COLAPIETRO: Very interesting. Thank you very much, Doctor, and thank you --.

DR. BRIAN LYNCH: Thank you.

SEN. COLAPIETRO: Any other questions? Thank you. Edward Givens. It could be Goobins. Betsy Grady followed by William Moore.

BETSY GRADY: Good afternoon, Senator Colapietro, Representative Lawlor and members of the Labor Committee. My name is Betsy Grady and I come before you today to speak about my experience with Connecticut Workers' Compensation system. My husband has worked as a truck driver for the same employer for 16 years.

Eight months ago he was involved in an industrial accident which left him with two broken bones and something called a soft tissue crushed injury on his left foot, his clutch foot. With the exception of a few weeks of light duty work, my husband has been on total temporary disability since July 6, 1992.

He has already undergone surgery because one of the bones didn't heal and faces the possibility of a second surgery because of another problem with his toe. His foot is disfigured and discolored because of the crush injury and a doctor has told us it will probably never be the same. He is recovering but the process is slow.

Prior to this accident my husband rarely missed a day of work due to illness. I believe my husband's situation to be a classic example of how the Workers' Compensation system is supposed to work. An employee gets injured on the job and files a claim for Workers' Compensation. He or she receives weekly benefits. Doctor, hospital and

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related medical expense charges are paid for or reimbursed. The employee gets better, then returns to his or her job.

When all of the above is true, no lawsuits are filed and everyone lives happily ever after. My husband is getting better and we are hopeful that his injury will not prevent him from going back to driving his truck. His medical expenses are being paid for and we have been reimbursed for out-of-pocket expenses incurred.

With a few exceptions, he receives his weekly comp check in a timely manner and the benefit rate he receives closely resembles his take-home pay prior to the accident because the initial calculation done by both the employer and the insurance company HB 7172 included straight time and overtime wages.

Overtime was a regular part of my husband's job and after a number of years of receiving overtime pay, we became used to a regular weekly amount of take-home pay. Fortunately for our budget, his overtime was properly included in the averaging of his wages to determine the benefit rate.

His claim is on file with the commissioner in the 5th District, but so far we have not had the need to contact that office for any assistance. I would also like to add that even though we believe an other person's negligence is responsible for causing the 450 pounds of metal to come crashing down off a forklift from five feet in the air onto his foot, there will be no litigation. There's not supposed to be when the system is working.

While I have painted a relatively pleasant picture, I must also tell you that being out on comp is no picnic, not for him and not for me. I have a feeling that every employee on comp would agree. Apart from the physical pain, as each week passes, we experience a financial hit. The company's pension and profit sharing programs are based on wages. He's still an employee, but he's being paid by the insurance company.

SEN. COLAPIETRO: Can you summarize?

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BETSY GRADY: So despite the negative aspects, which I didn't get to mention all of, I still believe his case is a true example of Workers' Comp when it's working. I suspect there are abuses, but I also believe that most employees aren't thrilled to be injured and missing work.

To force them to jump through hoops to prove the legitimacy of their claims or put them in a position of being unable to pay their bills and support their families because business thinks the system is out of control is, in my opinion, inhuman.

It also strikes me that bending over backwards to cater to the greed of business at the expense of the workers of this state and their well-being is ridiculous. The Connecticut Workers' Compensation system works. If it ain't broke, don't fix it.

SEN. COLAPIETRO: Thank you, Betsy. Any questions from the committee? Thank you very much. William Moore, followed by Marilee Millstone.

HENRY MOORE: It's the wrong Moore I think. I'm Henry Moore and I wasn't sure I heard the first name right.

SEN. COLAPIETRO: There's a William Moore and there is a Henry Moore.

HENRY MOORE: I'm Henry.

SEN. COLAPIETRO: Henry, you're down on this list here. There is no William Moore? Then we'll go to Merilee Millstein and if Marilee Millstein is not here, we'll go back to Carleen Lepre.

GLENNA ATWOOD: I'll be speaking for Marilee.

SEN. COLAPIETRO: Okay.

GLENNA ATWOOD: Good afternoon, ladies and gentlemen. My name is Glenna Atwood and I'm employed by the State of Connecticut, Department of Mental Retardation. I've been here since 8:30 this morning and hope that I'll get your undivided attention and certainly not what I've been observing here.

MICHAEL CUMMINGS: Mr. Chairman, members of the committee, good afternoon. My name is Mike Cummings. I'm Senior Vice-President of the Keywrite Company. We're located in Seymour, Connecticut, located there since 1854, 129 years, employing 250 people. We manufacture medium and high voltage power cable.

Whether you've been in Connecticut as a manufacturer for 129 years or 12 months, the real issues facing us are struggling to remain competitive in a ever increasingly competitive marketplace, both nationally and globally. Of all the economic issues facing my company, Keywrite, none has had a greater impact on us than the issue of health care cost and worker's compensation cost.

Since 1988 when I began tracking these in excruciating detail, our worker's compensation costs have increased by almost 92% and I think the significant part of that is at the same time, through a very aggressive pro-active employee involved safety program, safety committees and the like, we've reduced our worker related accidents, or work related accidents by 50%. So it's kind of a concept of jaws: we've cut our accidents in half and we've seen our worker's comp cost go up almost 100%.

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The issue in my own message in being here today is that we need meaningful dialogue, certainly with you folks here, but also between not only industry and labor, but the insurance companies and health care providers as well. The issue of being competitive in the state of Connecticut and Keywrite a year ago looked at moving to North Carolina, one of the issues was reducing our worker's comp cost immediately by almost 33%.

That kind of flight from Connecticut is bad for all of us, regardless of where we stand on the issue. I think that the interest of making Connecticut competitive truly relate to jobs, the creation of jobs, the sustaining of jobs in the state and attracting new jobs to the state. So we all need to be in the same boat, rowing in the same direction. Thank you.

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REP. LAWLOR: Thank you, Michael. Are there any questions from members of the committee? If not, and I'd like to point out I think you made a very relevant point, which unfortunately has not been made too many times today, which is we need to bring the insurance companies and the health care providers to the table, as well as business and labor, and the trial lawyers as well, and the insurance company lawyers. Everyone has to participate in improving the system and bringing down the cost of doing business in Connecticut and still being fair to workers. That's kind of what today's proceedings are all about and we're looking for that solution.

MICHAEL CUMMINGS: Absolutely, and it shouldn't be adversarial. I think earlier a couple of people said consensus is a real issue and you're absolutely correct.

REP. LAWLOR: Thank you very much. David Kent. Patricia Goclowski.

PATRICIA GOCLOWSKI: Representative Lawlor and members of the committee and Senator Colapietro. My name is Patricia Goglowski and I'm Southern Division Vice-President of the Connecticut Union of Telephone Workers. The Independent CUTW has represented telecommunication workers in Connecticut for over 55 years. Today we represent over 7,000 Connecticut citizens who work at Southern New England Telecommunications Corporation, the Woodbury Telephone Company and Storer Cable, and our members currently reside throughout Connecticut.

We agree that there is some room for improving the worker's compensation programs, but on behalf of the working men and women of the CUTW, we ask that improvement not take the form of further reductions in worker compensation benefits. We ask that instead of punishing the working men and women who are the legitimate recipients of worker's comp benefits, that you consider the following.

1. The state of Connecticut, labor and business should make job site safety a top priority. Connecticut companies should all have safety committees to review, propose and implement methods

that will reduce work site injuries, including back injuries that are typically caused by unsafe lifting as a result of poor or non-existent training in proper lifting techniques, as is the HB 7113 case with carpal tunnel syndrome that is mainly caused by poor workplace design or ergonomics.

2. The state of Connecticut should study the profits made by insurance companies, especially the profit margins made by the companies that set the premium rates.

3. Most employers will not allow an injured worker to return to work unless the worker can do the same function full time as he or she did prior to the injury. The practice of waiting until the worker is fit to do the exact job encourages and in some cases requires the employee to stay home and collect benefits. Companies should encourage workers to return to work, citing appropriate work limitations while assigning other duties.

4. Set fee limitations regarding physician/hospital charges for worker's comp cases. HB 7172
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5. Track and monitor the frequency and types of injuries reported by physicians and/or hospitals.

It is a given: not all benefit programs are fraud proof. But, all benefit programs can be improved. Improvement, however, does not mean that the injured worker, the person for whom the worker's compensation program was designed to protect, should be denied compensation.

Please consider these suggestions. If enacted, they could help alleviate and remove the problems plaguing this necessary program. We should be relentless in our pursuit to prosecute those who fraudulently use this program. We should be vigilant in punishing those professionals and institutions who are guilty of "profiteering" through the worker's compensation program.

Thank you for the opportunity to address you today.

that have been mentioned. Our utility costs are some of the highest in the nation. Our gasoline tax is one of the highest in the country. Just look at what's going on to Connecticut with our state income tax.

Before we can say that we have, we can correct the woes of the insurance, we've got to correct our state. Some of the tax problems for the businesses in the state of Connecticut should be addressed first. The state of Connecticut houses most of the insurance companies in the country. What's the matter with the insurance companies trying to work with the people of Connecticut, since they are based here?

That's about all I have to say. Thank you for your time.

REP. LAWLOR: Thank you, Bill. Any questions? Okay.
Next is Ferguson Mills.

FERGUSON MILLS: My name is Ferguson Mills. I'm the Human Resources Manager for (inaudible), a company that has been in the paper, not recently, but about a year ago. In 1990 we had a total employment of 815 people with 537 jobs in Connecticut. Competition has forced all of us to do things more efficiently and so we now only have 765 employees, but only 351 of them are in Connecticut.

In the late 1980's, several of our competitors moved, not from Connecticut, but from one state to another to retain some competitive advantages. In 1990 we did a study of our own facilities, a foundry that we, the one in Connecticut, of course, one in Oklahoma, and one in Pennsylvania. The study was very interesting. Yes, utility rates were higher in Connecticut than other places. Yes, water rates were higher. The total labor rate was also much, much higher, but the interesting thing was the wage rates were pretty comparable.

The single biggest line item difference was worker's compensation. Worker's compensation amounted to \$2.96 per hour of the total labor rate in Connecticut for us, \$1.74 an hour for our work force in Pennsylvania, and only \$.93 per hour. The interesting thing was the total cost of a worker's

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comp case in Connecticut at that time was \$33,105. In Pennsylvania, the average case only \$9,704 and in Oklahoma, \$7,131.

Unfortunately, 1991 we moved 106 jobs out of Connecticut. They're still with us, but they're over in Pennsylvania. Everyone keeps talking about going south. Pennsylvania is a much more competitive state to do business in, also. We had plans to move 89 additional jobs to Pennsylvania this year, but we have working with the Department of Economic Development and doing some things ourselves to try and keep those jobs in the state. They are still here. We are hopeful that they will remain.

One of the focuses of comments earlier was safety committees. We have dramatically reduced the injury rate in the Terryville facility. Unfortunately, although we've been successful in reducing the worker's comp premium, we have not been able to reduce it comparable to the amount of, to the accident reduction. We don't honestly feel that the benefit rate paid to the employees is the biggest problem in worker's compensation. Yes, it's higher in Connecticut than in other states. It's also more expensive to live here than it is in other states.

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But there are some things that have been addressed in bills before the Legislature right now that do address some of the problems that would speed up the system and reduce the overall cost. For example, SB249 would bring some consistency to the opinions of the Commissioners. SB350. I think, is a great idea because you're going to get prompt hearings. Now there is a law right now which requires prompt hearings, but it's not always followed.

There are three different bills, SB613, HB5845, HB6293 that address not allowing claims for mental stress. As a veteran of four combat tours, numerous labor negotiations and just life in general, everything is stressful. If it isn't stressful, it's not really worth much.

REP. LAWLOR: If you could begin to summarize.

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cost could be brought down, but it shouldn't be always on the burden of the worker. That's all I have to say.

REP. LAWLOR: Thank you, Michael and I'd point out that we've had testimony from business people and labor organizations and claimants and there's been a definite absence of the health care providers, the doctors here today, so we'll see what happens. Sometimes if they're not here to protest, they're sorry later.

Henry Becker. Hap Perkins. Carlene Lepre. Donald Prebola. I assume you're Donald. Donald, you'll be followed by David Gray or someone from WCIC, Samuel Blondstein, Ken Markley, Don Roll, Vince Monopoli, Jim Tosti are the next names on the pro-business list. Go ahead.

DON PREBOLA: My name is Don Prebola. I'm here today representing InfoMetals Corporation, a structural steel distributor and processor located in Wallingford. We at InfoMetals support the 12 recommendations as proposed by the CBIA.

Briefly, I'd like to let you know what our company is doing in regards to curbing worker's compensation costs, and what affect increased costs will mean to us. In January of 1992, InfoMetals moved from New Haven to Wallingford and invested over two million dollars in building and equipment. For fiscal 1993, we have invested an additional \$400,000 into our facility and added 22 new jobs. We have also watched our worker's comp rate escalate from \$24.52 per 100 of payroll, to \$30.34. This increase equates to 7% of our total expenses, and is our single largest expense other than payroll.

During the same period of expansion, we have taken an offensive stance to combatting injuries. Safety meetings for both warehousemen and truck drivers are mandatory, along with employee safety training programs. Should an employee be injured, direct contact with a physician is made immediately, so the employee can return to light duty work as soon as possible.

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As I speak, we're in the midst of establishing a safety and health committee, so all employees' concerns are identified, and costs are reduced. We have an established right to know program, so once again, employees feel safe in their daily activities.

What all this exactly costs our company I can't really give you today. My point is that our company is working towards a better and safer workplace. We also feel that requiring employees to participate in a managed medical care plan is beneficial to both parties. We believe in quality medical care for all injured employees, but expect cost containment as well.

Increased costs will mean less jobs. Now for the bad news. During a recent management meeting with two sister companies, we compared comp rates and found the following: our Baltimore, Maryland facility, the comp rate is \$11.60; Connecticut is 1.6 times higher. Our Hallandale, Florida facility, the comp rate is \$13.48. 1.3 times higher. Once again, our current rate is \$30.34 per 100.

We should be considering whether or not to stay in Connecticut, because we know we can effectively operate our business from Baltimore, Maryland and maintain the same gross profit while lowering expenses. Closing our facility would be devastating to our employees. If you ask me, losing an additional 34 jobs should be considered a tragedy.

Without your help, we will become a victim to escalating costs, and be forced to relocate this business. We are depending on you to bring our worker's compensation rates in line with the states around us. Thank you.

REP. LAWLOR: Thank you very much. Any questions? If not, thanks. Charles Shreder.

CHARLES SHREDER: Mr. Chairman and members of the committee. My name is Charles Shreder. I have three children, ages 4, 9 and 12. As of February 28, my children are no longer covered by any form of health insurance, due to federal regulations.

I had three back operations. The last one was in February of 1992. I had a spinal fusion, where they inserted three screws and took a piece of bone from my hip. I have a crippling back injury sustained on the job that I held for 14 years. My employer, Rex Ford, discontinued my family's medical coverage. They gave me an option of continuing the coverage at \$560 per month, giving me five days to make a decision to provide them with health care or to provide them with the basic necessities.

Presently I cannot work. I have no money. How am I supposed to come up with \$560 a month? I ask you, the lawmakers of Connecticut, what am I supposed to do when my children become sick, injured or worse yet, have a serious prolonged medical problem? Is it possible that my injury could have been prevented? Of course it could have. My employer, Rex Ford, was solely responsible for my injury, because of their negligence for not providing an adequate safety program.

HB 693968187172

I was trying to do my job the best I know how and the only way Rex Ford would allow me to do it. If stricter guidelines had been established, I would still be working, productive taxpayer in the state of Connecticut and would not be in this situation that further jeopardizes my family's well-being. You should not be looking for ways to cut workman's compensation or family medical benefits. You should be looking at ways to prevent these major corporations from ruining the lives of the average workers. Thank you.

SEN. COLAPIETRO: Thank you. Any questions? James Greco. I'm sorry. Looks like Donald Gray. Is that correct? Then we'll go back to Joseph Tkacz. Thank you. Followed by Donald Gray, if he's here, followed by Doris Cabral.

JOSEPH TKACZ: Mr. Chairman, members of the committee, my name is Joseph Tkacz, and I'm here to express my feelings, my opinions about this whole ordeal. Every time I wake up in the morning, I read the paper, look at the news on T.V. and all it does is make me depressed for the future of the state. It's not that great for us in the long run. We have

force needs a good worker's comp system. But that system has to be fair and just, measured in terms of the competitive environment we live in today.

You've heard earlier today, I'm sure, about how much higher the benefits are in Connecticut compared to neighboring states and competing states, how much more discretion the worker's compensation commissioners have to grant additional benefits, and how much longer the periods are for collecting benefits. So I won't dwell on those statistics.

The worker's compensation coalition, as you know, has put together a comprehensive series of reforms. I believe it's a good program. I believe it has meaningful reforms to it. I also submit to you that meaningful reform of the system will benefit the average worker, because a fair and just system will make Connecticut business better able to compete in the marketplace, and less inclined to move elsewhere.

I want to emphasize, Connecticut business isn't looking for a bare bones system; it's looking for a fair system. They're asking for a competitive system. Give Connecticut business a level playing field and I think both business and workers will benefit. Thank you.

SEN. COLAPIETRO: Thank you. Questions? Thank you. Manuel DelGado. Don Roll. Jesus from SESD. Vince Monopoli. Barb Shasa. James Grecko followed by John Pardy.

DAN LEPAGE: Chairman Lawlor, Chairman Colapietro, members of the labor committee, my name is Dan LePage. I'm the Casualty Insurance Administrator for Sweet Life Foods, a wholesale food distributor. I am here today to voice our support for the reform measure submitted by the Connecticut Worker's Compensation Coalition.

Before addressing specific recommendations, I would like to comment generally that significant reform is critical for employers in Connecticut to continue to do business in Connecticut. Sweet Life Foods is committed to providing a safe workplace for our employees. We have implemented a total

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safety program that is aimed at preventing injuries in the workplace, which includes a pro-active labor management safety committee.

HB 7172,6939,6818

We also have a post-injury response program that provides for the best possible care for our injured workers which includes the entire range of light duty and return to work programs. Our safety policy dictates that there is no higher management priority than workplace safety, as we strive for safe operations excellence in our distribution center. In the preventative and post-injury response, our philosophy has been to look out for our employees best interest, believing that if we act in their best interest, then we are acting in our best interest.

We have steadily improved the working conditions in our distribution center over the past five years. We have implemented a responsive and aggressive ergonomics program, and have made engineering changes that are found in few, if any, other distribution centers in the country. Our incidence severity performance has improved dramatically since 1986, reflected in decreased lost work days, decreased restricted work days and the associated claim costs.

HB 7173

Yet the cost for worker's compensation continues to spiral ahead of our efforts to remain a viable entity in the marketplace. Without affecting reforms such as weekly benefit reduction, adjusting scheduled injury benefits, and modifying section 31-308a awards, we, as with other employers, will not be able to remain competitive. In an industry where a 1% margin of profit is considered good, the costs associated with worker's compensation in Connecticut are prohibitive.

The gentleman from UPS earlier identified that his cost is 52 cents per worker hour. Our cost is 60 cents per worker hour, which severely hinders our ability to compete, thrive and grow in the industry. By reforming worker's compensation as suggested by the coalition . . .

SEN. COLAPIETRO: Could you summarize, please?

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DAN LEPAGE: We will be able to better compete and succeed. Our ability to compete in this industry guarantees jobs for all employees. Especially critical is reform for the second injury fund. We currently have 36 claims pending transfer to the fund. The reimbursements due on these claim transfers has substantially effected our ability to secure financing, expand business and provide capital improvements that would benefit all employees.

Sweet Life Foods wholeheartedly endorses passage of SB1012, HB7152, HB7171 and HB7172. Thank you.

SEN. COLAPIETRO: Thank you. Questions? Thank you very much. Looks like James A. Cameron. Steven Berelli. John Pardy. Fred Graves. Graham Locklear. Fred Stainken followed by Donald.

FRED STAINKEN: Good afternoon, Senator Colapietro, Chairman Lawlor, members of the committee. My name is Fred Stainken and I'm here representing the IBM Company. The importance of reducing worker's compensation costs has been amply covered by many speakers, so I won't take any of your time with that.

However, I would like to briefly make a few points on bills concerning the health and safety committees and on video display terminals. These are covered in more detail in written testimony.

HB 7172,
6939
6818

As a corporate citizen, IBM employs about 4,000 people in Connecticut, and they're involved in a lot of community support activities, and we reckon our economic impact, in terms of contributions, purchases and payroll, etc. about \$500 million. We don't have any manufacturing in Connecticut. It's all financial office and so forth, but to get on to the subject of the health and safety committees, we certainly support the intentions of the bills on that matter to, as we see it, improve health and safety in the workplace and to further involve employees in the process.

We're doing just that. We already have in all of our locations in Connecticut, extensive health and safety programs in place, with substantial employee involvement. They've been developed by and

overseen by medical, safety industrial hygiene experts, and we have, we believe, an excellent safety record. In fact, IBM was recognized by the Department of Labor for an OSHA Safety Star Award for innovative activities in employee empowerment, so, apparently, that's what they would like us to do and we are doing that.

The thing is though, that this employee involvement in the process can take many forms, innovative creative forms. Other people have mentioned some. The gentleman from UTC, for example. There can be teams put together to prevent product hazards when we get into new development areas. We have programs that provide monetary awards to employees for making suggestions. There are communications programs. We can tackle individual problems with ad hoc solution teams. There are a number of ways that could and should be provided for.

HB6818, as written, restricts employers to a singular format for employee involvement, with very specific and limited modes of operation. So we would simply request that that bill be modified to allow alternatives for innovative and creative methods of injury prevention and employee empowerment.

I would like to note also that Congressman Ford has just reintroduced in Washington the Federal OSHA reform bill which will speak to a lot of these matters, and that particular bill, the Federal OSHA Reform bill itself, provides for alternative forms of employee involvement. So we hope that this request would be honored.

Finally, a couple of words on HB7173, concerning mandated Connecticut VDT standards. IBM is a major provider of video display terminals, as I guess is known. We certainly support the idea of providing good information to the users of such equipment and that's the key to avoiding and limiting the kinds of health concerns that have been expressed. It's knowing how to use the stuff right.

the state of Connecticut to hire a private contractor to help resolve this problem. It's 40 pages long. We have a copy for every member of the committee as well.

This has begun to happen and I would wonder how much this is costing the state, when the state could be working with us for free, setting up a worker safety committee. We think it's time that this problem be addressed. We believe it has not been addressed to date, because of a sexist attitude that essentially women run these machines and obviously we under pay them. They're not worth what they get. They're not worth helping.

Well, we believe that's wrong. We believe it's time to do something about it. We have also provided for your information copies of statutory language that the city of San Francisco has implemented in order to resolve the problems affiliated with repetitive motion and cumulative trauma disorder. We have other contractual language to also do something to resolve this problem. We stand ready to work with the state, to cut worker's comp costs, if the state will stand ready to work with us to resolve the problems that are being caused by the failure to install a three dollar item, a three dollar adjustable arm on the 1500 VDT terminals installed around the state by the Department of Income Maintenance.

For the lack of a three dollar adjustable arm, we have people out on worker's compensation having carpal tunnel surgery. Does that make sense? Thank you.

SEN. COLAPIETRO: Just in the nick of time. Thank you, Dennis. Any questions from the committee? Thank you very much. If a woman comes up when I call Richard McCombs, there's something wrong with this list. Richard McCombs followed by Jerry Levine.

RICHARD MCCOMBS: Good afternoon. My name is Richard McCombs and I'm a member of the safety committee for the metal trades council, New London County. It represents 10 different unions and a total of about 7,500 members.

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You've already heard testimony about high cost of employers and about the thousand of injuries to workers every year. This, I believe, both sides can agree to. We agree that there are too many injuries on the job and the cost to employers are high. Where we disagree is with the Governor's plan, CBIA's, where they want to address just one of the problems, the high costs.

They do nothing for the injured. We're still going to have the injuries, even with his plan. In fact, if the company gets their way, and they don't have to pay the high costs for compensation, they won't have an incentive to try to keep things safe. They won't do anything for safety. It will probably create more injuries.

What happens to the injured worker if his benefits don't cover him and his family's living expenses. I can figure it out and I hope that you will. You either pay now or pay welfare later. In my opinion, the Governor's 3B's plan, and 3B's stands for Big Business Buddies, is designed to put more money into their pockets. It wasn't enough that he took form our paychecks each week. Now he and the 3B's have found another way to take from the worker.

HB 6959

Don't you think that the employer should try to engineer their costs out themselves before they ask to change laws that take away from us? I don't understand this. My employer, Electric Boat, took the challenge. They realized that they had to cut the cost and were mature enough to know where their responsibility is. Our union understood that they had an obligation to do something, too. They got together and they started a program called Operation Safety. This program coupled with a few others, a safety economy program and (inaudible) program reduced injuries by one-third, out of 5,000 injuries.

HB 681871726939

The lost work days were reduced by 25% in just a year and a half. Millions of dollars were saved. Why can't employers do these things first? Why can't insurance carriers cut their high level executive salaries first? What right do they have to change the laws without trying other things first? I don't know about you, but I'm sick and

tired, with Weicker and the 3B's. What good are all these so-called jobs if there aren't any workers to take them. In case you haven't noticed, jobs aren't the only thing that's leaving the state.

I urge you to reject this foolishness now and any reform that takes away from the injured worker. In summary, I don't understand when we started putting the dollar before the person's safety and health and I don't understand why we're even accepting that as an argument. If this is the case, this country is in worse shape than anyone ever imagined. Thank you.

SEN. COLAPIETRO: Thank you. Questions? Thank you very much. We have Gerry Levine followed by Peter Reilly followed by Benedict Cosey. Jerry Levine is not here. Peter Reilly? I didn't mean to wake you up, Pete. Followed by Benedict Cosey and Michael Coyne.

PETER REILLY: Thank you, Senator Colapietro, Representative Lawlor and ladies and gentlemen of the committee. My name is Peter Reilly. I'm testifying as a member of the Connecticut State Building Trades Workers Compensation Committee.

We'd like to make it known that we naturally support the AFL-CIO policies that was espoused here today and I want to speak specifically on AN ACT ESTABLISHING A STATE FUND, HB1017 and HB7172, hours worked versus dollar amount of payroll.

I'd like to touch on four subjects. Hours worked, the three way system, independent contractor exclusion, which would be the elimination of the independent contractor classification in the construction industry, and the simplified construction worker classification.

We support the establishment of state operator worker's comp program to compete with commercially offered worker's compensation policies. In addition to state funds, each state should also, for maximum efficiency and maximum competition, provide for a three way system of sources for purchasing worker's comp insurance. Each three way system should have as alternative providers of

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worker's compensation coverage which would be optional to private carrier, to state funds and to self-insurance.

The establishment of a three way system in every state will provide price constraints by introducing greater competition. The lack of bona fide competition has been a major factor in the runaway cost increases of worker's comp in recent years. We propose the adoption of hours worked as the basis for worker's compensation premiums in the construction industry, and the elimination of classified construction workers as independent contractors which is merely a ruse by unscrupulous contractors to avoid the proper payment of withholding taxes, social security, state unemployment taxes, federal unemployment taxes and worker's comp premiums on a payroll of construction site workers.

We support the establishment of the single distinct occupational classification, title construction worker in lieu of the dozens of manual codes.

SEN. COLAPIETRO: Time has run out. Can you summarize?

PETER REILLY: Okay. Thank you, Mr. Colapietro. Yes, in summary we recommend the basis of hours worked versus dollar amount of payroll and found discriminatory legislatively in New Mexico, Pennsylvania, California and some other states, and we have the information to support that. We support the hours worked basis on that concept as in the state of Oregon since 1938 and the three way system exists in many of the states such as Arizona, California, Idaho, Maryland, New York, Pennsylvania, Oregon and others, and through the Insurance Commissioner for some of the higher paying employers, such as they're doing in Pennsylvania and Delaware and Florida now, they could have experienced through the private carriers, by the availability of discount plants and summary of premium adjustment programs, such as they have in Delaware, Florida, Massachusetts, Missouri, Oregon, etc. and there's other states.

I thank you very much for allowing me to testify.

Bonnie
Stewart
line 24

TESTIMONY OF
BONNIE D. STEWART
ASSISTANT COUNSEL
CONNECTICUT BUSINESS AND INDUSTRY ASSOCIATION
BEFORE THE
LABOR COMMITTEE
MARCH 11, 1993
10:00 A.M.

Good morning. My name is Bonnie Stewart. I am assistant counsel with the Connecticut Business and Industry Association (CBIA). CBIA represents approximately 7,000 businesses throughout Connecticut. Our members range from small businesses to large industrial corporations.

I am before you today to request meaningful reform of Connecticut's workers' compensation system. Reform that reduces the skyrocketing costs of workers' compensation and helps put Connecticut employers back on their feet so they can retain as well as create jobs in our state.

Before addressing workers' compensation reform, I would like to point out that there are three other bills I have submitted comments on. These are:

- SB-1013 AAC A Study of Safety In the Workplace;
- SB-1017 AA Establishing A State Fund For
Workers' Compensation; and
- HB-6818 AAC The Establishment of Workplace Safety and
Health Committees.

Workers' Compensation Reform

Skyrocketing workers' compensation costs have hurt the ability of many Connecticut employers to compete in national and global marketplaces over the past decade. During this period, payouts on workers' compensation claims have risen by 299 percent, while inflation increased by only 41.1 percent.

Workers' compensation is repeatedly listed by our state's companies as one of the costs of doing business that causes them the greatest concern. It is limiting their ability to create jobs so desperately needed to replace those lost during the recession. And it is forcing other companies to relocate to states with less expensive systems.

The General Assembly addressed some of the problems and concerns that were being raised about the workers' compensation administration's lack of accountability and backlog of cases among other things in the 1991 workers' compensation package.

The 1991 workers' compensation legislation was a good first step in reforming Connecticut's ailing system. It permitted an overhaul of Connecticut's Workers' Compensation Commission granting the chairperson greater authority so that the Commission had the ability to function in the manner which best met the needs of the parties involved in the workers' comp system and also hold the chairperson accountable for the operations of the Commission.

In addition, other changes were made to allow for managed

HB 5089, 7171

medical care and to decrease the cost of permanent impairment awards. However, neither of these areas were addressed sufficiently and therefore require further modification. In the case of managed medical care, while employers may implement managed care plans, employees are not required to participate in them. And despite lowering the cap on permanent impairment awards, Connecticut's awards remain far more generous than neighboring states.

Despite the reform of the administrative aspects of our system in 1991, CBIA along with other workers' compensation coalition members believe that the workers' compensation is in need of further reform. We believe that the chief problems with Connecticut's workers' compensations continue to be the following:

- Connecticut has the nation's highest maximum weekly workers' comp benefit - \$769;
- Benefits for specific injuries remain among the highest in the nation;
- High benefit levels have increased the use of the system, causing higher costs;
- Workers' compensation medical costs outpace other medical costs by 50 percent; and
- The system encourages litigation while discouraging the three Rs - Recovery, Rehabilitation and Return to Work.

To address these problems, Connecticut needs to:

- Bring benefits in parity with those in other states;

- Require employers to use managed-medical care plans for workers' comp injuries, when available; and HB 6939
- Redefine injury so as to eliminate benefits for non-work-related injuries and limit stress claims so that we have an equitable system. HB 7171

CBIA recommends the following twelve reforms be adopted:

- Require all permanent partial impairment awards to be scheduled, then reduce the number of weeks by one-third; HB 7171
- Limit discretionary impairment awards to only those cases where the nature of the injury and the effect on the earning capacity of the employee warrants additional compensation, and, if granted, limit the maximum award so that it will not exceed the number of weeks of the claimant's initial impairment benefit;
- Shorten the maximum amount of time a person can receive a wage differential from 15 years to five years;
- Require employees to participate in their employees' workers' compensation managed medical care plan, when available; HB 6939
- Reduce the maximum weekly benefit rate from 150 percent to 100 percent of State Average Weekly Wage (SAWW); HB 5089
- Eliminate the cost-of-living adjustments (COLAs); HB 7152
- Limit scar awards to scarring of the face, head, neck or normally exposed areas that handicap the employee in securing or maintaining employment, and limit the time period for requesting an award to two years after the HB 7152, 6939, 7171

- date of injury or date of surgery;
- Exclude overtime and bonuses from calculations when determining an employee's benefit amount; HB 7172
 - Allow workers' compensation benefits to be reduced by the amount of retirement income or other income; HB 7171
 - Modify the definition of "personal injury or injury": Declare voluntary participation in an employment-sponsored activity as non-compensable; limit HB 7171 psychological stress claims; and require that lifestyle and other factors be considered when determining if an injury is work-related;
 - Disallow workers' compensation benefits to people who are injured as a result of drug or alcohol use, whether or not it is habitual; and HB 5089
6939
 - Modify the law precluding employers from contesting disputed claims if they have not done so within 28 days, and permit employers to both pay benefits and contest a claim.

Detailed information on each of these measures can be found in the coalition's "Reform Workers' Compensation. It's Costing Connecticut Jobs" booklet that was distributed to all committee members.

There are other changes which have been proposed to the system which would increase costs and should be rejected.

First, while HB-6939 calls for reducing the cap on the maximum benefit from 150 percent to 100 percent, it also calls for changing the way the state's average weekly wage (SAWW) is calculated which would result in a cost increase. Presently, the SAWW is based on the average weekly wage of production workers in the state. This is presently \$513. HB-6939 changes the SAWW from the production wage to the average of all wages which the Labor Department stated was \$607. This will increase costs by .5 percent as all benefits, not just wage replacement, are based on the average weekly wage. Because permanent partial impairment awards are calculated at the 100 percent level, presently \$513, costs would be increased not decreased as nearly 70 percent of workers' compensation indemnity payouts are for permanent partial impairments.

HB-6939's recommendation to cap the state's contributions to the Second Injury Fund (SIF) also affects employers negatively. I have yet to meet an employer in the state who recovers as much money from the SIF as they pay to fund it. Yet, they are required to pay a portion of the SIF's costs. In 1992, municipalities were required to contribute, and beginning July 1993, the state is to start contributing, However, the state will only contribute enough to cover what they take out. Meanwhile, employers not only cover what they take out, but they also cover the administrative and legal expenses of the SIF. The state should either not use the SIF or contribute as every other employer in the state does -- covering not only SIF payouts, but SIF administrative and legal costs as well.

Second, HB-7152 contains numerous modifications to present law. This proposal includes a measure that would significantly increase the cost of workers' compensation coverage for small and mid-size employers. On page 24, lines 792 and 793 contain language that would substantially increase indemnity payments by requiring that the value of health benefits be included in the calculation of the average weekly wage. Because you are placing an obligation, at an estimated cost of \$20 million, on the workers' compensation coverage it will obviously significantly increase the cost of coverage because the cost of providing that coverage will have been increased. CBIA opposed this measure as well.

Lastly, HB-7172 contains numerous negative changes and one which is in direct conflict with the workers' compensation system. Workers' compensation is a no-fault system. This means that an employee will be paid for any work-related injury regardless of fault. In return, workers' compensation is the exclusive remedy for such injuries. Despite this delicate balance, HB-7172 includes a provision which eliminates the exclusive remedy. This defeats the purpose of the workers' compensation system and should be rejected.

Any reforms adopted by this committee and the General Assembly as a whole should decrease workers' compensation costs. It is essential to the economic development of this state that these costs be lowered so as to help Connecticut companies compete in a global market. It is also essential if employers are to not only

retain jobs in this state but to create jobs to replace those lost during the recession.

Reform workers' compensation now. It is costing Connecticut jobs.

03/10/93

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PIA NY NJ CT

For the Record
001172002



**STATEMENT RE: SUBJECT MATTER PUBLIC HEARING
RE: WORKERS' COMPENSATION, WORKERS' SAFETY
AND MISCELLANEOUS MATTERS**

TO: LABOR AND PUBLIC EMPLOYEES COMMITTEE

BY: PROFESSIONAL INSURANCE AGENTS OF CONNECTICUT, INC.

ON: MARCH 11, 1993

THE PROFESSIONAL INSURANCE AGENTS OF CONNECTICUT, A TRADE ASSOCIATION REPRESENTING MORE THAN 600 MEMBERS WHO EMPLOY OVER 3,600 PEOPLE THROUGHOUT THE STATE WOULD LIKE TO MAKE THE FOLLOWING COMMENTS CONCERNING WORKERS' COMPENSATION.

AS PROFESSIONAL INSURANCE AGENTS, OUR MEMBERS PROVIDE A DIRECT LINK BETWEEN INSURANCE CONSUMERS AND INSURANCE COMPANIES. PIA HAS THUS EXPERIENCED FIRST-HAND THE CONCERNS OF ALL PARTIES TO A WORKERS' COMPENSATION INSURANCE CONTRACT. PIACT HAS WATCHED WITH EXTREME CONCERN AS OUR CLIENT'S STRUGGLE TO MEET THE CONTINUOUSLY RISING COSTS OF SECURING ADEQUATE WORKERS' COMPENSATION INSURANCE.

THE HIGH COSTS OF WORKERS' COMPENSATION HAVE ALREADY DEALT A DEADLY BLOW TO MANY OF OUR BUSINESS CLIENTS. AS OUR CLIENT BASE CONTINUES TO DECREASE AS BUSINESSES FAIL OR RELOCATE TO AREAS WHERE THEY CAN AFFORD TO MEET THEIR OBLIGATIONS, OUR MEMBERS AND THE OVER 3,600 PEOPLE THEY EMPLOY ALSO FIGHT A LOSING BATTLE TO STAY IN BUSINESS.

PIACT SUPPORTS ALL EFFORTS TO BRING THE SPIRALING COSTS OF WORKERS' COMPENSATION IN CHECK. PIACT BELIEVES THE FOLLOWING AREAS WILL BEST HELP ALL PARTIES TO AN INSURANCE CONTRACT BY REDUCING COSTS:

- *REDUCING CONNECTICUT'S MAXIMUM WEEKLY BENEFIT RATE.*

PIACT SUPPORTS COMMITTEE BILL 5089. IN PARTICULAR, WE ARE IN SUPPORT OF ITS PROVISION WHICH WILL BRING CONNECTICUT'S MAXIMUM WEEKLY BENEFIT TO A LEVEL COMPETITIVE WITH THAT OF STATES SURROUNDING CONNECTICUT.

HB 7171 - p. 1474

SB 1013, 1014 - p. 1474

25 CHAMBERLAIN ST.
P.O. BOX 997
GLENMONT, NY 12077 0997
518/434-3111

**PROFESSIONAL
INSURANCE
AGENTS**

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AS THE FOLLOWING CHART INDICATES, CONNECTICUT'S MAXIMUM WEEKLY BENEFIT IS CONSIDERABLY HIGHER THAN THAT OF STATES SURROUNDING CONNECTICUT. IT IS DIFFICULT FOR CONNECTICUT TO MAINTAIN A COMPETITIVE BUSINESS ENVIRONMENT WHEN BENEFITS ARE MORE THAN 80% HIGHER THAN THOSE OF OUR NEIGHBORS.

1000 Comparison of Connecticut's Average Weekly Production Wages and Maximum Weekly Workers' Compensation-Benefits

State	Average Weekly Production Wages	Connecticut's Ratio	Maximum Weekly Compensation-Benefits	Connecticut's Ratio
Connecticut	\$372.40	N/A	\$700.00	N/A
Georgia	\$372.40	37.8% Higher	\$225.00	241.8% Higher
Massachusetts	\$543.30	-5.6% Lower	\$543.30	41.5% Higher
New Jersey	\$312.00	7.0% Higher	\$488.00	68.6% Higher
New York	\$458.00	3.0% Higher	\$400.00	92.2% Higher
North Carolina	\$381.00	22.6% Higher	\$475.00	80.5% Higher
Oregon	\$300.00	18.1% Higher	\$325.00	100.0% Higher
Rhode Island	\$487.00	20.1% Higher	\$428.00	68.1% Higher
Virginia	\$410.00	22.7% Higher	\$418.00	84.0% Higher

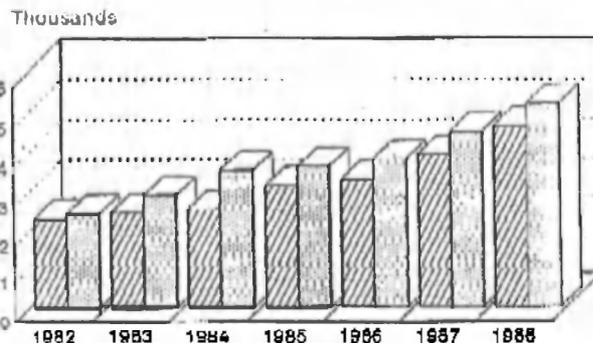
Source: 1992 Analysis of Workers' Compensation Law, U.S. Chamber of Commerce

REDUCE ESCALATING HEALTH CARE COSTS.

PIACT SUPPORTS THE PROVISION OF HOUSE BILL 7172 WHICH WOULD REQUIRE THE CHAIRMAN OF THE WORKERS' COMPENSATION COMMISSION TO ESTABLISH A FEE SCHEDULE SETTING THE MAXIMUM FEES PAYABLE BY EMPLOYERS OR THEIR INSURANCE CARRIERS FOR SERVICES RENDERED BY MEDICAL PROVIDERS.

AS THE FOLLOWING CHART INDICATES, THE LARGEST COST INCREASES OVER THE LAST SIX YEARS ARE ATTRIBUTABLE TO THE MEDICAL COSTS INCURRED IN TREATING EACH INJURED WORKER. PIACT SUPPORTS ALL EFFORTS AIMED AT STEMMING THE RISE OF MEDICAL COSTS IN TREATING CONNECTICUT'S INJURED WORKERS.

Medical Average Cost Per Case



The average medical costs increased at an average of 14 percent a year compared to 8 percent per year for medical CPI

Legend: Connecticut (hatched bar), United States (solid bar)

001476

• *OFFSET W.C. BENEFITS BY AMOUNTS OF RETIREMENT OR OTHER INCOME.*

PIACT SUPPORTS H.B. 7171. IN PARTICULAR WE SUPPORT THE PROVISION OF THE BILL WHICH ALLOWS WORKERS' COMPENSATION BENEFITS TO BE REDUCED BY THE AMOUNT OF RETIREMENT INCOME OR OTHER INCOME ALREADY BEING RECEIVED BY THE WORKER. SUCH A PROVISION TO KEEP A WATCHFUL EYE UPON THE RECEIVING OF DUAL BENEFITS IS A FISCALLY RESPONSIBLE MEASURE IN THESE TIMES OF STRUGGLING TO MEET ONE BENEFIT PAYMENT ADEQUATELY.

• *MAINTAIN THE PURPOSE OF SECOND INJURY FUND*

PIACT SUPPORTS S.B. 1012 AND S.B. 1014. IN PARTICULAR, WE SUPPORT THE AIM OF THE BILLS TO HALT THE INCREASE IN CLAIMS PAID OUT OF THE SECOND INJURY FUND. THE SECOND INJURY FUND WAS ESTABLISHED TO PROVIDE INCENTIVE FOR EMPLOYERS TO HIRE INDIVIDUALS WITH A HANDICAP OR EMPLOYEES WITH PRIOR INJURIES. THE SECOND INJURY FUND HAS LATELY BECOME A FUND FOR THE PAYING OF BENEFITS FAR BEYOND THOSE ANTICIPATED AT ITS CREATION.

SECOND INJURY FUND PAY-OUTS HAVE INCREASED FROM \$5.9 MILLION IN 1980 TO \$46.9 MILLION IN 1990, ALMOST AN 8-FOLD INCREASE IN TEN YEARS. SINCE THE SECOND INJURY FUND IS FUNDED BY ASSESSMENTS ON ALL EMPLOYERS, SUCH A DRAMATIC INCREASE IN THE ROLE OF THE SECOND INJURY FUND HAS YIELDED A HEAVY COST ON CONNECTICUT BUSINESSES.

FOR THESE REASONS PIACT SUPPORTS THE ABOVE NOTED EFFORTS TO REDUCE THE COSTS OF WORKERS' COMPENSATION IN CONNECTICUT. PIACT STANDS READY TO ASSIST THESE AND ALL OTHER EFFORTS AIMED AT REDUCING THESE COSTS TO RESTORE A COMPETITIVE BUSINESS ENVIRONMENT IN CONNECTICUT.



CONNECTICUT STATE COUNCIL OF MACHINISTS
INTERNATIONAL ASSOCIATION of MACHINISTS
and AEROSPACE WORKERS

365-D New Britain Road, Kensington, Connecticut 06037 Telephone: (203) 828-5221

TESTIMONY OF
BRUCE R. OLSSON
LEGISLATIVE DIRECTOR
CONNECTICUT STATE COUNCIL OF MACHINISTS
MARCH 11, 1993

During the last decade, the American Dream has become increasingly elusive as the middle class has shrunk in the face of regressive economic policies. The current debate on workers' compensation in Connecticut is about sustaining the possibility of achieving the American Dream. It asks us whether we will punish the victim, the injured worker, or whether we will seek real solutions to the workplace hazards that confront the citizens of our state.

The first issue that needs to be addressed, however, is that of jobs. Connecticut has lost thousands of jobs due to major cuts in defense by the federal government, the worldwide recession, and the real estate crisis, which has weakened the state's insurance industry. To falsely claim that the state's unemployment problems are due to workers' compensation costs, as some in the business community would have us believe, is to ignore reality. We would be fortunate if the solution to unemployment in Connecticut was as easy as cutting benefits to injured workers. The structural economic realignment due to the global economy calls upon us to invest more, not less, in the human capital of our state. A third rate investment will not create jobs, but rather, will guarantee a third world

economy for Connecticut.

A number of proposed bills, HBs 5089, 6939, 7152, and 7171, would cut benefits for injured workers. The Machinists Union strongly opposes any cuts in benefits, whether it be for scaring, the method of computing the basic benefit rate, or specific awards for permanent partial disability. It is not a picnic to be totally disabled. In addition to the physical suffering a worker endures, there is a significant reduction in weekly income. Even for the small minority who collect the maximum benefit, there is still a 20% cut in an injured worker's average weekly pay. Cutting benefits to the disabled adds insult to injury, and is not the solution to controlling worker compensation costs.

The key to containing worker compensation costs and providing for a better quality of life for the citizens of our state is a safe workplace. Employee involvement through health and safety committees will cut injuries and reduce costs. At Pratt and Whitney, health and safety committees, combined with a light duty work program, significantly cut injuries and reduced worker compensation costs from \$6.8 million in March, 1991, to \$3.4 million in March, 1992, (Pratt & Whitney News, April 24, 1992--see attachment). The Machinists Union supports legislation, as described in HBs 6818 and 7172, which would establish health and safety committees in the workplace.

SB 1013 calls for a task force to study ways of improving workplace safety. We feel that this is important. However,

a special emphasis needs to be placed on studying repetitive trauma injuries, such as, carpal tunnel syndrome, which constitutes the fastest growing type of new injury.

To further reduce workers' compensation costs, the Machinists Union supports the establishment of a competitive state fund, as set forth in SB 1017. Currently, insurers enjoy profit margins that are higher than the national average, with no accountability for how they invest their massive reserves. A state fund would take the profit out of the workers' pain and suffering, and provide for investment of reserves within the state of Connecticut.

The other important area that needs to be addressed is the ever escalating cost of medical care. Without a national health care plan we feel that a mandatory fee schedule, as proposed in HB 7172, would be an significant step forward in controlling costs.

Only .38 out of every dollar goes towards benefits for injured workers, yet some would have us believe that the injured worker is the reason for the loss of jobs in Connecticut and the high cost of workers' compensation. In reality, that is not the case. If Connecticut is truly serious about reforming workers' compensation, then legislation must be passed that establishes health and safety committees, that creates a competitive state fund, and that controls medical costs. In addition, benefits must not be cut. Then we will create a win-win situation where the workers' compensation system lives up to its original intent of helping injured workers, and costs are reduced to employers.

Here's some healthy news for you!

In January 1991, the company asked employees to become more involved in making Pratt & Whitney a safer and healthier workplace.

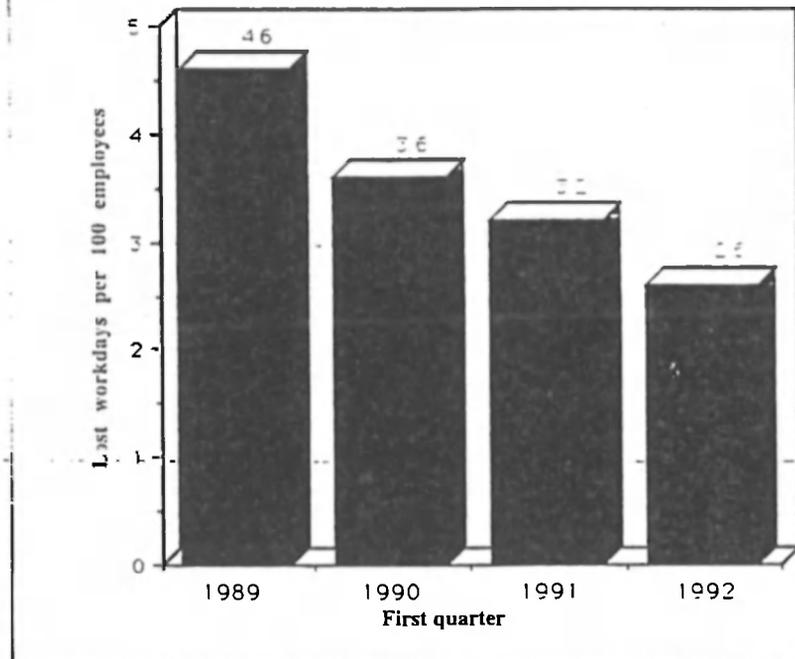
You did, and you've helped bring about major improvements. Worker's compensation costs are lowered, but more important, there are fewer people being injured than before P&W began its safety drive.

Accidents that cause employees to lose more than a day's work have been lowered. P&W's lost workday incidence rate, which represents work-connected injuries involving at least one full day away from work, decreased from 3.2 per every 100 employees in first quarter 1991 to 2.6 in first quarter 1992 (see chart).

Worker's compensation costs were slashed, from a reported \$6.8 million in March 1991, to 3.4 million in March 1992.

"This remarkable progress is the result of the teamwork occurring at all facilities not only to prevent injuries, but to provide light-duty work to injured employees so that they can return to work as soon as they are able," said Carol Ortiz, manager—health and safety. □

Lost workday incidence rates



Crime in the suites

Tough new law boosts fines for ethics violations

"The government believed corporations viewed fines much like speeding tickets. They paid the ticket and then went on doing whatever they were doing."

— Regina Olshan, UTC attorney

Federal court judges are now armed with a powerful new weapon to punish criminal conduct by corporations. The U.S. Sentencing Commission's revised Sentencing Guidelines have greatly increased the amount of fines that can be levied against corporations convicted of federal crimes.

"You can't put a corporation in jail, but a federal judge can now impose a business death penalty for certain corporations convicted of criminal activity," said Regina Olshan, UTC attorney. Olshan tracked the new guidelines during the year-long process leading to adoption.

Before the guidelines were issued, some experts believed it was useless to fine corporations convicted of criminal acts.

Olshan says the new rules are referred to as the "crimes in the suites" initiative because they are tough on corporate criminals, as other sentencing rules are tough on individuals convicted of a crime.

The guidelines apply to crimes such as mail and wire fraud, bid rigging, government procurement fraud, tax evasion, commercial bribery, money laundering, racketeering, price fixing, market allocation agreements among competitors, and making false statements to a U.S. government agency.

Fines up to \$290 million are based on a formula that involves calculations of mitigating and aggravating factors.

What are mitigating factors?

Says Olshan: "An effective compliance program that prevents and detects violations of federal laws."

UTC's programs established under the Code of Ethics and Policy Statement on Business Ethics and Conduct in Contracting with the U.S. government are designed to

meet or exceed those requirements. Compliance standards have been established and UTC's standards of ethical conduct have been communicated to employees.

A network of business practices and compliance officers is in place to administer each program and to serve as a source of information and guidance for employees. Every employee is responsible for knowing and complying with UTC's Code of Ethics. Audits are periodically conducted to ensure compliance with UTC's established standards of conduct.

If you have any questions regarding the Code, talk to your supervisor, use P&W's DIALOG program, call the P&W Ombudsman (toll free at 1-800-458-4299), or call a compliance or business practices officer, listed in the P&W phone book. □

TESTIMONY OF MICHAEL BARLETTA
WORKERS' COMPENSATION ADMINISTRATOR
DEPARTMENT OF ADMINISTRATIVE SERVICES
BEFORE THE LABOR AND PUBLIC EMPLOYEES COMMITTEE
MARCH 11, 1993

Good morning. My name is Michael Barletta and I am the Workers' Compensation Administrator for the State of Connecticut. While there are many issues on the agenda today, I will confine my comments to those provisions which most directly affect state employees.

In HB 6939, "AN ACT CONCERNING WORKERS' COMPENSATION, UNEMPLOYMENT INSURANCE AND WORKER SAFETY", the Department of Administrative Services:

-Supports Section 1 and 2, which repeal the statutes that provide for 100% compensation for employees injured in the performance of certain hazardous jobs. This will make the benefit levels of state workers consistent with those of private sector employees.

-Supports Section 11, which defines the types of stress-related claims that are compensable. (also included in section 1 of HB 7171)

-Supports Section 15, which replaces the term "attending surgeon" with "physician" on the form of notice of intention to discontinue or reduce payments, in order to give greater credence to independent doctors' opinions regarding return to work capability. (also included in section 5 of HB 7171)

-Supports Section 16, which provides a clearer standard by which an employee may receive an award for scarring by specifying that facial scars and scars on any other part of the body that exceed three inches are compensable.

-Supports Section 23, which limits the state's contribution to the Second Injury Fund to the amount of money expended by the fund on behalf of state employees.

In HB 7171, "AN ACT CONCERNING THE REDUCTION OF WORKERS' COMPENSATION COSTS", the Department of Administrative Services:

-Supports Section 3, which provides a mechanism by which the state will be able to recover from a third party who is liable for an employee's injury.

-Supports Section 4, which provides the employer the ability to contest the extent of an employee's injuries or his right to receive compensation in circumstances where the employer failed to file notice contesting liability within the statutory time frame.

-Supports Section 9, which excludes overtime wages and bonuses when calculating the rate of workers' compensation benefits, to create a more equitable compensation schedule.

-Supports Section 12, which eliminates cost of living increases for workers' compensation total incapacity benefits in recognition of the serious budget problems facing the state.

In HB 7172, "AN ACT REFORMING THE WORKERS' COMPENSATION SYSTEM", DAS OPPOSES section 4, which eliminates the prohibition against an employee bringing an action against his employer for an injury that arose out of and in the course of his employment. This provision essentially erodes the fundamental concept that workers' compensation is a no-fault system.

In addition, several bills on today's agenda have provisions concerning the development of fee schedules for managed care networks. I look forward to working with the Labor Committee and the Workers' Compensation Commission as this issue is considered in further detail. I appreciate the opportunity to testify before you today and would be happy to answer any questions.

John Olsen
line 3

TESTIMONY OF JOHN W. OLSEN
PRESIDENT, CONNECTICUT STATE AFL-CIO
BEFORE THE LABOR & PUBLIC EMPLOYEES COMMITTEE
MARCH 11, 1993

Good morning. My name is John W. Olsen and I serve as President of the Connecticut State AFL-CIO, representing nearly 200,000 working men and women in more than 600 local unions. I am here to speak on behalf of all working men and women in Connecticut.

House Bill 7171 An Act Concerning the Reduction of Workers' Compensation Costs. The State AFL-CIO vigorously opposes this bill. Its provisions include reducing the maximum benefit from the current 150 percent of the average manufacturing wage (\$769) to 100 percent of that wage (\$513).

According to a study of nearly 14,000 cases by the Workers' Compensation Commission, only 8.4 percent of claimants fell between the average production wage and the maximum benefit, and only one percent of that group came in at the maximum. Reducing the benefits of that small population of workers -- who often work in high-risk occupations -- is not the answer to our problems.

HB 7171 is a punitive measure that significantly reduces benefit levels and structures without addressing many of the system's afflictions, such as the lack of broad safety and education measures; the administrative inefficiencies of insurance companies; escalating medical costs; and employer or medical fraud. HB 7171 amounts to nothing more than the scapegoating of injured workers and offers little in the way of constructive reform.

Page 2

House Bill 6939 An Act Concerning Workers' Compensation, Unemployment Insurance and Worker Safety. The State AFL-CIO opposes this bill due to several onerous measures, most notably the reduction in maximum benefit from 150 percent of the average manufacturing wage (\$769) to 100 percent of all wages (\$609). However, there are parts of this bill that deserve some praise, including an increase in the number of commissioners and the establishment of health and safety committees (which is also addressed in House Bill 7172).

Senate Bill 373 An Act Creating Workers' Compensation Accounts for State Employees. As presently written, the State AFL-CIO strongly opposes this bill. The best way to reduce injuries at the workplace is through labor-management health and safety plans which emphasize education and prevention. Workers' compensation is insurance for workers at the workplace. There are better ways to prevent then setting aside hard-earned money into a special account.

House Bill 7152 An Act Modifying the Administration of the Workers' Compensation System. There are significant portions of this bill which deserve our opposition, such as changes in the calculation of cost of living adjustments and the creation of a new committee to evaluate commissioners bi-annually. However, we support other parts of HB 7152, such as including the value of health benefits in calculating the total rate (which HB 7172 also calls for).

Page 3

House Bill 7172 An Act Reforming the Workers' Compensation System. Parts of HB 7172 deserve our support, including the establishment of health and safety committees for employers of 10 or more; a consumer advocate's office within the Insurance Department; mandatory fee structures for medical providers; incorporating health insurance as wages for calculating workers' compensation benefit rates; and calculating construction industry workers' premiums on hours worked versus payroll.

In closing, I would like to say it is imperative that the outcome of the workers' compensation debate lead us to improve the system so that is more responsive, more efficient and more humane. To settle for anything less will do grave damage both to workers and countless businesses large and small.

--END--

Stephanie Ashton - file 13



Connecticut Employees Union Independent

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**STEPHANIE ASHTON
 WORKERS' COMPENSATION
 TESTIMONY
 MARCH 11, 1993**

HB 7171 - p. 1544

HB 6439, 7152, 7172

SB 373

- p. 1547

Good morning, my name is Stephanie Ashton and for the past seven years, I have been employed by the Connecticut Employees Union Independent, in the capacity of a Workers' Compensation Staff Representative. My primary responsibility is to represent our employees with regard to their Workers' Compensation Claims.

Our Union represents approximately 6,000 State and Municipal maintenance employees.

To date we have approximately 700 active Workers' Compensation claims and because these claims are so poorly administered, I guess I am one of the few people in the State of Connecticut who does not have to worry about job security.

Because many of you are unfamiliar with the process of Workers' Compensation, please bear with me while I briefly take you through an outline of what it takes to have your average Workers' Compensation claim processed if you are an employee of the State of Connecticut.

STEPHANIE ASHTON
WORKERS' COMPENSATION TESTIMONY
MARCH 11, 1993
PAGE 8

HOUSE BILLS: 7171...OPPOSE
6939...OPPOSE
7152...SUPPORT
7172...SUPPORT

SENATE BILLS: 373...OPPOSE

The Connecticut Trial Lawyers Association also supports the following Sections of
Raised Bill No. 7172. AN ACT REFORMING THE WORKERS COMPENSATION
SYSTEM.

We support Section 2. of the bill which would vest workers compensation commissioners with the same powers to enforce subpoenas and orders for the production of documents as are currently possessed by judges of the Superior Court.

As previously noted, it is the chairman's intent to conduct formal hearings on a continuous basis, much like trials are presently conducted in court. Under present law, however, a commissioner has no power to enforce a subpoena, i.e. for a witness who is summoned to appear to testify in a contested matter. Rather, an application must be filed with the Superior Court to obtain an order to enforce the subpoena, with a resultant time delay. The present bill would give that power to the commissioner, thus facilitating the conduct of a continuous formal hearing and a speedy resolution of the case.

* * *

We also support Section 4. of the bill which would permit lawsuits by employees and dependents of deceased employees against employers for injuries or death which have occurred as a result of repeated violations of OSHA regulations by employers.

The thrust of any reasonable reform of the workers' compensation system should be upon job safety and injury prevention. While our present law bars in the ordinary case any civil action by an employee against his employer, such a shield should not be afforded to employers who continue to maintain unsafe workplaces to the substantial detriment of their employees.

This section would also permit an employee who is injured, in the course of his employment, while an operator or an occupant of the employer's motor vehicle, to bring an uninsured or underinsured motorist claim against the employer's automobile insurance carrier. The purpose of this bill is to legislatively correct a recent decision of the Connecticut Supreme Court, CNA Insurance Company v. Coleman, 222 Conn. 769 (1992). That decision effectively bars an employee, under the exclusivity provisions of Connecticut General Statutes §31-284, from bringing a claim for uninsured motorist benefits under his employer's coverage. Simply stated, the decision makes no sense. An uninsured/underinsured motorist claim is a contractual claim against an independent entity, namely, the insurance carrier. It is not a claim against the employer per se. Moreover, by statute, the employer, like all insureds in this state, is obligated to carry uninsured motorist coverage and to pay a separate premium for

that coverage. Under this decision, an employer effectively buys coverage that is largely inoperative as the very people who logically would use company vehicles, employees, are precluded from obtaining such coverage. The sole purpose of this legislation is to correct that inequity and to insure that, in the proper situation, an injured employee is effectively "made whole" for his injuries. Parenthetically, it also insures that employers effectively get what they have paid for.

* * *

We also support Section 5. of the bill which, like Section 13. of Bill No. 6939, would increase the penalty provision for uninsured employers from \$1,000. to \$10,000.

* * *

We also support Section 8. of the bill which would increase the rate of interest from 6% to 10% where an insurance carrier fails to timely pay permanent partial disability benefits under Connecticut General Statutes §31-308(b). The underlying purpose of our Workers' Compensation Act is to provide a fast, fair and efficient method of resolving the claims of injured workers. If our act is to fulfill that purpose, the motive for delay in payment of compensation benefits by employers for their insurance carriers must be removed.

At present, a worker who has a permanent partial impairment of a member as defined by Connecticut General Statutes §31-308, is entitled to payment of benefits for that disability within thirty days of having reached maximum medical improvement. If payment is not made, that worker is entitled to mandatory 6% interest.

Our present statute refers only to a permanent disability affecting a "member". This is defined by the statute as a permanent loss of use of a workers' arm, hand, leg, foot, finger, toe, and for permanent loss of hearing.

The statute is silent as to imposition of interest for non-payment of a disability affecting a bodily organ, e.g. heart, liver, lung, kidney, spleen, brain. We believe that such an omission is both arbitrary and unjustified. Why should a 10% permanent disability of the heart or lung be entitled to any less protection under the law than a 10% impairment of the arm?

This bill attempts to correct that inequity by permitting the imposition of mandatory interest for non-payment of a specific disability award for a permanent impairment to either a body member or a bodily organ. This legislation also corrects what appears to have been an oversight in Public Act 89-17. That legislation changed the discretionary interest allowance from 6% to 10% as to virtually all sections of Connecticut General Statutes §31-300 but the

one pertaining to failure to pay permanent partial disability within thirty days. See: attached chart.

We believe that this section corrects both of these deficiencies and we urge its passage.

* * *

We also support Section 9. of the bill which, inter alia, permits claimants who prevail in a contested workers' compensation proceeding to recover the costs of medical providers who furnish oral testimony or deposition testimony.

Under current practice, if a medical provider testifies at a formal hearing on behalf of a claimant, in a contested proceeding, and the claimant prevails, the commissioner may allow the reasonable costs charged to the claimant for such testimony. If, however, the medical provider testifies by way of deposition, no such cost reimbursement is allowed.

It is often difficult, if not impossible to get medical providers, particularly surgeons, to testify at a hearing. As a consequence, parties for the most part are obligated to secure such testimony by way of deposition. Absent any reimbursement for the cost of the medical provider's services, a significant financial burden is consequently imposed upon the injured worker.

We feel that this is both inequitable and impractical. This section seeks to correct those deficiencies and we strongly urge its passage.

* * *

We also support Section 11. of the bill which imposes joint and several liability upon employers under Connecticut General Statutes §31-299b. Present law has proved to be unworkable and expensive. This system results in bringing in each past employer and has meant that few occupational disease claims are resolved informally, with resultant delays of years for contested claims. This system also results in many questions, a number of which have proven unsolvable, regarding how to handle insolvent or out of business past employers.

A return to joint and several liability would remove the claimant from the issue of proration of liability and yet still allow employers in a separate hearing to share the risk, if after incurring liability they felt that it was economically worthwhile. The bill would necessarily mean fewer hearings and less cost to the system, to the overall benefit of everyone.

* * *

We also support Section 12. of the bill which imposes a 20% penalty for any late payment made to an injured worker after the employer has formally accepted the claim. In practice, many insurance carriers hold on to workers compensation benefits even after a voluntary agreement or order has been entered. This bill would provide an economic incentive to insurance carriers in order to insure prompt payment of benefits due to injured workers. It would also serve to decrease the number of hearings required at present to obtain such late payment.

* * *

We also support that portion of Section 15. of the bill which makes injuries to the cervical spine and to the lungs scheduled losses and, at that same time, increases the maximum number of weeks allowable for injuries to those bodily parts and organs.

Under present law, permanent disability awards for, inter alia, the cervical spine and the lungs, are subject to the discretion of the commissioner, under Connecticut General Statutes §31-308(d). Under the recommended norms which the commissioners adopted in 1976, the maximum allowable number of weeks for an injury to the cervical spine is 175 weeks and the maximum number of weeks allowable for an injury to one lung is also 175 weeks.

This bill would make cervical spine and lung injuries scheduled losses within the embrace of Connecticut General Statutes §31-308(b) and make the maximum number of weeks allowable for such losses comparable to similar bodily parts. The cervical spine would then be identical to the back, which incorporates the rest of the spine. The increase in disability to the lung would raise the lung to equal footing with other parts of the body, e.g. the heart and the brain, upon which the body is necessarily dependent in order to function.

We believe that these changes correct the gross inequities which are present under existing law and urge passage of this section of the bill.

* * *

We also support Section 17. of the bill which broadens the definition of "total wages" under Connecticut General Statutes §31-310 to include all forms of remuneration to the employee, including the value of any accident and health and life insurance coverage provided by the employer and employee welfare plan contributions.

In a recent decision of the United States Supreme Court, District of Columbia vs. The Washington Trade Board, a statute modeled on Connecticut General Statutes §31-284b was held to be unconstitutional. That legislation requires an employer to maintain equivalent health

and accident and life insurance coverage for an employee as long as he is receiving workers' compensation benefits or is eligible to receive such benefits. The decision effectively wipes out that coverage for most injured workers and requires them to pay for such coverage (at an approximate cost of \$4,800. to \$6,000, per year) at a time when they are in the least possible financial position to do so. This bill merely provides a reasonable alternative to compensate for the actual losses caused by work-related injuries, including loss of insurance benefits. We would urge, however, that the bill be amended so as to mandate that the Second Injury Fund provide health insurance for any worker and his dependents who is receiving disability benefits and who wishes to purchase such insurance. Such insurance coverage should be under the terms of a plan to be approved by the chairman of the Workers' Compensation Commission.

* * *

We also support Sections 18., 19. and 20. of the bill. These sections would go a long way towards the overall goal of reducing insurance premiums to employers. These bills would

- 1) Establish an Office of Consumer Advocate within the state insurance department;
- 2) Mandate insurance premium reductions for employers who implement job safety plans, have good safety records with decreases in reported injuries and reinstate workers to light duty positions; and
- 3) Require an actuarial analysis of any reform measure affecting workers' benefits and authorize mandatory, permanent premium rate rollbacks as to any such measures passed.

In 1990, the Legislative Program Review and Investigations Committee conducted an exhaustive study of our workers' compensation system. That committee then submitted proposals which were extensively debated, with the result being the historic Workers' Compensation Reform Act of 1991.

That act made sweeping administrative changes in the system which were designed to improve accountability and to hasten the resolution of cases and the delivery of benefits to injured workers. The act also authorized the implementation of employer-sponsored medical plans in a major effort to contain rising health costs.

The act also slashed benefits to injured workers, with cost savings estimated on the floor of the house at the time of the act's passage to be approximately \$40 million per year. These substantive benefit reductions and the rest of the 1991 Reform Act changes were a result of compromise, forged on the promise, by the insurance industry, of rate relief for the business community in this state.

The ink on the Reform Act bill was not, however, even dry when NCCI, the rate making agency for workers' compensation insurers, submitted in September, 1991 to the State Insurance Department a rate increase of approximately 20%. This submission was

subsequently scaled down, because of the uproar which it created, to slightly below 10% and was approved by Commissioner Googins.

Last fall, NCCI went back before Commissioner Googins and requested further rate increases of 13% and 15% in the voluntary market and assigned risk pools respectively.

Prior to the rate increase hearing, the Connecticut Trial Lawyers Association met with representatives of the Connecticut Business and Industry Association. At that time, we proposed that an independent actuary be hired to conduct an in-depth review of both the 1992 rate increase proposal and the 1991 rate increase in order to determine whether in fact those increases were justified. CBIA's response was: "We don't have the financial resources to hire an actuary".

CTLA also proposed the concept of an independent actuary to Commissioner Googins and this proposal likewise fell on deaf ears. We thereupon took it upon ourselves to hire an actuary to examine the 1992 rate filing. A copy of the actuary's report is attached.

Unfortunately, the actuary hired was not able, because of time constraints and limited available data, to do a complete analysis of the rate filing.

Even with the limited information which he had at his disposal, however, the actuary was able to find notable flaws in the methods used by NCCI in its calculation for the increases sought in the assigned risk market. These may be summarized as follows:

- 1) NCCI used a standard "budgetary" provision of 15% for production costs when, in fact, the actual production cost expenses should be 11.9%.
- 2) In its analysis of general expenses, NCCI failed to include data for 1990 even though such information had been included by the agency in filings in other jurisdictions.
- 3) NCCI's analysis of general expenses did not contain information for all insurance companies.
- 4) NCCI's expense gradation provision was based upon the combined experience of the voluntary and residual markets when proper actuarial analysis would treat those markets separately given the substantial differences in their size.
- 5) Without justification, NCCI included a zero percent provision for underwriting profit and contingencies when actuarial analysis showed that an underwriting profit and contingency loading of -9.8% was appropriate.

The effect of all this, according to the actuary hired by CTLA, was to substantially overstate the assigned risk rate level. Based upon his analysis, the actuary was of the belief that no rate increase was appropriate for the assigned risk market and that, in fact, a rate decrease might be in order.

We believe that a similar, independent actuarial analysis of the rate filing for the voluntary market, assuming satisfactory data was made available, may lead to similar findings.

The significance of this study is to demonstrate the substantial need for independent actuarial analysis of both the 1991 reform measures, the 1991 and 1992 rate filings and any reform measure considered in 1993 which may affect worker benefits. Businesses in Connecticut have rightfully complained about the rising costs in workers' compensation insurance. Does it not make sense that an independent study be conducted to determine whether in fact the rates charged to Connecticut businesses are in fact appropriate? Our limited actuarial study suggests that Connecticut businesses may well be being overcharged on their comp premiums. Only an independent study will tell us for sure.

The study and the sequence of events which have occurred in the State Insurance Department for the last two years also suggest a substantial need in the state for a separate consumer advocate to serve as a watchdog over insurance rates, including those charged for workers' compensation insurance. Experience in the public utility sector has demonstrated the value of such a consumer advocate. Both employers and employees would benefit greatly by the establishment of such an office.

The Connecticut Trial Lawyers Association also believes that, associated with any reform proposal which affects the substantive benefit levels of workers, information should be afforded as to the effect of those changes on premiums. Absent any assurance by the insurance industry that such benefit level reductions will bring about a corresponding decrease in premium costs, corroborated by independent, actuarial analysis, the legislation should not be considered. More importantly, if premium reductions are in fact promised as part of any benefit level change, those reductions should be mandatory and permanent premium rate rollbacks should be enacted as part of any reform legislation. Only then will reform be truly meaningful. Only then will the fatal flaw of the 1991 Reform Act -- substantial benefits changes without premium level reductions, as promised -- be achieved.

* * *

We also support Section 23. of the bill for the same reasons advanced in our support of Committee Bill No. 786. which is substantially identical.

* * *

We also support Section 24. of the bill for the same reasons advanced in our support of Raised Bill No. 6818. which is substantially identical.

* * *

We also support Section 25. of the bill. It should be noted that there is a typographical error in the bill, as printed. This section would repeal Connecticut General Statutes §52-572r, not Connecticut General Statutes §52-272r. The bill would permit employers to intervene in third party product liability actions brought by injured employees and to recover the amount of compensation benefits paid to such employee plus the present value of any compensation benefits payable in the future to such employee. This is the law, at present, which respect to all claims brought by an individual who is injured in an on-the-job injury as a result of the negligence and carelessness of a "third party", that is, an individual or entity other than his immediate employer. It is manifestly unfair that employers are excluded from recovery of benefits paid which result from a defective product. If the goal of workers' compensation reform is to cut costs, this is one measure which will allow employers and, indirectly, their workers' compensation insurance carriers, to recoup benefits paid to injured workers for injuries caused as a result of non-employer negligence.



**BlueCross BlueShield
of Connecticut**

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For the Record

001558

**Testimony
of
Blue Cross Blue Shield of Connecticut
on
Raised Bill 7172 AAC Reforming the Workers' Compensation System**

Labor and Public Employees Committee

March 11, 1993

Good morning Senator Colapietro, Representative Lawlor, and members of the Committee. My name is Donald L Roll, and I am Director of Government Relations for Blue Cross Blue Shield of Connecticut. I am here this morning to voice our concerns about four provisions contained in Raised Bill 7172.

The first of those is found on page 23 of the bill, at lines 777 through 784. The effect of this proposed change is to remove, at least partially, the statutory lien health insurers currently have when they have provided benefits, as required by law, when there is a dispute between the employer and employee as to whether a claim is compensable.

Currently, if the employer contests the compensability of an employee's claim, and the employee files a claim under the employer's group health insurance, the group health insurer is required to pay the claim. We do not dispute this requirement. Employees who are covered by both workers' compensation and group health insurance should not be out of pocket while a dispute is being settled. However, the law now gives the health insurer a statutory lien on the proceeds when and if the dispute is settled or an award is made by the commissioner. This statutory lien ensures that the health insurer receives his money back if it is determined that the claim should have been paid by the workers' compensation carrier, thus helping to reduce the costs of health insurance.

We cannot see what is gained by requiring the health insurer to go to the extra expense of filing a claim. In this insurance climate I do not believe that anyone would want the claim to be paid twice, once by the health insurer and once by the workers' compensation carrier. The statutory lien found in the current law is the easiest, least expensive way, to ensure that this does not happen, and the correct insurer pays the claim.

Secondly we are concerned about the language beginning on line 785 where it says "When an employer or insurance carrier (emphasis mine) contests liability for, the amount of, or the reasonableness of, any costs for medical, surgical care, or hospital or nursing services...". We believe you probably mean this to apply to workers' compensation

carriers, however, because the language is contained in the same section of the code as the sub-section requiring health insurers to pay in contested cases, it may have the effect of requiring health insurers to obtain rulings from the workers' compensation commissioner whenever we contest the medical necessity of certain care rendered - even if the care may not ultimately be a workers' compensation case. I believe this problem can be easily remedied by simply stipulating that it applies to the employer and the workers' compensation insurance carrier.

The third concern we have is over new Sec. 18 found on page 41 of the bill at line 1414. This section would create an independent office of consumer advocate within the insurance department. This provision would create an unnecessary, and expensive extra layer of bureaucracy in state government. The provision is patterned after the Office of Consumer Counsel within the Department of Public Utility Control. However, there is one major difference between regulation of insurance and the regulation of public utilities. Public utilities are state sanctioned monopolies and thus need to be subjected to a higher level of scrutiny. Insurers on the other hand are in one of the most competitive businesses in the country. In Connecticut in 1991, the last year for which I have figures, 268 health insurers paid premium tax. So, there are many competitors willing to play in this market, and essentially the only thing they compete on is price. People don't care what their health insurance policy looks like, or its color, they care about its price.

Further, Connecticut law already requires the insurance department to protect consumers. The standards that the commissioner must apply in determining whether to grant a rate increase are that the rate may not be inadequate, excessive or unfairly discriminatory. This requirement would not change with a consumer advocate.

The Commissioner has already been given "all the powers specifically granted, and all further powers that are reasonable and necessary to enable the commissioner to protect the public interest...". It is our fervent belief that the only thing that would result from a consumer advocate office is higher costs for insurance companies, which would ultimately have to be passed on to consumers.

Finally, I wish to express a concern about new Sec. 22 of the bill found on page 44 at line 1508. It appears that the purpose of this section is to authorize what is commonly called 24-hour coverage. This is a method whereby the medical portion of workers' compensation is provided by the employer's group health insurance.

The bill grants the right to workers' compensation carriers to provide group health insurance. However, it does not grant health insurers the right to underwrite workers' compensation. Blue Cross Blue Shield of Connecticut is very interested in 24-hour coverage. We may want to participate in providing 24-hour coverage. However, the language of this bill seems to limit the ability to provide 24-hour coverage to worker's compensation carriers. We would hope that it is not your intention to preclude health insurers from writing this coverage.

John Milleti
line 17

001560

STATEMENT
INSURANCE ASSOCIATION OF CONNECTICUT
LABOR AND PUBLIC EMPLOYEES COMMITTEE

**RCB 7172: AN ACT REFORMING THE
WORKERS' COMPENSATION SYSTEM**

THURSDAY, MARCH 11, 1993

The Insurance Association of Connecticut does not support the vast majority of the proposals for reform contained in RCB 7172. Indeed, most of the changes contained in the bill will only add to the affordability problems which many Connecticut businesses face in fulfilling their legal obligation to either purchase insurance or self-insure for workers' compensation coverage.

Fundamentally we oppose the following:

1. Permitting employers to sue employers for those workplace accidents which are now covered by the exclusive remedy provisions of the Connecticut Workers' Compensation Act (lines 383 - 404). Such a provision would place Connecticut at odds with every other state in the country. With the costs of the current workers' compensation system already choking Connecticut businesses, imagine that very system as only a pre-funding mechanism for lawsuits against employers for any job-related injury. Connecticut cannot seriously consider or afford such an absurd suggestion.

2. Funding of a claimant's attorney's fees in obtaining workers' compensation benefits where the employer maintains its right of action against a third party causing an employee's injury (lines 522 - 524). This will serve to reduce employer recoveries currently provided for under law and increase system costs without any logical justification for providing more money for claimant's and their attorneys.
3. The notification requirement in instance of injury (lines 680 - 688). Employers are already required to post notices pertaining to workers' compensation claims in the workplace.
4. Increasing the interest payment from six to ten percent under Section 31-295 (line 712). Given the level of interest rates and the availability of other remedies where there is some culpable conduct on the part of an employer/insurer causing delay (see Section 31-288 of the General Statutes). Such a proposal is nothing short of a windfall for attorneys and claimants.
5. That portion of Section 9 of the bill which would pay compensation to claimant's in excess of current law for appearances at formal hearings.

6. Expanding the payment for services of medical providers to claimants in connection with formal hearings (lines 748 - 756). Claimants are already entitled to testimony fees for such providers without any reciprocal provision applying to reimbursement of employer costs where an employer prevails.
7. The proposals purporting to change the law regarding health insurer liens on workers' compensation awards (lines 777 - 784). We do not understand the intent or purported effect of some portions of this proposal but that portion which seeks to provide attorneys and claimants with a potential double recovery should be rejected by this Committee just as it was by the Connecticut Supreme Court in *Pokorny v. Getta's Garage*.
8. The proposals relating to disputes between employers/insurers and medical providers concerning fees for services (lines 785 - 813). The proposal is totally unreasonable as written and is obviously designed to generate more fees for attorneys. The Workers' Compensation Commission is currently in the process of developing procedures to resolve such disputes without the costly involvement of attorneys as proposed in this bill.

9. The provision which seeks to alter the liability of multiple employers under 31-299b (lines 818 - 836). We see no apparent reason or logic for such a proposal.
10. The twenty percent penalty sought under Section 12 of the bill relating to voluntary agreements (lines 847 - 851). Penalties already exist delayed payments under circumstances attributable to employer/insurer fault (see Section 31-288 of the General Statutes). This provision is another windfall for claimants and attorneys.
11. That portion of the bill which attempts to set up two additional methods for a claimant to establish total incapacity (lines 1034 - 1042). It is our understanding that lines 1032 - 1034 set forth the basic legal test to be applied to the facts of each individual claim and the judgment of commissioners should not be supplanted nor should the burden of proof shift to the employer regarding capacity to work.
12. The provision which seeks to permit an exception to the exclusive workers' compensation remedy where the injury is related to an OSHA violation (lines 1056 - 1058). Please see Paragraph 1, above.

13. The increase in compensation for back and lung injuries (lines 1171 and 1181 - 1187). These will increase costs for employers.
14. The increase in compensation for those in vocational rehabilitation programs (lines 1288 - 1298). It is our understanding that temporary partial benefit payments are already available to such claimants. This proposal may serve to encourage the seeking of professional student status for claimants with significant cost to employers and little or no demonstrable reduction to the overall cost of the system.
15. The attempt to permit claimants to obtain discretionary permanent partial disability awards without first having been required to obtain a specific permanent partial disability award under Section 31-308. This proposal will increase the availability of more benefits for claimants and fees for attorneys to the detriment of employers.
16. Broadening the definition of total wages to include fringe benefits (lines 1331 - 1337). This will significantly increase costs for employers.

17. Section 18 of the bill which seeks to create a so-called consumer counsel for insurance. Such a proposal ignores the current regulatory structure, creates a duplicative level of bureaucracy and will fail to address the time causes of workers' compensation costs. Insurers are already subject to pervasive regulation countrywide and in Connecticut. Workers' compensation rates are approved after a public hearing and an actuarial review by the Connecticut Insurance Department.
19. Section 20 which calls for an independent actuarial analysis and rollback of rates. Like Section 19 it too is unnecessary since such actuarial evaluations already occur and any true cost savings from any reform must be accounted for in the rate approval process.
20. Section 21 of the bill which attempts to change the calculation of premium rates for construction workers. There is no logical reason for this exception to the payroll methodology used for all other job classes.
21. Section 22 which relates to workers' compensation insurers underwriting health insurance. We do not understand the purpose or intent of this proposal.

22. Section 25 of the bill eliminates workers' compensation offsets from product liability awards. We are not at this time persuaded that the balance struck in the passage of our products liability act should be altered.

The Insurance Association of Connecticut does not fundamentally oppose those remaining sections of this bill which relate to codification of existing workers' compensation practice. With regard to Section 23 dealing with insurance certificates, please refer to our testimony on SB 786.

lc

Patricia Goclofski
001603

CUTW THE CONNECTICUT UNION OF TELEPHONE WORKERS, INC.

3055 Dixwell Ave. • Hamden, CT 06518 • (203) 288-5271

TESTIMONY TO
LABOR AND PUBLIC EMPLOYEES COMMITTEE
by
PATRICIA GOCLOWSKI
SOUTHERN DIVISION VICE PRESIDENT

MY NAME IS PATRICIA GOCLOWSKI. I AM SOUTHERN DIVISION VICE PRESIDENT OF THE CONNECTICUT UNION OF TELEPHONE WORKERS.

THE INDEPENDENT CUTW HAS REPRESENTED TELECOMMUNICATIONS WORKERS IN CONNECTICUT FOR OVER FIFTY-FIVE YEARS. TODAY WE REPRESENT OVER 7000 CONNECTICUT CITIZENS WHO WORK AT THE SOUTHERN NEW ENGLAND TELECOMMUNICATIONS CORPORATION, THE WOODBURY TELEPHONE COMPANY AND STORER CABLE. OUR MEMBERS RESIDE THROUGHOUT CONNECTICUT.

WE AGREE THAT THERE IS ROOM FOR IMPROVING THE WORKERS' COMPENSATION PROGRAMS. BUT, ON BEHALF OF THE WORKING MEN AND WOMEN OF THE CUTW, WE ASK THAT IMPROVEMENT NOT TAKE THE FORM OF FURTHER REDUCTIONS IN WORKERS' COMPENSATION BENEFITS. WE ASK THAT INSTEAD OF PUNISHING THE WORKING MEN AND WOMEN WHO ARE THE LEGITIMATE RECIPIENTS OF WORKERS' COMPENSATION BENEFITS THAT YOU CONSIDER THE FOLLOWING:

1. THE STATE OF CONNECTICUT, LABOR AND BUSINESS SHOULD MAKE JOB SITE SAFETY A TOP PRIORITY; CONNECTICUT COMPANIES SHOULD ALL HAVE SAFETY COMMITTEES TO REVIEW, PROPOSE AND IMPLEMENT METHODS THAT WILL REDUCE WORKSITE INJURIES INCLUDING BACK INJURIES THAT ARE TYPICALLY CAUSED BY UNSAFE LIFTING AS A RESULT OF POOR OR NON-EXISTENT TRAINING IN PROPER LIFTING TECHNIQUES, AS IS THE CASE WITH CARPAL TUNNEL SYNDROME THAT IS MAINLY CAUSED BY POOR WORKPLACE DESIGN (ERGONOMICS).

HB's 7172
6512
6939

2. THE STATE OF CONNECTICUT SHOULD STUDY THE PROFITS MADE BY INSURANCE COMPANIES -ESPECIALLY THE PROFIT MARGINS MADE BY THE COMPANIES THAT SET THE PREMIUM RATES.

3. MOST EMPLOYERS WILL NOT ALLOW AN INJURED WORKER TO RETURN TO WORK UNLESS THE WORKER CAN DO THE SAME FUNCTION FULL TIME AS HE/SHE DID PRIOR TO INJURY; THE PRACTICE OF WAITING UNTIL THE WORKER IS FIT TO DO THE EXACT JOB ENCOURAGES AND, IN SOME CASES, REQUIRES THE EMPLOYEE TO STAY HOME AND COLLECT BENEFITS. COMPANIES SHOULD ENCOURAGE WORKERS TO RETURN TO WORK CITING APPROPRIATE WORK LIMITATIONS WHILE ASSIGNING OTHER DUTIES.

4. SET FEE LIMITATIONS REGARDING PHYSICIAN/HOSPITAL CHARGES FOR WORKERS' COMPENSATION CASES.

HB 7172
6939

**STATE OF CONNECTICUT/DISTRICT 1199
QUALITY OF WORK LIFE
WORKERS' COMPENSATION SAFETY IMPROVEMENT PROJECT**

**PROGRESS REPORT
JANUARY 1993**

HB's 7172

6818

6439

Background

The Quality of Work Life (QWL) Program is a labor/management initiative which has been funded through the collective bargaining agreement between the State of Connecticut and the New England Health Care Employees Union, District 1199 since 1983. During the past 3 years, efforts to reduce workers' compensation injuries were undertaken in the Departments of Mental Health (DMH) and Mental Retardation (DMR), two of the agencies most severely affected by workers' compensation costs.

Through the **QWL Workers' Compensation Safety Improvement Program**, joint labor and management teams are created at the local worksite level (ie, ward, cottage, group home, apartment, etc.) with the goal of involving all affected staff at each location in the effort.

Impressive savings were achieved through the results-oriented 'breakthrough' strategy with assistance from the Robert H. Schaffer and Associates consulting firm in each selected or pilot worksite in DMH, through an initial QWL grant to DMH. Midway through the project, QWL staff were trained in the 'breakthrough' strategy and were thus able to save considerable funds in facilitating projects in-house.

The **working assumptions** used in these projects are that:

1) only the direct care staff who provide direct client/patient care, or the staff who provide the support service to the residential unit or ward can significantly improve safety and reduce injuries;

2) many safety "incidents" are not "accidents" -- they have identifiable causes and can be eliminated or reduced in frequency;

3) individuals acting alone cannot improve safety conditions -- a consistent team approach makes safety improvement possible; and

4) to be successful, a residential unit or ward needs to carve off a short-term focus for improvement, rather than try to tackle everything at once.

Results in the Department of Mental Health

I. Norwich Hospital

In 1988, a grant of \$20,000 was allocated to the Norwich Hospital QWL Steering Committee to retain a consultant to begin a new approach to reducing workers' compensation costs at an institution with one of the highest workers' compensation injury rates in the Department of Mental Health. Many earlier attempts at trying to reduce workers' compensation costs had not achieved significant savings and it was hoped that this new project would yield positive results.

Three wards were initially chosen for the pilot project in 1988 and teams were created on each of the wards. Each of these teams consisted of mental health workers, nurses, and administrators. These included Kettle North 3 in the Geriatric Division, Kettle South 4 in the Acute Division, and Lodge East 3 in the Psychosocial Division. The wards were chosen by the Norwich Hospital QWL Steering Committee based on the following criteria: 1) frequency/severity of injuries, 2) participants' belief in the potential for change, and 3) ability for participants to work/communicate as a team.

The safety project is called **ESPRIT**, which means **E**mployee **S**afety **P**rogram to **R**educe **I**ncidents and **T**rauma. Results from the initial pilot project were so dramatic that it was decided to launch a hospital-wide project to include all wards and departments in 1991 with assistance from DAS through a Loss Control grant to DMH and a hospital-wide safety steering committee through QWL. **Highlights of the results show:**

*** Between 1988 and 1989, workers' compensation costs for staff incidents and injuries in the 3 piloted wards went from \$31,500 to \$6,000.**

*** Results from the pilot project wards demonstrated an 80% reduction in workers' compensation costs.**

*** Hospital-wide project initially resulted in a decrease of 100 days lost per month.**

*** The number of hospital employees on workers' compensation has steadily decreased at the rate of 33% since 1990.**

In addition to quantitative results, the Norwich Hospital QWL project developed further cooperative efforts between managers and union members with:

increased sense of accomplishment;

improved esprit de corps;

enhanced inter-shift communication;

decreased restraint hours;

program enhancement of safety training (PMT).

ESPRIT has spawned a comprehensive cooperative approach between managers and union members to supplement the on-going work of the safety teams. Through QWL, they have developed a pro-active wellness program with confidential peer counselling and employee assistance components, expanded selective duty and light duty programs and instituted permanent "less arduous duty" assignments.

2. Connecticut Valley Hospital (Middletown)

The final report on the results of the safety project at Connecticut Valley Hospital was issued in October 1991, and covered the period from July 1, 1990 through June 30, 1991. In that report, a number of **successes were reported:**

*** On the 7 wards in which the project was piloted, there was a 30% reduction in staff-related safety incidents, compared with a 10% increase in 7 comparable wards which had not been part of the pilot project.**

*** One ward involved in the pilot project had 0 incidents for 5 consecutive months.**

The project was subsequently ended, due to the elimination of funding for the consultant. Hospital reorganization has extensively shifted and re-assigned patients and staff which makes comparable tracking of incidents impossible for any later periods of time.

Results in the Department of Mental Retardation

1. Region 6 (Eastern Connecticut)

In July of 1991, a new QWL safety improvement project was launched in the Department of Mental Retardation. The project began in the eastern region (Region 6) due to the large number of workers' compensation claims. The project design was adapted from the successful results-oriented safety projects at Norwich and CVH. The DMR safety improvement project was handled in-house by QWL staff.

A QWL steering committee of equal numbers of managers and union members was established and sites were chosen based on the same criteria used in DMH: 1) frequency/severity of injuries, 2) participants' belief in the potential for change, and 3) ability for participants to work/communicate as a team. The sites chosen included: The Cottage, an institutional residence for 19 clients and 24 staff on the Seaside campus; Summit Woods, a group of 3 apartments in the community for 9 clients and 17 staff; and Riverview, an institutional residence for 14 clients and 23 staff.

The QWL safety project in Region 6 has been so successful that DMR is interested in expanding the strategy statewide to other regions and institutions.

Highlights of the Region 6 project are:

*** All pilot worksites demonstrated dramatic decreases in number of claims, number of days lost, and cost of claims since the start of the QWL project.**

*** Injuries at The Cottage dropped from an average of 36 per year to 0 within one month of the inception of the project and have remained at 0 since that time (January, 1992 - January, 1993).**

*** A reduction in overtime at The Cottage from an average of 4-500 hours per pay period to an average of 50 hours per pay period.**

*** Over \$375,163 was saved in one year in workers' compensation costs due to the QWL project.**

*** Projected claims per 100 employees in Region 6 will drop over 20% in the next fiscal year (if the current trend are continued) from 59.9% to 38.4%.**

In addition to the quantitative results in DMR Region 6, a number of exciting results have been achieved:

*** a well-attended health/wellness fair held annually on the Mystic campus;**

*** active safety committees at both Seaside and Mystic campuses as well as a region-wide safety committee -- with participation from both labor and management; and**

*** improved labor-management relations in all pilot worksites.**

The Committee is currently investigating potential new worksites to expand using a DAS Loss Control grant and the enhanced ability of QWL staff to provide additional services through a new project with an outside consultant.

Projected Results if Expanded Statewide

These results demonstrate conclusively that it is possible to produce results in reducing workers' compensation injuries using a labor-management cooperative approach. The QWL State Steering Committee has recently determined that the success of these projects is so dramatic that they would like to expand it to other parts of DMH, DMR and the Connecticut Alcohol and Drug Abuse Commission.

It has been demonstrated that using the QWL model has made an appreciable difference in the ability of both managers and union members to work cooperatively on this extremely difficult issue. Additional principles inherent to every QWL project facilitated the process enormously:

- * union involvement from day one**
- *QWL as a negotiated issue**
- *emphasis on process**
- *equality of members**
- *training and coaching by a neutral**
- *separation between QWL and collective bargaining**
- *emphasis on cooperation**

The combination of these QWL principles with the working assumptions of the safety improvement projects greatly enhanced the ability of all to produce dramatic results.

The distribution of workers' compensation claims expenditures for the State of Connecticut as an employer explains why these projects are of such significance -- DMR and DMH together account for almost one-half of all claims (DMR accounts for 33.9% and DMH accounts for 14.8% of the total burden). The State of Connecticut could decrease its workers' compensation burden substantially in other agencies and in other bargaining units through the use of similar results-oriented cooperative labor-management approaches.

ANSONIA COPPER & BRASS, INC.

AN EMPLOYEE OWNED COMPANY

George Wilson
line 1
001626

HB's 7172, 6939

HB's 5089, 7171 - p. 1626

7152

LABOR COMMITTEE

WORKERS' COMPENSATION HEARING

MARCH 11, 1993

STATEMENT

BY

GEORGE R. WILSON

DIRECTOR OF MANUFACTURING ALLIANCE OF CT

PRESIDENT OF ANSONIA COPPER & BRASS, INC.

- Should an ombudsman be appointed to report questionable medical practices and uncooperative medical providers?

Requiring employees to participate in their employer's workers' compensation HB's managed health care plan would certainly help eliminate questionable doctors from the 5089 system. Another approach to eliminate questionable doctors is to allow companies to 7171 post a list of ten doctors which their employees could not utilize.

Excessive insurance rate increases have occurred despite passage of the 1991 workers' compensation reform package. We cannot let that happen again! Let's require, as part of the reform package, a reduction in insurance rates.

There is no real incentive for insurance companies to control workers' compensation expenditures since premiums increase as costs grow. They know system abuses better than anyone, but they do not take a leadership role to correct them. Inadequate performance of two previous insurance carriers almost cost our workers their jobs. Finally, we were fortunate to find an insurance company that understood its performance responsibilities before our company became history.

Summary of Benefit Changes:

- Limit Scar Awards since such action will reduce manufacturing costs and not impact the workers quality of life. HB's 7152, 6939, 7171
- Elimination of overtime and bonuses from calculation of benefit programs will have a larger cost reduction impact on small manufacturing companies than reducing the maximum benefit rate from 150% to 100%. HB's 7171, 7172, 5089
- Limit awards for Psychological Stress Claims or say good-bye to small manufacturing. HB's 6939, 7171
- Require all compensable permanent partial impairments to be scheduled according to the number of weeks of compensation benefits these impairments merit, and reduce all scheduled weekly awards by one-third. HB 7171

Jack Fogarty
11/14

J. E. Fogarty
Vice President
Human Resources

Electric Boat Division
General Dynamics Corporation

Testimony before
the Labor Committee
Connecticut General Assembly

Hartford
March 11, 1993

HB's
6939, 7152,
7171, 7172,
6818

As part of EB's own effort to improve its workers' compensation experience, management and labor are tackling the root cause of the issue — workplace injuries. One initiative involves a labor safety committee that for 25 years has worked with management to reduce accidents. While this arrangement has been successful at Electric Boat, I don't believe it makes sense to mandate a single solution across the board . Another one of our efforts – now in its second year – is an intensive safety-awareness program that has been defined by labor/management cooperation. Together, these joint efforts have sent accidents at our Groton shipyard plummeting 33 percent from 1991 to 1992. Additionally, we have an aggressive return-to-work program that over the last four years has placed 65 percent of our workers' compensation claimants in light-duty jobs. Despite these efforts, our costs continue to soar even though we're self insured.

Workers' compensation reform can play a crucial role in the effort to make Connecticut more competitive with other states — to level the playing field in the contest to attract and retain jobs for our workers. That's really what we're talking about. If we want jobs, we've got to control the cost of doing business in Connecticut, plain and simple. Thank you very much.

John Lapides
line 4

WORKER'S COMPENSATION REFORM
PROPOSAL
MARCH 11, 1993

HB 7111,

*EXCLUDE OVERTIME AND BONUSES WHEN DETERMINING7172COMPENSATION BENEFIT AMOUNT

- . Compensation payments are based upon a 26 week gross salary average.
- . Base period may include overtime and bonuses while such opportunity for premium pay may not be available during the actual period of disability.
- . Result is individual may receive more in Worker's Compensation payments than they would actually earn if they returned to work.
- . System may create a disincentive to return to work.

EXAMPLE- BASED ON ACTUAL CASE

- . Normal work week 40 hours
- . Straight time hourly rate \$11.66
- . Normal weekly earning 40 x \$11.66 = \$466.40 gross, \$388.42 net of taxes.
- . Weekly compensation rate is \$418.00
- . Shortly after disability began the individual's job went back to a normal 40 hour schedule for which he would have been paid \$388.42 net per week.
- . Worker's Compensation payment exceeded normal 40 hour net pay rate by \$29.58 per week.
- . Conclusion: Employee has a financial incentive to collect Worker's Compensation rather than return to a 40 hour work week.

Submitted by: John S. Lapides
President
United Aluminum Corporation
North Haven, CT 04673
Phone: 239-5881
Fax: 239-4445

My name is Ken Delacruz. I am President of the Metal Trades Council bargaining unit for the 7500 workers in the steel trades at the Electric Boat Shipyard.

Historically, shipyard work has been recognized as ultra-hazardous. Shipyard workers are exposed to a particularly high risk of traumatic injury and occupational disease. Occupational diseases, like lung cancer and asbestosis, have resulted in the disability or death of thousands of our members over the years. However, traumatic injuries also routinely result in permanent injuries which destroy a workers' wage-earning capacity. The Compensation Act provides meager compensation for these injuries and workers are often reduced to poverty by their injuries. It is absolutely outrageous that the business and insurance alliance proposes significant reductions in the existing inadequate benefit scheme.

HA 7171

One of the proposals that would have a devastating impact on many workers is the proposal to reduce workers' compensation by any retirement benefits received. Many workers enter the private work force after leaving the military. They build a standard of living based on a military pension plus their present earnings. If compensation is paid at 80% of earnings less retirement benefits, these workers will certainly be reduced to poverty by work injuries.

HA 7171

Another proposal that would be certain to ruin the lives of working men and women is the proposal to limit lost-wage benefits, after specific, to a number of weeks equal to the specific award. On top of this, there is a proposal to reduce specific awards by 1/3. Taken together, these proposals would gut the Compensation Act.

It is usual for a worker permanently disabled from his former employment to be switched to a specific award while still out of work. For most injuries, these awards are not generous. For example, a grinder with carpal tunnel syndrome requiring surgery in both hands is likely to end up with 10 to 15 weeks of permanent partial benefits. Under the CBIA plan, the maximum additional benefit this worker could receive would be 10 to 15 weeks of lost-wage benefits. Now, this worker will never be able to return to work as a grinder because he would suffer further injury to the hands. If he can find a new job, it will likely be at a big drop in pay. Still, he wouldn't receive any benefits for the drop in wages. If he can't find work - ~~he'd still be entitled to nothing~~ - he'd still be entitled to nothing. So, the CBIA plan would create a new group of impoverished citizens, dependent on state welfare for subsistence. This could not have been the legislature's intention in creating a workers' compensation system.

HB's 7172, 6939, 7152

A final matter of particular concern to my members is the proposal by the governor to prohibit wage differential benefits to workers who live out-of-state. This would deny the most basic workers' compensation coverage to the many workers who live out-of-state and commute to jobs in Connecticut. About 1/3 of the work force at Electric Boat, and in southern Connecticut generally, live in Rhode Island. When these workers sustain injuries, they give up parts of their body to make profits for Connecticut employers. It is grossly unfair and arbitrary to deny these workers the full measure of workers' compensation benefits.

In closing, I urge you not to make innocent victims pay for ill-advised investments made by insurance companies. ~~The~~ workers' compensation ^{system} as it presently stands, does not come close to making injured workers whole. However, the system does allow ~~many~~ injured workers to retain some shred of dignity and financial solvency, even in the face of disabling injury. The proposals made by the CBIA and the governor would subvert this shared sense that the workers' compensation system provides at least a minimal, ~~but a septable,~~ level of benefits. If passed, these proposals will gut the workers' compensation system and make welfare the most important benefit system available to injured workers.

Connecticut

HB's 7152, 7171, 5089,
7172, 6939

March 1, 1993

TO: THE LEGISLATORS
FROM: REGISTERED VOTERS

We understand the legislators are considering proposed changes to Workers' Compensation benefits. Among these changes are: Reducing the workers' compensation rate; letting the insurance company choose treating doctors for injured workers; eliminating cost of living adjustments; repealing the law requiring employers to *continue health insurance for individuals receiving workers' compensation.*

These proposed changes in Workers' Compensation benefits are unjust and discriminatory. With the understanding insurance rates would be cut, major reform measures were undertaken two years ago. Insurance rates were not cut as promised. The insurance industry has no qualms about accepting premiums, but balks at paying benefits. This is unfair to insurees.

We propose: MAKING THE WORKPLACE A SAFER PLACE TO WORK. This would minimize injuries; reduce claims; reduce premiums; and reduce costs.

We do not believe the problem is in cutting workers' compensation benefits. We believe the problem is insurance reform. (Cutting Commissioner Zoe Baird's salary from \$570,000 per year by \$500,000 would greatly benefit workers injured on the job).

NAME	ADDRESS
<i>William Valero</i>	15 Taylor Dr Norwich Ct
<i>Matthew Valero</i>	151 Tinkler W. Ave
<i>Steven A. Havel</i>	181 Mechanic St Pawcatuck
<i>Supriya D. Datta</i>	5 Cooper St Norwich
<i>James P. Cook</i>	6 Summer St. N. Ct.
<i>KATH HILL</i>	8 E. Baltic St Norwich Ct.
<i>Mr. M. Munro</i>	90 Military Hwy Guilford Ferry Ct
<i>Alan</i>	12 Milton Hwy Guilford Ferry Ct 06331
<i>B. B. Greene</i>	35 CHAPMAN LN ISABEL FERRY
<i>Lernando Fortin</i>	19 Brewster Dr. Isabel Ferry Ct
<i>W. J. ...</i>	8 Robert Wood Dr. Isabel Ferry, CT
<i>Robert King</i>	53 Terry Rd Guilford Ferry
<i>Donald ...</i>	41 SOUTH MAIN ST. JEWETT CITY
<i>Robert ...</i>	37 Lake View Dr Jewett City

SB 786

AFFIDAVIT

HB 7172

I, SCOTT BAILIE, being duly sworn, depose as follows:

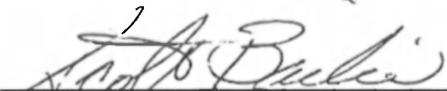
1. I reside at 261 Toilsome Place, Bridgeport, CT 06606. I am employed as a Business Representative for Carpenters Local 210 for the Bridgeport area. I have held the position since 1989.
2. My duties as Business Representative include keeping track of building permits in Bridgeport, and I also visit union and non-union job sites to talk to carpenters about their wages and working conditions.
3. Sometime around 11:30 am, January 22, 1993, I checked building permits at Bridgeport's building department to see what construction was occurring. There was no permit issued for the construction of the Governor's Annex office at Park Plaza, 10 Middle Street in Bridgeport, CT.
4. Later in the day, I was driving by Park Plaza, and I saw drywall being delivered. I walked into the lobby and opened the door into the construction of the Governor's Annex. (At this time I didn't know that this was going to be the Annex.) I observed that construction of the offices was well underway. The metal-stud framing of the offices was almost complete. There were approximately four or five carpenters there assisting in the delivery of the drywall. I spoke with a man who described himself as the boss of Treco Construction on the job. Treco is the project's general contractor. I asked him who was doing the work, and he responded that the subcontractor was Coub Drywall.
5. I left the job and returned to the Building Department. I asked a secretary for the building permit file on 10 Middle Street. I opened the file, and I found that the last permit issued was for a satellite dish on the roof. I spoke with the secretary about the construction I had just seen at 10 Middle Street. One of the building inspectors overheard the conversation. (I do not remember his name.) He told me that there was no construction going on there. After I told him

5.3.

BAILIE AFFIDAVIT
page 2 of 2

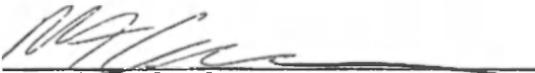
what I saw, he said that it must be the construction of the Governor's Annex office. He informed me that paperwork for the permit had been filled out and that the permit would be issued the middle of next week.

6. I returned to the Building Department on January 27, 1993. I found a building permit #13679 for the construction of the Annex, issued to Treco Construction on January 26, 1993 for \$80,000. Also, on the permit was stamped "Plans App. 1/25/93."
7. I returned to the job site at 10 Middle Street on January 27, 1993. I asked a security guard in the main lobby if the construction was for the Governor's Annex. He told me that it was. Indeed, the Governor's seal was on the door. I spoke with a man who identified himself as Jeff McGrath. He told me that he was a subcontractor working for Coub Drywall. He further informed me that all of the carpenters on the job were working as individual subcontractors for Coub Drywall. Two security guards then asked me to leave the building.
8. I discussed the situation with James Gleason, another Business Representative for Local 210. He told me that there was a U.S. Internal Revenue Service tax lien against Coub Drywall. I called the Town Clerk of Monroe on January 28, 1993, and the Town Clerk confirmed that there was a federal IRS tax lien against Coub. A copy of the lien is attached.
9. Coub Drywall, Inc.'s address is 70 Far Horizon Drive, Monroe, CT 06468-1726. The address of Treco Construction is 10 Middle Street, P.O. Box 310, Bridgeport, CT 06604.



Scott Bailie

The above statement was sworn to and subscribed before me this 8th day of February, 1993 in Norwalk, Connecticut.



Matthew F. Capece
Commissioner of the Superior Court

Form 688 (Y) 144 Department of the Treasury - Internal Revenue Service
 (Rev. 7-89) **Notice of Federal Tax Lien Under Internal Revenue Laws**

District **00337 Hartford, CT** Serial Number **69102256** For Optional Use by Recording Office

As provided by sections 6321, 6322, and 6323 of the Internal Revenue Code, notice is given that taxes (including interest and penalties) have been assessed against the following-named taxpayer. Demand for payment of this liability has been made, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

Name of Taxpayer **COUB DRYWALL INC , a Corporation**

Residence **70 FAR HORIZON DR
MONROE, CT 06468-1726**

IMPORTANT RELEASE INFORMATION: With respect to each assessment listed below, unless notice of lien is raised by the date given in column (e), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(e).

Kind of Tax (a)	Tax Period Ended (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Retiling (e)	Unpaid Balance of Assessment (f)
941	09/30/89	06-1275086	04/02/90	05/02/00	34306.58
941	12/31/89	06-1275086	04/02/90	05/02/00	44632.36
941	03/31/90	06-1275086	10/01/90	10/31/00	27920.61
941	06/30/90	06-1275086	10/01/90	10/31/00	33728.88
1120	12/31/89	06-1275086	08/06/90	09/05/00	549.20

Place of Filing **TOWN CLERK
MONROE Town of
MONROE, CT 06468** Total **141137.63**

This notice was prepared and signed at Hartford, CT on this, the 31st day of January 19 91

Signature Maria E. Winkler Title **Revenue Officer**
for C. Arthur Bright **06-01-1518**

(NOTE: Certificate of officer authorized by law to take acknowledgments is not essential to the validity of Notice of Federal Tax Lien Rev. Rul. 71-466, 1971-2 CB 100)

RECEIVED FOR RECORD *[Signature]* Form 688 (Y) (Rev. 7-89)

Specialty Chemicals Group
 Pfizer Inc
 Eastern Point Road
 Groton, CT 06340
 Tel 441 4100

File to
 Record



Specialty Chemicals

HR's 6939, 6818, 7172,

7171

March 11, 1993

TESTIMONY OF GEORGE R. BLEAZARD BEFORE A PUBLIC HEARING OF THE LABOR AND PUBLIC EMPLOYEES COMMITTEE ON WORKERS' COMPENSATION REFORM.

Good morning Chairman Colapietro, Chairman Lawlor, and committee members. My name is George R. Bleazard. I am the Director of Safety and Health at Pfizer's manufacturing facility in Groton. I appreciate the opportunity to share with you Pfizer's position regarding Workers' Compensation Reform and mandatory safety and health committees.

I am here to express our support for the Connecticut Business and Industry Association's recommendations for Workers' Compensation Reform.

Pfizer is self-insured in the area of workers' compensation. The impact from actual expenses associated with occupational injury and illness has a direct bearing on the financial position of our facility. To this end, a solid safety and health program exists at the company which targets the prevention of injury and illness. This is key.

HR's 6818, 6939, 7172

However, despite the success that has been demonstrated in terms of reducing injuries and illnesses occurring within our work force, there is not a corresponding decrease in workers' compensation costs. From 1987 through 1991, we experienced about a fifty percent reduction in the number of occupational injuries and illnesses. However, during this same period, the average cost of a workers' compensation claim increased by almost seventy-five percent.

This cost of operation has a direct bearing on our overall competitiveness and the ability to retain jobs here in Connecticut.

We must work together towards the common goal of a fair and equitable workers' compensation system which operates at reasonable cost.

I would like to point out a few of the specific issues to which I would like to address:

- * Returning the injured or ill employee back to the work environment in either a limited duty or full work status is critical to their recovery process and controlling costs. At Pfizer, a light (or limited) duty return to work program exists. This program

establishes a planned rehabilitation process with an expected date for returning to a full work status.

The workers' compensation system must not provide a monetary incentive for an employee to remain outside the work place. Instead, there should be a stronger attraction to return to work in either a limited or full capacity.

- * Scarring. We need to change the criteria upon which scarring award decisions are based. We need to stop awarding disfigurement benefits for conditions that are not truly disfiguring and do not interfere with the employee's life or work functions. 1783 7152,
6939
7171
- * Defining personal injury or injury. We need to exclude social, recreational, and sports-related injuries and injuries from employee wellness programs from the scope of employment under our present system. 1488 7171,
6939
- * Notice contesting liability. The twenty-eight days for an employer to contest or accept liability for a workers' compensation claim needs to be removed. The current time limitation can restrict the thorough investigation of a potential claim and result in an unnecessary adversarial relationship associated with premature claim denial. 1483 7171,
7173

The bottom line is that everyone has the right to a safe work environment. If people don't get hurt, then they don't need to worry about workers' compensation benefits. We need a system that encourages both employers and employees to work together towards work place safety and fewer safety incidents rather than one that encourages claims.

I would like to make a brief comment regarding mandatory safety and health committees. Safety and health committees alone will not assure a successful safety program. Successful safety programs rely on several key factors. These factors include areas such as the safe design of the facility, ensuring that effective accident prevention programs are developed, that everyone involved is knowledgeable and understands their expectations under those programs, and that each employee has accepted their responsibility and is committed to the program.

In today's business environment we must have the flexibility to be competitive. If you must consider establishing safety and health committees, please consider flexibility in the function and make-up of these committees.

Conclusion

The Food Science Group of Pfizer Inc is competing in a truly world wide marketplace. The competition we face is stiffer every day. Because of the difficult business climate in Connecticut, the role of the Groton plant as primary manufacturer for the corporation has been diminished. Since 1990, the Groton plant has eliminated almost 450 positions out of 1500. Since 1980, the Groton plant has eliminated almost 775 positions. World wide competition is having an effect on Connecticut.

Thank You

Jack Braddock
line 6

Comments of Jack Braddock
 Manager, Occupational Safety
 United Technologies Corporation
 To The Labor and Public Employees Committee
 of the Connecticut General Assembly
 Thursday March 11, 1993

HR 6818
6939.
7172

Good afternoon Mr. Chairman and members of the Labor Committee. My name is Jack Braddock and I am manager of Occupational Safety for United Technologies Corporation. I appreciate this opportunity to discuss briefly our concerns regarding mandatory safety and health committees.

We believe that employees should have an active role in the safety program at their workplace. There should be a formal means for employees to raise safety issues without concern regarding retribution. We also believe that improving safety and reducing the frequency of job related injuries are complex issues which require solutions which are creative, flexible and involve as many employees as possible. There is no question that employee involvement will contribute to safety performance improvement. We have a concern, however, that the proposed legislation is a one-size fits-all approach to this very complex issue.

At most of our locations, we have employees actively participating in programs to address safety issues. We have committees or action teams evaluating general safety issues, employee communications, awards programs, case management issues and ergonomics issues. Frequently these committees or teams are modeled after the TQM or total quality concept which we have implemented in many of our operations. The integration of safety into our operating units' cultures has occurred over time. We were able to successfully integrate safety into our business environment because we were not bound by one employee safety involvement concept.

We tailored the teams to the issues, cultures and resources within the operating or business unit. Many of the committees and teams which we now have in place would probably not satisfy the requirements detailed in the bills being considered. Any legislation passed should recognize the differences in workplace cultures, issues, hazards and resources. Legislation should recognize the need for flexible and creative employee involvement programs.

In the 1991 workers compensation reform package, there is performance based language regarding safety and health committees. UTC was an active participant in the sweeping and creative changes introduced by the 1991 legislation. Because of delays in issuing the rules, industry has not yet been able to implement the committee concept in the 1991 legislation. We should be able to move forward soon to see how the 1991 committee concept works. We encourage the Legislature to allow business and labor to learn from the implementation of the committees as the new regulations are implemented.

The 1991 Legislature also created a task force to study methods of improving safety and reducing the frequency of job-related injuries. That task force has never met. We support the task force and would like to be a participant. One of the issues the task force should be charged with evaluating is employee involvement programs. Let the task force evaluate how committees required under the workers' compensation statutes are functioning as well as how other employee involvement programs work. Based on the recommendations of that task force, further action could then be considered.

We believe that we should learn from the legislative initiatives already signed into law before we mandate a "one-size fits-all" approach.

I thank you for your time and attention.

JOINT
STANDING
COMMITTEE
HEARINGS

LABOR AND
PUBLIC
EMPLOYEES
PART 6
1776-2102

1993

to the clerks and those all become a permanent part of the record for any of the bills we're considering.

So having said that, those are essentially the ground rules. You'll probably hear a bell go off as you're testifying. That means your three minutes are up. Once you hear that bell, we'll ask you to quickly summarize, and again, as I said, if we have questions, perhaps we can go back and forth. So, and before we go forward, I would just like to thank the labor temple, I don't know who the organization is specifically, for making the room available tonight and we certainly do appreciate the opportunity to come down here. As I said, it is unusual for us to leave the comfort of the State Capitol to hear what real people have to say, so I welcome this opportunity and we're looking forward to hearing what you have to say. Senator, did you want to say anything or --?

Okay, so having said that, the first person to testify is Anthony Madden, who will be followed by Howard Goldfarb, then Warren Gould, then Tadd McGwire, I believe it is, and then Linda Thompson.

ANTHONY MADDEN: My name is Anthony Madden. I'm a member of JUSTICE, injured Connecticut people for workers' rights and also the Silver Wave.

SB 743

I've been in the injured area here with Workers' Compensation since 1985. I was up through Program Review. First, you are talking about cutting people's benefits and stuff. I think it's a serious thing that we have to sit down and make the people are receiving their benefits. Amongst the groups with ourselves we have a lot of people that have not received ten cents. A lot of people are being turned away without having proper medical care and everything else because the system is not set up to protect the injured worker like it's supposed to.

HB 7172

Commissioners are not enforcing the law like they should be. They're sworn into a position. They're hired, they're paid a humongous amount of money and I think there's a big problem with watching them to make sure they enforce what they're supposed to.

My case went from the beginning to informal hearings without an attorney, until I had to hire an attorney because I wasn't being treated right. The insurances were in the back room, which I was yelled at for calling it the back room, with the commissioners, with the stenographers when we went to formal hearings. I'm being totally run around here.

I have a letter here, at the time it was Nardine Riddle was up there. I'm waiting for a letter from Mr. Blumenthal here, that they cannot oversee Workers' Compensation problems. I have another one from the chief state's attorney's office, for misconduct. I have a lot of things that are given to them in a letter and for some reason, all that they looked that there was no myelogram, the doctor made an erroneous mistake.

I can't get anybody to look into this. Senator Upson I spoke to at the Silas Bronson Library said he would look into it and then investigate it. I don't know who else to turn to. I mean we came up to the committee to try to explain to you fellows, it's hard for you too I know, because it's not the only thing on your agendas, but we're stuck with a system here that's not working. It's not working properly.

Cutting a benefit, I don't know what's been cut when a person is not receiving the benefit, but we really need help and I hope this will do it because Program Review, all that came out of that was cutting the person's benefit then and I mean I have a commissioner that hates my guts. I swear he goes home and lights candles and hopes that I die. It really seems that way to me anyhow.

And when you sit there and these commissioners are in the back, you can't see them, the attorneys are back there, the insurance companies are back there, you feel like two cents because you don't know what's going on, but I mean I really -- I just talked to Mr. Blumenthal's Office with Mike Mullane and he's going to send a letter and I also would like a letter from the committee back to the chief state's attorney's office to do a proper investigation because this sure wasn't a proper investigation. Thank you.

REP. LAWLOR: Well, I can tell you, Anthony, among the many proposals that we're considering this year are several which would impose what would be for the first time penalties on insurance companies or employers who don't pay on time after they've been ordered to make payments by a commissioner. I know that's not exactly your case, but many people have told us that's a problem and even after they go through the procedures such as they are and they're ordered to make payments, that doesn't happen and I think, you know, we've heard a number of complaints both in this committee, and as you know, I'm a member of the Judiciary Committee, that you've been before us many times about who is being appointed as Workers' Comp commissioners.

I think we've seen in recent years, or at least in the last year, there's been a definite shift in emphasis on making sure there are competent people being appointed as Workers' Comp commissioners that understand the system and understand how it's supposed to work, and finally, I can say that, you know, I'm sure it was the intent when this system was first designed over 70 years ago that you wouldn't need lawyers to go into the system. You wouldn't have to hire them and the insurance companies wouldn't show up with their own lawyers and it's supposed to be an informal system and if I can summarize our intent, it is to help bring down the cost by making the procedures much more common sense so that people who are injured on the job get their benefits quickly and so that people who -- to the extent people are involved in fraud or something like that, that's identified quickly and they're out of the system. So we're hearing what you're saying.

ANTHONY MADDEN: One point I wanted to make with the payment of late charges and penalties, that's left up to the commissioner's discretion and when they're six months without paying you and the commissioner turns around and says, well, gee, there's a lot of red tape involved, there's a big problem.

REP. LAWLOR: Well, under our proposal if you don't make the payments within 20 days -- I think it's 20 days, 15 or 20 days of the date that it's ordered, there's an automatic 20 percent penalty that kicks

HB 7172

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LABOR AND PUBLIC EMPLOYEES

March 15, 1993

in and many states do it that way. The federal system does it that way and there's no reason Connecticut shouldn't join that.

ANTHONY MADDEN: I hope so. Thank you.

REP. LAWLOR: Next is Howard Goldfarb and then Warren Gould.

HOWARD GOLDFARB: Good evening. My name is Howard Goldfarb and I'm the President of (inaudible) Industries in Hamden. We're a five generation Connecticut manufacturer of architectural aluminum products. In 1989 our two plants employed 155 Connecticut residents. At the present time we have 61 total employees.

One of the most important reasons is the overwhelming cost of doing business in the State of Connecticut. A great deal of this cost is due to state mandates which many of our competitors in other parts of the country do not face. On March 3 our Workmen's Comp policy was due for renewal. We requested bids of (inaudible) and of the 12 insurance companies we solicited a quote only two ultimately quoted us.

Our existing carrier, which was The Hartford, quoted \$143,000. This is 61 employees, which was almost 50 percent above the rate we were paying for the existing policy on March 2nd. Because of this, the only other carrier who did quote us was the CBIA pool and we were forced to go into the CBIA policy which did not offer the same level of service that we had with The Hartford. We were under what they call peer review, which offered excellent follow-up for our employees. When somebody goes to the hospital, they are right there and they were taking care of them, getting them back to work.

We had at least two cases where employees were injured. Peer review got them back to work at a very reasonable period of time and thus kept our costs down, but because of the increased cost, we were forced to drop the Hartford's policy. Due to current conditions in Connecticut, it appears to us that virtually no insurers are willing to assume any risks in this state due to the high medical

SB 1017 - p. 1783, 1790

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REP. LAWLOR: Thank you very much. Further questions? If not, thank you, Warren. Next is Tad McGwire to be followed by Linda Thompson and then Allison Sylvia.

TAD MCGWIRE: Good evening. My name is Tad McGwire. I'm President of the Industrial Heater Company and we're located in Stratford.

REP. LAWLOR: Tad, if you could just pull over that microphone a little bit closer to your mouth, that's one that's live there.

TAD MCGWIRE: We're a manufacturer of electric heating elements and we employ roughly 75 people. I'm here tonight to voice my support for the reforms proposed by the CBIA of Workmen's Comp.

Workmen's Comp has obviously become a significant cost to us and we have two primary concerns, one with the level of our premiums, and two, with our ability to control any of those costs. I have two examples. HB 7172

We recently moved into Connecticut, bucking a trend, from New York. We moved in, in 1991 in New York using the State Insurance Fund. They have a state fund in New York. Our premiums for our factory employees were \$3.71 per \$100. For those same employees doing the same work here in Connecticut, it's now \$6.87 per \$100, an 85 percent increase for the same jobs.

Now maybe the state fund is the way to go for Connecticut. That's not what I'm trying to argue here. I'm just trying to find a way, support a way that we can get our costs down. All right, in total, those increases added roughly \$25,000 annually to our Workmen's Comp cost. SB 1017

In terms of the control, in New York we had a great experience rating. We think we run a fairly safe shop and each year the way the state fund works is if you had a good experience rating and you don't have any injuries you get a dividend and we have to \$8,000 to \$10,000 dividends annually.

HB's 6437, 7172, 6212, 1794

SB 1017

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REP. LAWLOR: Thank you, Tad. Just before we can go on, just a brief announcement. I've been told that -- I know there's not an awful lot of parking outside, but apparently a few people have parked immediately behind cars that now cannot get out, so if you recall when you pulled in if you parked behind a car, in essence blocking it in, I don't have license plate numbers right now, but if you think you might be blocking a car, please go out and take a look because a couple people have to leave and we'd appreciate it.

Secondly, Tad, I'd just like to point out that you mentioned two things which are very important and perhaps as we go through this evening we'll learn more and more about the proposals, but the state fund, you mentioned, that is something we're looking at, not as a complete substitute for private insurance in Connecticut, but as an alternative because it's considered -- it's considered that we could bring the rates down by making that alternative available.

CR 1017

Secondly, we do have some proposals which would provide dividends or incentives, rebates, if you will, to employers who have exemplary safety records, who have worked in safety committees in the workplace, etc. because obviously the fewer people who get hurt, the lower costs are, and finally, regarding doctors, we do have a wide variety of proposals regarding doctors, especially a strict limitations on the fees doctors are allowed to charge in Workers' Comp cases similar to what's done in the Medicare system and so proposals regarding preferred provider.

HB's 64397172503468187171

So I think all of what you have suggested in addition to what CBIA has, CBIA is sort of focused simply on the benefits. We've gone much wider than that, looking at other possible solutions to bring the costs down. I think Senator Colapietro has a question, but I do have a license plate number, 727DAE, a blue Toyota Tercel, apparently you're blocking somebody. Senator Colapietro.

SEN. COLAPIETRO: Thank you. You said a couple of good things and then you kind of contradicted it by

supporting the CBIA's proposal. The CBIA's proposal does deal mainly with benefit cuts and workers. What we have -- go ahead.

TAD MCGWIRE: I think that you have to attack it from both sides though. I mean the costs in the system, inherent in the system are the benefits paid out and the doctors' fees, right, the benefits after the injury and the fees of getting the injury repaired and the rehab, so that there's two sides you've got to come at it.

SEN. COLAPIETRO: And in insurance premium are you don't count those?

TAD MCGWIRE: Well, if you reduce the costs, I'm making the assumption the insurance premiums are going to come down. Maybe I'm being a bit naive.

SEN. COLAPIETRO: Put that up there, "assume". It doesn't work that way. Now last year, 1991, that was what everyone had in mind. The benefits were cut in fact. The insurance premiums did increase 531017 in fact and not a job was created and not a layoff was prevented that I know of and yet this year they're asking for the same exact thing, cut workers' benefits and don't talk about the real cost. The state fund is a real honest to goodness way of cutting costs to you. It would be the premiums. And you talk about a self-insured or a competitive fund.

No matter how you look at it, when you take your money and put it into a fund and it's administered by someone else other than yourself, then it becomes the same thing as an insurance company handling their money. It may be a broker or somebody else. So the myth is it doesn't cost you, but it does because the cost of administration is added to that.

If you would stick to your original guns like some of the business have come forward and saying let's HA 717a look at the real costs and go for the problems that we have in the insurance premiums, I think there would be a lot more receptiveness on our part because you support the real costs, but you only want to the talk about the benefits of the CBIA thing, I mean the cuts in the CBIA benefits.

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TAD MCGWIRE: Well, that's why I came tonight. I'm not just in support of the CBIA benefits. You're right, you have to attack the costs as well. I'm very familiar with state funds and we have a lot of experience with the New York State Fund and that worked very well for us and kept our costs down. Like I said, the interest was 85 percent coming up here.

And again, what I want to stress to you guys is we have to be competitive as a state and you can't -- we can't just look at the State of Connecticut. We have to take a global perspective or at least an initial perspective as to what we're doing both in costs and in benefits so we can hopefully be competitive.

SEN. COLAPIETRO: Thank you. I think that's what we're trying to do.

REP. LAWLOR: There's one other car. I don't know what the description is, but the license plate is ST8463. Apparently you're also blocking someone in. Next is Linda Thompson to be followed by Allison Sylvia and I just point out that there's plenty of seats in the front for those of you who are standing in the back if you'd like to sit down, and secondly, if anyone wishes to testify, you need to sign the list first. We're calling the people in the order in which they've signed up, so please come forward and do so. Linda.

LINDA THOMPSON: Good evening. (inaudible, static). I'm President of the (inaudible) Health Organization. We work with chemically injured workers and we have the (inaudible) multiple chemical sensitivity. Not so much is known about this disease yet, but we're in the process of trying to educate people in the state as to the seriousness of this illness (inaudible).

I'd like to begin by requesting that you consider our needs in the future for any legal hearings (inaudible) aftershave and other hair care products (inaudible) because the (inaudible) market, they include a lot of toxic chemicals, very severe reactions in our members and I'm having a reaction right now and what I'm trying to (inaudible) all these hearings become perfume free and advertised

as such so that our members can attend because it's very difficult for us to function in this kind of environment.

(inaudible) 300 injured workers in trying to gain benefits, in trying to understand their illness and what to do about it. (inaudible) experiencing is (inaudible) take years to bring resolution to some of these cases in which workers and their families can lose absolutely everything, including their homes.

We're having problems with the Workers' Compensation Commission, recognizing the illness of multiple chemical sensitivity. We would like to recommend that you consider just (inaudible) training session for the hearing officers would solve the problem overnight.

HB 7152

(inaudible) occupational clinic (inaudible). The people we represent are experiencing long delays in getting medical bills paid. Now I know that doctors are not supposed to stop seeing them (inaudible) can't get the medical care they need because of (inaudible).

-- and that's what it is. I have figures that ECO can give to you on the environmental quality of (inaudible) our society. Now after we've created this dangerous situation in the workplace, they don't want to assume any kind of responsibility for the injured workers that they have injured. We are proposing that instead of (inaudible) safety committees, other workers themselves. This is not going to cost the state a dime. ECO has people that can go on the job. We're trained to explain to the supervisors what we need to clean up the workplace.

HB's 681869397172

REP. LAWLOR: Linda, if you could summarize at this point.

LINDA THOMPSON: Okay, so I'm saying that it's not fair to have the employees come in here and threaten us with job blackmail. That should be illegal. (inaudible), but think of a way to make that -- that is unfair and (inaudible). Why are there so many people here tonight? It doesn't need to be this way. We don't need to be in this position.

ECO knows it and there are situations that we need to simply prevent this illness. If I had been educated 40 years ago before I became disabled, I never would have become disabled and we can get the word out if you (inaudible) to prevent all this illness.

REP. LAWLOR: Thank you. Any questions from members of the committee? Linda, I can assure you, one of the proposals, again, is mandatory health and safety committees in the workplace and that's certainly part of our proposals and --.

LINDA THOMPSON: All right, I'd just like to respond to one thing on the state one. I think you have to take the profit out of the system. If we set up another another unresponsive bureaucracy and you start putting the workers just through another maze, it's not going to help. What we need is workers' control of that bureaucracy. You know, we need to sit on the Board of Directors. We need to have people informing the hearing officer of the workers' needs. You know, we don't just want another apparatus that's out of our hands. Okay? Thank you very much.

REP. LAWLOR: Thank you very much. Next is Allison Sylvia

ALLISON SYLVIA: Good evening. My name is Allison Sylvia. I'm a mother of four children and the wife of a disabled construction worker who has been disabled for three and a half years. I am also a worker as a nurse which is considered a high risk profession.

Because of health care reform and health conscious costs, we are all short staffed at the hospital where I work. We do our best, but we have our constraints and because we are short staffed we have an increase in the amount of occurrences of Workers' Compensation claims.

It's ironic, but we are so close to the anniversary of the Blizzard of '88, during which time over 400 people died and the reason for the majority of people dying is because they had to go to work because (inaudible) wasn't enough to be dismissed

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LABOR AND PUBLIC EMPLOYEES

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BILL ILLINGWORTH: My name is Bill Illingworth, and I'm the business manager of (inaudible) workers local 424 here in New Haven, and I'm also a member of the Executive Board of the New Haven Central labor council. Mr. Co-Chairman, and members of the Committee, ladies and gentlemen, I would like to (Testimony inaudible - mic buzzing)

Thank you.

REP. LAWLOR: Thank you, Bill, and I'm not sure about C, but A, B, and D and definite part of our proposals and we've discussed these many times and we're hopeful that they'll be included in the final package. It's certainly clearly a goal of mine at least, and I'm sure that those will be part of the ultimate package. Before there are any questions from the Committee, another car, a brown Ford, 443560. You are also blocking someone in. Questions from the Committee? Thank you.

BILL ILLINGWORTH: Thank you.

REP. LAWLOR: Ben Cozzi.

BEN COZZI: As long as I'm not in trouble. Honorable co-chairs, members of the Committee, ladies and gentlemen, my name is Ben Cozzi, I'm the Executive Vice President of the Connecticut State Building and Construction Trades Council and I'm here to endorse the AFL-CIO positions on workers' comp, unemployment compensation and prevailing wage in general, and I'd like to speak in particular to Raised SB1017, AN ACT ESTABLISHING A STATE FUND FOR WORKERS' COMPENSATION.

There's no doubt in my mind that the workers' compensation system in the State of Connecticut needs reform, but I would ask and from what I hear, you're giving great way to the position that it not be reformed on the backs of the working people in the State of Connecticut. These the people when they enter this system that most need the benefits that the law is supposedly providing, and they cannot tolerate further cuts. Instead look at the insurance companies and the doctors that are raping the system. That's where I think the attention needs to be directed.

Focusing on workers' comp in the construction industry, we have found that premium rate discrimination impacts the entire large class of higher paying construction employers because premiums are based on payroll dollars. Higher paying contractors are being ground out of business, unable to fully compete due to this defacto subsidy of their lower paying and often less safe competitors. The insurance industry reluctantly responding to governmental findings of premium rate discrimination in construction industry outrage over runaway costs has offered premium discounts for contractor payrolls exceeding varying threshold rates in selected states, but tenaciously clings to payroll versus hours worked as the basis for computing premiums. 48 7172

We feel the establishment of a state operated workers' compensation program to compete with the commercially offered workmen's comp policies. In addition to the state fund, Connecticut should also provide for a three way system of sources for purchasing workmen's' compensation insurance. Each three way system should have as an alternative providers of workmen's compensation coverage, the state formed private carriers and self insurance. SIA 1017

The establishment of the three way system in Connecticut would provide price constraints by introducing greater competition. The lack of bona-fide competition has been a major factor in the runaway costs of workmen's comp in recent years. In addition, I didn't hear the bell yet. I'd just like to say on the waiting week for unemployment benefits, people in the construction industry are being devastated by a waiting week. While I understand it's going, but I want to reiterate that position for the construction workers that are continually laid off six, eight or ten times a year with a waiting week that we need to strike. Thank you very much.

REP. LAWLOR: Thank you, Ben, and before we get to other questions, I'd just point out as you brought up the unemployment comp bill, it was reported out of Committee unanimously last week, and we did eliminate Governor Weicker's proposal to establish a one week waiting period.

BEN COZZI: Thank you.

REP. LAWLOR: Any other questions? Thank you very much. Next is, I'll just read the rest of the people on this page just so you know the order you're coming up in. Steve Johnson, William Barrow, A. Carocci, Ellen Foley, Karyn Gil, Jenna Bonajuco, Denise Novak, Art Perlo, Nick Solimini, Rey Pompeno and Karen something.

One more time on that, pardon me, it's a brown Ford, license plate number is 432560. You are blocking someone in, so if you could please move the car. Sorry, Steve, go ahead.

STEVEN JOHNSON: Hello. Good evening, my name is Steven Johnson, and I was thrilled that I was able to make it up to Hartford last week at the last public hearing. A lot of things (inaudible) I was injured on the job in 1989 with a serious lung disease. Since 1989 it seems like workers' compensation has not changed at all. Presently workers' compensation pays me whenever they feel like paying me. HB 7172

Recently my health insurance benefits were cancelled due to the decision that the union and the state Supreme Court made. To me the insurance companies, are (inaudible) and saying well, let him suffer, let him suffer, let him suffer. I've been suffering for four years knowing that I will never ever in my life be able to go back to work. I'm constantly spending a lot of my time at Yale-New Haven Hospital back and forth to the drug store.

Recently we've been working for three months to get a hearing at workers' compensation here in New Haven. The insurance company several times over the past several years they were either moving in the office, going on vacation and the (inaudible) we'll take care of the time later when we get back. My lungs were damaged due to many hours that I put into that factory in North Haven, the many seven days a week that I worked. Now I have a major illness and it seems like no one wants to listen to my story.

Being unemployed for four years, I still have the same phone that is not working. I have not received any income since November of 1992. What's going to happen at the hearing that's going to take place this Friday, I do not know. I hope that the Labor Committee will listen to the stories of the injured workers because we need to receive no more cuts. Thank you.

REP. LAWLOR: Thank you very much. Are there questions from members of the Committee? If not, thank you. Next is William Barrow.

WILLIAM BARROW: My name is William Barrow. My back got hurt at (inaudible) and I belongs to the Teamster Union, and I got hurt in 1957 and the issue that everybody seem to don't know recognize any more is the insurance company paying the doctors to write up two and three documents to keep from paying you your benefits. There's got to be some kind of law against that.

Now I went and wrote the Governor Wagner, I wrote Governor O'Neill, and all the other stories about the Commissioner here in New Haven, but would like to know if the insurance company doing is and the doctor is doing is who are you supposed to see to take care of this matter? There's got to be some laws to stop them from doing this. You give me one person that got hurt real bad, if it weren't for Social Security that they'd be out in the streets.

I would just like to hear your comments behind that. (inaudible) somebody that you can get in touch with that you people should be seeing for even taking the rights of people, because you just can't ignore the issues and (inaudible) your not only going to hurt the poor person.

REP. LAWLOR: I'd be happy to respond to that, William, and as I said as we go on tonight, you find out about the specific proposals that are before us. HB 7172 One of the proposals we have is to set a special advocate within the insurance department, the person to whom you would call, whose job it would be to sort of ride rough shot over the insurance companies in terms of the rates they're setting for business number one, and their responsiveness to injured workers, number two.

And in addition to that, it's just one of the proposals involves the penalties which I mentioned HB 7172 before for insurance companies who refuse to pay after they've been ordered to pay by the Commissioners. That apparently is a big problem.

WILLIAM BARROW: The thing I'm want to know now, what kind of laws do you have on the books to protect the working person? I'm not talking about for later on. I'm talking about now. There's got to be some kind of law where this insurance company is liable to break the law and nothing happens to him.

REP. LAWLOR: Unfortunately that's one of the problems we found out, and that's why I think the system needs to be overhauled. There are not specific laws that will allow you in a situation like you find yourself in, to really adjust this. I will ten by going through the workers' comp commissioners and unfortunately, that's a system filled with delays, and not enough of the types of penalties that get people moving quickly, so that's why we're here tonight.

WILLIAM BARROW: I hope you do something to justify the wrongdoing that is being done to the working person in this world today.

REP. LAWLOR: Thank you very much, William. Next is A. Carocci and then Ellen Foley.

A. CAROCCI: Good evening, members of the Commission, brothers and sisters in the audience. I'm what you call a construction worker, and I pride myself on being your average guy, a homeowner with three kids, the whole deal. I would like to (inaudible) this SB1013 a study of safety in the workplace. This is one of those threats.

You keep the injuries down, you keep the claims down, you keep everything down. That's number one. Number two is HB6818. the establishment of a work place safety and health committees. I think you should have that already if you don't. I know (inaudible) has been cut the budget. I think that should be reinstated. The reduction of workmen's compensation costs this HB7171. I've had the misfortune of collecting workmen's compensation only once.

I was burnt on my leg, and I heard the guy talk about two stitches for \$200. I have a burn like this on my leg, and I only collected it eight weeks. I couldn't afford. I would have liked to stay out a little longer, but I couldn't afford to be on workmen's comp. I went back to work in pain, to feed my family. I waited a long time too for that scar evaluation. I went before this compensation commissioner. He had glasses about as thick as Coke bottles and I went for the scar evaluation. The first words out of his mouth, was what's that? (Inaudible) for anybody, we definitely need reform in the system, and you're talking about having a statewide system. That's fine, but you've got to realize something. We're in Connecticut. It's the insurance capital of the world. It's going to take some doing. It's fine and I think it's a good idea, but (inaudible) against fraud and these (inaudible) really do need it.

(Inaudible) apartment house when he was collecting compensation. They wanted to stop his compensation, they said okay, we'll take the apartment house. That's about it. Thank you.

REP. LAWLOR: Thank you. Senator Colapietro.

SEN. COLAPIETRO: Just one comment, sir. I have to agree with you that loads of people are legitimately out on the workers' compensation. You definitely not abused and I agree with you 100% you ought to go after them, but most people are good people. Most people just want to make a good living and survive until they can get back to work.

A. CAROCCI: Thank you.

REP. LAWLOR: Thank you.

SEN. COLAPIETRO: Thank you.

REP. LAWLOR: Next is Ellen Foley, followed by Karyn Gil.

ELLEN FOLEY: I thought this morning was never going to get here. I'm here tonight on behalf of my husband, Ronald Foley (inaudible) husband and father of three who is totally disabled and on

SB1013

Connecticut, if you want to file a complaint against the Workers' Compensation System and how it is operating.

If you want to write a letter, that's fine. (inaudible), but there is no form. Thank you.

REP. LAWLOR: Ellen, I'd just like to address a number of things you've said. First of all, with OSHA, I think we'd all agree that OSHA's dramatically underfunded, and it's very unfortunate. However, we can assume perhaps the new administration in Washington that will change soon.

ELLEN FOLEY: Soon is not enough. Soon is already too late. I have to beg with you. Soon is not enough. We are standing out here. If people are losing their homes, people are committing suicide because people cannot wait anymore. Continue, please.

REP. LAWLOR: Thank you. Under our proposal, as was pointed out early in the hearing, that workers' compensation system came into being about 70 years ago in most states as a matter of fact, and it was a tradeoff, it was essentially a no fault system and the tradeoff was working people gave up their right to sue their employers, and instead a no fault system was developed so that regardless of whether the employer was negligent or not, anybody injured in the work place would be able to in theory get compensation from the system.

HB 6939

We have proposed making a change in that, and that will be for employers who are guilty of multiple OSHA violations...

7172

ELLEN FOLEY: You have to have three.

REP. LAWLOR: If I could just finish. I'm talking about what we're proposing. Multiple violations, then you'd be able to sue the employer directly. With regard to the new chairman of the Workers' Compensation System, Chairman Frankel. I think everyone who dealt with him agrees that he has taken a dramatically new course and over the past year has promulgated a wide variety of regulations, all of which are intended to make the system work more smoothly, and I think most people who have dealt with him agree that he is at least made a

start in moving things in the right direction. Testimony is evidence of that, and finally with regard to complaints against Commissioners, Workers' Comp Commissioners, if it wasn't appropriately channeled through the Judicial Review Council, they may not have been able to tell, but that in fact is the law.

There is a proposal currently before the Judiciary Committee to make sure that there are experts in Workers' Comp who are also members of the Judicial Review Council because as a practical matter, Worker's Comp Commissioners are in the same status as charges in our system. However, there is no expertise on the Judicial Review Council that know anything about procedures in the Workers' Comp system, so that is being remedied at the moment through a separate bill that's not before our Committee, but before a different Committee, so I just wanted to give you at least an insight on four parts of legislation.

ELLEN FOLEY: I have spoken up and honestly I'm not exactly quiet, but I've spoken up on a couple of former hearings with questions regarding some of the things that were allowed to take place with respect to the other attorneys (inaudible) this is not a judicial system. I need all the help I can help (inaudible). She allowed things to take place that should not have been allowed to take place.

(Inaudible) lots of these people here tonight and hopefully it will lead to success. I also believe that the answers to all of her questions and all of her problems lie within the (inaudible) and the people on the Labor Committee, and if you just sit there, you think, and you ask yourself questions, look at the facts, listen to the people and trust your heart, and trust what you feel.

Do what is right for the people. (Inaudible) injured people in the State of Connecticut (inaudible) serious illnesses, phony clinically oriented were unable to document to a certain degree because it's not AIDS. There's very little scientific studies being done, but that should not make this case (inaudible). I can tell you if this

goes on much longer that there will be a lot more press. Just listen to what the people are saying because they can't take it any more.

REP. LAWLOR: Thank you very much. Next is Karyn Gil, followed by Jenna Bonojuso.

KARYN GIL: Hi. I'd like to approach you on just one, this isn't part of what I wanted to say, but in response to Ellen with regard to what's proposed, you did make the statement that you were going to get OSHA in, and if there were three violations to OSHA, that you can sue your employer. Well, prior to that statement, you said that OSHA's just been underfunded and can't keep with what they're doing already, and you are hoping that funding will come for this. Now you have to look our point of view. Every OSHA law is broken.

HB 6939

7172

I didn't know that until a six month period was over with, so it was really (inaudible) with OSHA, so I'm going to (inaudible) OSHA's a disaster, and how would you like to be one of those three people that had to be carried off before that fourth person can come along and sue that employer. I think it shouldn't be really one person that would hurt to take. If it's not gross negligence, that person has no business operating their business in this state and should not have this protected (inaudible) that workmen's comp is set up for them.

Stop hurting those good people who are hiring people and training them, because that's who's being hurt right now, and that's what slows a lot of jobs. So I'm sorry. I had to sound off because it really, you have to listen to what you're saying.

REP. LAWLOR: You understand I assume that right now, you can't sue your employer no matter what.

KARYN GIL: No, you can't.

REP. LAWLOR: And this step we were suggesting as one of our proposals is very very controversial, and it would be very difficult to achieve. I agree with you in practice that...

KARYN GIL: It's just another thing. I'm sorry, (inaudible), but I don't think it's going to work. I don't think it's going to stop those injuries from happening.

REP. LAWLOR: Would you tell me what the reason for the system such as it is was to establish a no fault system so that no one would, it wouldn't matter whose fault it was. You could always.

KARYN GIL: I can appreciate that. I appreciate that a great deal, but when somebody has no regard whatsoever for human safety, not only employees such as myself, but for those people who walk through the doors. No one thinks about them, but if they do get injured the way I did, they would own this business right now, but my life is not worth that much because I was paid.

I don't see (inaudible), but I just want, the OSHA thing really bothers me because I've been through an OSHA disaster, and I should probably just tell you, I've been in worker's comp for ten years now. Through no fault of my own and gross negligence as I already stated, I have become permanently disabled from (inaudible) exposure to chlorine gas, and it has been quite a struggle and when I come here to speak to you as lawmakers, I'm only asking one thing, and that is what was written up in 1913 about safety? Where was safety for me? Where has it been since my accident? Because I know for a fact nothing has changed, and that really disturbs me.

I was very young when this happened to me, and you don't know what the consequences are because you do not get high comp rates. I keep hearing comp rates are going to be cut back. How do you cut back on \$93.35 a week as a comp rate? And all these people that are getting this astronomical amount, if they become injured at their work place, why do you feel it necessary to punish those people who have achieved their highest amount of money that they're making in their lifetime to go on workmen's comp, get a third of that taken away, and now you want to take more.

That is only turning the public don't achieve a high status. Stay very low because it doesn't matter. If you get injured, and it might happen and I'm afraid for every worker out there. It will happen as far as I see, because no changes have been made in 10 years, and I'm still going along, and I'm still fighting, and maybe what you have to look at is get a breakdown of the numbers, not of the certain percentage rate that's getting us high workmen's comp.

Start looking at what percentage of the money in the workmen's comp system goes to OSHA's attorneys and I'm sorry but if the insurance companies were hurting so badly and not making so much money on workmen's comp, they would not be offering workmen's comp because I think we've all seen it happen with AIDS. Anybody (inaudible) to AIDS, all of the sudden it's difficult for them to get insurance, and why is that? Because insurance companies don't make a dime off of it.

REP. LAWLOR: I don't think it's difficult. I think it's impossible at the moment as a matter of fact.

KARYN GIL: So, I'm sorry I had to go into my time, and I didn't get a chance to say the important things I wanted to say, but OSHA is a heartbreaker to me.

REP. LAWLOR: I understand.

KARYN GIL: Okay?

REP. LAWLOR: Any questions? Thank you very much. Jenna Bonajuco followed by Denise Novak and then Art Perlo. Jenna Bonajuco. Denise Novak. Art Perlo. After Art is Nick Solomini and Ray Pompano.

ART PERLO: Representatives and Senators, I'd like to read a statement by (inaudible) the Connecticut Communist Party. The leadership of the (inaudible) is crucial for working people employed and unemployed in Connecticut today. We look to you to descend and extend the living standards of working people, and all (inaudible) workers to (inaudible) to improve the quality of life in the cities and towns. The mandate of the elections was to turn around the kickbacks and giveaways of the past 12 long years. The CBIA's campaign to worker's

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LABOR AND PUBLIC EMPLOYEES

March 15, 1993

SEN. COLAPIETRO: Well I (inaudible) the Italian (inaudible).

REP. LAWLOR: I'm from East Haven so.

DIANE LAURICELLA: Okay, I'm sorry I have a hand written statement, very brief. My computer went out during the storm but I wanted to give something for you and your colleagues to read. I'm going to be very brief here, but I offer because of my experiences about to tell you, offer my assistance when you are thinking of crafting a new bill.

HB's 6818,

Two things, basically I was a state employee for almost seven years in the Department of Environmental Protection. At that time for the six years I was there, I convinced after much trials and tribulation, I got enough of the staff together to start a health and safety committee in one of the two divisions of that department. I know part of the bills that are being proposed have to do with mandatory health and safety committees.

6939,

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I'm currently an environmental consultant, even in the consulting firms that I have worked I have been the health and safety officer. It makes good sense that prevention through mandatory education which happens to be a good idea through these health and safety committees is a good way to cut the costs. It also helps the employer understand where they may or may not be handling situations properly in my business where there's drilling into hazardous chemicals.

You have to get ready and prepare and be ready through training on how to recognize potential hazard. It avoids injury and explosions and that of course will cut the costs. It all makes to make such common sense yet, I fought for six years to have this committee and it still is thriving and now that department has a full time person. It was just after I left there, I go back and I'm very happy about that. But in other divisions of that department, air compliance, they still don't have a health and safety committee.

State police investigators that work on health and safety environmental issues they do not have a health and safety committee. There are many other departments in the state that I know need health and safety committees. Likewise in the private sector. A lot of consultants don't have these types of things and they're just waiting and unfortunately a tank cleaning company in the New Haven area had an explosion. Finally they probably, if they're still in business, might happen to have a health and safety committee.

Secondly, unfortunately after I left the state service, I had an injury myself. I was injured on the job and everyone said, and I know that God was smiling on me, I was very lucky. After falling down a flight of stair, I just happened to have muscle and nerve damage and some bone damage. No breaks. I didn't snap my neck but sometimes I'll tell you with the kind of bureaucracy that I've been introduced to with the insurance company that my employer used, I think it's worse some times.

I'm still not sure as to how, as to whether I'll be able to be standing in five years because of the type of injury I have. As far as cost containment, I will say that the handle, the deficiencies in the handling of the claims, there is a very good New York Times article on this, whether insurance companies by over scrutinizing some claims waste a lot more money than they save. One problem that I have noted in my statement is that my particular injury is kind of exotic according to the current charts.

If I had broken my leg, or chopped or my finger had been missing it would be easy enough to give me my partial permanent disability. But because I happen to have something that isn't really that new, it's just a little ahead of the time as far as the very outdated workers comp charts. I have been harassed by the insurance companies, I have been jerked around, for lack of a better phrase. And it is all causing me not to get to the point to where I am fully employable. That I am fully able to feel that I can one day take control of these injuries and go on and work.

Which I always thought was the whole point of workers comp. To try to get that employee to the point where they can work to the best of their ability. So I think, in closing, I just wanted to say that I feel that a lot of the problems happening here is with employers not mandating and being mandated to have health and safety committees and insurance companies pretending that they're scrutinizing for cost containment when actually all their doing is totalling up their monies, charging the employers that pay them, and giving the injured workers a hard time. Thank you.

REP. LAWLOR: Thank you Diane. Any questions? If not, thank you very much. Diane is the last person who was.

: I didn't get a chance to sign up.

REP. LAWLOR: Sure.

ANDY ESPOSITO: I'll be very brief.

REP. LAWLOR: Sure, just come to the microphone and identify yourself.

ANDY ESPOSITO: I'll be very brief. Andy Esposito, Local 424, I'm an (inaudible) worker. (inaudible) I hope he's not laid up, I came here to the presentations here, I was disappointed that everybody left. Being a speaker up in Hartford, it's pretty difficult to get a speaking program for three minutes, to the public. And we get a chance here tonight, and what does he do, he gets up and leaves.

So we're watching everybody here, I know you guys are doing a great job and I don't want to belabor the point. I want you to let you know (inaudible) Mr. Buonocore. Thank you very much. Anybody got any questions?

REP. LAWLOR: Thank you Andy.

: (inaudible)

REP. LAWLOR: Thank you.

Diane Lauricella

line 7

SENATOR THOMAS COLAPIETRO
 REPRESENTATIVE MICHAEL P. LAWLOR
 LABOR & PUBLIC EMPLOYEES COMMITTEE
 STATE LEGISLATURE
 STATE OF CONNECTICUT

MARCH 15, 1993
 132 MAIN STREET
 NORWALK CONN.
 847-1762

HB'S 5089,

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OUTLINE OF PREPARED TESTIMONY
 for DIANE L. LAURICELLA

ON OCTOBER of 1990, the 17th day, an event took place that changed my life. While working, I tripped and fell down a flight of 19 stairs. While I did not sustain a broken leg or neck, I did receive a concussion and injured my neck and upper, middle, and lower spine. I was diagnosed with two main injuries - TMJ (temporomandibular jaw) and Fibromyalgia. Ever since that day, I have almost regretted that a more obvious injury was not received, for the bureaucratic and insurance hell I am now going through has to be much worse.

From my experiences, I have found that basic problems exist in the current worker comp. system that prevents injured workers from recovering and becoming as close to 100% able to work as possible.

- * ① Employers should ^{have to} give the injured worker a clear picture of the employer's role, starting from the MINUTE the injury takes (OVER)

TESTIMONY - DIANE LAURICELLA (2)

MARCH 15, 1993

place (Picking the main Treating Physician is critical to the successful recovery management plan of the injured worker.)

(2) The Worker's Comp. Commission should IMMEDIATELY let the injured party know "WHAT TO DO," SEND A "BILL OF RIGHTS."

(3) The Employer should know WHEN to call AN Ambulance; and perform "accident drills" in the office - making sure managers know what to do. ∴ NEED FOR MANDATORY HEALTH & SAFETY COMMITTEE

* (4) When rating a partial disability, the injured party SHOULD NOT BE PENALIZED by having received an "EXOTIC" injury that just doesn't match the OUTDATED COMPENSATION CHARTS. DO NOT REDUCE PERMANENT PARTIAL BENEFITS

(5) If both parties agree an injury type has occurred, the insurer SHOULD NOT be able to stall on payment to the injured worker's doctor, therefore threatening to diminish or destroy a good client-doctor relationship.

* (6) For difficult, "Exotic injuries" where muscle or nerve damage is present, the EMPLOYER'S managed care program MAY NOT be sophisticated enough to treat the worker EFFICIENTLY & CORRECTLY.

I FEEL THE INSURANCE BUREAUCRACY SHOULD BE INVESTIGATED!!