

Approved: February 24, 2012
Date

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Susan Wagle at 8:30 a.m. on January 11, 2012, in Room 548-S of the Capitol.

All members were present except:

Senator Jay Emler - excused
Senator Robert Olson - excused

Committee staff present:

Ms. Margaret Cianciarulo, Committee Assistant
Mr. Reed Holwegner, Kansas Legislative Research Department
Mr. Jason Long, Office of the Revisor of Statutes
Mr. Chuck Reimer, Office of the Revisor of Statutes

Conferees appearing before the Committee:

Ms. Anne Haught, Director of Workers Compensation, Department of Labor

Others attending:

See attached list.

Introduction of bills

Upon calling the meeting to order, Chairperson Wagle recognized Senator Faust-Goudeau who introduced legislation concerning small minority and women owned businesses.

Senator Faust Goudeau then made a motion the Committee introduce the proposed legislation. It was seconded by Senator Schodorf and the motion passed.

The Chair then recognized Secretary Karin Brownlee, Department of Labor (DOL), who introduced 2 pieces of legislation. The first concerns the unemployment compensation insurance UI changes, stating it is not a change in policy but mostly clean up language. The second piece of legislation concerns an employment standards bill, containing other subject matters the DOL deals with.

A motion was made by Senator Lynn that the Committee introduce the proposed legislation. It was seconded by Senator Schodorf and the motion passed.

Presentation on Workers Compensation

The Chair stated the Committee would be hearing testimony from the Department of Labor, specifically focusing on workers compensation. She asked the Committee to look at their first handout which is the Research brief on what the final draft was for Sub. for HB 2134, in case they had questions. A copy of this handout is Attachment 1.

CONTINUATION SHEET

The minutes of the Senate Commerce Committee at 8:30 a.m. on January 11, 2012, in Room 548-S of the Capitol.

Next, the Chair recognized Ms. Anne Haught, Director of Workers Compensation, DOL who offered an update on her Division including:

- 1.) The reorganization, consolidation and reduction of positions in her Division, with a cost savings of about \$800K.
- 2.) Announcing their intention to mandate the IAIABC Release 3 Claims Electronic Data Interchange (EDI) standard, meaning all injury claims will be filed electronically. The initial set up costs will be about \$160K. However, over this 2 year process, they will be able to shift 5 employees who are now filing manually, saving \$206K.

She went on to report that **HB 2134**, the new workers compensation law, went into effect which no longer gives the employee 200 days to put his claim of injury in writing, saving about \$24K/year. A copy of her testimony is Attachment 2.

Questions from the Committee came from Senators Wagle, Holland, Lynn, Masterson, Faust-Goudeau, and Longbine including: regarding the Fraud & Abuse Section statement, what fiscal or calendar was that for and can you provide some historical data for private use? (She will be providing copies for all Committee members.) Regarding digital adjudication, how does that work? (When a report of injury comes in, it will be sent to our judges in electronic format.) Since the law no longer requires the claim be put in writing, so are you saying a verbal response is adequate? (Depending on what the employer wants, it can either be verbal or paper? Has the law had any effect on rates for employers on renewals that have been done since the passage of the bill? (Rates have been coming down.)

A discussion ensued with Ms. Haught and Senators Wagle and Masterson when a questions was asked about Administrative Law Judges, citing a situation where the plaintiff's attorney had all of his cases moved away from one specific Judge and was seeking a recusal. Ms. Haught said they settled it by moving the judge from one county to another and the attorney would not ask for the recusal.. The Chair said concern has been expressed that this move had been allowed. Questions were asked including: who determines who gets a recusal? What reaches the level of conflict, what constitutes a valid reason, what kind of cost is this, (i.e. travel costs) how often have we done this, and will this set a precedence for others?

Adjournment

As there were no further questions from the Committee and no further business, the Chair updated the members on upcoming meetings before announcing the meeting was adjourned. The time was 9:15 a.m.

The next meeting is scheduled for January 17, 2012.