

# ANDERSEN & ASSOCIATES

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and its Property Casualty Affiliates*

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January 31, 2017

Honorable Les Mason  
Chairman  
House Standing Committee on  
Commerce, Labor and Economic Development  
Kansas House of Representatives  
Kansas State Capitol, Room 521-E  
300 S.W. 10<sup>th</sup> St.  
Topeka, KS 66612

Re: **Travelers Indemnity Company's opposition to House Bill 2059** which seeks to revert Kansas to use of the Fourth Edition of the American Medical Association Guides to the Evaluation of Permanent Impairment.

Dear Chairman Mason:

On behalf of Travelers Indemnity Company, I want to thank you for the opportunity to submit written testimony on HB 2059. Travelers is a multinational insurance company providing individual and business insurance policies across each the fifty states. Travelers is the largest writer of workers compensation insurance in the United States and Kansas. Travelers also employs over 200 workers at its regional adjusting office in Overland Park.

Travelers opposes H.B. 2059 which seeks to return Kansas to the American Medical Association's Guides to the Evaluation of Permanent Impairment, Fourth Edition. Travelers endorses retention of the current law wherein the A.M.A. Guides Sixth Edition is utilized for workers compensation impairment assessment.

Travelers' business goal is to quickly and fairly adjust claims to ensure that an injured workers receive exceptional medical care, compensation if taken off work, and adequate compensation for their work injuries. Reversion to the Fourth Edition will hinder those objectives for the reasons set forth below.

First, the Fourth Edition provides wide variations in ratings between evaluating physicians. For example, it was not uncommon for operated carpal tunnel injuries to be rated by the treating doctor at 2% to the wrist and 20% by the injured worker's doctor. Both physicians could point to something in the Fourth Edition that allegedly supported their rating. Faced with this disparity in ratings, Administrative Law Judges would regularly appoint a third physician to evaluate the injury. This in turn delayed the workers compensation process, increased medical costs, and led to more litigation.

The Sixth Edition addressed this issue, narrowing the goalposts so that examining physicians utilized the same rating criteria. The Sixth Edition does provide some latitude to examining physicians in rendering a rating to take

into account that not every outcome is the same for every injury. However, the Sixth Edition keeps physicians in the same arena when it comes to ratings, something the Fourth does not.

Second, the Fourth Edition was written with 1980's era treatments, procedures and outcomes in mind. First published in 1993, the Fourth Edition ratings are based on an injured worker's diagnosis, not his or her outcome. Thus, whether a surgery went well or poorly does not influence a rating under the Fourth Edition.

The Sixth Edition was first published in 2007. It utilizes evidence-based medicine to arrive at ratings outcomes. The Sixth Edition takes into consideration that medical outcomes are far better in 2017 than they were in 1993. Finally, the Sixth Edition accounts for how a well an injured worker fared from treatment i.e. a good outcome will result in a lower rating, a poorer outcome, a higher rating.

Finally, the Fourth Edition is limited in the types of injuries that are ratable. For example, it is not possible to rate a psychological or mental disorder under the Fourth Edition as it does not provide any numeric ratings. Under the Sixth Edition, a whole chapter is devoted to analyzing and rating such conditions.

In summary, reversion to the Fourth Edition for Kansas workers compensation cases is a step backward in the fair and swift administration of worker's claims. Travelers opposes passage of H.B. 2059.

Sincerely,



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