

WORKER'S COMPENSATION EMPLOYERS COALITION

TO: Wisconsin Lawmakers

FROM: [insert coalition members]

RE: Support Reining in Out-of-Control Work Comp Medical Costs

DATE: [add date]

Worker's Compensation medical costs in Wisconsin are out of control. According to the Worker's Compensation Research Institute (WCRI), Wisconsin has some of the highest medical costs for worker's compensation in the nation. In the most recent year they studied, WCRI found Wisconsin costs to be 47% higher than the national median. Looking only at serious injuries that required a week off of work, **costs were 60% higher than the median.**

Employers have tried to manage the high costs by investing in safety and reducing injuries. In fact, from 1994 to 2014, **workplace injuries dropped a dramatic 58% in Wisconsin, falling from 219,975 per year to 93,228.** Unfortunately no cost savings materialized because the **medical cost per claim rose over 450%** over the same time period.

Costs in Wisconsin are high primarily because we don't have a meaningful cost control mechanism. Forty-four states control costs with a medical fee schedule. The rest, except Wisconsin, allow employers to direct care to preferred providers, which allows meaningful price negotiations. In Wisconsin, we have neither, leaving employers in the position of being mandated by government to carry worker's compensation insurance and pay for the medical treatments of injured workers without a way to meaningfully control costs.

The Worker's Compensation Advisory Council (WCAC), a ten-person DWD council that includes employer groups and labor unions, recently unanimously approved a package of reforms that includes a medical fee schedule. If enacted by lawmakers, the fee schedule will bring medical costs down and give Wisconsin one more area where we have a competitive edge.

The Worker's Compensation Employers Coalition is in support of the adopting the WCAC fee schedule because it is a tested reform that almost every other state effectively uses to keep medical costs in check. **Please support Wisconsin employers and bring worker's compensation medical costs under control.**

If you have questions please contact Chris Reader, WMC Director of Health and Human Resources Policy, at 608-661-6947 or creader@wmc.org.