



MEMORANDUM

To: John Shilts, WCD Director
Fred Bruyns, WCD Rules Coordinator

From: J.L. Wilson, NFIB/Oregon Director

Date: May 24, 2006

Re: NFIB opposition to proposed rule eliminating 10-day limit for physician prescription of medication in WC claims

The small business members of NFIB have had a long involvement in the success of Oregon's workers' compensation system. NFIB was present in the Mahonia Hall reforms and has been an active participant in nearly every reform effort from 1990 through present day.

NFIB/Oregon is opposed to the proposed rule that eliminates the 10-day limit for physicians to prescribe medication to an injured worker. The new, proposed language potentially allows doctors to prescribe and dispense medication for the life of a workers' comp claim.

We oppose the proposed language for several reasons.

First, we agree with the assessment of the insurers that the proposed rule will potentially have a significant, adverse cost impact on employers through loss of price competition for drugs, loss of group purchasing advantages, and loss of cost-savings through pharmacy networks.

Second, there are legitimate patient safety concerns when the foremost expert in this field of medicine – in this case, the pharmacist – is removed from the equation. Only a pharmacist is an expert on the most effective drugs, drug interactions, and the safe storage and dispensing of drugs. Removing the expert from the process makes no sense, and it could very well result in increased claims costs.

NFIB is also unclear of the impetus for this change. The present rule hasn't raised any objections or concerns from the main workers' comp system stakeholders – business and

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labor. The workers' compensation reforms that have made Oregon a model state were successful in eliminating peripheral and unnecessary costs for employers. We are opposed to this new rule because it purports to allow these types of costs, however minor, back into the system.

Since the Mahonia Hall reforms, Oregon has a history of vetting significant proposals such as these through the Management-Labor Advisory Council (MLAC), especially when the proposals originate with a specific worker's comp interest group not affiliated with either management or labor. NFIB opposes the proposed rule because we oppose allowing peripheral interest groups to push for meaningful and costly changes to the system in a way that circumvents the proven MLAC process.

The MLAC process is Oregon's way of vetting such proposals to ensure that they satisfy the concerns of the main stakeholders in the workers' compensation system – management and labor. We recognize that it may be more inconvenient for the proponents of the proposed rule to go through MLAC, but it is a system that has produced much-needed stability in the workers' comp arena for well over a decade.

NFIB has enjoyed a very honest and constructive relationship with WCD in the past few years. We are somewhat discouraged that WCD chose to initiate this rule change, but we respectfully request that the Department recognize the significant opposition from Oregon's business community and refer the issue back to the proponents so that they can work this issue through proper channels, which in NFIB's opinion, is the MLAC process and the legislature.

We are grateful for the Department's consideration of our thoughts and opposition to the proposed rule. Thank you.