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7/6/93  
DATE

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# California State Senate

- COMMITTEES:
- EDUCATION, CHAIRMAN
  - NATURAL RESOURCES & WILDLIFE VICE CHAIRMAN
  - BUSINESS AND PROFESSIONS
  - ENERGY AND UTILITIES
  - BUDGET & FISCAL REVIEW
  - CONSTITUTIONAL AMENDMENTS
  - SUBCOMMITTEE ON OFFSHORE OIL & GAS DEVELOPMENT, CHAIRMAN
  - JOINT LEGISLATIVE ADJUT COMMITTEE

20.  
AGENDA ITEM #

**GARY K. HART**  
SENATOR  
EIGHTEENTH DISTRICT

CHAIRMAN  
EDUCATION COMMITTEE

RECEIVED  
ADMINISTRATION  
JUN 18 1993  
CITY OF PASO ROBLES

June 15, 1993

Mr. James L. App  
Assistant to the City Manager  
City of El Paso de Robles  
Post Office Box 307  
Paso Robles, CA 93447-0307

Dear Mr. App:

Thank you for taking the time to express your support for reforming the workers' compensation system.

I agree that workers' comp is a mess. The present system is not effectively serving the needs of either workers or employers, and is in need of serious reform.

Over many months of deliberations, a significant package of workers' compensation revision bills passed the Legislature last year (with my support). Although these measures did not contain all of the reforms I would have liked to have seen, I believe they were an important step forward in reforming the workers' comp system. These bills, which include Assembly Bill 69 (Margolin), Senate Bill 1539 (Lockyer) and Senate Bill 1904 (Johnston), would have saved employers hundreds of millions per year while raising benefits for legitimately injured workers. Among other things, these measures would have tightened eligibility for stress claims, reduced rehabilitation services, limited medical fees and abolished the minimum-rate law which guarantees a profit for insurance companies. Unfortunately, these measures were vetoed by Governor Wilson.

I am pleased to report to you that the prospects for real reform seem quite good this year. Bipartisan support (always missing before) now exists on a number of bills and I am optimistic that significant workers' compensation legislation will be enacted this year.

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One of these measures, SB 31 (Johnston), was passed already by the Legislature and signed into law in April by Governor Wilson. SB 31 addresses the issue of "bloated" costs of medical reports that some doctors write for people who are injured on the job (the reports are used to determine how much compensation injured workers receive and whether they are eligible for other services such as vocational rehabilitation). This measure should save employers anywhere from \$100 million to \$300 million per year.

There are two major reform bills, SB 30 (Johnston) and AB 110 (Peace), currently in Conference Committee where members of both houses will most likely merge them into one omnibus bill. Both measures focus on the controversial areas that have hung up major reform bills in the past: benefits, medical treatment costs, vocational rehabilitation, stress claims and the minimum-rate law. Again, I am optimistic that we will see major reforms in the workers' compensation system enacted this session.

Thank you again for contacting me--your comments are appreciated. Let me assure you that I will continue my efforts to press for comprehensive reform.

Sincerely,



GARY K. HART

GKH:pc