



March 23, 2021

Chair Riley, Vice-Chair Hansell, and members of the Senate Committee on Labor and Business,

As self-insured entities, Portland Public Schools and Beaverton School District have identified several concerns with SB 801 and the -1 amendments as written. The proposed legislation seeks to mandate that the 97 active self-insured Oregon entities instead utilize SAIF for the handling of worker compensation claims. This would eliminate the opportunity for school districts to shop the open market and make independent decisions regarding cost and service levels.

SAIF is not the only compliant entity for the handling of these claims. In fact, Oregon's workers compensation system governs all insurers and self-insureds the same. Oregon currently regulates third party administrators (TPAs) and self-insured entities through qualification requirements, regular audits of claim handling, security deposits, and the authority to impose fines. Additionally, self-insureds are fined if an accept/deny decision is not timely and substantial attorney fees are awarded to an employee's attorneys if a denial is overturned.

This mandate would remove the opportunity for school districts to carefully and responsibly steward tax dollars. SAIF could accept or deny a claim or condition as it sees fit with no obligation to consult with the employer before making significant decisions for which the district is ultimately fiscally responsible. This would also mean districts would lose control over how cases are litigated. SAIF could create additional litigation costs that districts may not otherwise choose to incur at both the hearings and appellate level.

Lastly, our current TPAs often provide services SAIF does not, meaning districts may need to recruit and maintain additional FTE to support SAIF's handling of claims.

For these reasons, we urge you to reconsider SB 801.

Sincerely,

Portland Public Schools
Beaverton School District