

**Testimony of  
David Barenberg, SAIF's director of government relations  
Ways and Means Subcommittee on Transportation and Economic Development  
Regarding HB 5010  
March 29, 2023**

Dear Co-Chairs Woods and Gomberg,

I am writing to voice SAIF's strong support for the elements of the Department of Consumer and Business Services (DCBS) budget that impact Oregon's workers' compensation system.

As you know, SAIF is Oregon's not-for-profit workers' compensation insurance company. For 109 years, we've been taking care of injured workers, helping people get back to work, and keeping rates low by focusing on workplace safety.

In the 1980s, Oregon's workers' compensation system was in crisis. We had the sixth highest rates in the country as business costs had almost doubled in ten years. We had the highest frequency of claims, and the highest frequency of claims with permanent partial disability. We were the third highest in total medical cost per claim. In addition, we had a poor rate of returning injured workers back to the workforce.

In 1990, the governor brought business and labor together at Mahonia Hall, and charged them with creating a system that worked for both workers and business. Their work was adopted in a one-day special session. The group focused on safety, return to work, and managing medical costs.

Chief among the reforms was the establishment of the Management-Labor Advisory Committee (MLAC). Made up of five representatives from management and five from labor, the group continued the partnership started at Mahonia Hall. MLAC's statutory mandate is to advise the legislator on the workers' compensation system. Policyholders rely on MLAC to maintain the balance brought to the system by the 1990s reforms.

Today, Oregon's workers' compensation system is among the best in the country. The number of claims per 100 employees has fallen nearly 70% since 1990; during that same time, workers' comp insurance rates have fallen more than 80%.

These results are not an accident — they have required 33 years of stewardship by DCBS and its agencies. We have an exceptionally strong partnership and relationship with DCBS and its agencies, who have been very good at reaching out to stakeholders and ensuring workers' comp is a collaborative effort:

- MLAC has continued the partnership between business and labor in advising policy.
- The Workers Compensation Division's (WCD) nationally recognized Employer-at-Injury Program and Preferred Worker Program are innovative and assist SAIF claimants as they return to the workforce.
- Oregon Occupational Safety and Health has continued to regulate and educate businesses on safety and health practices.



- The Ombuds Office for Oregon Workers and Small Business Ombudsman provide valuable assistance to workers and businesses as they navigate the system.
- By regulating rates, the Division of Financial Regulation and WCD have ensured high levels of service.
- The Workers' Compensation Board has managed and resolved disputes.

SAIF urges your support of the budget as it relates to the workers' compensation system, so that it can continue to support Oregon business and labor. In particular, we want to voice our support of WCD's IT modernization request, POP 101. It is clear the system needs to be revamped. For example, SAIF regularly provides claims documents electronically to WCD. Rather than being able to scan or store these documents digitally, WCD employees have to manually enter the information into their outdated system. This increases errors and is time that could be better used helping Oregon businesses and workers.

Thank you for the opportunity for SAIF to weigh in on the DCBS Budget. Please do not hesitate to contact me if you have any questions.

Best wishes,

David

**David Barenberg**

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SAIF Director of Government Relations

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