



September 13, 2016

The Honorable Mauree Gingrich
Chairwoman
House Labor & Industry Committee
106 Ryan Office Building
Harrisburg, PA 17120-2101

The Honorable John Galloway
Minority Chair
House Labor & Industry Committee
301 Irvis Office Building
Harrisburg, PA 17120-2140

Dear Chairpersons Gingrich and Galloway:

On behalf of the Pennsylvania Chamber of Business and Industry, I write regarding H.B. 1141, legislation amending Pennsylvania's Workers' Compensation (WC) Act, which is scheduled to be the subject of a House Labor & Industry Committee hearing today.

This legislation includes various provisions that amend different sections of the WC Act, a number of which are consistent with concepts we believe have merit. For example, the bill calls for the workers' compensation system to fully transition to electronic billing and payment – a proposal endorsed by the PA Chamber Workers' Compensation Committee several years ago, which we still support, provided that all parties have a reasonable timeframe for implementation. We also believe it makes sense to enhance healthcare providers' access to claim information that is relevant to their treatment of patients and maintains appropriate safeguards.

H.B. 1141 also imposes penalties on insurance carriers for failing to pay claims or implement the updated workers' compensation fee schedule. While we do not oppose efforts to hold accountable any party within the workers' compensation system, it is important to recognize and avoid inconsistencies with penalties that are currently applied if a carrier fails to pay a claim. Penalties also already exist for failing to implement an updated fee schedule, though I would note that such occurrences are not always attributable solely to the carrier and therefore the law should ensure that innocent carriers are not unjustly held responsible or penalized.

Finally, the bill includes provisions related to so-called silent discounting and prohibiting the "use of any threat or coercion." We have strong concerns with these provisions, which we believe impede on contractual matters and general engagement between parties. The fact is, "threats" and acts of "coercion" are a part of everyday life – whether you're a business trying to "coerce" better service from a vendor by citing its competitors or a customer "threatening" to leave if the price isn't lowered. Attempting to prohibit this type of interaction could be problematic and trigger negative unintended consequences.

Thank you for considering our views on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Alex J. Halper".

Alex Halper
Director, Government Affairs