

Support Workers' Compensation Reform

Background

Since 1913, Iowa's workers' compensation system has been based on creating balance between employees' needs for medical care for injuries occurring in the workplace, employees' needs for replacement income while off of work, and employers seeking a predictable and insurable cost structure to accommodate employees' needs.

Iowa's system provides injured workers the richest benefits in the country. Iowa does not have fee schedules, and most dollars from every award (approximately 56 percent) go to medical expenses¹. Historically, insurance premiums for Iowa employers have been among the lowest, but they have been steadily rising for the past decade. The Iowa Legislature needs to look at reforming Iowa's workers' compensation system to get injured workers healthy and back to work, while keeping employer costs low.

Iowa has the highest benefits paid in the country - \$1,628²

Surrounding States:

IL-\$1,398.23

MO-\$886.92

NE-\$785

SD-\$733

MN-\$1,008.78

WI-\$936

- In 10 years, Iowa's ranking in the cost of premiums has gone from fifth lowest in 2006 to 24th highest in total premiums for workers' compensation insurance according to the Oregon Workers' Compensation Premium Rate Ranking³.
- Recent legal decisions have jeopardized Iowa's position as an example to other states on workers' compensation.
- Although no major workers' compensation legislation has recently been passed to negatively impact Iowa employers, administrative and legal decisions are putting Iowa at a disadvantage to other states in the Midwest and nationwide.
- Total benefits paid in Iowa increased 15 percent from 2010-2014 making Iowa's the seventh highest increase in country⁴. Medical benefits paid increased by 11 percent making Iowa's the 15th highest increase in the country⁵. Although the national average for cash benefits paid increased 4.7 percent, Iowa's rose more than 20 percent – the fourth highest increase in the country⁶.

¹ National Council on Compensation Insurance rate filing.

² [National Academy of Social Insurance](#). October 2016.

³ [2016 Oregon Workers' Compensation Premium Rate Rating](#). Department of Consumer and Business Services. October 2016.

⁴ [National Academy of Social Insurance](#). October 2016.

⁵ [National Academy of Social Insurance](#). October 2016.

⁶ [National Academy of Social Insurance](#). October 2016.

What the bill does

- Seeks to bring Iowa's system in back into balance while still providing generous benefits to workers
- Provides safeguards for workers against aggressive plaintiff attorneys
- Seeks to provide benefits to an injured worker for an injury that is caused by work
- Seeks to align with surrounding states on benefits for scheduled injuries
- Correct recent court decisions and provide clarification to the code
- Stop double-dipping and abuse of workers' compensation benefits
- Aligns interest rates on workers' compensation judgments with all other types of judgments
- Ensures American Medical Association guidelines, not outside personal opinions, are used when determining impairment ratings
- Places an emphasis on keeping employees safe at work and minimizing workplace accidents