

**State of Alaska**  
**FY2019 Governor's Operating Budget**

**Department of Labor and Workforce Development**  
**Workers' Compensation**  
**Results Delivery Unit Budget Summary**

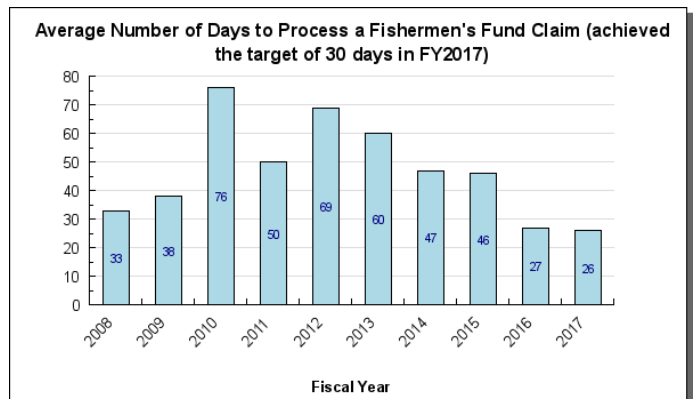
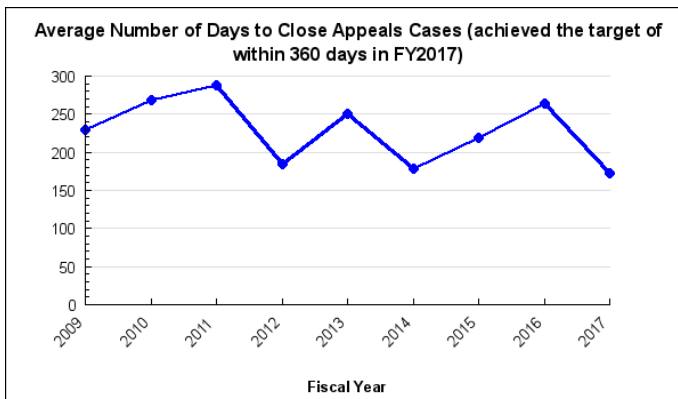
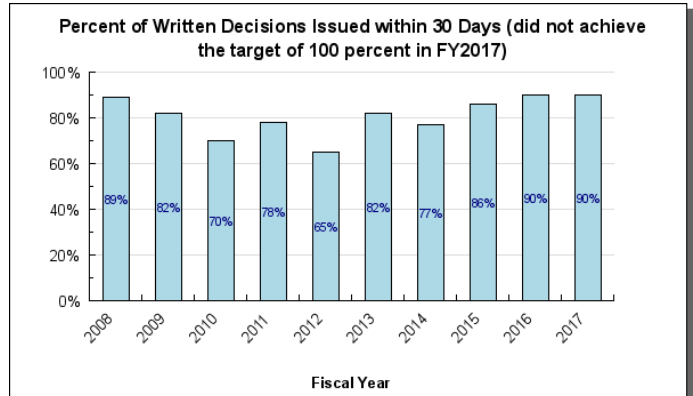
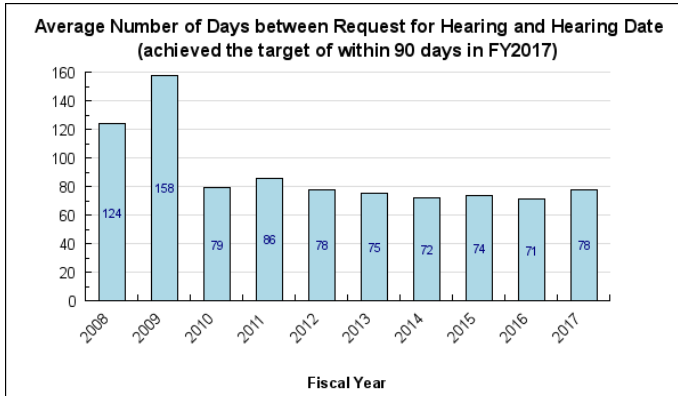
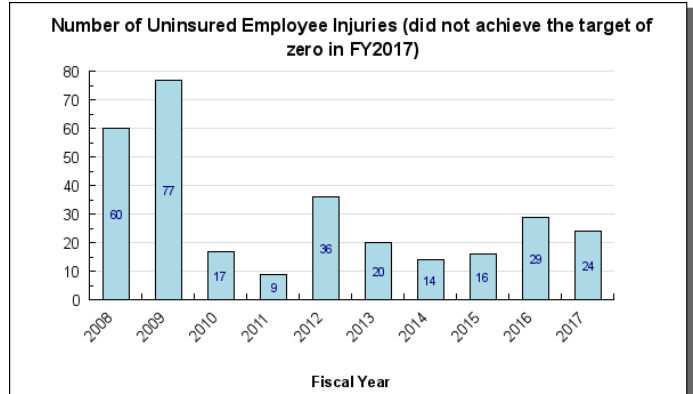
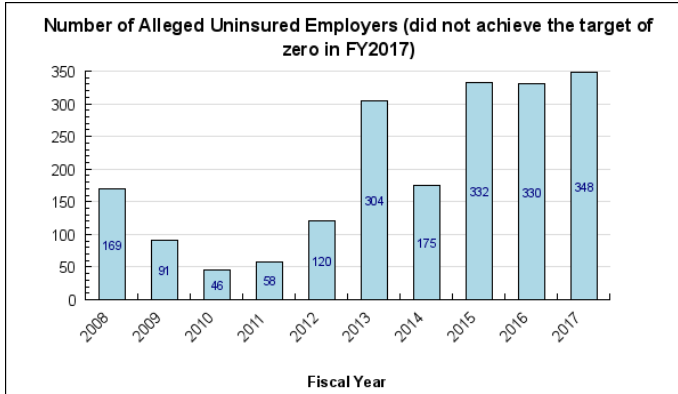
**Workers' Compensation Results Delivery Unit**

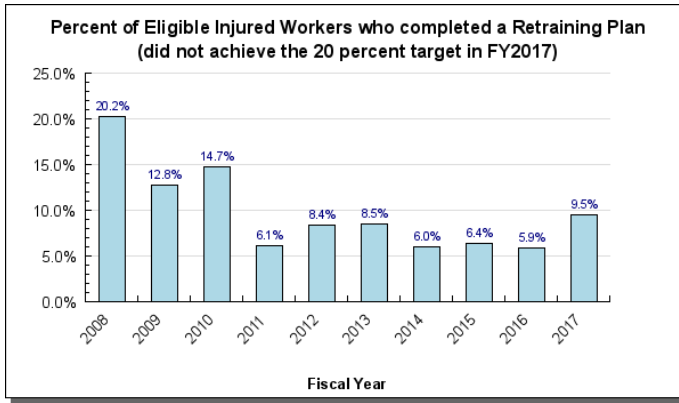
**Contribution to Department's Mission**

The mission of Workers' Compensation is to ensure the efficient, fair and predictable delivery of indemnity, medical and vocational rehabilitation benefits intended to enable workers to return to work at a reasonable cost to employers.

**Results**

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)





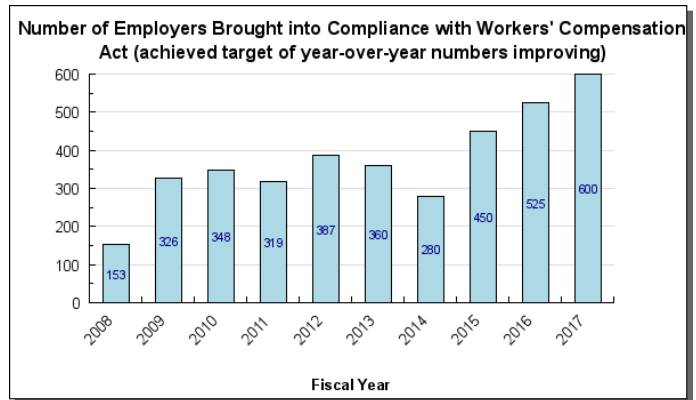
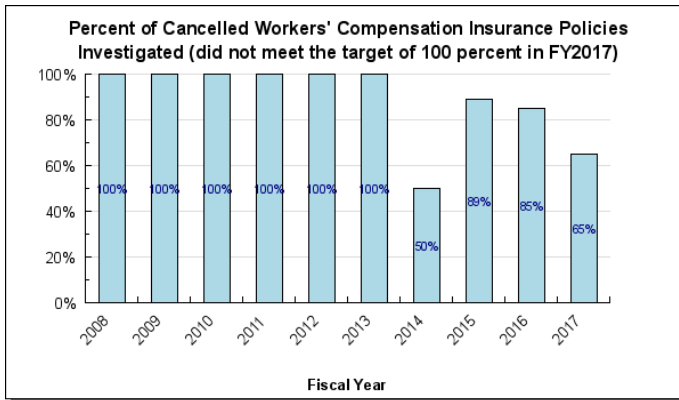
**Core Services**

- Ensure compliance with the Workers' Compensation Act.
- Conduct timely Workers' Compensation hearings.
- Operate a timely and efficient appeals program.
- Process Fishermen's Fund claims timely.
- Administer a vocational rehabilitation benefits and training program for injured workers.

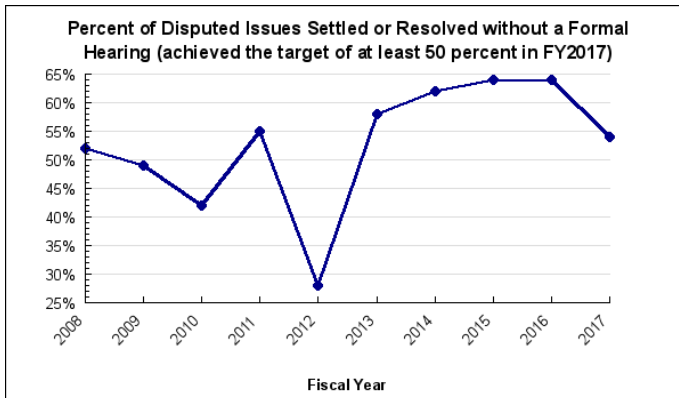
**Measures by Core Service**

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

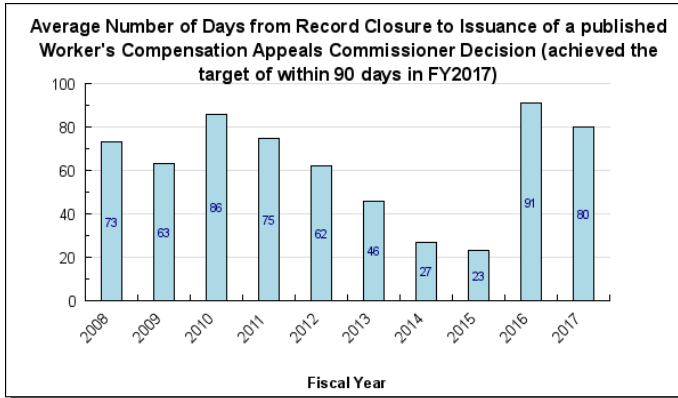
**1. Ensure compliance with the Workers' Compensation Act.**



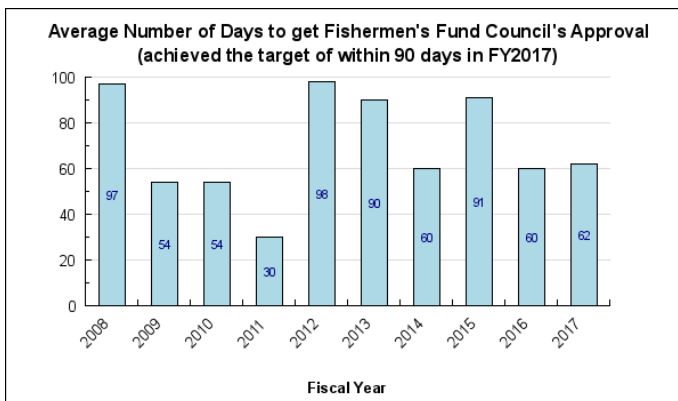
**2. Conduct timely Workers' Compensation hearings.**



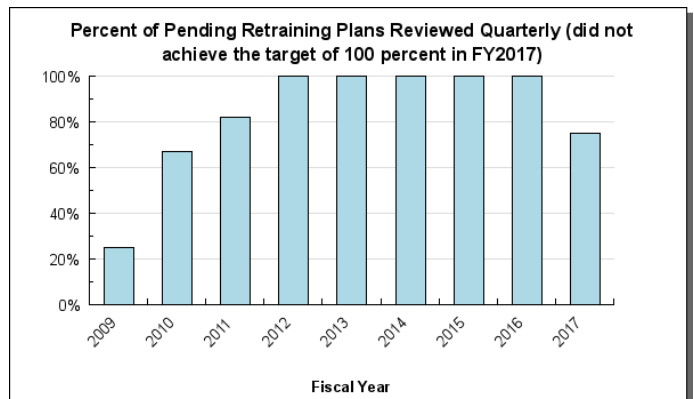
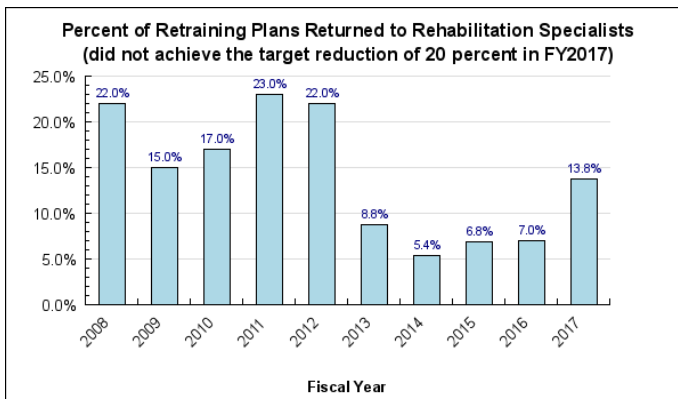
**3. Operate a timely and efficient appeals program.**



**4. Process Fishermen's Fund claims timely.**



**5. Administer a vocational rehabilitation benefits and training program for injured workers.**



**Major RDU Accomplishments in 2017**

During FY2017, the Division of Workers' Compensation:

- Finalized 81 failure to insure cases resulting in a total of \$3.2 million dollars in penalties to be deposited into the Workers' Compensation Benefits Guaranty Fund, which pays benefits to workers injured while working for employers out of compliance with the Act.
- Investigated approximately 2,400 businesses to ensure compliance with the Alaska Workers' Compensation Act.

- Worked with the Medical Services Review Committee (MSRC) to continue its “phased-in” cost reduction approach to lowering medical costs gradually which has helped lower employer’s workers’ compensation premiums by 3.7 percent in 2016 and by 1.6 percent in 2017. Premiums should continue to drop in the future as medical costs continue to decrease under the new fee schedule.
- Continued to decrease the average number of days to process a Fishermen/s Fund claim, processing claims in just 26 days.

### Key RDU Challenges

The Division of Workers' Compensation is challenged to realize further efficiencies and program improvements without statutory changes.

### Significant Changes in Results to be Delivered in FY2019

No significant changes in results to be delivered are anticipated.

Contact Information
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**Workers' Compensation  
RDU Financial Summary by Component**

*All dollars shown in thousands*

	FY2017 Actuals				FY2018 Management Plan				FY2019 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
<b>Formula Expenditures</b> None.												
<b>Non-Formula Expenditures</b>												
Workers' Compensation	5,360.4	0.0	0.0	5,360.4	5,653.0	0.0	0.0	5,653.0	5,671.0	0.0	0.0	5,671.0
Workers' Comp Appeals Comm	251.1	0.0	0.0	251.1	443.3	0.0	0.0	443.3	421.6	0.0	0.0	421.6
WC Benefits Guaranty Fund	670.0	0.0	0.0	670.0	774.4	0.0	0.0	774.4	774.9	0.0	0.0	774.9
Second Injury Fund	2,419.0	0.0	0.0	2,419.0	3,414.9	0.0	0.0	3,414.9	3,244.8	0.0	0.0	3,244.8
Fishermen's Fund	962.5	0.0	0.0	962.5	1,458.9	0.0	0.0	1,458.9	1,387.1	0.0	0.0	1,387.1
<b>Totals</b>	<b>9,663.0</b>	<b>0.0</b>	<b>0.0</b>	<b>9,663.0</b>	<b>11,744.5</b>	<b>0.0</b>	<b>0.0</b>	<b>11,744.5</b>	<b>11,499.4</b>	<b>0.0</b>	<b>0.0</b>	<b>11,499.4</b>

**Workers' Compensation**  
**Summary of RDU Budget Changes by Component**  
**From FY2018 Management Plan to FY2019 Governor**

*All dollars shown in thousands*

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
<b>FY2018 Management Plan</b>	<b>0.0</b>	<b>11,744.5</b>	<b>0.0</b>	<b>0.0</b>	<b>11,744.5</b>
<b>Adjustments which continue current level of service:</b>					
-Workers' Compensation	0.0	18.0	0.0	0.0	18.0
-Workers' Comp Appeals Comm	0.0	0.5	0.0	0.0	0.5
-WC Benefits Guaranty Fund	0.0	0.5	0.0	0.0	0.5
-Second Injury Fund	0.0	0.6	0.0	0.0	0.6
-Fishermen's Fund	0.0	1.1	0.0	0.0	1.1
<b>Proposed budget decreases:</b>					
-Workers' Comp Appeals Comm	0.0	-22.2	0.0	0.0	-22.2
-Second Injury Fund	0.0	-170.7	0.0	0.0	-170.7
-Fishermen's Fund	0.0	-72.9	0.0	0.0	-72.9
<b>FY2019 Governor</b>	<b>0.0</b>	<b>11,499.4</b>	<b>0.0</b>	<b>0.0</b>	<b>11,499.4</b>