



**BEFORE THE INSURANCE AND FINANCIAL INSTITUTIONS COMMITTEE
OF THE OHIO SENATE
SENATOR BOB HACKETT, CHAIRMAN**

**TESTIMONY
OF
ROB BRUNDRETT
DIRECTOR, PUBLIC POLICY SERVICES
THE OHIO MANUFACTURERS' ASSOCIATION**

JUNE 19, 2019

Mr. Chairman and members of the Committee, my name is Rob Brundrett. I am the Director of Public Policy Services for The Ohio Manufacturers' Association (OMA). Thank you for the opportunity to provide testimony today on House Bill 80. The OMA was created in 1910 to advocate for Ohio's manufacturers; today, it has nearly 1,400 members. Its mission is to protect and grow Ohio manufacturing.

Manufacturing is the largest of the Ohio's primary 20 industry sectors and contributes more than \$108 billion annually in GDP, according to the most recent federal data. This comprises nearly 18% of the state's economic output. More than 700,000 Ohioans work in manufacturing. In 2017, Ohio manufacturing employees earned, on average, more than \$74,000 in compensation, according to newly released figures.

Throughout the years, the OMA has consistently advocated for an efficient and effective workers' compensation system that benefits workers, employers, and the economy of the state.

The Ohio workers' compensation system was designed to compensate injured workers' physical injuries/illnesses and any mental conditions that arise as a result of such physical injuries/illnesses. The OMA has a history of opposing proposals that would permit PTSD compensation in cases in which there is no associated physical injury or illness. The adoption of a mental-only diagnosis would mark a significant change to the Ohio workers' compensation system.

Additionally, we are concerned about the potential expansion of workers' compensation beyond this provision's narrow target of first responders. We recognize that peace officers, firefighters, and emergency medical workers experience traumatic events. However, they are not alone in their willingness to undertake dangerous and essential jobs for the good of us all. If we erode the physical injury requirement for peace officers, firefighters, and emergency medical workers, it may be difficult to justify not doing the same for other professionals who seek equal treatment.

Once a fundamental parameter of the workers' compensation system – like the physical injury requirement – is compromised, the potential inroads into the program are endless. The result will be increased workers' compensation costs for public and private employers alike. The implications of those cost increases will be felt across the board and will impact Ohio's business climate. The increased costs could also affect our public employers' abilities to provide essential public safety functions.

In addition, given that mental health benefits have parity with physical health benefits under health insurance plans, it is important to have a broader conversation about

where PTSD arising out of employment would be most effectively and appropriately financed – private health insurance, a special workers’ compensation insurance PTSD fund outside of the current system, or a completely different model.

The bill also contains a provision prohibiting an employer’s right to negotiate settlement after the workers’ compensation claim is out of the employer’s experience. The purpose of settlement is to fully resolve an issue for all parties. The employer is still a party even if the claim is out of its experience. As pending the bill denies the employer this right in these circumstances.

Finally, the bill proposes creating an entirely new section of the Ohio Revised Code directing the superintendent of industrial compliance to establish the definition of employee and independent contractor for purposes of not only workers’ compensation, but also unemployment and tax purposes. While unemployment and tax are certainly outside the scope of a workers’ compensation bill, the proposed language unnecessarily creates an additional hearing process for employees to contest misclassifications before a tribunal that historically does not have the experience across these industries. If the superintendent finds a misclassification has occurred, its decision is not only binding on other administrative agencies, the superintendent “shall” assess a \$500 per day penalty on employers – even in the case of an honest mistake.

Thank you for the opportunity to testify. I am joined by OMA workers’ compensation counsel Sue Roudebush, we would be happy to answer any questions from the committee.