MARGARET WOOD HASSAN
Governor

STATE OF NEW HAMPSHIRE
OFFICE OF THE GOVERNOR

STATE OF NEW HAMPSHIRE
BY HER EXCELLENCY
MARGARET WOOD HASSAN
EXECUTIVE ORDER 2014-7

an order establishing a Commission to Recommend Reforms to Reduce Workers' Compensation Medical Costs

WHEREAS, workers and employers across New Hampshire have partnered together to make their workplaces safer and to reduce on-the-job injuries;

WHEREAS, it is critical that injured workers have access to high-quality medical care and that we recognize medical practices often bear higher costs and administrative obligations when treating and assisting workers injured on the job;

WHEREAS, while rates are expected to drop slightly in the coming year, New Hampshire was ranked the ninth-most expensive state for workers' compensation insurance in 2012, a change driven by increasing medical costs;

WHEREAS, according to a New Hampshire Department of Insurance review, medical costs in New Hampshire have grown to almost 75 percent of total workers' compensation dollars spent in New Hampshire, compared to about 60 percent nationwide;

WHEREAS, the same review showed that on average workers' compensation surgical procedures in New Hampshire are 83 percent more expensive than those in the region and more than twice as expensive as they are nationally;

WHEREAS, as an employer, state government pays significantly more for procedures covered by workers' compensation coverage compared to the same procedures covered through the state's group medical coverage;

WHEREAS, higher workers' compensation costs result in higher premiums that impact employers, workers and the economy by diverting resources that could be used for other priorities such as increased wages, new hires and investments in company infrastructure; and

WHEREAS, most other states have implemented strategies to successfully reduce medical costs for workers' compensation;

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NOW, THEREFORE, I, MARGARET WOOD HASSAN, GOVERNOR of the State of New Hampshire, by the authority vested in me pursuant to Part II, Article 41 of the New Hampshire Constitution, do hereby establish, effective September 4, 2014, a Commission to Recommend Reforms to Reduce Workers' Compensation Medical Costs, which shall comprise the commissioners of Insurance and Labor, as well as individuals representing workers, employers, insurance professionals and health care.

FURTHER, the Commissioner of the Department of Insurance shall serve as chair;

FURTHER, the Commission shall:

1. Review data and information explaining the basis for high workers' compensation costs in New Hampshire;

2. Review laws, regulations and other efforts undertaken by other states to successfully reduce workers' compensation medical costs and other workers' compensation costs;

3. Review laws, regulations and other efforts undertaken by other states to ensure continued access by injured workers to high-quality health care providers;

4. Develop and recommend a comprehensive reform to reduce medical costs and premiums in New Hampshire's workers' compensation system while preserving access to health care for workers, and

5. Make any other recommendations the Commission believes necessary to improve New Hampshire's workers' compensation system to reduce costs and premiums, improve the care to workers, and to help workers return to the job in a timely matter.

FINALLY, the Commission shall submit its final report to the Governor by December 1, 2014.

Given under my hand and seal at the Executive Chambers in Concord, this 4th day of September, in the year of Our Lord, two thousand and fourteen, and the independence of the United States of America, two hundred and thirty-nine.

Margaret Wood Hassan

GOVERNOR OF NEW HAMPSHIRE

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