



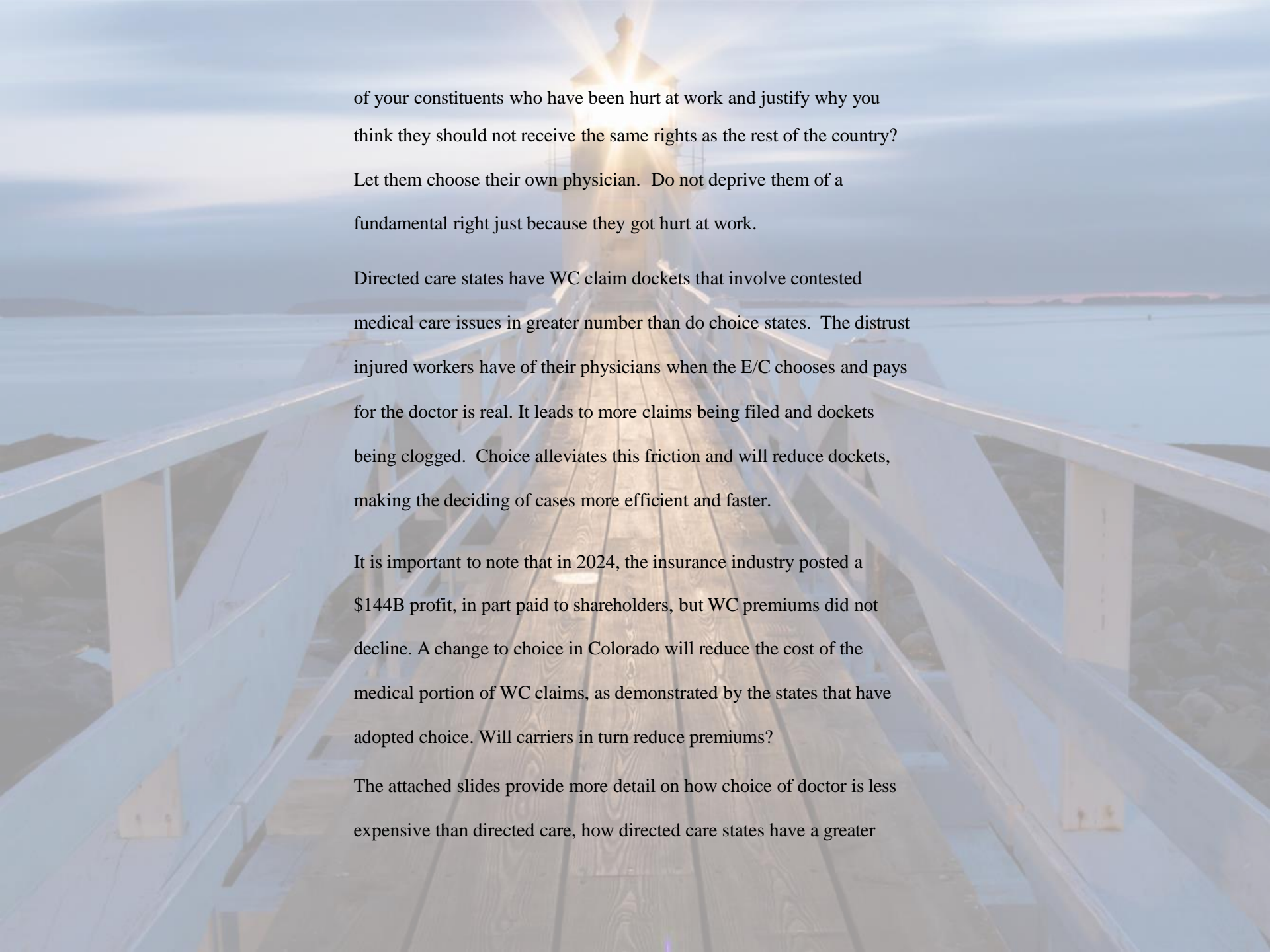
**WRITTEN TESTIMONY TO COLORADO SENATE BUSINESS,
LABOR AND TECHNOLOGY COMMITTEE – HB25-1300**

My name is Roger Finderson. I am the President of the Workers' Injury Law & Advocacy Group ("WILG"), a national association of workers compensation claimant's lawyers. As an organization, we track the workers' compensation systems from all 50 states. We studied the impact of choice vs directed care in the state comp systems. I submit this statement in favor of House Bill 25-1300.

Directed care is more expensive. Across our great nation, the E/C pays, on medical care, 48.2% of all claims in directed care states. In choice states, 40.3%. Directed care costs 7.9% MORE than choice. Directed care is 7.7% MORE costly than choice states **without** fee schedules.

Directed care is 9.2% MORE expensive than choice **with** a fee schedule. Choosing your own physician is a fundamental right of every American, except injured workers in directed care states. Business is built on the backs of the workers. Without them, there is no service provided.

Without them, there are no goods produced. Can you look into the eyes

A wooden pier extends from the foreground into the ocean, leading towards a lighthouse at the end. The scene is captured at sunset or sunrise, with a warm, golden glow emanating from the lighthouse and reflecting on the water. The sky is a mix of soft blues and oranges. The pier's wooden planks and railings create a strong sense of perspective, drawing the viewer's eye towards the horizon.

of your constituents who have been hurt at work and justify why you think they should not receive the same rights as the rest of the country?

Let them choose their own physician. Do not deprive them of a fundamental right just because they got hurt at work.

Directed care states have WC claim dockets that involve contested medical care issues in greater number than do choice states. The distrust injured workers have of their physicians when the E/C chooses and pays for the doctor is real. It leads to more claims being filed and dockets being clogged. Choice alleviates this friction and will reduce dockets, making the deciding of cases more efficient and faster.

It is important to note that in 2024, the insurance industry posted a \$144B profit, in part paid to shareholders, but WC premiums did not decline. A change to choice in Colorado will reduce the cost of the medical portion of WC claims, as demonstrated by the states that have adopted choice. Will carriers in turn reduce premiums?

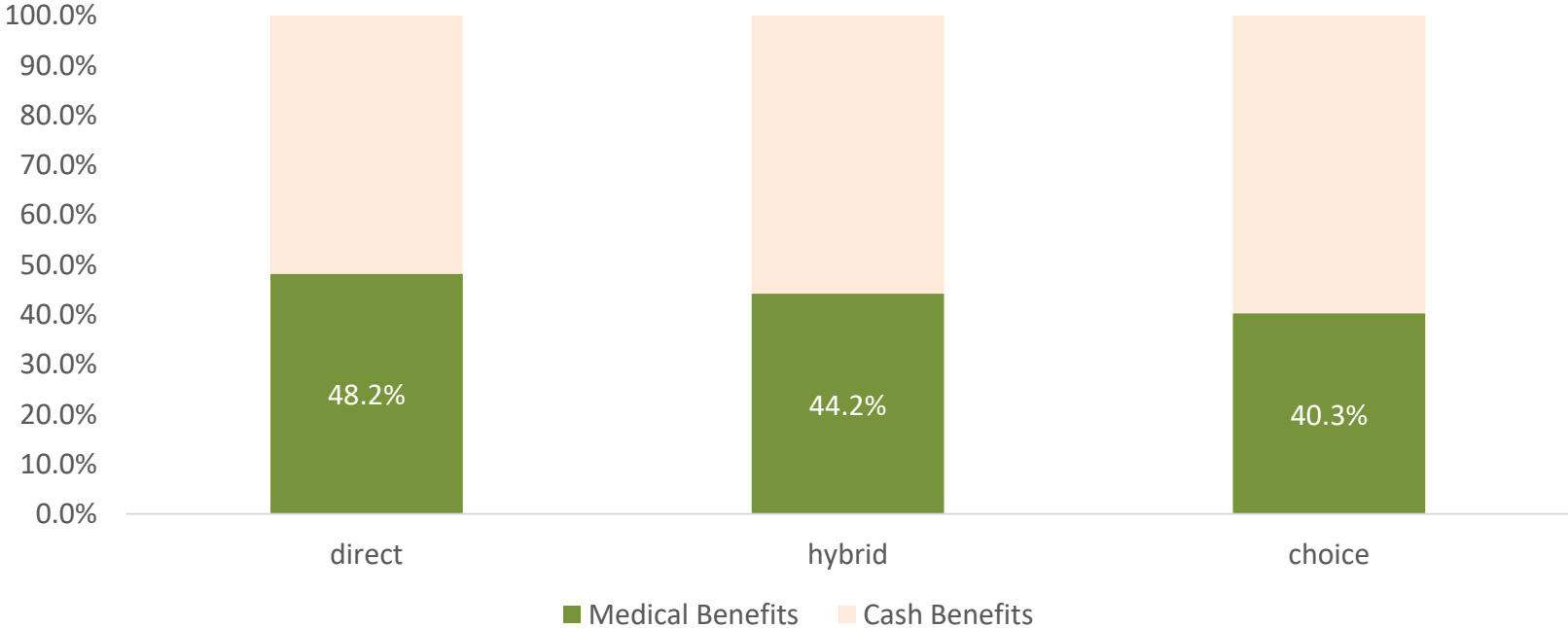
The attached slides provide more detail on how choice of doctor is less expensive than directed care, how directed care states have a greater

incidence of litigated disputes over medical care and how the insurance industry is making exorbitant amounts of money, without a corresponding decrease in premiums.



Relationship between Choice Related and Medical Benefits Spending?

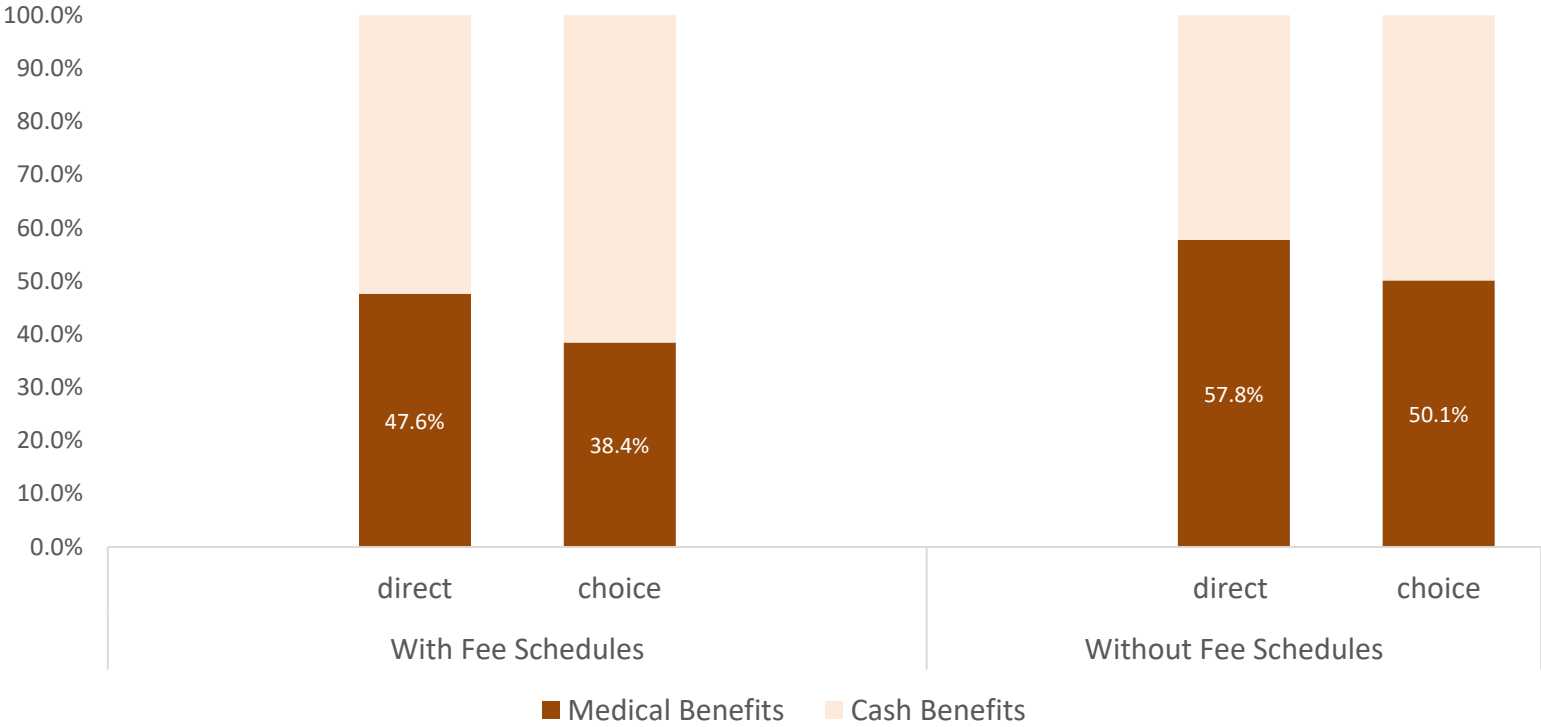
% of Medical Benefits Spending of Total Benefits, By Choice Systems (2021)



Data Source: <https://www.wcrinet.org/reports/designing-workers-compensation-medical-fee-schedules-2022>

Considering Fee Schedules by Choice Status

% of Medical Benefits Spending of Total Benefits, By Fee Schedule System (2021)

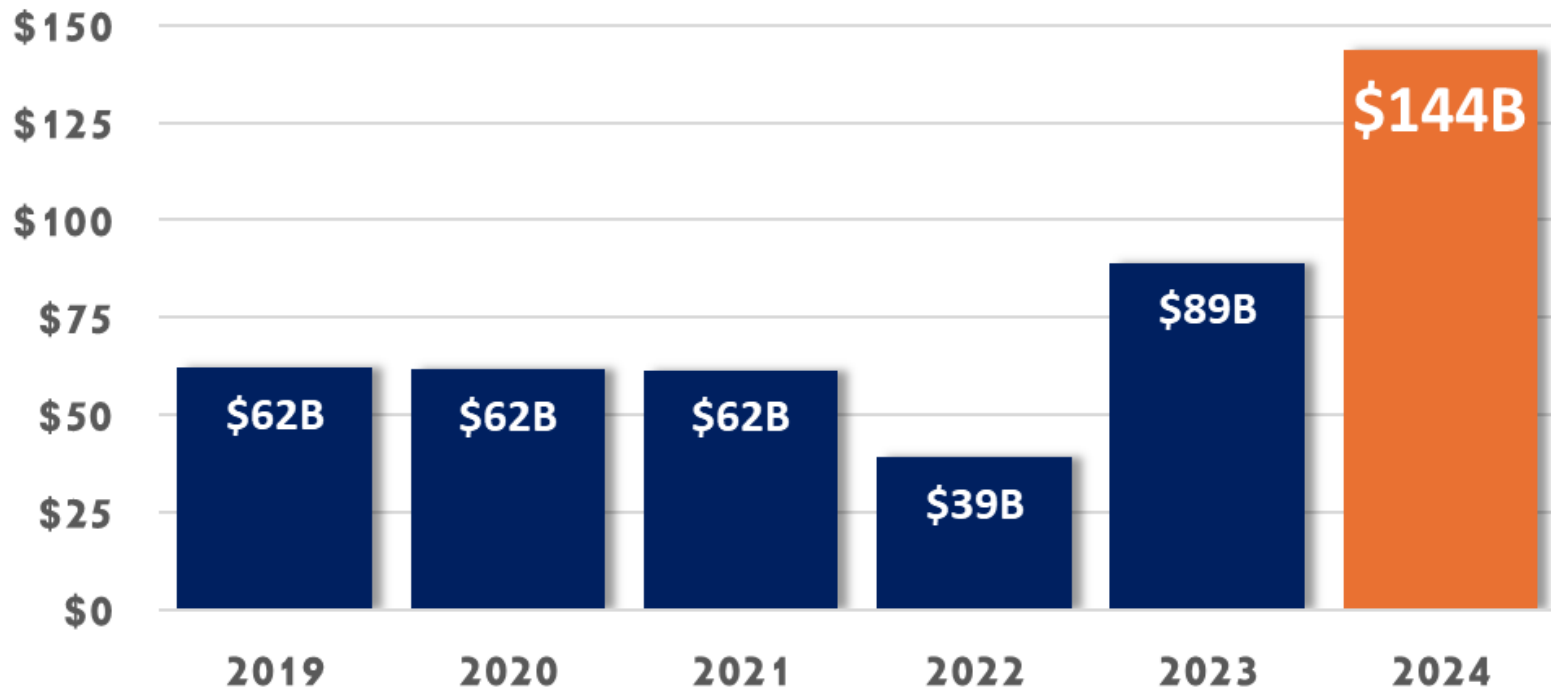


Contested Medical Claims in Directed Care vs. Choice States

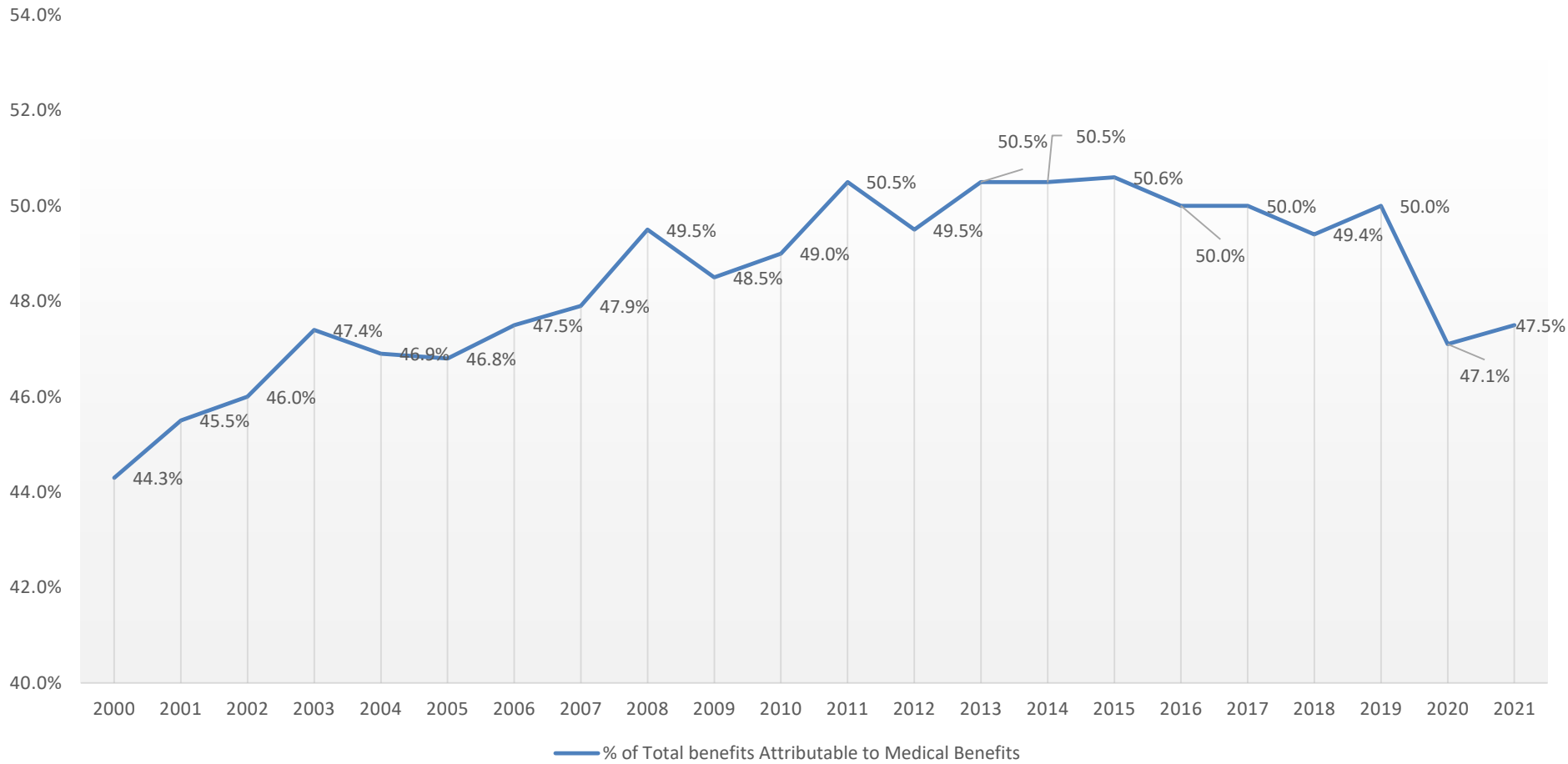
- **Directed care states show a higher rate of disputes over medical treatment compared to choice states.**
 - Directed care states have over 25% more contested medical claims than choice states.
 - Claimants in directed care states are twice as likely to request IMEs due to perceived medical bias.
- Costlier litigation: Directed care states have higher litigation costs due to more frequent contested medical disputes.
- Litigation rates are higher in directed care states, particularly for permanent impairment ratings and medical necessity disputes.
- **Workers in choice states reported higher satisfaction with their medical care, leading to fewer contested claims.**

Reimbursements Rates are Low, but Profits are Growing for Insurance Companies

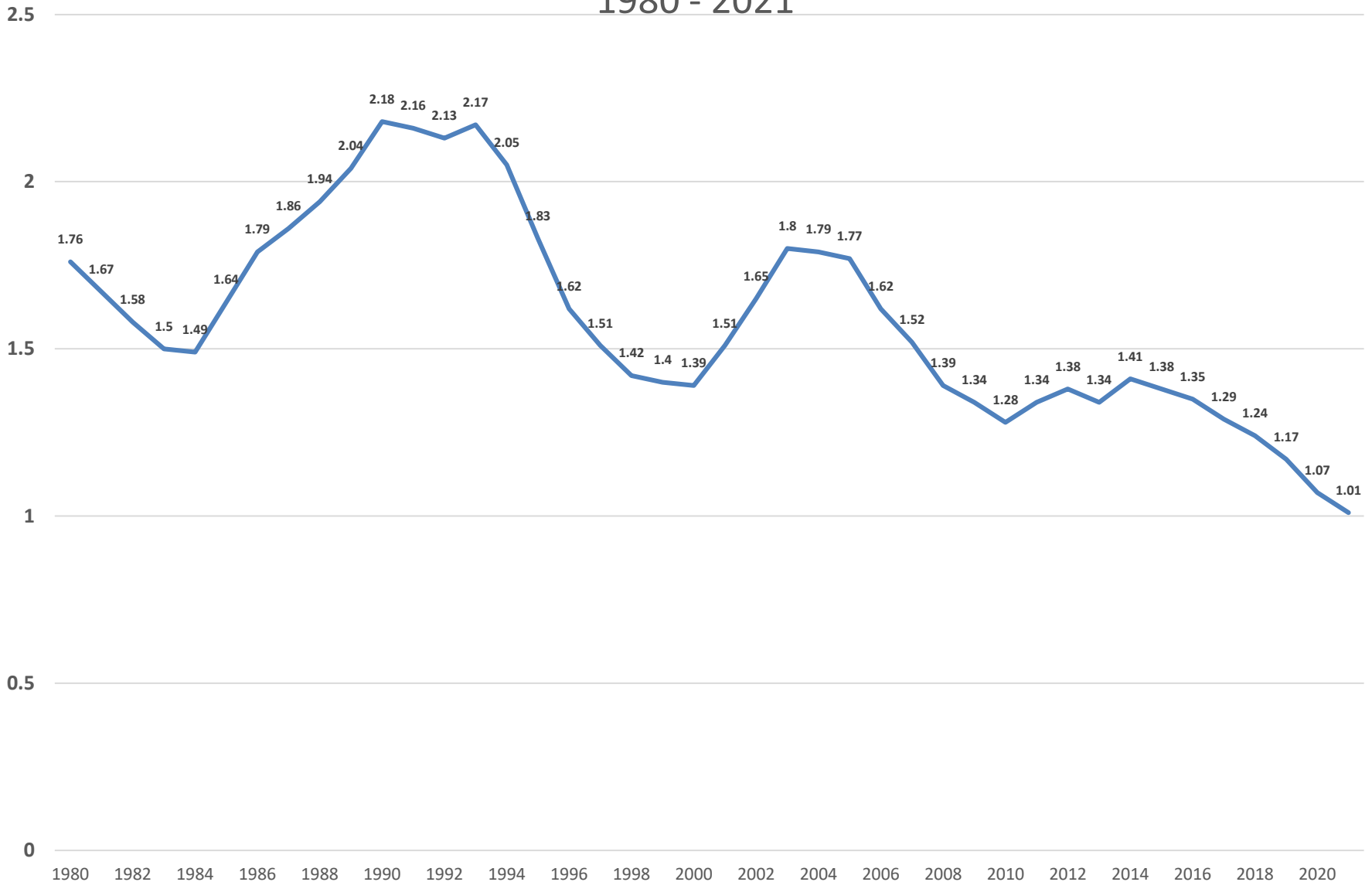
P/C Insurance Industry Profits -



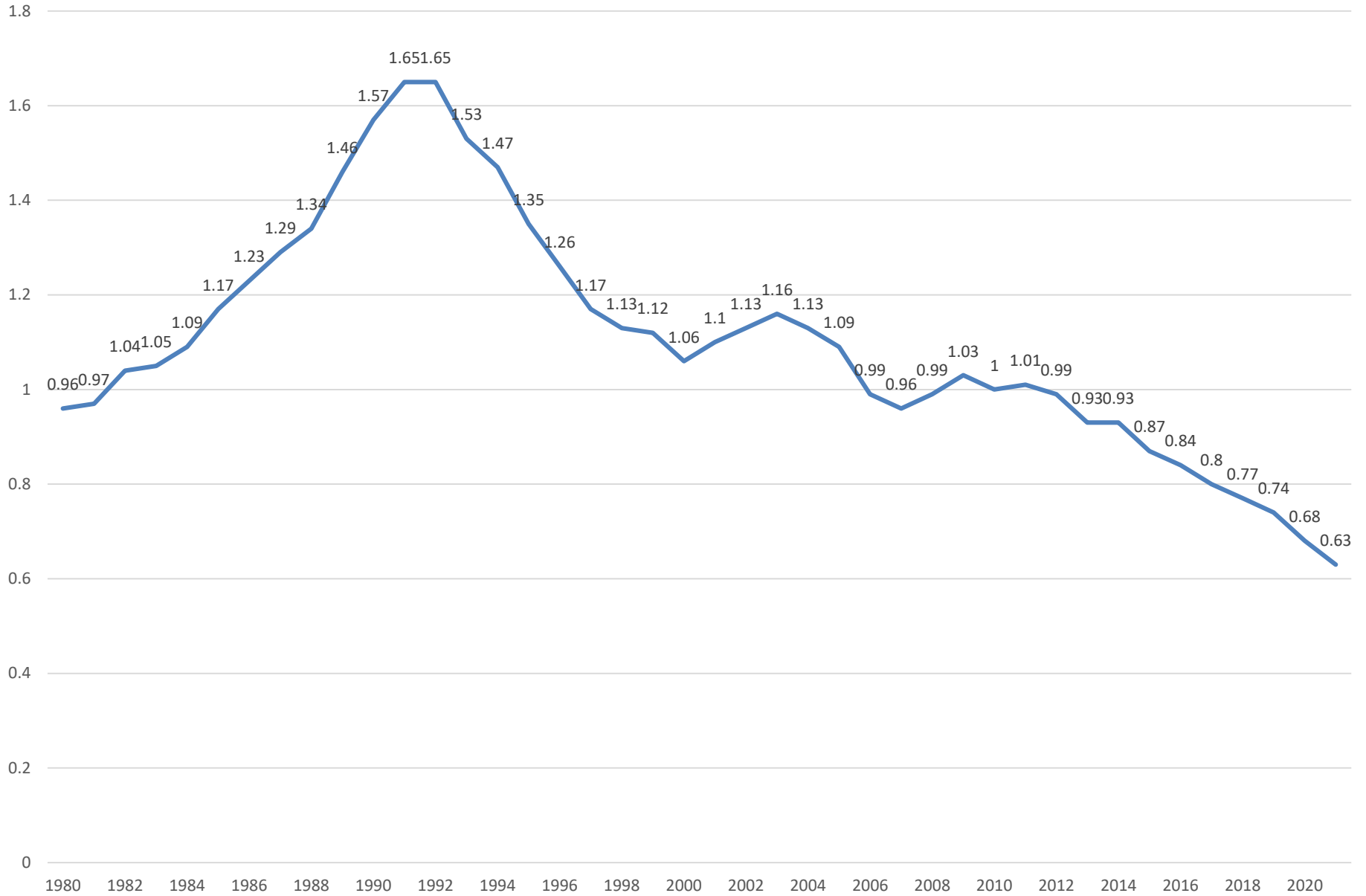
Medical Portion of Worker's Compensation Benefits



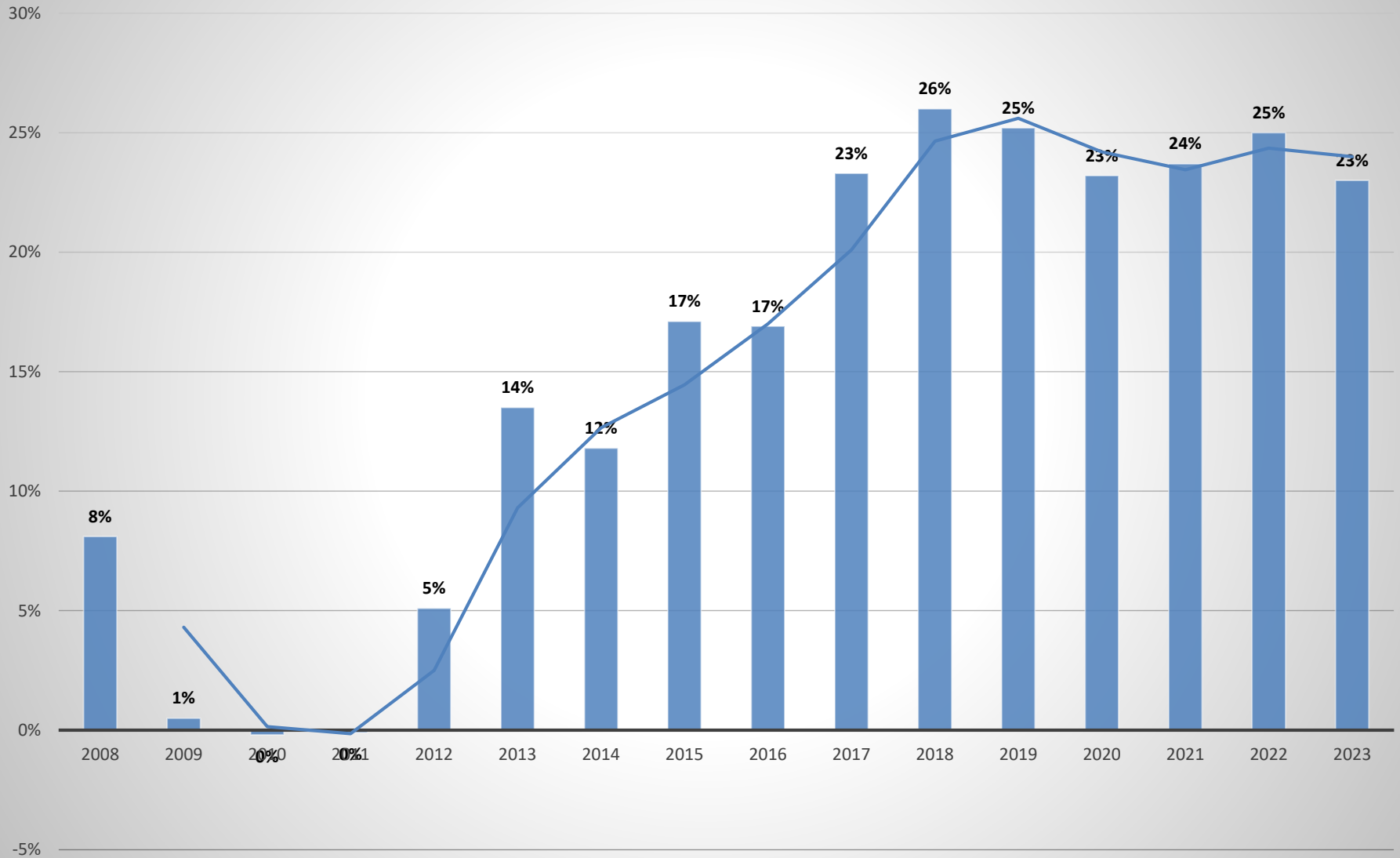
Worker's Compensation Costs per \$100 of Covered Wages; 1980 - 2021



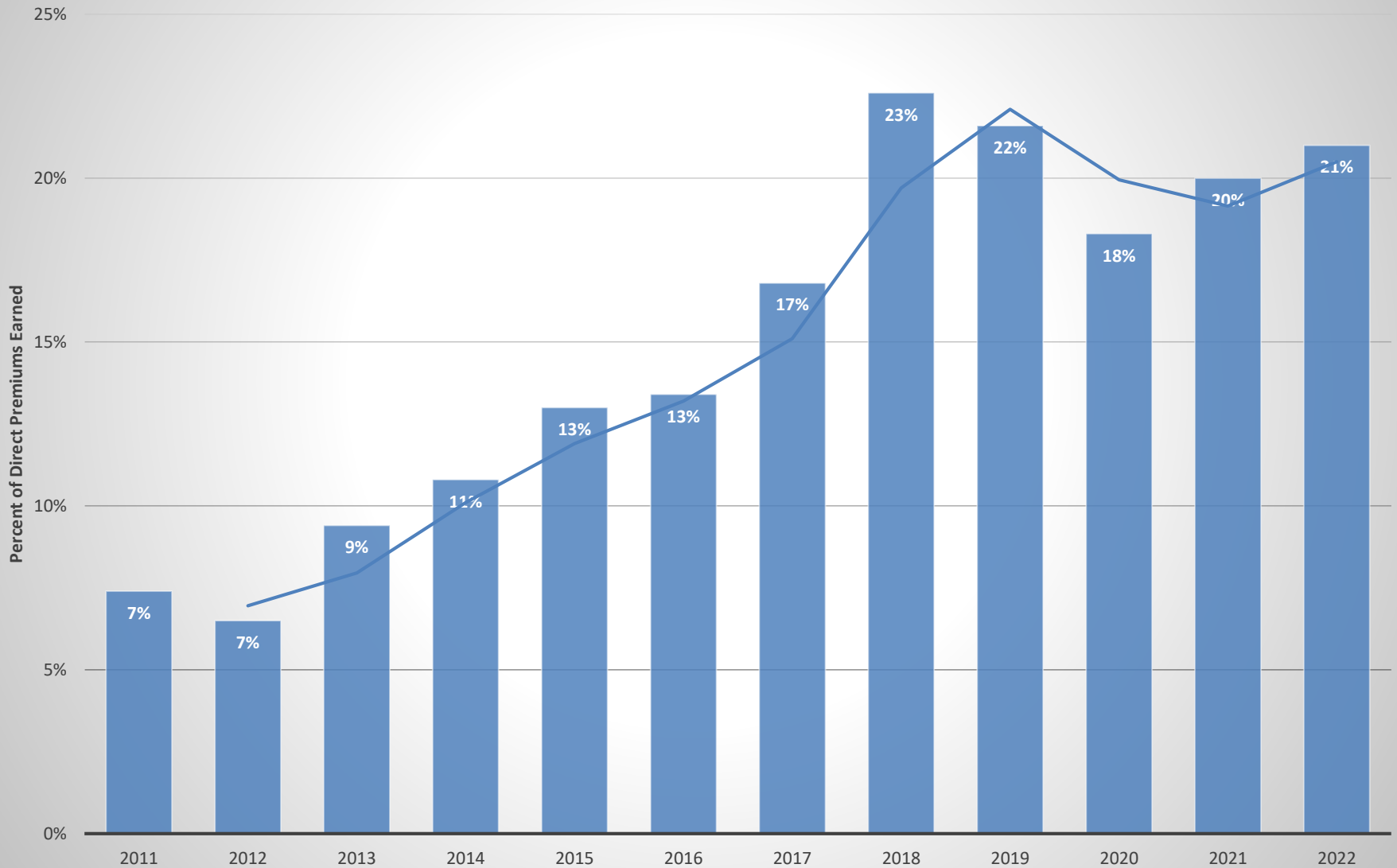
Worker's Compensation Benefits Per \$100 of Covered Wages; 1980 - 2021



Percent of Premiums Held as Operating Gains by Insurers; 2008 - 2023



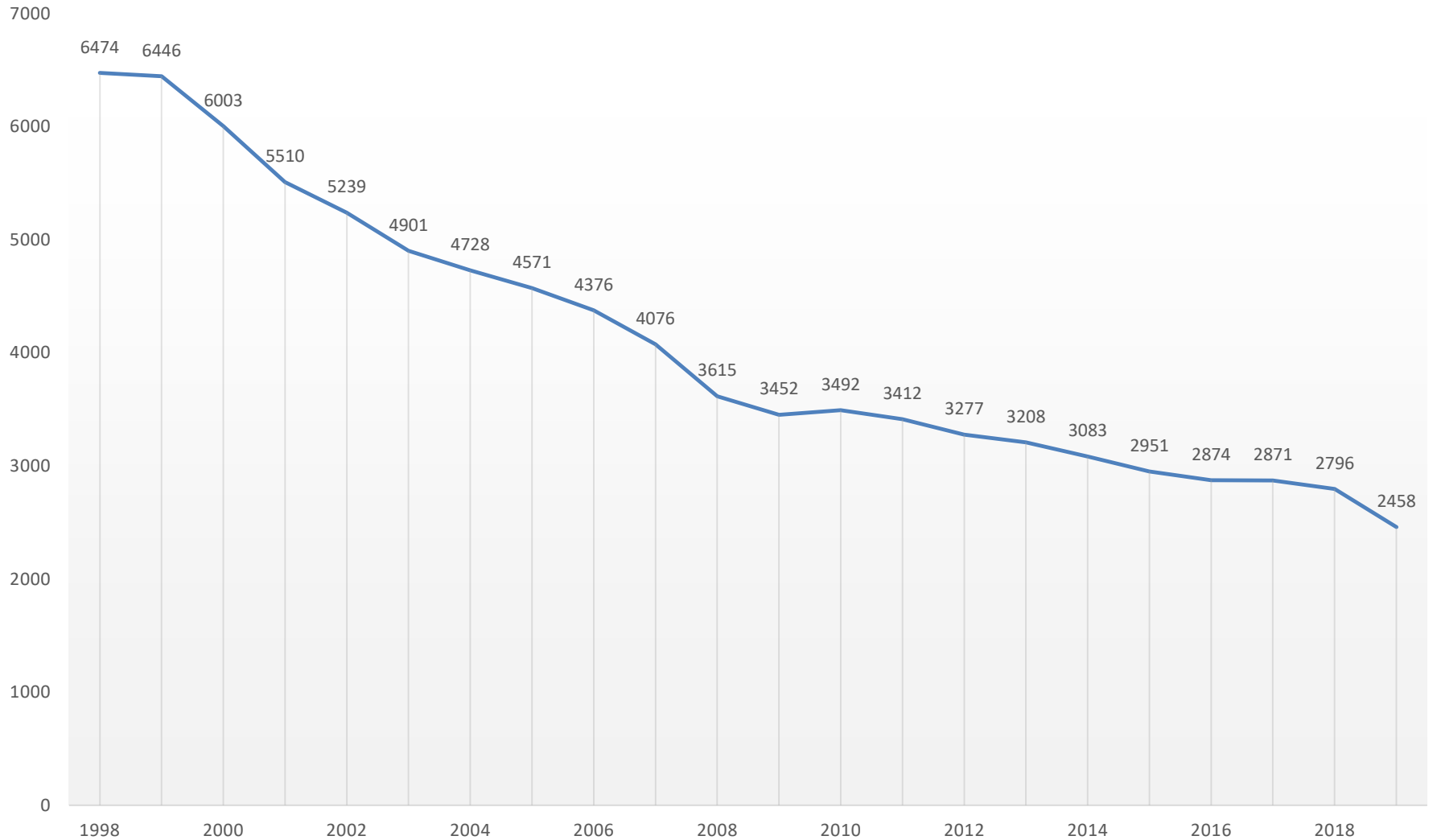
Nationwide Worker's Compensation Insurer Profit; 2011 - 2022



Source: National Association of Insurance Commissioners (NAIC), 2024, "Report on Profitability By Line By State in 2022."

Note: Data displayed report insurers' "Profit on Insurance Transactions," which includes profit on investments as well as underwriting profit.

Worker's Compensation Claims per 100,000 Workers; 1998 - 2019



Senate Business, Labor, & Technology

04/24/2025 Upon Adjournment

HB25-1300 Workers' Comp Benefits Proof of Entitlement

Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
Robert Lawson Against themselves	I Robert Lawson would like to testify that I am 69 years old and my only income is from social security and a small pension. I rely upon Uber to supplement my income. I still barely make it from paycheck to paycheck. The cost of living has increased dramatically yet I still have to pay for food and shelter. I don't even know what else to say. DO NOT pass this bill.
Jamalee Messervy Against E-Z Excavating. Inc	I'm against bill HB25-1300 Workers' Compensation Benefits Proof of Entitlement. Employers are already at a disadvantage when it comes to work injuries. Employees can file claims themselves or seek emergency care and the employer has to go along with it. Our company has rules in place that the employee must follow unless the injury is life or limb threatening. Some employees have failed to follow these rules and we find out after the employee has sought treatment for their injury. This leaves us at a disadvantage in investigating the injury, controlling the cost of the claim, and being actively involved in getting our employee back to regular duty. I see this bill negativity affecting injured workers' job restrictions, return to work policies, and the overall claim itself. There have been many times when an employee sought treatment at the emergency room or urgent care facility and we didn't receive any documentation regarding the workers' status to return to work. How are we as a company supposed to manage the claim. Protect the worker and our company from further issues with regard to the claim. How are we supposed to comply with the Cost Containment rules to qualify for the discount if we have issues with getting injured workers back to work especially if we don't know what the restrictions are. All of this could lead to lose of control of the claims and then increased cost in claims which then leads to an increase cost in the companies rates to insure the employees. This does not just affect our company it will affect our employees too. By passing this bill the employee may gain more control and power over their claim, but what do they loose to gain this? In my view the employee already has control over their claim.

	<p>Thank you for your time and hearing my perspective. Jamalee Messervy E-Z Excavating, Inc.</p>
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“Voice of the Western Slope since 1953”
A coalition of counties, communities, businesses & individuals

(970) 242-3264 ★ FAX (970) 245-8300
P.O. Box 4795 ★ Grand Junction, CO 81502
www.club20.org

Thank you, Madame Chair and Members of the Committee,

My name is Brittany Dixon, and I am the Executive Director of Club 20, a non-partisan political advocacy coalition that represents the 22 counties on the Western Slope. We are here today representing the interests of our region in opposition to HB25-1300.

This bill presents significant risks to our region’s workforce, businesses, and overall economic stability. Club 20 has long advocated for policies that ensure rural Coloradans have access to timely, high-quality medical care while maintaining a fair and predictable regulatory environment for businesses. HB25-1300 threatens both.

One of our greatest concerns is the impact this bill will have on access to care. Rural communities already struggle with provider shortages, and this bill removes the current, efficient system that allows injured workers to select from a manageable list of physicians designated by their employer or insurer. Instead, it forces them into a complex state-maintained directory of over 1,000 physicians—many of whom are not located in or willing to serve rural areas, for valid reasons around affordability and access to care. For workers on the Western Slope, this means longer travel times, increased costs, and potential delays in critical care. Club 20 has consistently opposed policies that place unnecessary burdens on rural healthcare accessibility, and this bill is a direct contradiction to that principle.

HB25-1300 also shifts the burden of proof for medical treatment from the claimant to the employer or insurer, upending more than a century of established workers’ compensation law. This will inevitably lead to increased litigation, higher insurance costs, and greater financial risk for small businesses, the backbone of rural Colorado’s economy. As Club 20 has repeatedly emphasized, rural businesses already operate on thin margins, and additional regulatory burdens only make it harder to sustain jobs and economic growth in our communities.

Additionally, extending the timeline for physician changes introduces further uncertainty into the system. Encouraging multiple physician changes months after an injury disrupts continuity of care, delays recovery, and increases the likelihood of conflicting medical opinions. This not only prolongs an injured worker’s time away from their job and places additional strain on our limited rural healthcare infrastructure but also puts the patient’s life and certainty in question.

HB25-1300 does not account for the realities of rural healthcare access and the unique economic challenges our communities face. It threatens to increase costs, create unnecessary delays in medical treatment, and impose greater uncertainty on both workers and employers. I respectfully urge you to protect rural jobs, businesses, and healthcare access by voting no on this bill.

Sincerely,

Brittany Dixon, Executive Director of Club 20



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