



Chair Rodriguez Budget Testimony

Joint Legislative Public Hearing on 2026 Executive Budget

Good morning, Chairpersons, rankers, and other distinguished members of the New York State Senate and Assembly Committees. Thank you for the opportunity to testify and submit written testimony for the Joint Legislative Budget Hearing on Labor and Workforce Development. My name is Clarissa Rodriguez, and I am honored to serve as the Chair of the New York State Workers' Compensation Board.

Many things have changed in the more than 110 years since the Board was established, but our core mission, to protect the rights of employees and employers, has not wavered.

The Board is a special revenue agency. Among other duties, it acts as the “court system” for the workers' compensation system. It also administers several other important worker benefits. We ensure that wage replacement and medical benefits are paid in a timely manner, consistent with laws and regulations governing workers' compensation, disability benefits, and Paid Family Leave, as well as volunteer firefighter and volunteer ambulance worker laws. We also educate the public on these important benefits and engage in other services to help injured workers get back to work and resume their daily lives.

In 2024, the Board assembled 165,320 complete workers' compensation claims, those with a formal notice of the injury from the insurer and a qualifying medical document. We held 239,760 hearings and issued 323,891 informal resolutions, mostly on claims with no dispute.

In October 2024, the Board reopened to the public for the first time since March 2020 when the COVID-19 pandemic struck. Now injured workers and stakeholders who want to attend an in-person hearing or workers who want to visit a Board office for free support from the Board's vocational rehabilitation counselors or licensed master social workers may request an appointment to do so. Virtual hearings, which enabled the Board to operate uninterrupted during the pandemic, continue to be the statewide standard.

Today, I'd like to focus on three key areas of interest as they relate to the Governor's State of the State proposals, our ongoing work to improve the system, and our role in supporting the Governor's efforts to make New York more affordable:

1. **Impactful changes ahead:** The proposals to significantly improve injured workers' access to medical care.
2. **Recent Board improvements:** The enhancements we've made to create efficiencies in the workers' compensation system, while being responsive to stakeholders' needs.
3. **Increasing benefits and lowering costs:** The 2025 updates that are putting more money in workers' pockets, while simultaneously providing savings for employers.

I believe these three components are vital to creating a system that's better for workers, better for business, and better for New York State. They also highlight the Board's commitment to Governor Kathy Hochul's goals – to make New York healthier, more affordable, and a place where families can thrive.

Impactful areas of change

Expanding access to care

Governor Hochul's 2025 State of the State proposals will transform medical treatment in the workers' compensation system and significantly expand injured workers' access to medical care, while simultaneously improving the system for the health care providers who treat them.

Governor Hochul's proposal will automatically authorize all eligible licensed medical providers in New York State, in good standing, to treat injured workers, and also allow resident and fellow physicians to treat, under the supervision of a faculty physician, the same way they do for regular health insurance. We have world-class teaching hospitals in New York, and this will further enhance the quality of workers' care.

Universal authorization will expand injured workers' freedom of choice for their medical provider. They will be able to see any licensed health care provider who is willing to treat them. The majority of workers have a primary care provider. This proposal would enable them to get treated by their own providers versus having to go to someone they don't know and who doesn't know their medical history. Their provider can also maintain the coordination and continuity of their care. Injured workers will have less difficulty in finding a medical provider for treatment and the need to travel long distances will be greatly diminished. Currently, 40 percent of injured workers travel outside of their home county to get treatment from a Board-authorized provider and those in suburban and rural counties travel an average of 35 miles or more to get care for their work-related conditions. This proposal will help fix that. It will greatly reduce delays in care, help injured workers heal faster and get back to work sooner, which benefits not only workers, but also their families, their employers, and their communities.

Health insurance payment of contested claims

Governor Hochul proposed codifying a 2006 General Counsel opinion from the Department of Financial Services directing health care insurers to pay for medical treatment for workers' compensation claimants, with no co-pay, while their workers' compensation claim is disputed. This ensures workers do not get caught in the crosshairs of a dispute; they can get the medical treatment they need when they need it, and the treating providers will get paid in a timely manner. If the claim is ultimately compensable under the Workers' Compensation Law, the health insurer will be reimbursed by the workers' compensation insurer.

Permit workers' compensation insurers to temporarily pay medical bills without liability

Governor Hochul proposed amending the Workers' Compensation Law to permit workers' compensation insurers to pay for medical treatment, without accepting liability, for up to one year in medical-only cases, which account for over 60% of all workers' compensation claims. In addition to helping injured workers get timely medical care, this proposal provides more transparency, requiring insurers to notify injured workers that such payments are being made and that their claim will automatically be accepted by the insurer at the one-year mark, unless the

claim is controverted. The statute was amended in 1996 to permit insurers to pay lost time claims without admitting liability for up to one year; this legislation extends the same privilege to medical-only cases so injured workers can receive treatment immediately and not have to await the litigation of the compensability of the claim.

Increasing medical fee schedules

The Governor proposed a regulatory change to increase workers' compensation fee schedules, the amounts paid to health care providers for services in treating injured workers. Under the proposal, the Workers' Compensation Medical Fee Schedules will be above Medicare and better aligned with private insurance reimbursement rates.

This becomes even more important with universal authorization. If a provider is treating a patient for a broken arm, the provider's fees should not differ greatly depending on whether their patient broke their arm at work or off the job; the fees should be comparable.

Better for providers

The Governor's proposals complement the many administrative actions the Board has taken to increase provider participation in the workers' compensation system, including transitioning to a universal billing form, creating an online system for medical disputes, implementing telehealth, and reducing the need for provider depositions.

Currently, only 10% of licensed medical providers in the state are authorized to treat workers' compensation patients. The Governor's proposals will significantly expand the number of licensed medical providers while making system improvements. These proposals are just a start – the Board looks forward to working our partners and the medical community to address feedback and continue making the system easier and better for providers to participate.

Recent Board improvements

The Governor's State of the State proposals will help us continue efforts to improve the Board and the workers' compensation system for the benefit of our stakeholders and the public we serve. Over the past year, we are proud to have made substantive progress across a number of important fronts:

System modernization

The Board is amid a historic multi-year business modernization program called OnBoard. When fully implemented, OnBoard will replace outdated and inefficient paper-based workflows and systems with web-based solutions that enable automated system workflows, far more accurate data submission and processing, and enable system stakeholders to interact with one another and the Board much more easily.

In May 2022, the Board launched the first phase of OnBoard, moving the paper prior authorization request (PAR) process to an online system with automated tracking and resolution features. Since then, we have made more than 75 system enhancements and processed more than two million PARs. Overall, the data shows that PARs are significantly expedited, which means treatment is expedited, since the switch from paper. Ninety-two percent of all PARs are resolved within the

PAR process without escalation to the Board's Medical Director's Office. Fewer than one percent of PARs require a hearing for resolution. Ninety-five percent of PAR denials escalated to the Medical Director's Office for medication, behavioral health, special services, and durable medical equipment are now resolved within one day or less. The remaining five percent are resolved within two to three days.

At the end of 2024, the Board launched the first eForm for claimant attorneys, the *Request for Further Action by Legal Counsel (Form RFA-1LC)*. Since implementation, the Board has already reduced the time to get expedited hearing by 10 days. The next eForm, the *RFA-2* for carrier attorneys, is expected to bring similar efficiencies for requests on the insurer side.

Reduced hearing times

Reducing time to schedule and hold hearings continues to be a top priority for the Board. We now have over 100 Judges on the bench and are hiring more so we can continue to improve the timeframe from the date of the hearing request to the date of the hearing. Changes in workflow, the implementation of the new electronic submission request for hearings, and additional staff have already enabled the Board to reduce hearing times by more than 30 percent.

Moving cases forward through indexing

Last year we heard suggestions from the Legislature on ways we could improve the Board's indexing of cases. We listened, and in 2024, we expanded our case indexing. When the Board issues a notice of index, the carrier must accept or controvert the claim within 25 days, so the injured worker knows the status of the claim. In the past six months, we have begun indexing every case when a report of injury and medical evidence – a complete claim – is filed with the Board. This means that 25 days after indexing these cases, the payer will have waived most defenses to the claim unless they have filed a timely denial of the claim with the Board and the worker claiming benefits. Under this new indexing system, we have tripled the number of cases that are indexed.

System improvements

The Board has been proactively looking at all areas of operations to see where improvements can be made and has obtained feedback from stakeholders to help us make the system work more efficiently. Toward this end, numerous system improvements have been implemented, including:

- Electronic filing efficiencies, which obtain needed data to expedite claim processing.
- Eliminating the medical billing dispute (HP-1.0) backlog so medical providers get paid timely.
- Using the desk review process to approve Section 32 agreements, which allows for thousands of hearings to be used for disputes.
- Streamlining the adjudication process to expedite resolution of disputes for additional sites of injury or consequential injuries.
- Implementing new procedure to expedite determination of proper employer in disputed claims.
- Issuing comprehensive guidance to prevent improper filings of *Notice of Objection to a Payment of a Bill for Treatment Provided (Form C-8.1B)*.

Integrated services to assist injured workers

The Board offers integrated services to help injured workers return to work and navigate the financial and emotional challenges that workers too often face after a work-related injury or illness. The Board has launched a campaign to ensure more workers are aware of these free services.

In 2024, vocational rehabilitation services addressed 9,600 inquiries to support return-to-work efforts of injured workers. Injured workers were able to receive vocational counseling from our Master's level vocational rehabilitation staff. Services such as resume development, mock interview preparation, and job search assistance were rendered to reduce barriers to employment. Board vocational rehabilitation counselors (VRCs) provide referrals to vocational training and educational services to help increase injured workers' marketability.

Collaboration with the workforce system is vital to connect injured workers to opportunities. We maintain relationships with ACCES-VR, state public vocational rehabilitation programs, Department of Labor (DOL) Career Centers, and local community-based organizations. In 2024, the VRC unit facilitated workshops to ACCES-VR staff throughout the state. The goal was to educate ACCES-VR professionals about the Board's mission and guidelines and coordinate vocational rehabilitation services between shared participants. This has led to an increase in communication, better service delivery, and referrals between our agencies.

Language access

In 2024, there were nearly 1,600 written translation requests, almost 35,000 telephone interpretation requests, and slightly more than 50 sign-language interpretations. Approximately 20 percent of all hearings held in the last year requested interpreter services.

Language access and helping those with limited English proficiency is an area we are keenly aware of, and we are always looking to find ways to make it easier and better for all injured workers to understand and participate in the system.

Education/Outreach

The Board has actively been working to educate and engage with all stakeholders through various channels, such as our hugely successful 2024 Workers' Compensation Conference in October. Approximately 250 people attended the sold-out event, which featured programs on a range of topics, from guidance for health care providers and recent legal updates, to support services for injured workers and system improvements that have brought more efficiency to the claims-filing process.

In addition to the education at our conference, the Board hosts regular webinars to reach our stakeholder groups. Since launching these programs, we have reached more than 40,000 people through our webinars for workers, employers, providers, payers, and other stakeholders. We also collaborate with other groups and agencies for educational outreach, such as our participation in the interagency small business tour in 2024.

In 2024, the Board also launched a new tool to help stakeholders use Board systems, processes, and forms in the most efficient, effective manner. We started an "Efficiency Enhancements" bulletin series distributed via email, sharing tips and best practices on a wide range of topics, including submitting *Request for Action* forms, when to pay deposition fees, how to properly

calculate lost wage benefits, and much more. All issues are available on the Board's website at wcb.ny.gov/efficiency.

Increasing benefits and lowering costs

Governor Hochul has been working hard to make New York State more affordable by putting money back in peoples' pockets, and the Board is pleased to play a role in this.

Increased benefits for workers

This year, workers who are injured or become ill as a result of their jobs, as well as those who need to take leave to care for a loved one, are receiving higher benefits than ever before.

Workers' compensation: On January 1, 2025, the minimum workers' compensation weekly benefit increased to \$325 per week, up from \$275 per week in 2024. Prior to January 1, 2024, the minimum weekly benefit had been \$150 per week for more than a decade.

On July 1, 2026, the minimum weekly benefit will be indexed to the New York State Average Weekly Wage (NYSAWW). The institution of annual increases in the minimum weekly benefit, and eventual indexing to the NYSAWW, will ensure the minimum weekly benefit is more equitable to injured workers going forward.

The maximum weekly benefit, which is already indexed to the NYSAWW, has steadily been climbing. The current maximum weekly benefit rate is \$1,171.46 for compensable lost time for workers' compensation claims with dates of injury during the period from July 1, 2024, through June 30, 2025. The rate that will be effective July 1, 2025, will be announced in the coming months.

Paid Family Leave: As of January 1, 2025, New Yorkers taking Paid Family Leave may receive up to \$14,127.84 in total benefits – an increase of over \$300 from 2024. Employees taking Paid Family Leave receive 67 percent of their average weekly wage, up to a cap of 67 percent of the current NYSAWW, which is \$1,757.19 for 2025. This means the maximum weekly benefit is \$1,177.32.

Savings for businesses

The Board has also continued working to make the system more affordable for New York businesses. As of January 1, the workers' compensation assessment rate for employers is 7.1 percent of the standard premium or premium equivalent – a 22 percent decrease from 2024 – which is expected to save New York State businesses approximately \$191 million.

The employer assessment rates are determined by the Workers' Compensation Board's need and budgeted statewide premium pursuant to statute. The rate is calculated by dividing the Board's total estimated annual expenses by a base of total estimated statewide premium. Insurers are required to apply the assessment rate to their premium or premium equivalent.

The assessment rate has been steadily declining in recent years, largely due to prudent management in accelerating the runoff of special workers' compensation liabilities – known as

special funds – which are funded by the assessments. The 2025 rate of 7.1 percent reflects an over 43 percent decrease since 2019, when the assessment rate was 12.6 percent.

Conclusion

The Board is working to create a system that is better for workers, better for business, better for families, and better for New York State. Governor Hochul's proposals will further improve the system and expand access to care. We look forward to collaborating with the Legislature, now and in the future, as we work to protect the rights of employees and employers by ensuring the proper delivery of benefits and by promoting compliance with the law. Thank you for your time today. I am happy to be part of this important discussion and to answer any questions you may have.

A handwritten signature in black ink that reads "Clarissa M. Rodriguez". The signature is written in a cursive style with a large, flowing 'C' at the beginning.

Clarissa M. Rodriguez
Chair, New York State Workers' Compensation Board