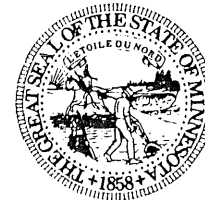


MINNESOTA DEPARTMENT OF LABOR AND INDUSTRY

444 Lafayette Road
Saint Paul
Minnesota 55101
Telephone:
612/296-6107



June 2, 1987

The Honorable Rudy Perpich
Governor
130 State Capitol Building
St. Paul, Minnesota 55155

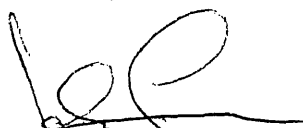
Dear Governor Perpich:

Minnesota Statutes 175.007 requires even-numbered-year reports to the Governor and Legislature on studies and legislative recommendations of the Workers' Compensation Advisory Council. This report has also been submitted to Patrick E. Flahaven, Secretary of the Senate, and Edward A. Burdick, Chief Clerk.

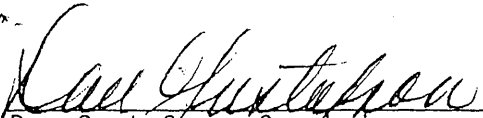
We apologize for the delay in submitting this report. Because of the change in administration at the Department of Labor and Industry and the council's efforts on the 1987 legislation, the report did not get prepared in a timely manner.

Also attached is the roster of members of the Workers' Compensation Advisory Council which holds regular meetings on the first Thursday of each month at the offices of the Workers' Compensation Division, 5th Floor, Space Center Building, 444 Lafayette Road, St. Paul, Minnesota.

Respectfully submitted,



John Lennes, Co-chairman
Workers' Compensation Advisory Council



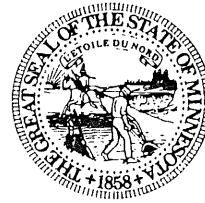
Dan Gustafson, Co-chairman
Workers' Compensation Advisory Council

Enclosures

JL/DG/cb

MINNESOTA DEPARTMENT OF LABOR AND INDUSTRY

444 Lafayette Road
Saint Paul
Minnesota 55101
Telephone:
612/296-6107



June 2, 1987

Patrick E. Flahaven
Secretary of the Senate
State of Minnesota
231 Capitol Building
St. Paul, Minnesota 55155


Dear Mr. Flahaven:

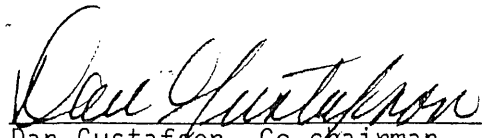
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Workers' Compensation Advisory Council

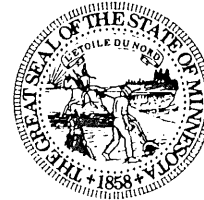

Dan Gustafson, Co-chairman
Workers' Compensation Advisory Council

Enclosures

JL/DG/cb

MINNESOTA DEPARTMENT OF LABOR AND INDUSTRY

444 Lafayette Road
Saint Paul
Minnesota 55101
Telephone:
612/296-6107



June 2, 1987

Edward A. Burdick
Chief Clerk
Minnesota House of Representatives
211 Capitol Building
St. Paul, Minnesota 55155

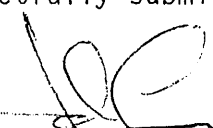
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Respectfully submitted,



John Lennes, Co-chairman
Workers' Compensation Advisory Council



Dan Gustafson, Co-chairman
Workers' Compensation Advisory Council

Enclosures

JL/DG/cb

1986 Workers' Compensation Report to the Legislature and the Governor

The 1983 Legislature passed significant changes in the structure and functioning of the Minnesota Workers' Compensation system. There is still a great deal of dissatisfaction among the employees over benefit provisions and among employers over premium costs. Unfortunately, reliable statistics upon which to judge the effect of the 1983 amendments are not yet available.

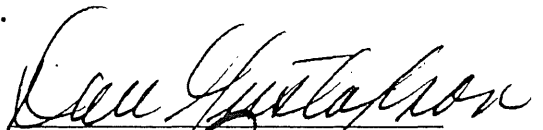
What all parties agree on is that the system for resolving disputes has become too complicated and lengthy. Therefore, the Advisory Council supported major changes to streamline the delivery system. These changes include the elimination of the "triple-track" system that required workers' compensation disputes to be split up by issue with rehabilitation issues going to the Rehabilitation Review Panel, medical issues going to the Medical Services Review Board, and other benefit issues going to compensation judges. It is replaced by a single track system that gives compensation judges authority over all benefit issues. At the same time, it retains the administrative conference procedure in the Department to deal informally with the simpler rehabilitation, medical, and discontinuance issues. The Commissioner is given discretion to refer more complicated cases, especially legal issues, to compensation judges. Other proposals include additional judges, referees, and rehabilitation and medical specialists, and various provisions to speed up pretrial and trial procedures.

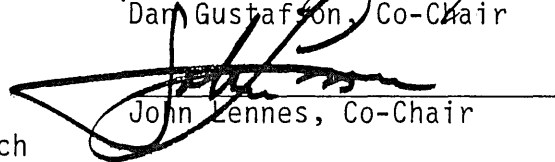
The proposed legislation, which was supported by all of the major participants in the workers' compensation system, was passed unanimously by both houses of the legislature and was signed into law by the Governor.

Over the next year, the council will continue to study the cost issues and try to determine the effects of the 1983 law.

David Dockendorf
Jack Engberg
Paul Lindgren
Ernest Schultz
Charles Aguirre
Jannie Brock
Manuel Ramos
Francis Fitzgerald

Bob Johnson
Laurence F. Koll
Charles Nyberg
Shirley Friberg
Dr. Susan Gerberich
Nancy Christensen
David Zanick


Dan Gustafson, Co-Chair


John Lennes, Co-Chair