



TO: The Honorable Members of the PA House Labor and Industry Committee
FROM: Alex Halper, Vice President, Government Affairs
DATE: April 24, 2023
RE: Oppose H.B. 930 -- Increase workers' compensation costs on employers

On behalf of the PA Chamber, I urge you to oppose H.B. 930, which would increase workers' compensation costs on employers. The committee is scheduled to consider this bill today.

Under Pennsylvania's workers' compensation law, employers are responsible for paying medical costs and wage-loss benefits for individuals who get hurt or sick on the job, regardless of fault. The law also provides for additional benefits for various reasons, including if an injury results in a scar on the head, neck or face that produces an "unsightly appearance."

H.B. 930 would expand the scar benefit in multiple ways, beyond its original purpose and so significantly that employers will no doubt experience higher costs.

- The bill increases the maximum benefit from around \$350,000 – which already increases every year – to over \$509,000.
- The scar benefit is currently paid *following* temporary wage benefits in order to avoid scenarios in which individuals make more out of work than they earn working. H.B. 930 incentivizes claimants' attorneys to discourage clients' return to work by paying benefits simultaneously.
- Perhaps most significantly, the bill expands the benefit to any scar anywhere on the body. Restaurants, for example, will be forced to pay tens or hundreds of thousands of dollars for every small burn or cut their employees experience, and significantly more in litigation costs since every scar claim must be viewed in open court by a judge and the attorneys.

Claimants may also be pushed into getting surgery, since every surgery that results in a scar may now cost employers hundreds of thousands of additional dollars beyond the cost of the actual procedure and disability benefits.

The workers compensation system is intended to fairly compensate injured workers while helping employers avoid catastrophic costs. H.B. 930 unfairly disrupts this balance to the detriment of employers and especially small businesses already strained by inflation, supply chain disruptions, workforce shortages and an uncertain economic outlook. We urge you to oppose this bill.

Thank you for considering our views on this matter. Please contact Alex Halper at ahalper@pachamber.org or 717-645-8730 with questions or to discuss.