

Workers' Compensation Action Network Media Clip
Economic Recovery Requires Balanced Leadership
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Economic Recovery Requires Balanced Leadership



Commentary
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As many businesses hung on for their existence during the COVID-19 lockdown, they also stepped up to protect jobs, cover health premiums, and expand paid sick leave benefits for workers. They applied for government loans to meet payroll and re-imagined how they could maintain business operations with social distancing, curbside service, and virtual commerce.

Most employers exercised prudence and patience as state and local officials charted a path through an unprecedented pandemic.

Businesses large and small prioritized their employees because workers power California's economy. Many stepped up and stayed on the job to meet the essential needs of Californians. And workers will help drive our economic recovery in the months ahead.

As California moves forward into a staged reopening that balances health and safety with the broader resumption of commerce, employers urgently need ongoing support, balance and flexibility from state government leaders.

A potential pain point for employers is burdening our

workers' compensation system with COVID-19 claims that originate outside of the workplace.

In early May, Governor Newsom enacted a temporary measure that COVID-19 claims among workers from the March stay-at-home order through July 5 are "presumed" to be work related. This presumption means that workers who test positive for the virus do not need to show a connection to work, which is the usual legal standard for workers' compensation claims.

The rationale for such a move is to streamline the ability for workers who fall ill on the jobs to get benefits. The risk is that presumptions sweep up far more than work-related illnesses. As a result, the employer-funded workers' compensation system will be tasked with serving as broad, societal response to the pandemic. The question is whether such measures are necessary when employers already report accepting claims.

Acknowledging employer concerns, the governor made the presumption rebuttable, time-limited and requiring a positive test or diagnosis within 14 days of work.

Although the ultimate impact is unknown, the fact is employers will bear a greater burden for COVID-19 cases that otherwise would not have come through the workers' compensation system. Cost estimates for these claims stretch into the tens of billions of dollars. Like many things in the pandemic, the fact is we do not know how

broad and deep such directives may stretch.

As employers now struggle to resume operations, restore jobs and public services as quickly as possible, they must now factor in the potential for new workers' compensation costs that could originate from anywhere, anytime outside of their workplace.

Multiple legislative proposals have been submitted that would broaden, extend or expand these workers' compensation presumptions. Given the tendency of the workers' compensation system to enter crisis mode, lawmakers should carefully consider how to take thoughtful, balanced action in this area. They would be right to question whether any additional action in this area is needed – and seek out data to justify further modifications.

Employers have proven through the pandemic they value the health, safety and well-being of their workers. They have gone to extraordinary lengths to take care of their workers, so these workers could be there for the rest of us during the statewide lockdown and in the economic reopening that lies ahead.

During this reopening, lawmakers have an opportunity to partner with employers to deliver a brighter future for us all. Burdensome new costs that inhibit the restoration of jobs will only delay and diminish our opportunity for recovery.

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