

## IX. ADVISORY COUNCIL

A large message emerging from this study is that, apart from some fundamental structural changes in the decision-making process itself, the time is probably not yet ripe for major revisions in the substantive law of workers' compensation in Michigan. As yet we have had far too little experience with the 1980 and 1981 amendments in actual operation. We cannot assess their impact except in the most tentative terms. Yet before we can even determine what we have already accomplished, proposals for still further changes are being pressed upon us. Workers' compensation has been a political football in Michigan for over two decades, and it bids fair to continue as such for the foreseeable future.

It is time to defuse the situation. Instead of the periodic legislative crisis we have endured in recent years, we should seek to create an institutional framework for dealing with the issues of workers' compensation in a cooler and more reasoned manner. Other states have managed this. Over half a century ago, for example, Wisconsin established a workers' compensation council, consisting of leading figures from labor and management, to which insurance representatives have since been added as nonvoting members. Wisconsin officials inform me that only once in the last fifty years has this council failed to place an "agreed bill" on the desks of the state's legislators at the beginning of each biennial session. States having had success with similar if less long-lived institutions include Minnesota, Ohio, Iowa, Colorado, and Texas.

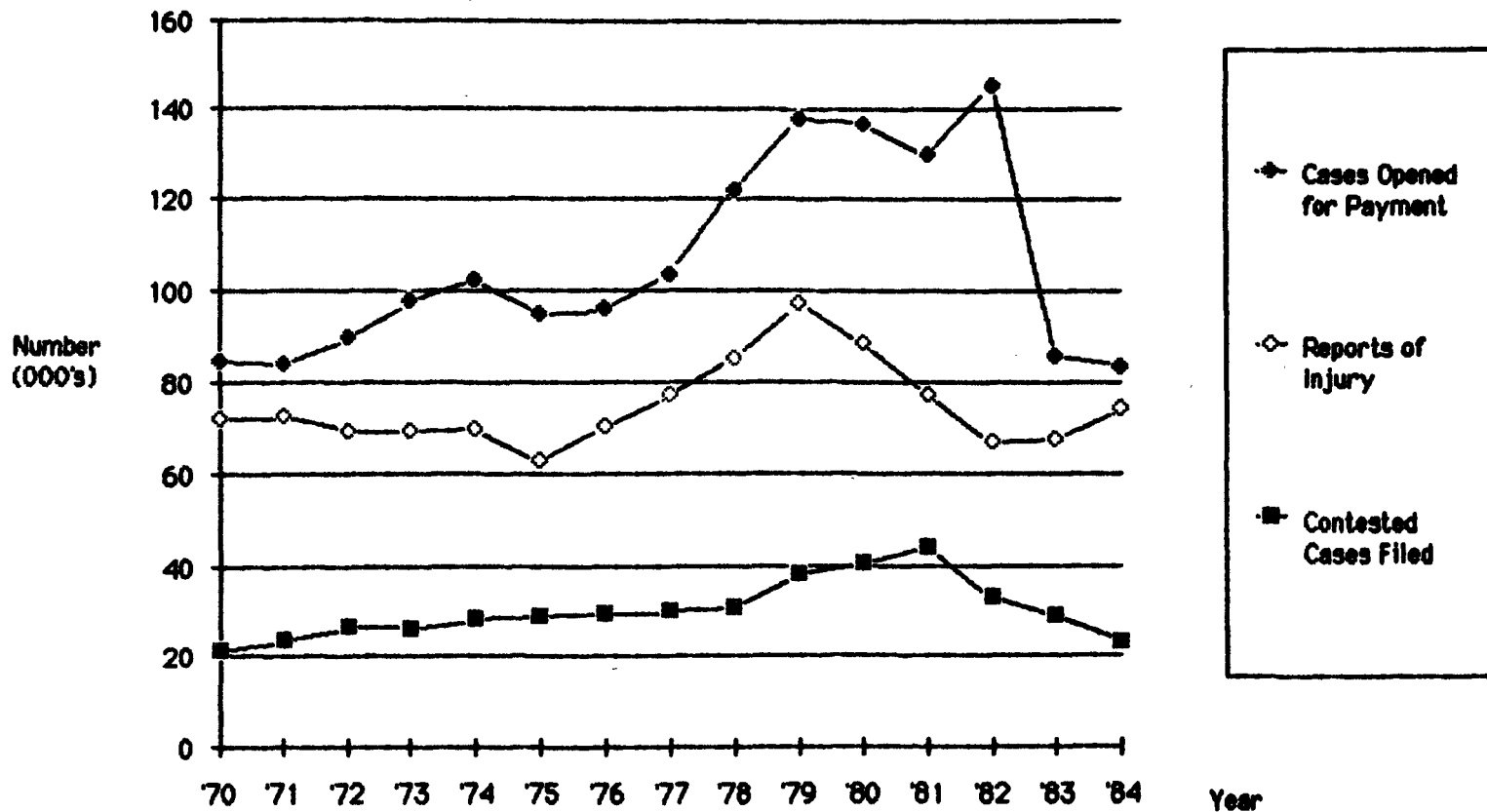
From my own personal experience, I know that there is enough good will, dedication, and common sense in the business and labor communities of Michigan -- if only it can be tapped -- to make such a body work here. In 1974-75 I had the good fortune to work with six outstanding representatives of labor and management on the Governor's Workmen's Compensation Advisory Commission, which had the assignment of coming up with an "agreed bill" on this same subject. We failed, probably in large part because of pressures generated from outside our group regarding one overarching issue. That issue may now be behind us. More important for present purposes, I can attest that substantial progress was made during our deliberations, and, most heartening of all, genuine understanding of, and respect for, each other's views became the characteristic attitude of the entire group.

I am confident the labor-management community of Michigan need take no back seat to Wisconsin's, Minnesota's, or Ohio's. In that spirit, I strongly urge the creation of a permanent Workers' Compensation Advisory Council in this State, composed at least of major representatives of employers and employees, but probably including also representatives of other interested groups, such as insurance and perhaps medicine. The continuing charge to this body should be the formulation and transmission to the Governor and the Legislature of recommendations for changes in the workers' compensation law

on which the group has reached consensus. The Council could also consult with the Bureau on administrative and procedural matters.

Several significant benefits would flow from such an institution. Over time a mutual trust will develop among the members of the Advisory Council, which should promote a frank exchange of facts and opinions. Everyone agrees even today on the dual goals of fair compensation to workers disabled by work-related injuries and the maintenance of a competitive economy in this State. There is enormous suspicion (in my view, quite unwarranted) in many quarters that those goals are not universally shared. Much of that suspicion will be dissipated, I firmly believe, by a fuller disclosure of just what is needed by a disabled worker and his or her family for a decent standard of living, and just what it costs an employer in a particular industry to meet its legal obligations. Compromises on benefit increases and cost cutting ought to take place, partly reflecting a balancing of the equities and partly reflecting straight political trade-offs. There are any number of issues previously identified in this report that lend themselves to comprehensive fact-finding, dispassionate analysis, and ultimately some hardheaded, sensible give-and-take. Perhaps most important, the solutions eventually devised through such a process by the parties themselves will invariably prove more enduring, and certainly more acceptable to all concerned, than anything that could be conceived by an outsider.

**Workers' Compensation Bureau: Annual  
Caseload Statistics  
1970-84\***



\* 1984 totals are projections based on actual data for first nine months