

# Chamber must hate good news

**T**HE BUSINESS community loves to moan and groan about West Virginia's Workers' Compensation system. The state Chamber of Commerce, for some unknown reason, wants to insist that the state has the highest workers' compensation rates in the nation.

I thought the Chamber wanted to attract new businesses, not drive them away.

You would think the Chamber then would welcome news from Marshall University of a study that found that, except for the coal industry, rates for most West Virginia industries are below the regional and national averages.

Instead of celebrating that news, the Chamber has attacked it. Officials there wasted no time attempting to discredit the study by the Marshall University Center for Business and Economic Research. In a column on the opposite page, Chamber President Steve Roberts attacks the study.

In a press release, the Chamber accused Marshall's researchers of using "a convoluted 'falsification test' — their words, not ours — which they admit was designed to disprove any connection between workers' comp and West Virginia's economy."

That's the kind of rhetoric you get when people who know nothing about science or economics attempt to debunk the analysis of someone who does those things for a living.

A falsification test is a well-known scientific concept. Generally, the first order of business in checking the validity of a scientific theory is to subject it to a falsification test. It's a simple concept. If you can conceive of even one instance when the theory would be false, then it is not valid.

Marshall's researchers were testing the theory that workers' compensation rates had some impact on economic growth or per capita income. They determined, based on information from 50 states and the District of Columbia, that the theory did not pass the falsification test. There's nothing convoluted about that — it's basic, good science.

In focusing their attack on a sci-

**DAN RADMACHER**



## **Why does the Chamber of Commerce want people to believe that workers' compensation rates are so high?**

entific principle they clearly don't understand, Chamber officials ignore the very good news in the study: Workers' comp rates in this state are low, except for the coal industry. Not only did the Chamber ignore this finding, its press release repeats yet again the Chamber's completely unfounded statement that West Virginia's rates are the highest in the nation. Roberts repeats that statement yet again.

Chamber officials base this on a National Academy of Social Insurance study, even though that academy has flatly said that interpretation is wrong. The study measured benefits paid per \$100 of covered payroll. West Virginia did rank high in such costs. But the study's report said, "These figures do not accurately portray the comparative cost to employers of the workers' compensation program in one state vs. another."

That hasn't stopped the Chamber from spreading the lie that "West Virginia's Workers' Comp costs are the highest in the nation," even when faced with a second study confirming that they are not.

Roberts mentions a similar disclaimer in another study and trashes Marshall's researchers because he said they ignored that disclaimer. That's called hypocrisy.

This all begs the question: Why does the Chamber of Commerce want people to believe that workers' compensation rates are so high?

There are many possible reasons. If everyone believes rates are high, the Legislature might look for ways to bring them down, even if that means cutting benefits for injured workers. That might benefit the Chamber's members.

But I think the Chamber is continuing to protect King Coal — even if its other members pay the price. Here's what the Chamber can't seem to swallow: Coal mining inflates the statewide average premium. According to the authors, coal mining accounted for 28.8 percent of all benefits paid to injured workers, though the industry only employs about 2 percent of state workers.

As Steve White, director of the Affiliated Construction Trades Foundation, notes in a commentary also on the opposite page, the workers' comp debt — which coal is largely responsible for — also adds to the rates.

Without that debt, the state's low rates would be even lower. A large chunk of every dollar paid in premiums now goes to retire that debt.

Yet the Chamber has tried to block attempts to collect \$400 million in unpaid premiums from coal companies. If the lawsuits to collect those premiums are successful, the portion of premiums dedicated to retiring the nearly \$2 billion debt could be substantially reduced.

The Chamber should support those efforts. Instead, as White writes, "The Chamber has demonstrated its willingness to sacrifice the rest of business, large and small, for the benefit of cheaters in the coal industry."

The Chamber's position on the Marshall study is nonsensical, and harmful. It might be easier to attract new business to the state if Roberts and his cohorts would stop spreading the lie that the state has the highest workers' comp rates in the nation.

Radmacher is the Gazette's editorial page editor. He can be reached at 348-5150, or by e-mail at danrad@wvgazette.com.

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