

Highlights of Key Changes Included in Workers' Compensation Agreed Bill

February 29, 2016

• Violations of Employer Drug or Alcohol Policies

Deny any compensation to the employee and/or dependents, including death benefits under the workers' compensation law, if an employee violates an employer policy against drug or alcohol use and such violation is causal to the employee's injury. *The provision does not reduce or eliminate an employer's liability for the cost of treatment of the employee's injury.

• Employees Suspended or Terminated for Misconduct or Substantial Fault

Deny temporary disability benefits during an employee's healing period, if the employee is suspended or terminated from employment due to misconduct or substantial fault by the employee connected with the employee's work. *"Misconduct" or "substantial fault", as defined in the unemployment insurance law.

Apportionment of Permanent Disability

If an injured employee has incurred permanent disability, but a percentage of that disability was caused by an accidental injury sustained in the course of employment and a percentage of that disability was caused by other factors, whether occurring before or after the time of the accidental injury. The employer is only liability for the percentage of permanent disability that was caused by the accidental injury sustained in the course of employment.

Supplemental Benefits

An injured employee who is receiving the maximum weekly benefits in effect at the time of the injury for permanent total disability or continuous temporary total disability resulting from an injury that occurred before January 1, 2003, is entitled to receive supplemental benefits for a week of disability beginning after the effective date of the bill in an amount that, when added to the employee's regular benefits, equals \$669.

Maximum Weekly Compensation for Permanent Partial Disability

The maximum weekly compensation rate for permanent partial disability will increase from \$322 to \$342 for injuries occurring before January 1, 2017 and \$362 for injuries occurring on or after that date.

• Statute of Limitations — Traumatic Injuries

The statute of limitations for traumatic injury will be reduced from 12-years to 6-years from the date of injury or from the date that workers' compensation benefits were last paid.

Vocational Rehabilitation

The bill eliminates an April 30, 2014 sunset date for a provision under which compensation for temporary disability on account of receiving vocational services is not reduced on account of any wages earned for the first 24-hours worked by an employee during a week in which the employee is receiving those services and only hours worked in excess of 24 during that week are offset against the employee's average weekly wage in calculating compensation for temporary disability.



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• Prescription Drug Treatment

Limits charges for prescription drugs dispensed outside of a licensed pharmacy to the average wholesale price established by the Drug Topics Red Book and provides that the Department of Workforce Development (DWD) may use an alternative nationally recognized prescription drug pricing source for determining average wholesale prices if the Drug Topics Red Book is discontinued and becomes unavailable.

• Minimum Permanent Partial Disability Ratings

Requires that DWD, at least once every eight years, to review and revise the minimum permanent partial disability (PPD) ratings for certain amputation levels, losses of motion, sensory losses and surgical procedures resulting from injuries for which permanent partial disability is claimed. Before revising those ratings, DWD must appoint a medical advisory committee, composed of practicing physicians to review those ratings and recommend revisions, based on typical loss of function, to DWD and the Council on Workers' Compensation.

Health Care Records in Electronic Format

Permits a physician, chiropractor, psychologist, podiatrist, dentist, physician assistant, advance practice nurse prescriber, hospital or health service provider, upon request by an injured employee, employer, insurer or DWD, to provide that person with any written material that is reasonably related to an injury for which the employee claims workers' compensation in electronic format upon payment of \$26 per request.

• Final Practitioner's Report

Prohibits DWD from requiring a final medical report from a treating physician if:

- 1) an injured employee has a period of temporary disability of more than three-weeks or a permanent disability, has undergone surgery to treat an injury, other than surgery to correct a hernia or sustains an eye injury requiring medical treatment on three or more occasions off the employer's premises;
- 2) the employer or insurer denies the employee's claim in its entirety; and
- 3) the employee does not contest the denial.

Requires a treating physician to complete a final report on a timely basis and permits a treatment practitioner to charge no more than \$100 for completing a final report.

Prospective Vocational Rehabilitation Training Orders

Permits DHA to include in an interlocutory or final award or order an order directing the employer or insurer to pay for a future course of instruction or other rehabilitation training services provided under a rehabilitation training program.

• Administrative Review of a Workers' Compensation Decision

Requires the Labor and Industry Review Commission (LIRC) to dismiss a petition for review that is not filed within 21-days after DWD or DHA mailed a copy of the examiner's findings and order to the petitioner's last-known address unless the petitioner shows that the petition was filed late for a reason that was beyond their control. *Currently LIRC must dismiss a petition for review that is not "timely" filed unless the petitioner shows probable good cause.



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Judicial Review of a Workers' Compensation Decision

Requires the Labor and Industry Review Commission (LIRC) to identify in an order or award made by LIRC the persons that must be made parties to an action for judicial review of the order or award. Requires the summons and complaint in the action to name those persons as defendants and permits the circuit court to join as a party to the action any other person determined necessary for the proper resolution of the action, unless joinder of the person would unduly delay the resolution of the action.

Investigation and Prosecution of Fraudulent Activity

Permits DWD to request the Department of Justice (DOJ) to assist DWD in an investigation of a false or fraudulent workers' compensation claim or any other suspected fraudulent activity on the part of an employer, employee, insurer, health care provider or other person related to workers' compensation. If, based on investigation, DWD has a reasonable basis to believe that theft, forgery, fraud or any other criminal violation has occurred, DWD must refer the matter to the district attorney or DOJ for prosecution.

Local Government Units

The bill changes the term "municipality" to "local government unit" for purposes of the workers' compensation law and redefines that term to mean a political subdivision of this state; a special purpose district or taxing jurisdiction in this state; an instrumentality, corporation, combination or subunit of any of the foregoing; or any other public or quasi-public corporation.

• Long-Term Care Providers

The bill provides that an individual who is performing services for a person receiving long-term care benefits under certain long-term care programs administered by the Department of Health Services, including the Community Options Program, the Community Integration Program, Family Care, the Family Care Partnership Program, a self-directed program commonly referred to as IRIS, or the Children's Long-Term Support Home and Community-Based Medicaid Waiver Program on a self-directed basis and who does not otherwise have workers' compensation coverage for those services is considered to be an employee of the entity that is providing financial management services for the person who is receiving the benefits. As such, the financial management services entity is liable for any injury sustained by the individual while performing those services and is required to insure payment of that liability either by purchasing insurance from an insurer authorized to do business in this state or, if permitted by DWD, by self-insuring for that liability.

Prohibits an individual providing long-term care services who is considered an employee of a financial management services entity for purposes of workers' compensation coverage and who files a claim for workers' compensation from bringing an action in tort against the person who received the long-term care services from which the claim arose.