

HB 334 – REVISING WORKERS’ COMPENSATION LAWS- MAJOR COMPONENTS

Prepared by the Employment Relations Division

April 12, 2011

STATE AGENCY/STATE FUND PREMIUM (Section 7-39-71-403–Page 18, Section 27–39-71-2361–Pages 45-46) Passage and approval:

- Any reduction in a state agency’s premium compared to a previous year must also reduce the appropriation and the difference must be returned to the original funding source.
- Requires the insurance commissioner to perform an annual review of the State Fund’s audit and rates and provide a report and recommendations.

COURSE & SCOPE (Section 8–39-71-407–Pages 20-21) 7/1/2011:

- Limits the employer’s liability for injuries occurring off the employer’s premises while performing personal business on a break or while engaged in a social or recreational activity paid by the employer.

IMPAIRMENT RATINGS & PPD AWARDS (Section 9–39-71-703–Pages 23-25 and Section 11-39-71-711–Pages 30-31):

- Requires doctors to use the 6th Edition of the AMA Guides to Evaluation of Permanent Impairment for determining an impairment rating. **Retroactive to 1/1/2008.**
- Awards a permanent partial disability (PPD) payment only to injured workers who suffer a whole person impairment rating greater than zero **and** a wage loss **or** to injured workers with a Class 2 or greater impairment rating converted to a whole person **and** no wage loss. **Injuries/ODs on or after 7/1/2011.**
- Increases the number of weeks included in the calculation of the award from 375 to 400 weeks. **Injuries/ODs on or after 7/1/2011.**

MEDICAL BENEFITS & TERMINATION/REOPENING (Section 10–39-71-704–Pages 25-30 and Section 29–New–Pages 46-48):

- Terminates medical benefits on permanent partial claims 60 months from the date of injury or occupational disease (OD) and provides for reopening of terminated medical benefits within 5 years of termination through a request to and recommendation from the Department’s Medical Director plus two other physicians chosen by the Department to review the request. **Injuries/ODs on or after 7/1/2011.**
- Payments for medical services are based on the fee schedule **in effect on the date of service.**
- **From 7/1/2011 through 6/30/2013**, medical fee schedules are frozen at the rates in effect on **December 31, 2010.**
- The Department must adopt Utilization and Treatment Guidelines that establish compensable medical treatment for injured workers and shall review the Guidelines each year in consultation with health care providers. **Injuries/ODs on or after 7/1/2011.**
- The Department must hire a Medical Director and may establish by rule an independent review of treatments denied by insurers. **Injuries/ODs on or after 7/1/2011.**

WAITING PERIOD (Section 13–39-71-736–Page 32) 7/1/2011:

- Provides retroactive payment of the waiting period if disability exceeds 21 days.

SETTLEMENT OF MEDICAL BENEFITS (Section 14–39-71-741–Pages 32-34):

- Provides for mutual agreement to settle future medical benefits on accepted claims. Requires rationale for settlement, statement of best interest of parties, and signed acknowledgment of worker. **Retroactive to claims for Injuries/ODs not yet settled.**

STAY-AT-WORK/RETURN-TO-WORK (Sections 15-23 and 30–New and Amended Sections –Pages 34-42 and 48) 7/1/2012:

- Provides for early Stay-At-Work/Return-To-Work assistance from the Department or Insurer and provides an assessment to fund Department assistance.

CHOICE OF TREATING PHYSICIAN (Sections 24-26 and 28–39-71-1101, 39-71-1102, 39-71-1106–New–Pages 42-46) 7/1/2011:

- Allows injured worker to choose initial health care provider and allows insurer to approve workers’ choice as treating physician or designate a different treating physician to manage and coordinate medical treatment.
- Clarifies insurer referrals to MCOs or PPOs.
- Details treating physician requirements and explains fee schedule reimbursement rates for medical treatment.