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Overview

All provisions in this bill were approved by the Workers' Compensation Advisory Council (WCAC), a group created by statute comprising six members from organized labor and six from business. The WCAC reviews and recommends changes to Minnesota workers' compensation laws.

Section

Article 1: Department Proposals

- 1 **Payment based on Medicare MS-DRG system.** Addresses a delay in the release of Medicare's PC-Pricer software used in calculating inpatient hospital care payments. Makes technical and conforming changes.
- 2 **Payment for catastrophic, high-cost injuries.** Clarifies that the applicable threshold amount, above which payments for care are made at 75 percent of a hospital's usual charges, is determined by a patient's date of discharge from the hospital. Provides that the threshold amount will be updated annually each October, instead of each January.
- 3-4 Address electronic workers' compensation documents. The provisions allow the Department of Labor and Industry to reject certain improperly filed documents and destroy duplicate

Section

documents. The provisions also specify how electronic signatures may be used, and address issues of service and provision of electronic documents.

- 5-9** Clarify workers' compensation program for state employees. The provisions make technical, stylistic, and conforming changes.

Article 2: Special Compensation Fund

- 1** In 2014, the Minnesota Supreme Court decided two cases on workers' compensation law, the *Ekdahl* and *Hartwig* cases. In broad terms, those cases held that retirement benefits, other than Social Security benefits, do not offset workers' compensation benefits paid to employees suffering permanent total disability (PTD). Before those decisions, Minnesota courts and the Workers' Compensation Court of Appeals had held various retirement benefits as offsetting workers' compensation benefits paid to those with PTD.

The bill would set up a program in which workers' compensation payers could choose to participate. Under the program, workers' compensation payers that pay PTD benefits without offsetting for retirement benefits would be entitled to reimbursement of certain benefits paid before the court decisions and a partial credit against obligations to the Special Compensation Fund (a fund workers' compensation payers must pay into).

Workers' compensation payers that opt not to participate in the program would be entitled to litigate application of the *Ekdahl* and *Hartwig* decisions, would not be automatically entitled to the program's reimbursement and assessment offset, and could be subject to penalties, depending on the facts.

Article 3: Workers Compensation Intervention

- 1-2** Make minor changes to sections of statute addressing intervention in workers' compensation disputes.
- 3** **Partial settlement.** Allows a workers' compensation judge to approve a partial stipulation for settlement that does not settle claims of all intervenors, subject to several requirements. Under current law, settlements must include all parties and intervenors.
- 4** **Rulemaking.** Authorizes expedited rulemaking by the Office of Administrative Hearings to conform with the change provided in section 3.