



State or Federal Issues Contacts: Please refer to the list of State Relations Executives at the end of this report.

## LEGISLATIVE ACTIVITY—LEGISLATIVE SESSION UPDATES

*This report contains descriptions and/or excerpts of relevant bills that passed the first chamber, passed the second chamber, or were enacted during the specific periods. In addition, a recap of significant legislative and judicial activity impacting the workers compensation system will be included in the first report published each month. This report is issued on a weekly basis throughout the legislative season, and it provides updates on the content of these bills if and when they progress through the legislative process. This report includes bills from states where NCCI provides ratemaking services (see state list under Contact Information) and the US Congress.*

### BILLS ENACTED

There were no relevant workers compensation-related bills enacted within the one-week period ending January 27, 2017.

### BILLS PASSING SECOND CHAMBER

There were no relevant workers compensation-related bills that passed the second chamber within the one-week period ending January 27, 2017.

### BILLS PASSING FIRST CHAMBER

The following workers compensation-related bills passed the first chamber within the one-week period ending January 27, 2017.

#### Maryland

**SB 32**, in part, amends **sections 12-106. Binders or contracts for temporary insurance** and **19-406. Cancellations by insurer** of the Maryland Insurance Code as follows:

**12-106. Binders or contracts for temporary insurance**

...

(f) (1) Except as provided in paragraph (2) of this subsection, a notice of cancellation under this section shall:

- (i) be in writing;
- (ii) have an effective date not less than 15 days after mailing;
- (iii) state clearly and specifically the insurer's actual reason for the cancellation; and
- (iv) be sent by a first-class mail tracking method to the named insured's last known address.

(2) A notice of cancellation under this section for nonpayment of premium shall:

- (i) be in writing;
- (ii) have an effective date of not less than 10 days after mailing;
- (iii) state the insurer's intent to cancel for nonpayment of premium; and
- (iv) be sent by a first-class mail tracking method to the named insured's last known address.

(3) With respect to a workers' compensation insurance policy or binder, the insurer shall file a copy of the notice of cancellation required under paragraph (1) or (2) of this subsection with the designee of the Workers' Compensation Commission.

...

**19-406. Cancellations by insurer**

(a) This section does not apply to the cancellation of a policy or binder of workers' compensation insurance by an insurer during the 45-day underwriting period in accordance with § 12-106 of this article.

...

## South Carolina

**HB 3406** amends **Section 2** of **Act 95 of 2013**, relating to the maintenance tax imposed by the Workers' Compensation Commission on self-insurers as follows:

### Time effective

Section 2. This act takes effect July 1, 2013, ~~and must be terminated five years after the effective date of the act unless otherwise authorized by the General Assembly.~~ Beginning on July 1, 2014, and on each July first thereafter, the South Carolina Workers' Compensation Commission must report to the Chairman of House Ways and Means Committee, the Chairman of Senate Finance, and the Governor the amount of money the agency has received in the previous fiscal year pursuant to this act.

## Virginia

**SB 1175** amends **section 65.2-309. Lien against settlement proceeds or verdict in third party suit; subrogation of employer to employee's rights against third parties; evidence; recovery; compromise** of the Code of Virginia as follows:

**§ 65.2-309. Lien against settlement proceeds or verdict in third party suit; subrogation of employer to employee's rights against third parties; evidence; recovery; compromise**

....

E. Any arbitration held by the employer in the exercise of such right of subrogation (i) shall be limited solely to arbitrating the amount and validity of the employer's lien, (ii) shall not affect the employee's rights in any way, and (iii) shall not be held unless:

1. Prior to the commencement of such arbitration the employer has provided the injured employee and his attorney, if any, with an itemization of the expenses associated with the lien that is the subject of the arbitration;
2. Upon receipt of the itemization of the lien, the employee shall have 21 days to provide a written objection to any expenses included in the lien to the employer, and if the employee does not do so any objections to the lien to be arbitrated shall be deemed waived;
3. The employer shall have 14 days after receipt of the written objection to notify the employee of any contested expenses that the employer does not agree to remove from the lien, and if the employer does not do so any itemized expense objected to by the employee shall be deemed withdrawn and not included in the arbitration; and
4. Any contested expenses remaining shall have been submitted to the Commission for a determination of their validity and the Commission has made such determination of validity prior to the commencement of the arbitration.

**SB 1201** amends **section 65.2-603. Duty to furnish medical attention, etc., and vocational rehabilitation; effect of refusal of employee to accept** of the Code of Virginia as follows:

**§ 65.2-603. Duty to furnish medical attention, etc., and vocational rehabilitation; effect of refusal of employee to accept.**

A. Pursuant to this section:

1. As long as necessary after an accident, the employer shall furnish or cause to be furnished, free of charge to the injured employee, a physician chosen by the injured employee from a panel of at least three physicians selected by the employer and such other necessary medical attention. Where such accident results in the amputation or loss of use of an arm, hand, leg, or foot or the enucleation of an eye or the loss of any natural teeth or loss of hearing, the employer shall furnish prosthetic or orthotic appliances, as well as wheelchairs, walkers, canes, or crutches, proper fitting and maintenance thereof, and training in the use thereof, as the nature of the injury may require.

In awards entered for incapacity for work, under this title, upon determination by the treating physician and the Commission that the same is medically necessary, the Commission may ~~require~~:

a. Require that the employer either (i) furnish and maintain (i) modifications to or equipment for the employee's automobile or (ii) if there is a loss of function to either or both feet, legs, hands, or arms and if the Commission determines that modifications to or equipment for the employee's automobile pursuant to clause (i) are not technically feasible, will not render the automobile operable by the employee, or will cost more than is available for such purpose after payment for any items provided under subdivision b, order that the balance of funds available under the aggregate cap of \$42,000 be applied towards the purchase by the employee of a suitable automobile or to furnish or maintain modifications to such automobile; and

b. Require that the employer furnish and maintain bedside lifts, adjustable beds, and modification of the employee's principal home consisting of ramps, handrails, or any appliances prescribed by the treating physician and doorway alterations, ~~provided that the~~

The aggregate cost of all such items and modifications required to be furnished pursuant to ~~clauses (i)~~ subdivisions a and ~~(ii)~~ b on account of any one accident shall not exceed \$42,000.

The employee shall accept the attending physician, unless otherwise ordered by the Commission, and in addition, such surgical and hospital service and supplies as may be deemed necessary by the attending physician or the Commission.

....

## FEDERAL ISSUES

Issue	Update
<b>Congress</b>	Congress returned in January to convene the 115th session. The short-term focus of Congress will be working to confirm Cabinet nominations of the new Administration. Once members of the Cabinet are approved, agendas and priorities of agencies impacting workers compensation will be developed. It is anticipated that initial congressional attention will focus on several policy issues including healthcare reform, immigration, and infrastructure.
<b>TRIPRA Implementation</b>	<p>The Government Accountability Office (GAO) has released “Market Challenges May Exist for Current Structure and Alternative Approaches,” a study of alternative approaches to address insured losses from terrorist events. This report was required under a provision of TRIPRA of 2015 that directed the GAO to study alternative funding approaches, including the efficacy of the federal government charging upfront premiums for terrorism coverage and requiring carriers to establish capital reserve funds or other set-aside mechanisms.</p> <p>The data availability and pricing section of the study provides an overview of the workers compensation line generally and discusses NCCI’s ratemaking function. The study also discusses the need for ratemaking organizations to rely in part on modeling firms due to the lack of available data because of the infrequency of terrorism events. Finally, the section provides a general overview of ratemaking for the terrorism peril.</p> <p>The GAO study examines the potential impacts of alternative approaches to the current TRIPRA federal backstop including:</p> <ul style="list-style-type: none"> <li>• Federal upfront charge—While such an upfront charge could help cover potential losses, determining a price for the risk would be difficult.</li> <li>• Terrorism set-asides—Such an alternative would be complex due to implications related to accounting practices and state laws.</li> <li>• Market impacts—While various alternatives could result in a decline in policyholder participation in the market, several factors could limit such a decline. Those factors include lender requirements for commercial properties and state law requirements (e.g., workers compensation coverage).</li> </ul> <p>This study, along with reports from the Federal Insurance Office and findings of the Advisory Committee on Risk Sharing Mechanisms, will be provided to Congress for reference during the reauthorization policy debate leading up to TRIPRA’s expiration at the end of 2020.</p>
<b>Black Lung Benefit Eligibility Presumption</b>	Legislation has been introduced amending the federal Black Lung Benefits Act to preserve a rebuttable presumption of total disability or death due to black lung disease for miners who worked more than 15 years in underground mines (or comparable time in surface mining). <b>HR 323</b> would also preserve survivor benefits associated with those miners who become eligible for benefits under the rebuttable presumption. A provision creating the rebuttable presumption for miners was included in the Patient Protection and Affordable Care Act (PPACA) of 2010. However, with the anticipated repeal of the PPACA, this legislation would preserve the rebuttable presumption for those affected miners and their survivors.

*The bills included in the following section have been filed, but have not yet passed the first chamber.*

## STATE LEGISLATIVE ACTIVITY

State	Update
<b>Alaska</b>	<p>Gov. Bill Walker has introduced a series of workers compensation reforms proposed to reduce system costs by speeding up dispute resolutions and benefit delivery, cracking down on fraud, and eliminating the second injury fund.</p> <p>Companion bills <b>SB 29/HB 69</b> would repeal the Workers’ Compensation Appeals Commission, providing that initial decisions would still be made by the Alaska Workers’ Compensation Board, but appeals of Board decisions would be made to the Superior Court and then to the Alaska Supreme Court. This reverts to the system in place prior to the creation of the Appeals Commission in 2005.</p> <p>Companion bills <b>SB 40/HB 79</b> would repeal the second injury fund. Under the proposal, no new claims would be accepted after a certain date, but the second injury fund would continue to collect contributions from</p>

	<p>employers/insurers until the entire liability is paid. The amounts collected will go down each year as the liability goes down.</p> <p>Also recently introduced, <b>HB 38</b> increases the permanent partial impairment benefit from \$177,000 to \$255,854 multiplied by the employee’s percentage of permanent impairment of the whole person. The bill also increases the cap on the survivor benefit payable in the absence of a surviving spouse or children from \$20,000 to the total permanent partial benefit without multiplier.</p> <p><i>NCCI previously reviewed a similar bill (HB 114) from the 2015 legislative session and had estimated that if enacted, workers compensation system costs could be impacted between +2.9% and +3.7%.</i></p>
<b>Colorado</b>	<p><b>HB 1119</b> creates the Colorado Uninsured Employer Fund—a new mechanism for the payment of covered claims to workers who are injured while employed by employers who do not carry workers compensation insurance. It will be funded by penalties from uninsured employers.</p>
<b>Connecticut</b>	<p><b>SB 27</b> expands workers compensation coverage in certain situations that result in mental or emotional impairment.</p> <p><b>SB 376</b> requires the chairman of the Workers Compensation Commission to augment the fee schedule for certain radiology services by 15%.</p> <p><b>SB 541</b> extends workers compensation protections to home care consumers and their personal care attendants.</p> <p><b>HB 6656</b> requires that an employee send a written copy of the notice of claim for workers compensation to the human resources department of the business in which they are employed (at the principal place of such business in the state).</p> <p><b>HB 6666</b> allows individuals seeking compensation for a workers compensation claim to bring an action against an employer or insurer that has unreasonably contested liability or unreasonably delayed payments or adjustments of such compensation.</p> <p><b>HB 5150</b> prohibits employers from asking applicants for employment, or prospective employees, certain questions concerning workers’ compensation.</p> <p><b>HB 6909</b> provides workers compensation coverage for first responder dive teams and canine rescue personnel.</p>
<b>Florida</b>	<p>Companion measures <b>HB 143/SB 158</b> establish a presumption for a firefighter’s condition or impairment of health caused by certain types of cancer contracted in the line of duty.</p> <p><b>SB 404</b> exempts from ratification those maximum reimbursement allowances and manuals approved by the Workers’ Compensation Three-Member Panel.</p>
<b>Hawaii</b>	<p>Five measures have been introduced this session to address the current reimbursement rate of 140% of Average Wholesale Price (AWP) for repackaged drugs. Two bills (<b>HB 705</b> and <b>SB 330</b>) call for a reimbursement rate of 90% AWP; three bills (<b>HB 706</b>, <b>HB 1181</b>, and <b>SB 338</b>) call for a rate of “minus 10% of the AWP.” There are also two sets of companion measures (<b>HB 1117/SB 983</b> and <b>HB 666/SB 504</b>) that limit the duration and cost of prescriptions for Schedule II drugs.</p> <p><i>NCCI is currently reviewing this measure for potential impact on system costs.</i></p> <p><b>HB 808</b> and <b>SB 413</b> call for the replacement of the current workers compensation medical fee schedule, which is based on Medicare Resource Based Relative Value Scale, with the US Department of Labor Office of Workers Compensation Program fee schedule.</p> <p><i>NCCI is currently reviewing this measure for potential impact on system costs.</i></p> <p>There are also several bills addressing various aspects of Independent Medical Exams—from mutual agreement on the physician to providing for recording of the examination (<b>HB 977</b>, <b>HB 978</b>, <b>HB 980</b>, <b>SB 253</b>, <b>SB 731</b>, <b>SB 741</b>, <b>SB 859</b>, and <b>SB 1116</b>.)</p>
<b>Illinois</b>	<p><b>SB 12</b> is the workers compensation piece of a larger senate reform package under negotiation with Gov. Bruce Rauner. The bill cannot be enacted unless all other parts of the reform package are pass. The original bill, as filed, includes provisions addressing the following:</p> <ul style="list-style-type: none"> <li>• Workers compensation fraud penalties</li> </ul>

	<ul style="list-style-type: none"> <li>• Accidental injuries considered to be “arising out of and in the course of the employment” if an employee is required to travel away from the employer’s premises</li> <li>• The maximum compensation rate for a period of temporary total incapacity</li> <li>• Wage differential benefits to professional athletes</li> <li>• Limitations on the number of chiropractic, occupational therapy, or physical therapy visits an injured worker may receive for injuries</li> <li>• Creation of an evidence-based drug formulary</li> <li>• Duties of the newly created Workers’ Compensation Edit, Alignment, and Reform Commission</li> <li>• Increasing the period of temporary total incapacity from three days to five days with payment beginning on the sixth day</li> <li>• Reduction of certain medical fee schedule maximum reimbursement amounts</li> </ul> <p>There have been amendments to the bill since its introduction.  <i>NCCI is monitoring the process and will evaluate the impact of the legislation once it is clear which provisions will remain.</i></p>
<b>Indiana</b>	<p><b>HB 1318</b> limits schedule rating adjustments to 25% and requires that carriers insuring certain nonprofit officers use the officer’s actual annual salary as the payroll basis for calculating premium.</p> <p><b>HB 1599</b> clarifies the definition of “rejected risk” for purposes of coverage under the workers compensation assigned risk plan. It does so by expanding the definition to also include employers in good faith that have received offers of workers compensation insurance coverage but at premiums that exceed the premium the risk would be charged under the assigned risk plan. Assuming the employer meets all other qualifications, the Indiana Compensation Rating Bureau would bind coverage for the employer.</p>
<b>Iowa</b>	<p><b>HF 97</b> provides injured workers with the right to predesignate a physician for work-related injuries under specified conditions.</p> <p><b>HF 98</b> provides an annual Cost of Living Adjustment for compensation payable for permanent total disability and fatal benefits. The measure also expands the definition of earnings to include overtime pay for hourly employees.</p>
<b>Kansas</b>	<p>Several bills have been introduced attempting to roll back various elements of the 2011 workers compensation reform.  <i>NCCI is currently reviewing these measures for potential impacts on system costs.</i></p> <p><b>HB 2058</b> proposes to replace the prevailing factor standard with a substantial factor standard.</p> <p><b>HB 2059</b> proposes use of the fourth edition of the <i>American Medical Association Guides to the Evaluation of Permanent Impairment</i> instead of the currently used sixth edition when determining permanent impairment of function.</p> <p><b>HB 2062</b> proposes a variety of changes to the workers compensation law including:</p> <ul style="list-style-type: none"> <li>• Limiting admissibility of chemical test results or refusal to submit to a chemical test</li> <li>• Maintaining reduction to permanent partial impairment, work disability, or permanent total disability awards for functional impairment determined to be preexisting, but eliminating the additional detail on calculating the amount of the reduction</li> <li>• Eliminating the functional impairment thresholds currently required to be eligible for permanent partial general disability compensation in excess of the percentage of functional impairment (work disability)</li> <li>• Eliminating the provision that limits medical treatment obligations to reaching maximum medical improvement unless otherwise shown to be necessary</li> <li>• Limiting the right to a hearing after an award for compensation has been entered to an employee seeking additional treatment</li> <li>• Reducing the standard of causation necessary to obtain further medical treatment</li> <li>• Removing the right for employers or insurance carriers to request modification or termination of medical treatment, and eliminating the ability for administrative law judges to make such determinations</li> <li>• Increasing the notice of injury requirement to 30 days</li> </ul>
<b>Kentucky</b>	<p><b>HB 75</b> expands the current exemption from workers compensation laws of maintenance, repair, remodeling, or similar work for not more than 20 days on a private home or on the premises of a business that employs no other workers to include lawn services.</p>

<b>Maine</b>	<b>LD 67</b> creates a rebuttable presumption that a personal injury to a paid or volunteer firefighter or a paid or volunteer emergency medical services person considered an employee within the meaning of the Workers Compensation Act is considered to arise out of and in the course of employment and is compensable under the Act if the personal injury occurs at any time after the firefighter or emergency medical services person receives notice of a fire or emergency and is in the process of responding.
<b>Maryland</b>	Currently, if an injured worker who has been awarded permanent total disability dies from an unrelated cause, the eligible survivor may continue to receive any unpaid weekly compensation benefits, but only for the amount that falls below \$45,000. <b>SB 51</b> allows the eligible survivor to receive the full amount of the unpaid compensation.
<b>Missouri</b>	<p><b>HB 482</b> creates a rebuttable presumption that cancer contracted by firefighters (employed for five years or more) is related to their exposure as firefighters. The bill also expands the definition of occupational disease to include hazardous duty for all paid and unpaid firefighters.</p> <p><b>SB 56</b> allows for the use and cultivation of medical marijuana.</p> <p><b>SB 74</b> establishes the Prescription Drug Monitoring Act. Missouri is the only state that has not adopted such a program.</p> <p><b>SB 236</b> mandates the Division of Workers' Compensation to create a claims database accessible to employers to obtain information on prospective employees during the prehire process.</p> <p><b>SB 266</b> provides for registration of professional employer organizations.</p>
<b>Montana</b>	<p>There have been 38 legislative drafts and bills relating to workers compensation introduced thus far in the 2017 session. Of particular note are the following measures:</p> <ul style="list-style-type: none"> <li>• <b>HB 229</b> addresses choice of provider. <i>NCCI is currently analyzing this measure for potential impact on system costs.</i></li> <li>• <b>HB 137</b> revises securities and insurance law for the state auditor. A technical correction bill, this measure amends the powers of the Montana State Fund, eliminating its exclusive use of special classification codes related to agriculture, municipalities, towns, cities, and state agencies. This bill also requires the use of the uniform experience rating plan for workers compensation.</li> <li>• <b>SB 72</b> creates a presumption of coverage for certain illnesses for firefighters. There are also four related measures (<b>SB 142</b>, <b>LC 416</b>, <b>LC 460</b>, and <b>LC 952</b>) pending consideration.</li> <li>• <b>SB 116</b> addresses denial of coverage for failing to notify an employer of a pre-existing medical condition. <i>NCCI has analyzed this proposal and if enacted in its current form, <b>SB 116</b> could result in a certain percentage of injuries being deemed noncompensable, leading to a reduction in workers compensation benefit costs. The exact percentage cannot be quantified and the impact on system costs is indeterminate.</i></li> </ul>
<b>Nebraska</b>	<p><b>LB 181</b> provides for reimbursement to employees for certain medical examinations. <i>NCCI is currently reviewing this measure for potential impact on system costs.</i></p> <p><b>LB 244</b> expands mental injury compensability beyond first responders to also apply to “frontline state employees” with relative exposure. These “frontline state employees” include employees of the Department of Correctional Services or the Department of Health and Human Services whose duties involve regular and direct interaction with high-risk individuals. The measure further defines “high-risk individuals.” <i>NCCI is currently reviewing the measure for potential impact on system costs.</i></p> <p><b>LB 408</b> mandates the Workers' Compensation Court to create an evidence-based drug formulary. The specifics of such a formulary have not yet been defined.</p> <p><b>LB 609</b> mandates the Workers' Compensation Court to create an outpatient hospital and ambulatory surgical center fee schedule.</p>
<b>New Hampshire</b>	<b>HB 407</b> requires workers compensation to cover prophylactic treatment for an identified occupational exposure.
<b>New Mexico</b>	<b>SB 122</b> removes appeals of decisions of workers compensation judges from the jurisdiction of the court of appeals and establishes an administrative appeal process in the workers compensation administration. The measure also provides criteria for appointment of workers compensation administrative appeal judges.
<b>Oklahoma</b>	<p><b>HB 1462</b> includes various amendments to the state Administrative Workers' Compensation Act including:</p> <ul style="list-style-type: none"> <li>• Definition of “permanent partial disability”</li> <li>• Elimination of the Workers' Compensation Commission's Authority to hear matters of constitutionality</li> </ul>

	<ul style="list-style-type: none"> <li>• Termination of benefits if the claimant misses two medical appointments</li> <li>• Removal of the deferral of permanent partial disability and conversion of scheduled members</li> <li>• Requiring notice of injury to the employer within 15 days instead of 30 days</li> <li>• Requiring prescription drug reimbursement in the event of an appeal</li> <li>• Amending provisions of opt-out</li> </ul> <p><i>NCCI is currently reviewing this measure for potential impact on system costs.</i></p>
<b>South Carolina</b>	<p><b>HB 3348</b> expands the list of conditions presumed to be caused by employment as a firefighter and provides that a firefighter with 10 years of service who sustains an impairment or injury caused by cancer, and this results in disability or death, is entitled to the rebuttable presumption that this disability or death arose from and in the course of that employment. The measure also includes conditions for the presumption.</p> <p><b>HB 3523</b> defines “first responder” and provides that mental injury or mental illness resulting from a significant traumatic experience may be compensable for first responders. This bill has been introduced during each of the last several legislative sessions.</p> <p><b>SB 246</b> clarifies that attorney fees are paid from the funds recovered for the carrier from a liable third party.</p>
<b>Utah</b>	<p><b>SB 92</b> repeals the statute creating the Workers Compensation Fund and provides for its transition to a mutual corporation. The measure also addresses the market of last resort for the state.</p>
<b>Vermont</b>	<p><b>HB 101</b> creates a program for employers to adopt (voluntarily) a drug-free workplace program that will entitle them to a 5% discount on their workers compensation premiums.</p> <p><b>HB 109</b> creates a committee to study contingent work and workers in the state and mechanisms for creating portable employment benefits to address the needs of individuals who are freelance workers in e-commerce, self-employed workers, contingent workers, or workers in the “on-demand” economy.</p> <p><b>HB 119</b> establishes a common definition of “independent contractor” for the workers compensation and unemployment insurance statutes.</p>

## STATE COMMITTEE ACTIVITY

State	Update
<b>Florida</b>	<p>On January 4, the Three-Member Panel gave approval for the Division of Workers’ Compensation to seek from the legislature specific rule authority to establish a drug formulary, as long as such formulary is generally accepted by Florida’s employers, insurers, health care providers, and injured worker advocates; provides reasonable assurance in reducing or mitigating prescription drug costs; and ensures appropriate and effective treatment is provided to injured workers.</p>
<b>Maryland</b>	<p>The Joint Committee on Workers Compensation Benefit and Insurance Oversight is scheduled to meet in Annapolis on February 27. During the meeting, NCCI will discuss its legislative report regarding the Chesapeake Employers Insurance Company’s transition to full NCCI affiliation. The document was presented to the legislature on October 1, 2016, and is the first of seven required annual reports that will chronicle Chesapeake’s transition.</p>
<b>Oregon</b>	<p>The Management-Labor Advisory Committee (MLAC) met on January 17 to review the following 2017 pieces of legislation:</p> <ul style="list-style-type: none"> <li>• <b>HB 2337 (LC 697)</b>, requested by the Workers Compensation Division, proposes to change permanent total disability and permanent partial disability minimums and maximums. <i>NCCI has determined that if the measure is enacted in its current form, workers compensation system costs would increase by 2.5%. MLAC is proposing to amend the bill, removing the permanent partial disability portion.</i></li> <li>• <b>HB 2338 (LC 698)</b>, requested by the Ombudsman for Injured Workers, proposes streamlining fatality benefits. <i>NCCI has determined that if the measure is enacted in its current form, workers compensation system costs would increase by 0.1%. MLAC is awaiting additional amendments before taking action on this measure.</i></li> </ul> <p>MLAC’s next meeting is scheduled for February 10.</p>
<b>Rhode Island</b>	<p>The Workers Compensation Advisory Council is currently reviewing concepts for its omnibus bill.</p>

## OTHER ITEMS OF INTEREST

State	Update
<b>Hawaii</b>	The Department of Labor has deferred until further notice the proposed changes to the Medical and Supplemental Fee Schedules that were heard on November 17, 2016.
<b>Kentucky</b>	<p>The Report of the 2016 Workers' Compensation Task Force was published in January to the Legislative Research Commission's webpage. The report is more than 700 pages; however, the summary of the task force's four meetings is contained in the first 19 pages of the document. The conclusion of the report (on pages 18–19) concisely indicates that little action may result from this report, because:</p> <ul style="list-style-type: none"> <li>• "None of the speakers recommended a significant overhaul of the Kentucky workers' compensation system."</li> <li>• "Answers provided by members to questionnaires failed to indicate consensus that could be agreed on or reached ... With every meeting and questionnaire, the number of issues grew instead of narrowed."</li> </ul>
<b>Mississippi</b>	<p>On appeal for the second time, the Court of Appeals ruled in <i>Logan v. Klaussner Furniture Corp. (Logan II)</i> that the appropriate award to the claimant was permanent total disability. In this case, the employee alleged loss of use of her left lower extremity that resulted from her foot being caught in some fabric fibers during her employment in 2003, and a petition to controvert was filed in 2004. An order of an administrative law judge was issued in July 2011 ruling that the employee had not suffered any industrial loss of use of her lower extremity. This ruling was affirmed by the Workers Compensation Commission but subsequently appealed by the employee. In <i>Logan I</i>, the Court of Appeals found that (1) the employee had suffered a loss of wage-earning capacity and (2) the evidence supported a finding of permanent partial disability or permanent total disability, reversing and remanding the decision of the Commission for further consideration. On remand, the Workers Compensation Commission determined the employee was entitled to a permanent partial disability benefit award of 60% industrial loss of use. The employer has filed a motion for rehearing of the <i>Logan II</i> decision, and the matter is pending.</p>
<b>Oregon</b>	<p>The Workers Compensation Division is proposing revisions to its rules governing medical services, medical billing, and payment. Changes include:</p> <ul style="list-style-type: none"> <li>• Clarifying that a medical provider may not attempt to collect payment for any medical service from a patient, except under specified circumstances</li> <li>• Providing that adjusted cost-to-charge ratios for Oregon hospitals will be published by bulletin once each year instead of twice per year</li> <li>• Clarifying that insurers must pay for the implant at 110% of the ambulatory surgical center's actual cost when an ambulatory surgery center's cost for an implant is \$100 or more</li> <li>• Requiring that a worker must be reimbursed for claim-related, out-of-pocket expenses within 14 days of any action causing the reimbursement request to be payable, or within 30 days of the insurer's receipt of the reimbursement request, whichever is later</li> <li>• Creating standards for electronic payment of medical bills to include provider consent and right to discontinue e-payment, provision of cardholder agreements, and negotiability of payment instruments</li> <li>• Increasing the conversion factor for anesthesia services by 3% from \$58 to \$59.74</li> <li>• Increasing the maximum allowable payment for interpreter services from \$60 per hour to \$70 per hour if the interpreter has been certified.</li> <li>• Adopting updated medical fee schedules (Appendices B, C, D, and E) and resources for the payment of health care providers</li> </ul> <p>A public hearing on the proposed rules will be held on February 16. The deadline for submitting written comments is February 22.</p>
<b>Texas</b>	<p>Changes in attorney fees proposed by the Division of Workers Compensation have been adopted. <i>NCCI has determined that the impact on system costs will be minimal and reflected in future loss costs.</i></p>
<b>Virginia</b>	<p>The Workers Compensation Commission has asked stakeholders to provide feedback by February 15 on the draft medical fee schedule developed by Oliver Wyman Actuarial Consulting. Oliver Wyman will review feedback and produce a summary of the comments during the next meeting of the Medical Fee Schedule Regulatory Advisory Panel, which is scheduled for March 9 in Richmond. The fee schedule will be implemented on January 1, 2018.</p>

## Contact Information

If you have any questions about the legislation or proposals mentioned, please contact the appropriate NCCI state relations executive (listed below) or a representative of your local insurance trade association.

<b>State</b>	<b>State Relations Executive</b>	<b>Phone Number</b>
CT, ME, NH, RI, VT	Laura Backus Hall	802-454-1800
FL, IA	Chris Bailey	850-322-4047
AL, GA, KY, LA, MS	Laura Bryan	225-618-8168
AK, AZ, CO, NM, UT	Maggie Karpuk	818-707-8374
DC, MD, VA, WV	David Benedict	804-380-3005
HI	Carolyn Pearl	808-524-6239
IN, NC, SC, TN	Amy Quinn	803-356-0851
AR, IL, KS, TX	Terri Robinson	501-333-2835
ID, MT, NV, OR	Jessica Epley	503-892-8919
MO, NE, OK, SD	Carla Townsend	314-843-4001
Federal Issues	Tim Tucker	202-403-8526

This report is informational and is not intended to provide an interpretation of state and federal legislation.