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State of Minnesota

HOUSE OF REPRESENTATIVES

SECOND SPECIAL SESSION

H. F. No. 27

07/13/2020 Authored by Sundin
The bill was read for the first time and referred to the Committee on Labor

1.1 A bill for an act
1.2 relating to workers' compensation; reimbursing reinsurance members for certain
1.3 losses related to COVID-19 claims; extending the date of a CAMPUS plan
1.4 submission; amending Minnesota Statutes 2019 Supplement, section 176.2612,
1.5 subdivision 2.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 ARTICLE 1
1.8 WORKERS' COMPENSATION COVID-19 REIMBURSEMENT; COORDINATION
1.9 OF BENEFITS

1.10 Section 1. WORKERS' COMPENSATION REINSURANCE ASSOCIATION
1.11 REIMBURSEMENT.

1.12 Subdivision 1. Definitions. (a) For the purposes of this section, the terms defined in this
1.13 subdivision have the meanings given.

1.14 (b) "Member" means a member of the reinsurance association as described in Minnesota
1.15 Statutes, section 79.34, subdivision 1, but does not include a political subdivision, or a pool
1.16 of two or more political subdivisions, created to self-insure for workers' compensation under
1.17 Minnesota Statutes, sections 471.59 and 471.981; or the state under Minnesota Statutes,
1.18 section 176.541 or 176.591

1.19 (c) "Reinsurance association" means the workers' compensation reinsurance association
1.20 established under Minnesota Statutes, section 79.34, subdivision 1.

1.21 Subd. 2. Loss aggregation of COVID-19 claims. (a) Notwithstanding Minnesota
1.22 Statutes, section 79.34, subdivision 2, a member shall be reimbursed by the reinsurance

2.1 association under Minnesota Statutes, chapter 79, for losses as provided in paragraphs (b)
2.2 to (d).

2.3 (b) Losses for the member's COVID-19 workers' compensation claims with dates of
2.4 injury from April 8, 2020, to May 1, 2021, under Laws 2020, chapter 72, shall be aggregated
2.5 to count toward the member's retention limit under Minnesota Statutes, section 79.34,
2.6 subdivision 2, subject to this paragraph and paragraph (c).

2.7 (c) Any loss that has been reimbursed from, or is eligible for reimbursement from, the
2.8 coronavirus relief fund in the federal CARES Act, or any other government or third-party
2.9 source, shall not be included in the aggregated loss amount under paragraph (b) and shall
2.10 not be reimbursed by the Workers' Compensation Reinsurance Association.

2.11 (d) The retention limit elected by the member under Minnesota Statutes, section 79.34,
2.12 subdivision 2, in effect in 2020 shall apply to the member's COVID-19 claims with dates
2.13 of injury from April 8, 2020, to May 1, 2021, under Laws 2020, chapter 72.

2.14 **EFFECTIVE DATE.** This section is effective for compensable workers' compensation
2.15 COVID-19 occupational disease claims paid to employees with dates of injury from April
2.16 8, 2020, to May 1, 2021, under Laws 2020, chapter 72.

2.17 Sec. 2. **WORKERS' COMPENSATION BENEFITS; PAID LEAVE RELATED TO**
2.18 **COVID-19.**

2.19 Notwithstanding other options for coordination of workers' compensation wage-loss
2.20 benefits, wages, and paid leave under Minnesota Statutes, sections 176.021 and 176.221,
2.21 subdivision 9, if an employer provides paid leave in response to COVID-19 that is in addition
2.22 to the paid leave the employee is regularly entitled to accrue or receive, the employer may
2.23 deduct the net amount of the additional leave paid to the employee from any temporary total
2.24 or temporary partial disability benefits that the employee is entitled to receive under this
2.25 chapter, subject to the following requirements:

2.26 (1) paid leave in response to COVID-19 provided by state or federal law is not considered
2.27 additional paid leave under this paragraph and is governed by the state or federal law;

2.28 (2) the additional paid leave must not reduce or adversely affect the use of any paid
2.29 leave that the employee has received or accumulated, or is entitled to receive or accumulate,
2.30 under the employer's regular paid leave program;

2.31 (3) the net payment to the employee for the additional paid leave and temporary total
2.32 or temporary partial disability benefit combined, after all deductions, must not be less than

3.1 the amount the employee would have received for temporary total or temporary partial
 3.2 disability benefits payable under this chapter;

3.3 (4) the additional paid leave must be paid within the same time frames that temporary
 3.4 total or temporary partial disability benefits, or the employee's regular employment payments,
 3.5 are made; and

3.6 (5) an employer or insurer who deducts the additional paid leave from temporary total
 3.7 or temporary partial disability benefits owed to an employee must report the injury and
 3.8 make a liability determination within the time frames specified in this chapter. The employer
 3.9 or insurer must report to the commissioner the portion of the payment that is temporary
 3.10 total compensation for purposes of administering this chapter and special compensation
 3.11 fund assessments. The employer or insurer must also make appropriate adjustments to the
 3.12 employee's payroll records to ensure that the employee's regular paid leave is not
 3.13 inappropriately charged against the employee, and to ensure the proper income tax treatment
 3.14 for the payments.

3.15 **EFFECTIVE DATE.** This section is effective for employees with COVID-19 dates of
 3.16 injury from April 8, 2020, to May 1, 2021, under Laws 2020, chapter 72.

3.17 **ARTICLE 2**

3.18 **IMPROVEMENTS TO CAMPUS AND OFFICE OF ADMINISTRATIVE HEARINGS** 3.19 **CASE MANAGEMENT SYSTEM**

3.20 Section 1. Minnesota Statutes 2019 Supplement, section 176.2612, subdivision 2, is
 3.21 amended to read:

3.22 Subd. 2. **Plan and proposal for improvement.** By January ~~11, 2021~~ 17, 2022, the
 3.23 commissioner must recommend to the Workers' Compensation Advisory Council a plan
 3.24 and proposed statutory amendments for the most effective means, based on an assessment
 3.25 of benefits and value, to implement improvements to CAMPUS and the case management
 3.26 system at the office, including ensuring a single calendaring system and a single filing
 3.27 system. The filing requirements in section 176.2611, subdivisions 3 and 4, remain in effect
 3.28 until further amendments related to a single filing system in CAMPUS are enacted pursuant
 3.29 to the recommendations of the Workers' Compensation Advisory Council.

3.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.