1	STATE OF OKLAHOMA
2	1st Session of the 56th Legislature (2017)
3	HOUSE BILL 1723 By: Moore
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6	AS INTRODUCED
7	An Act relating to workers' compensation; amending
8	Sections 2, 45, as amended by Section 2, Chapter 390, O.S.L. 2015, 47, 68 and 153, Chapter 208, O.S.L. 2013
9	(85A O.S. Supp. 2016, Sections 2, 45, 47, 68 and 110), which relate to the Administrative Workers'
10	Compensation Act; adding definition; modifying definitions; reducing compensation if employee fails
11	to obey certain laws; modifying status of physician's opinion for determination of permanent partial
12	disability; prohibiting compensation in certain circumstances; limiting duration of weekly income benefits for surviving spouses; establishing maximum
13	allowable rate or fee for mediators; providing for
14	codification; and providing an effective date.
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17	BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:
18	SECTION 1. AMENDATORY Section 2, Chapter 208, O.S.L.
19	2013 (85A O.S. Supp. 2016, Section 2), is amended to read as
20	follows:
21	Section 2. As used in the Administrative Workers' Compensation
22	Act:
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1. "Actually dependent" means a surviving spouse, a child or any other person who receives one-half (1/2) or more of his or her support from the employee;

- 2. "Carrier" means any stock company, mutual company, or reciprocal or interinsurance exchange authorized to write or carry on the business of workers' compensation insurance in this state.

 Whenever required by the context, the term "carrier" shall be deemed to include duly qualified self-insureds or self-insured groups;
- 3. "Case management" means the ongoing coordination, by a case manager, of health care services provided to an injured or disabled worker, including but not limited to systematically monitoring the treatment rendered and the medical progress of the injured or disabled worker; ensuring that any treatment plan follows all appropriate treatment protocols, utilization controls and practice parameters; assessing whether alternative health care services are appropriate and delivered in a cost-effective manner based upon acceptable medical standards; and ensuring that the injured or disabled worker is following the prescribed health care plan;
- 4. "Case manager" means a person who is a registered nurse with a current, active unencumbered license from the Oklahoma Board of Nursing, or possesses one or more of the following certifications which indicate the individual has a minimum number of years of case management experience, has passed a national competency test and

regularly obtains continuing education hours to maintain certification:

- a. Certified Disability Management Specialist (CDMS),
- b. Certified Case Manager (CCM),
- c. Certified Rehabilitation Registered Nurse (CRRN),
- d. Case Manager Certified (CMC),
- e. Certified Occupational Health Nurse (COHN), or
- f. Certified Occupational Health Nurse Specialist (COHN-S);
- 5. "Certified workplace medical plan" means an organization of health care providers or any other entity, certified by the State Commissioner of Health, that is authorized to enter into a contractual agreement with an employer, group self-insurance association plan, an employer's workers' compensation insurance carrier, third-party administrator or an insured to provide medical care under the Administrative Workers' Compensation Act. Certified plans shall only include plans which provide medical services and payment for services on a fee-for-service basis to medical providers;
- 6. "Child" means a natural or adopted son or daughter of the employee under eighteen (18) years of age; or a natural or adopted son or daughter of an employee eighteen (18) years of age or over who is physically or mentally incapable of self-support; or any natural or adopted son or daughter of an employee eighteen (18)

years of age or over who is actually dependent; or any natural or adopted son or daughter of an employee between eighteen (18) and twenty-three (23) years of age who is enrolled as a full-time student in any accredited educational institution. The term "child" includes a posthumous child, a child legally adopted or one for whom adoption proceedings are pending at the time of death, an actually dependent stepchild or an actually dependent acknowledged child born out of wedlock;

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- 7. "Claimant" means a person who claims benefits for an injury or occupational disease pursuant to the provisions of the Administrative Workers' Compensation Act;
 - 8. "Commission" means the Workers' Compensation Commission;
 - 9. a. "Compensable injury" means damage or harm to the physical structure of the body, or prosthetic appliances, including eyeglasses, contact lenses, or hearing aids, caused solely as the result of either an accident, cumulative trauma or occupational disease arising out of the course and scope of employment. An "accident" means an event involving factors external to the employee that:
 - (1) was unintended, unanticipated, unforeseen, unplanned and unexpected,
 - (2) occurred at a specifically identifiable time and place,

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- (3) occurred by chance or from unknown causes, and
- (4) was independent of sickness, mental incapacity, bodily infirmity or any other cause.
- b. "Compensable injury" does not include:
 - (1) injury to any active participant in assaults or combats which, although they may occur in the workplace, are the result of non-employmentrelated hostility or animus of one, both, or all of the combatants and which assault or combat amounts to a deviation from customary duties; provided, however, injuries caused by horseplay shall not be considered to be compensable injuries, except for innocent victims,
 - (2) injury incurred while engaging in or performing or as the result of engaging in or performing any recreational or social activities for the employee's personal pleasure,
 - (3) injury which was inflicted on the employee at a time when employment services were not being performed or before the employee was hired or after the employment relationship was terminated,
 - (4) injury where the accident was caused by the use of alcohol, illegal drugs, or prescription drugs used in contravention of physician's orders. If,

within twenty-four (24) hours of being injured or reporting an injury, an employee tests positive for intoxication, an illegal controlled substance used in contravention to a treating physician's orders, or refuses to undergo the drug and alcohol testing, there shall be a rebuttable presumption that the injury was caused by the use of alcohol, illegal drugs, or prescription drugs used in contravention of physician's orders. This presumption may only be overcome if the employee proves by clear and convincing evidence that his or her state of intoxication had no causal relationship to the injury,

(5) any strain, degeneration, damage or harm to, or disease or condition of, the eye or musculoskeletal structure or other body part resulting from the natural results of aging, osteoarthritis, arthritis, or degenerative process including, but not limited to, degenerative joint disease, degenerative disc disease, degenerative spondylosis/spondylolisthesis and spinal stenosis, ex

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(6) any preexisting condition except when the treating physician clearly confirms an identifiable and significant aggravation incurred in the course and scope of employment, or

- (7) an injury resulting directly from the voluntary

 failure of the injured employee to use a safety

 device or other protection against accident

 furnished for use pursuant to any statute, by

 order of the Commissioner of Labor, or by an

 employer's written safety rules or procedure.
- c. The definition of "compensable injury" shall not be construed to limit or abrogate the right to recover for mental injuries as described in Section 13 of this act title, heart or lung injury or illness as described in Section 14 of this act title, or occupational diseases as described in Section 65 of this act title.
- d. A compensable injury shall be established by medical evidence supported by objective findings as defined in paragraph 30 31 of this section.
- e. The injured employee shall prove by a preponderance of the evidence that he or she has suffered a compensable injury.

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f. Benefits shall not be payable for a condition which results from a non-work-related independent intervening cause following a compensable injury which causes or prolongs disability, aggravation, or requires treatment. A non-work-related independent intervening cause does not require negligence or recklessness on the part of a claimant.

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- g. An employee who suffers a compensable injury shall be entitled to receive compensation as prescribed in this act. Notwithstanding other provisions of law, if it is determined that a compensable injury did not occur, the employee shall not be entitled to compensation under this act;
- 10. "Compensation" means the money allowance payable to the employee or to his or her dependents and includes the medical services and supplies provided for in Section 50 of this act title and funeral expenses;
- 11. "Consequential injury" means injury or harm to a part of
 the body that is a direct result of the injury or medical treatment
 to the part of the body originally injured in the claim. The
 Commission shall not make a finding of a consequential injury unless
 it is established by objective medical evidence that medical
 treatment for such part of the body is required;

12. "Continuing medical maintenance" means medical treatment that is reasonable and necessary to maintain claimant's condition resulting from the compensable injury or illness after reaching maximum medical improvement. Continuing medical maintenance shall not include diagnostic tests, surgery, injections, counseling, physical therapy, or pain management devices or equipment;

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- 13. "Course and scope of employment" means an activity of any kind or character for which the employee was hired and that relates to and derives from the work, business, trade or profession of an employer, and is performed by an employee in the furtherance of the affairs or business of an employer. The term includes activities conducted on the premises of an employer or at other locations designated by an employer and travel by an employee in furtherance of the affairs of an employer that is specifically directed by the employer. This term does not include:
 - a. an employee's transportation to and from his or her place of employment,
 - b. travel by an employee in furtherance of the affairs of an employer if the travel is also in furtherance of personal or private affairs of the employee,
 - c. any injury occurring in a parking lot or other common area adjacent to an employer's place of business before the employee clocks in or otherwise begins work

for the employer or after the employee clocks out or otherwise stops work for the employer, or

- d. any injury occurring while an employee is on a work break, unless the injury occurs while the employee is on a work break inside the employer's facility and the work break is authorized by the employee's supervisor;
- 14. "Cumulative trauma" means an injury to an employee that is caused by the combined effect of repetitive physical activities extending over a period of time in the course and scope of employment. Cumulative trauma shall not mean fatigue, soreness or general aches and pain that may have been caused, aggravated, exacerbated or accelerated by the employee's course and scope of employment. Cumulative trauma shall have resulted directly and independently of all other causes and the employee shall have completed at least one hundred eighty (180) days of continuous active employment with the employer;
- 15. "Death" means only death resulting from compensable injury as defined in paragraph 9 of this section;
- 16. "Disability" means incapacity because of compensable injury to earn, in the same or any other employment, substantially the same amount of wages the employee was receiving at the time of the compensable injury;
- 17. "Drive-away operations" includes every person engaged in the business of transporting and delivering new or used vehicles by

driving, either singly or by towbar, saddle-mount or full-mount method, or any combination thereof, with or without towing a privately owned vehicle;

- "Employee" means any person, including a minor, in the 18. service of an employer under any contract of hire or apprenticeship, written or oral, expressed or implied, but excluding one whose employment is casual and not in the course of the trade, business, profession, or occupation of his or her employer and excluding one who is required to perform work for a municipality or county or the state or federal government on having been convicted of a criminal offense or while incarcerated. "Employee" shall also include a member of the Oklahoma National Guard while in the performance of duties only while in response to state orders and any authorized voluntary or uncompensated worker, rendering services as a firefighter, peace officer or emergency management worker. Travel by a policeman, fireman, or a member of a first aid or rescue squad, in responding to and returning from an emergency, shall be deemed to be in the course of employment.
 - b. The term "employee" shall not include:

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- any Act of Congress for providing compensation to employees for injuries, disease or death arising out of and in the course of employment including, but not limited to, the Federal Employees'

 Compensation Act, the Federal Employers'

 Liability Act, the Longshore and Harbor Workers'

 Compensation Act and the Jones Act, to the extent his or her employees are subject to such acts,
- (2) any person who is employed in agriculture or horticulture by an employer who had a gross annual payroll in the preceding calendar year of less than One Hundred Thousand Dollars

 (\$100,000.00) wages for agricultural or horticultural workers, or any person who is employed in agriculture or horticulture who is not engaged in operation of motorized machines,
- (3) any person who is a licensed real estate sales associate or broker, paid on a commission basis,
- (4) any person who is providing services in a medical care or social services program, or who is a participant in a work or training program, administered by the Department of Human Services, unless the Department is required by federal law

or regulations to provide workers' compensation for such person. This division shall not be construed to include nursing homes,

- (5) any person employed by an employer with five or fewer total employees, all of whom are related by blood or marriage to the employer, if the employer is a natural person or a general or limited partnership, or an incorporator of a corporation if the corporation is the employer,
- (6) any person employed by an employer which is a youth sports league which qualifies for exemption from federal income taxation pursuant to federal law,
- (7) sole proprietors, members of a partnership,
 individuals who are party to a franchise
 agreement as set out by the Federal Trade
 Commission franchise disclosure rule, 16 CFR
 436.1 through 436.11, members of a limited
 liability company who own at least ten percent
 (10%) of the capital of the limited liability
 company or any stockholder-employees of a
 corporation who own ten percent (10%) or more
 stock in the corporation, unless they elect to be
 covered by a policy of insurance covering

benefits under the Administrative Workers'
Compensation Act,

- (8) any person providing or performing voluntary service who receives no wages for the services other than meals, drug or alcohol rehabilitative therapy, transportation, lodging or reimbursement for incidental expenses except for volunteers specifically provided for in subparagraph a of this paragraph,
- (9) a person, commonly referred to as an owner-operator, who owns or leases a truck-tractor or truck for hire, if the owner-operator actually operates the truck-tractor or truck and if the person contracting with the owner-operator is not the lessor of the truck-tractor or truck.

 Provided, however, an owner-operator shall not be precluded from workers' compensation coverage under the Administrative Workers' Compensation Act if the owner-operator elects to participate as a sole proprietor,
- (10) a person referred to as a drive-away owneroperator who privately owns and utilizes a tow
 vehicle in drive-away operations and operates
 independently for hire, if the drive-away owner-

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operator actually utilizes the tow vehicle and if
the person contracting with the drive-away owneroperator is not the lessor of the tow vehicle.

Provided, however, a drive-away owner-operator
shall not be precluded from workers' compensation
coverage under the Administrative Workers'

Compensation Act if the drive-away owner-operator
elects to participate as a sole proprietor, and
any person who is employed as a domestic servant
or as a casual worker in and about a private home
or household, which private home or household had
a gross annual payroll in the preceding calendar

year of less than Fifty Thousand Dollars

19. "Employer" means a person, partnership, association, limited liability company, corporation, and the legal representatives of a deceased employer, or the receiver or trustee of a person, partnership, association, corporation, or limited liability company, departments, instrumentalities and institutions of this state and divisions thereof, counties and divisions thereof, public trusts, boards of education and incorporated cities or towns and divisions thereof, employing a person included within the term "employee" as defined in this section. Employer may also mean the employer's workers' compensation insurance carrier, if applicable.

(\$50,000.00) for such workers;

- Except as provided otherwise, this act applies to all public and
 private entities and institutions. Employer shall not include a
 qualified employer with an employee benefit plan as provided under
 the Oklahoma Employee Injury Benefit Act in Sections 107 200 through
 120 213 of this act title;
 - 20. "Employment" includes work or labor in a trade, business, occupation or activity carried on by an employer or any authorized voluntary or uncompensated worker rendering services as a firefighter, peace officer or emergency management worker;

- 21. "Evidence-based" means expert-based, literature-supported and outcomes validated by well-designed randomized trials when such information is available and which uses the best available evidence to support medical decision making;
- 22. "Gainful employment" means the capacity to perform employment for wages for a period of time that is not part-time, occasional or sporadic;
- 23. "Impaired self-insurer" means a private self-insurer or group self-insurance association that fails to pay its workers' compensation obligations, or is financially unable to do so and is the subject of any proceeding under the Federal Bankruptcy Reform Act of 1978, and any subsequent amendments or is the subject of any proceeding in which a receiver, custodian, liquidator, rehabilitator, trustee or similar officer has been appointed by a

- 1 court of competent jurisdiction to act in lieu of or on behalf of 2 the self-insurer;
- 3 24. "Incapacity" means inadequate strength or ability to 4 perform a work-related task;
- 5 25. "Insurance Commissioner" means the Insurance Commissioner 6 of the State of Oklahoma;
- 7 26. "Insurance Department" means the Insurance Department of 8 the State of Oklahoma;
- 9 27. "Major cause" means more than fifty percent (50%) of the 10 resulting injury, disease or illness. A finding of major cause 11 shall be established by a preponderance of the evidence. A finding 12 that the workplace was not a major cause of the injury, disease or 13 illness shall not adversely affect the exclusive remedy provisions 14 of this act and shall not create a separate cause of action outside 15 this act;
 - 28. "Maximum medical improvement" means that no further material improvement would reasonably be expected from medical treatment or the passage of time;
 - 29. "Medical services" means those services specified in Section 50 of this act title;
 - 30. "Misconduct" shall include the following:

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- a. unexplained absenteeism or tardiness,
- b. willful or wanton indifference to or neglect of the duties required,

1 willful or wanton breach of any duty required by the 2 employer, 3 d. the mismanagement of a position of employment by action or inaction, 4 5 actions or omissions that place in jeopardy the health, life, or property of self or others, 6 7 f. dishonesty, wrongdoing, 8 g. 9 h. violation of a law, or 10 i. a violation of a policy or rule adopted to ensure 11 orderly work or the safety of self or others; 12 "Objective findings" are those findings which 31. a. 1.3 cannot come under the voluntary control of the 14 patient. 15 When determining permanent disability, a (2) (a) 16 physician, any other medical provider, an 17 administrative law judge, the Commission or 18 the courts shall not consider complaints of 19 pain. 20 For the purpose of making permanent (b) 2.1 disability ratings to the spine, physicians 22 shall use criteria established by the most 23 current edition of the American Medical 24

Association "Guides to the Evaluation of Permanent Impairment".

- (3) (a) Objective evidence necessary to prove

 permanent disability in occupational hearing

 loss cases may be established by medically

 recognized and accepted clinical diagnostic

 methodologies, including, but not limited

 to, audiological tests that measure air and

 bone conduction thresholds and speech

 discrimination ability.
 - (b) Any difference in the baseline hearing levels shall be confirmed by subsequent testing; provided, however, such test shall be given within four (4) weeks of the initial baseline hearing level test but not before five (5) days after being adjusted for presbycusis.
- b. Medical opinions addressing compensability and permanent disability shall be stated within a reasonable degree of medical certainty;
- 32. "Official Disability Guidelines" or "ODG" means the current edition of the Official Disability Guidelines and the ODG Treatment in Workers' Comp as published by the Work Loss Data Institute;

33. "Permanent disability" means the extent, expressed as a percentage, of the loss of a portion of the total physiological capabilities of the human body as established by competent medical evidence and based on the current edition of the American Medical Association guides to the evaluation of impairment, if the impairment is contained therein;

- 34. "Permanent partial disability" means a permanent disability or loss of use after maximum medical improvement has been reached which prevents the injured employee, who has been released to return to work by the treating physician, from returning to his or her preinjury or equivalent job. All evaluations of permanent partial disability must be supported by objective findings;
- 35. "Permanent total disability" means, based on objective findings, incapacity, based upon accidental injury or occupational disease, to earn wages in any employment for which the employee may become physically suited and reasonably fitted by education, training, experience or vocational rehabilitation provided under this act. Loss of both hands, both feet, both legs, or both eyes, or any two thereof, shall constitute permanent total disability;
- 36. "Preexisting condition" means any illness, injury, disease, or other physical or mental condition, whether or not work-related, for which medical advice, diagnosis, care or treatment was recommended or received preceding the date of injury;

37. "Pre-injury or equivalent job" means the job that the claimant was working for the employer at the time the injury occurred or any other employment offered by the claimant's employer that pays at least one hundred percent (100%) of the employee's average weekly wage;

- 38. "Private self-insurer" means a private employer that has been authorized to self-insure its workers' compensation obligations pursuant to this act, but does not include group self-insurance associations authorized by this act, or any public employer that self-insures pursuant to this act;
- 39. "Prosthetic" means an artificial device used to replace a part or joint of the body that is lost or injured in an accident or illness covered by this act;
- Marriage under the laws of this state, or any other state or nation, and specifically including common law marriage. "Remarriage", as used in this title, also includes cohabitation. "Cohabitation" means the dwelling together of a man and a woman of uncommon ancestry who are in a habitual, but not necessarily continuous or conjugal, relationship not solemnized as a marriage according to law, or not necessarily meeting the standards of a common law marriage;
- $\underline{41.}$ "Scheduled member" or "member" means hands, fingers, arms, legs, feet, toes, and eyes. In addition, for purposes of the

Multiple Injury Trust Fund only, "scheduled member" means hearing impairment;

- 41. 42. "Scientifically based" involves the application of rigorous, systematic, and objective procedures to obtain reliable and valid knowledge relevant to medical testing, diagnoses and treatment; is adequate to justify the general conclusions drawn; and has been accepted by a peer-review journal or approved by a panel of independent experts through a comparably rigorous, objective, and scientific review;
- 42. 43. "State average weekly wage" means the state average weekly wage determined by the Oklahoma Employment Security

 Commission in the preceding calendar year. If such determination is not available, the Commission shall determine the wage annually after reasonable investigation;
- 43. 44. "Subcontractor" means a person, firm, corporation or other legal entity hired by the general or prime contractor to perform a specific task for the completion of a work-related activity;
- 44. 45. "Surgery" does not include an injection, or the forcing of fluids beneath the skin, for treatment or diagnosis;
- 45. 46. "Surviving spouse" means the employee's spouse by reason of a legal marriage recognized by the State of Oklahoma or under the requirements of a common law marriage in this state, as determined by the Workers' Compensation Commission;

46. 47. "Temporary partial disability" means an injured employee who is temporarily unable to perform his or her job, but may perform alternative work offered by the employer;

- 47. 48. "Time of accident" or "date of accident" means the time or date of the occurrence of the accidental incident from which compensable injury, disability, or death results; and
- 48. 49. "Wages" means money compensation received for employment at the time of the accident, including the reasonable value of board, rent, housing, lodging, or similar advantage received from the employer and includes the amount of tips required to be reported by the employer under Section 6053 of the Internal Revenue Code and the regulations promulgated pursuant thereto or the amount of actual tips reported, whichever amount is greater.
- SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 35.1 of Title 85A, unless there is created a duplication in numbering, reads as follows:
- A. The compensation payable under the Administrative Workers' Compensation Act shall be reduced, but by no more than fifty percent (50%), if the employee's injury is otherwise compensable, is not an injury enumerated and described as not compensable under Section 2 of Title 85A of the Oklahoma Statutes, and the employee's injury or death was caused, in whole or in part, by the employee's failure to obey any state or federal law enacted for the protection of employees or the public.

B. The reduction in compensation provided for in subsection A of this section shall be based upon the percentage of causation attributed to the conduct of the employee compared to all other causes of the accident resulting in the injury or death. The Workers' Compensation Commission shall specifically identify all causes and allocate, by percentage, degrees of causation among them.

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- C. If an injury is not compensable pursuant to Section 2 of Title 85A of the Oklahoma Statutes, this section shall not be construed so as to render the injury partially compensable.
- SECTION 3. AMENDATORY Section 45, Chapter 208, O.S.L. 2013, as amended by Section 2, Chapter 390, O.S.L. 2015 (85A O.S. Supp. 2016, Section 45), is amended to read as follows:

 Section 45. A. Temporary Total Disability.
- 1. If the injured employee is temporarily unable to perform his or her job or any alternative work offered by the employer, he or she shall be entitled to receive compensation equal to seventy percent (70%) of the injured employee's average weekly wage, but not to exceed seventy percent (70%) of the state average weekly wage, for one hundred four (104) weeks. Provided, there shall be no payment for the first three (3) days of the initial period of temporary total disability. If an administrative law judge finds that a consequential injury has occurred and that additional time is needed to reach maximum medical improvement, temporary total disability may continue for a period of not more than an additional

fifty-two (52) weeks. Such finding shall be based upon a showing of medical necessity by clear and convincing evidence.

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- When the injured employee is released from active medical 2. treatment by the treating physician for all body parts found by the Commission to be injured, or in the event that the employee, without a valid excuse, misses three consecutive medical treatment appointments, fails to comply with medical orders of the treating physician, or otherwise abandons medical care, the employer shall be entitled to terminate temporary total disability by notifying the employee, or if represented, his or her counsel. If, however, an objection to the termination is filed by the employee within ten (10) days of termination, the Commission shall set the matter within twenty (20) days for a determination if temporary total disability compensation shall be reinstated. The temporary total disability shall remain terminated unless the employee proves the existence of a valid excuse for his or her failure to comply with medical orders of the treating physician or his or her abandonment of medical care. The administrative law judge may appoint an independent medical examiner to determine if further medical treatment is reasonable and necessary. The independent medical examiner shall not provide treatment to the injured worker, unless agreed upon by the parties.
 - B. Temporary Partial Disability.
- 1. If the injured employee is temporarily unable to perform his or her job, but may perform alternative work offered by the

- employer, he or she shall be entitled to receive compensation equal to the greater of seventy percent (70%) of the difference between the injured employee's average weekly wage before the injury and his or her weekly wage for performing alternative work after the injury, but only if his or her weekly wage for performing the alternative work is less than the temporary total disability rate.
 - 2. Compensation under this subsection may not exceed fifty-two (52) weeks.
 - 3. If the employee refuses to perform the alternative work offered by the employee, he or she shall not be entitled to benefits under subsection A of this section or under this section.
 - C. Permanent Partial Disability.

1. A permanent partial disability award or combination of awards granted an injured worker may not exceed a permanent partial disability rating of one hundred percent (100%) to any body part or to the body as a whole. The determination of permanent partial disability shall be the responsibility of the Commission through its administrative law judges. Any claim by an employee for compensation for permanent partial disability must be supported by competent medical testimony of a medical doctor, osteopathic physician, or chiropractor, and shall be supported by objective medical findings, as defined in Section 2 of this act title. The opinion of the physician shall include employee's percentage of permanent partial disability and whether or not the disability is

job-related and caused by the accidental injury or occupational disease. A physician's opinion of the nature and extent of permanent partial disability to parts of the body other than scheduled members must be based solely on criteria established by the current edition of the American Medical Association's "Guides to the Evaluation of Permanent Impairment". A copy of any written evaluation shall be sent to both parties within seven (7) days of issuance. Medical opinions addressing compensability and permanent disability must be stated within a reasonable degree of medical certainty. Any party may submit the report of an evaluating The opinion of the treating physician shall have physician. presumptive weight, and the Commission shall base its determination of permanent partial disability on the opinion unless the preponderance of other medical evidence is to the contrary. Nothing in this paragraph shall be construed to restrict either the evidence to be considered by the Commission or the fact-finding prerogative of the Commission.

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2. Permanent partial disability shall not be allowed to a part of the body for which no medical treatment has been received. A determination of Further, permanent partial disability made by the Commission or administrative law judge which is not supported by objective medical findings provided by a treating physician who is a medical doctor, doctor of osteopathy, chiropractor or a qualified independent medical examiner shall be considered an abuse of

discretion shall not be allowed if the injury from which an employee is entitled to receive temporary total disability compensation is a nonsurgical soft tissue injury and the employee returns to work in the same capacity or job title for any employer.

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- 3. The examining physician shall not deviate from the Guides except as may be specifically provided for in the Guides.
- 4. In cases of permanent partial disability, the compensation shall be seventy percent (70%) of the employee's average weekly wage, not to exceed Three Hundred Twenty-three Dollars (\$323.00) per week, for a term not to exceed a total of three hundred fifty (350) weeks for the body as a whole.
- 5. Except pursuant to settlement agreements entered into by the employer and employee, payment of a permanent partial disability award shall be deferred and held in reserve by the employer or insurance company if the employee has reached maximum medical improvement and has been released to return to work by his or her treating physician, and then returns to his pre-injury or equivalent job for a term of weeks determined by dividing the total dollar value of the award by seventy percent (70%) of the employee's average weekly wage.
 - a. The amount of the permanent partial disability award shall be reduced by seventy percent (70%) of the employee's average weekly wage for each week he works in his pre-injury or equivalent job.

b. If, for any reason other than misconduct as defined in Section 2 of this act title, the employer terminates the employee or the position offered is not the preinjury or equivalent job, the remaining permanent partial disability award shall be paid in a lump sum.
If the employee is discharged for misconduct, the employer shall have the burden to prove that the employee engaged in misconduct.
c. If the employee refuses an offer to return to his pre-

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- c. If the employee refuses an offer to return to his preinjury or equivalent job, the permanent partial
 disability award shall continue to be deferred and
 shall be reduced by seventy percent (70%) of the
 employee's average weekly wage for each week he
 refuses to return to his pre-injury or equivalent job.
- d. Attorney fees for permanent partial disability awards, as approved by the Commission, shall be calculated based upon the total permanent partial disability award and paid in full at the time of the deferral.
- e. Assessments pursuant to Sections 31, 98, 112 205 and 165 122 of this act title shall be calculated based upon the amount of the permanent partial disability award and shall be paid at the time of the deferral.
- 6. Previous Disability: The fact that an employee has suffered previous disability or received compensation therefor shall not

preclude the employee from compensation for a later accidental personal injury or occupational disease. In the event there exists a previous permanent partial disability, including a previous non-work-related injury or condition which produced permanent partial disability and the same is aggravated or accelerated by an accidental personal injury or occupational disease, compensation for permanent partial disability shall be only for such amount as was caused by such accidental personal injury or occupational disease and no additional compensation shall be allowed for the preexisting disability or impairment. Any such reduction shall not apply to temporary total disability, nor shall it apply to compensation for medical treatment.

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a. If workers' compensation benefits have previously been awarded through settlement or judicial or administrative determination in Oklahoma, the percentage basis of the prior settlement or award shall conclusively establish the amount of permanent partial disability determined to be preexisting. If workers' compensation benefits have not previously been awarded through settlement or judicial or administrative determination in Oklahoma, the amount of preexisting permanent partial disability shall be established by competent evidence.

b. In all cases, the applicable reduction shall be calculated as follows:

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- (1) if the preexisting impairment is the result of injury sustained while working for the employer against whom workers' compensation benefits are currently being sought, any award of compensation shall be reduced by the current dollar value attributable under the Administrative Workers' Compensation Act to the percentage of permanent partial disability determined to be preexisting. The current dollar value shall be calculated by multiplying the percentage of preexisting permanent partial disability by the compensation rate in effect on the date of the accident or injury against which the reduction will be applied, and
- (2) in all other cases, the employer against whom benefits are currently being sought shall be entitled to a credit for the percentage of preexisting permanent partial disability.
- 7. No payments on any permanent partial disability order shall begin until payments on any preexisting permanent partial disability orders have been completed.

8. The whole body shall represent a maximum of three hundred fifty (350) weeks.

- 9. The permanent partial disability rate of compensation for amputation or permanent total loss of use of a scheduled member specified in Section 46 of this act title shall be seventy percent (70%) of the employee's average weekly wage, not to exceed Three Hundred Twenty-three Dollars (\$323.00), multiplied by the number of weeks set forth for the member in Section 46 of this act title, regardless of whether the injured employee is able to return to his or her pre-injury or equivalent job.
- 10. An injured employee who is eligible for permanent partial disability under this subsection shall be entitled to receive vocational rehabilitation services provided by a technology center or public secondary school offering vocational-technical education courses, or a member institution of The Oklahoma State System of Higher Education, which shall include retraining and job placement to restore the employee to gainful employment. Vocational rehabilitation services or training shall not extend for a period of more than fifty-two (52) weeks.
 - D. Permanent Total Disability.
- 1. In case of total disability adjudged to be permanent, seventy percent (70%) of the employee's average weekly wages, but not in excess of the state's average weekly wage, shall be paid to the employee during the continuance of the disability until such

time as the employee reaches the age of maximum Social Security retirement benefits or for a period of fifteen (15) years, whichever is longer. In the event the claimant dies of causes unrelated to the injury or illness, benefits shall cease on the date of death. Provided, however, any person entitled to revive the action shall receive a one-time lump-sum payment equal to twenty-six (26) weeks of weekly benefits for permanent total disability awarded the claimant. If more than one person is entitled to revive the claim, the lump-sum payment shall be evenly divided between or among such persons. In the event the Commission awards both permanent partial disability and permanent total disability benefits, the permanent total disability award shall not be due until the permanent partial disability award is paid in full. If otherwise qualified according to the provisions of this act, permanent total disability benefits may be awarded to an employee who has exhausted the maximum period of temporary total disability even though the employee has not reached maximum medical improvement.

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2. The Commission shall annually review the status of any employee receiving benefits for permanent total disability against the last employer. The Commission shall require the employee to annually file an affidavit under penalty of perjury stating that he or she is not and has not been gainfully employed and is not capable of gainful employment. Failure to file such affidavit shall result

in suspension of benefits; provided, however, reinstatement of benefits may occur after proper hearing before the Commission.

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- E. 1. The Workers' Compensation Commission shall hire or contract for a Vocational Rehabilitation Director to oversee the vocational rehabilitation program of the Commission.
- The Vocational Rehabilitation Director shall help injured workers return to the work force. If the injured employee is unable to return to his or her pre-injury or equivalent position due to permanent restrictions as determined by the treating physician, upon the request of either party, the Vocational Rehabilitation Director shall determine if it is appropriate for a claimant to receive vocational rehabilitation training or services, and will oversee such training. If appropriate, the Vocational Rehabilitation Director shall issue administrative orders, including, but not limited to, an order for a vocational rehabilitation evaluation for any injured employee unable to work for at least ninety (90) days. In addition, the Vocational Rehabilitation Director may assign injured workers to vocational rehabilitation counselors for coordination of recommended services. The cost of the services shall be paid by the employer. All administrative orders are subject to appeal to the full Commission.
- 3. There shall be a presumption in favor of ordering vocational rehabilitation services or training for an eligible injured employee under the following circumstances:

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- a. if the employee's occupation is truck driver or laborer and the medical condition is traumatic brain injury, stroke or uncontrolled vertigo,
- b. if the employee's occupation is truck driver or laborer performing high-risk tasks and the medical condition is seizures,
- c. if the employee's occupation is manual laborer and the medical condition is bilateral wrist fusions,
- d. if the employee's occupation is assembly-line worker and the medical condition is radial head fracture with surgical excision,
- e. if the employee's occupation is heavy laborer and the medical condition is myocardial infarction with congestive heart failure,
- f. if the employee's occupation is heavy manual laborer and the medical condition is multilevel neck or back fusions greater than two levels,
- g. if the employee's occupation is laborer performing overhead work and the medical condition is massive rotator cuff tears, with or without surgery,
- h. if the employee's occupation is heavy laborer and the medical condition is recurrent inguinal hernia following unsuccessful surgical repair,

1 i. if the employee's occupation is heavy manual laborer 2 and the medical condition is total knee replacement or 3 total hip replacement, if the employee's occupation is roofer and the medical 4 j. 5 condition is calcaneal fracture, medically or surgically treated, 6 7 if the employee's occupation is laborer of any kind k. and the medical condition is total shoulder 8 9 replacement, 10 1. if the employee's occupation is laborer and the 11 medical condition is amputation of a hand, arm, leg, 12 or foot, 1.3 if the employee's occupation is laborer and the m. 14 medical condition is tibial plateau fracture, pilon 15 fracture, 16 if the employee's occupation is laborer and the n. 17 medical condition is ankle fusion or knee fusion, 18 if the employee's occupation is driver or heavy Ο. 19 equipment operator and the medical condition is 20 unilateral industrial blindness, or 2.1 if the employee's occupation is laborer and the p. 22 medical condition is 3-, 4-, or 5-level positive 23 discogram of the cervical spine or lumbar spine, 24 medically treated.

4. Upon the request of either party, or by order of an administrative law judge, the Vocational Rehabilitation Director shall assist the Workers' Compensation Commission in determining if it is appropriate for a claimant to receive vocational rehabilitation training or services. If appropriate, the administrative law judge shall refer the employee to a qualified expert for evaluation of the practicability of, need for and kind of rehabilitation services or training necessary and appropriate in order to restore the employee to gainful employment. The cost of the evaluation shall be paid by the employer. Following the evaluation, if the employee refuses the services or training ordered by the administrative law judge, or fails to complete in good faith the vocational rehabilitation training ordered by the administrative law judge, then the cost of the evaluation and services or training rendered may, in the discretion of the administrative law judge, be deducted from any award of benefits to the employee which remains unpaid by the employer. Upon receipt of such report, and after affording all parties an opportunity to be heard, the administrative law judge shall order that any rehabilitation services or training, recommended in the report, or such other rehabilitation services or training as the administrative law judge may deem necessary, provided the employee elects to receive such services, shall be provided at the expense of the employer. Except as otherwise provided in this subsection, refusal to accept rehabilitation

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services by the employee shall in no way diminish any benefits allowable to an employee.

- 5. The administrative law judge may order vocational rehabilitation before the injured employee reaches maximum medical improvement, if the treating physician believes that it is likely that the employee's injury will prevent the employee from returning to his or her former employment. In granting early benefits for vocational rehabilitation, the Commission shall consider temporary restrictions and the likelihood that such rehabilitation will return the employee to gainful employment earlier than if such benefits are granted after the permanent partial disability hearing in the claim.
- 6. Vocational rehabilitation services or training shall not extend for a period of more than fifty-two (52) weeks. A request for vocational rehabilitation services or training shall be filed with the Commission by an interested party not later than sixty (60) days from the date of receiving permanent restrictions that prevent the injured employee from returning to his or her pre-injury or equivalent position.
- 7. If rehabilitation requires residence at or near the facility or institution which is away from the employee's customary residence, reasonable cost of the employee's board, lodging, travel, tuition, books and necessary equipment in training shall be paid for by the insurer in addition to weekly compensation benefits to which

- 1 the employee is otherwise entitled under the Administrative Workers'
 2 Compensation Act.
 - 8. During the period when an employee is actively and in good faith being evaluated or participating in a retraining or job placement program for purposes of evaluating permanent total disability status, the employee shall be entitled to receive benefits at the same rate as the employee's temporary total disability benefits for an additional fifty-two (52) weeks. All tuition related to vocational rehabilitation services shall be paid by the employer or the employer's insurer on a periodic basis directly to the facility providing the vocational rehabilitation services or training to the employee. The employer or employer's insurer may deduct the amount paid for tuition from compensation awarded to the employee.
 - F. Disfigurement.

- 1. If an injured employee incurs serious and permanent disfigurement to any part of the body, the Commission may award compensation to the injured employee in an amount not to exceed Fifty Thousand Dollars (\$50,000.00).
- No award for disfigurement shall be entered until twelve
 months after the injury.
- 3. An injured employee shall not be entitled to compensation under this subsection if he or she receives an award for permanent partial disability to the same part of the body.

G. Benefits for a single-event injury shall be determined by the law in effect at the time of injury. Benefits for a cumulative trauma injury or occupational disease or illness shall be determined by the law in effect at the time the employee knew or reasonably should have known that the injury, occupational disease or illness was related to work activity. Benefits for death shall be determined by the law in effect at the time of death.

- 8 SECTION 4. AMENDATORY Section 47, Chapter 208, O.S.L.
 9 2013 (85A O.S. Supp. 2016, Section 47), is amended to read as
 10 follows:
 - Section 47. A. Time of death. If death does not result within one (1) year from the date of the accident or within the first three (3) years of the period for compensation payments fixed by the compensation judgment, a rebuttable presumption shall arise that the death did not result from the injury.
 - B. Common law spouse. A common law spouse shall not be entitled to benefits under this section unless he or she obtains an order from a court with competent jurisdiction ruling that a common law marriage existed between the decedent and the surviving spouse.
 - C. Beneficiaries Amounts. If an injury or occupational illness causes death, weekly income benefits shall be payable as follows:
- 1. If there is a surviving spouse, a lump-sum payment of One
 Hundred Thousand Dollars (\$100,000.00) and seventy percent (70%) of

the lesser of the deceased employee's average weekly wage and the state average weekly wage. In addition to the benefits theretofore paid or due, two (2) years' indemnity benefit in one lump sum shall be payable to a surviving spouse upon remarriage;

- 2. If there is a surviving spouse and a child or children, a lump-sum payment of Twenty-five Thousand Dollars (\$25,000.00) and fifteen percent (15%) of the lesser of the deceased employee's average weekly wage and the state average weekly wage to each child. If there are more than two children, each child shall receive a pro rata share of Fifty Thousand Dollars (\$50,000.00) and thirty percent (30%) of the deceased employee's average weekly wage;
- 3. If there is a child or children and no surviving spouse, a lump-sum payment of Twenty-five Thousand Dollars (\$25,000.00) and fifty percent (50%) of the lesser of the deceased employee's average weekly wage and the state average weekly wage to each child. If there are more than two children, each child shall receive a pro rata share of one hundred percent (100%) of the lesser of the deceased employee's average weekly wage and the state average weekly wage. With respect to the lump-sum payment, if there are more than six children, each child shall receive a pro rata share of One Hundred Fifty Thousand Dollars (\$150,000.00);
- 4. If there is no surviving spouse or children, each legal guardian, if financially dependent on the employee at the time of death, shall receive twenty-five percent (25%) of the lesser of the

- deceased employee's average weekly wage and the state average weekly
 wage until the earlier of death, becoming eligible for social
 security, obtaining full-time employment, or five (5) years from the
 date benefits under this section begin; and
 - 5. The employer shall pay the actual funeral expenses, not exceeding the sum of Ten Thousand Dollars (\$10,000.00).

- D. The weekly income benefits payable to the surviving spouse under this section shall continue while the surviving spouse remains unmarried, but for no longer than five hundred twenty (520) weeks.

 In no event shall this spousal weekly income benefit be diminished by the award to other beneficiaries. The weekly income benefits payable to any child under this section shall terminate on the earlier of death, marriage, or reaching the age of eighteen (18).

 However, if the child turns eighteen (18) and is:
- 1. Enrolled as a full-time student in high school or is being schooled by other means pursuant to the Oklahoma Constitution;
- 2. Enrolled as a full-time student in any accredited institution of higher education or vocational or technology education; or
- 3. Physically or mentally incapable of self-support, then he or she may continue to receive weekly income benefits under this section until the earlier of reaching the age of twenty-three (23) or, with respect to paragraphs 1 and 2 of this subsection, no

1 longer being enrolled as a student, and with respect to paragraph 3
2 of this subsection, becoming capable of self-support.

- E. If any member of the class of beneficiaries who receive a pro rata share of weekly income benefits becomes ineligible to continue to receive benefits, the remaining members of the class shall receive adjusted weekly income benefits equal to the new class size.
- F. To receive benefits under this section, a beneficiary or his or her guardian, if applicable, shall file a proof of loss form with the Commission. All questions of dependency shall be determined as of the time of the injury. The employer shall initiate payment of benefits within fifteen (15) days of the Commission's determination of the proper beneficiaries. The Commission shall appoint a guardian ad litem to represent known and unknown minor children and the guardian ad litem shall be paid a reasonable fee for his or her services.
- SECTION 5. AMENDATORY Section 68, Chapter 208, O.S.L. 2013 (85A O.S. Supp. 2016, Section 68), is amended to read as follows:
- Section 68. A. Unless an employee gives oral or written notice to the employer within thirty (30) days of the date an injury occurs, the rebuttable presumption shall be that the injury was not work-related. Such presumption must be overcome by a preponderance of the evidence.

B. Unless an employee gives oral or written notice to the employer within thirty (30) days of the employee's separation from last day of employment, there shall be a rebuttable presumption that an occupational disease or cumulative trauma injury did not arise out of and in the course of employment. Such presumption must be overcome by a preponderance of the evidence.

- SECTION 6. AMENDATORY Section 153, Chapter 208, O.S.L. 2013 (85A O.S. Supp. 2016, Section 110), is amended to read as follows:
- Section 110. A. The Workers' Compensation Commission shall develop an alternative dispute resolution program which affords an injured employee the opportunity to obtain benefits by request or informal procedure. The program shall include an increased emphasis on making mediation and other alternative dispute resolution programs affordable and convenient to an injured employee not represented by counsel.
- B. Participation in an alternative dispute resolution program is not a prerequisite to the commencement of a claim for benefits under this act. A request for alternative dispute resolution or a consent to participate in such program does not invoke the jurisdiction of the Commission.
- C. Mediation shall be voluntary, informal, and nonbinding in any claim arising pursuant to the provisions of this act, except for claims against the Multiple Injury Trust Fund and medical treatment

issues subject to a certified workplace medical plan. Provided, however, the parties may waive mediation and proceed directly to an administrative hearing.

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- D. A Commission mediator, appointed by the Commission, shall conduct an informal mediation between the parties in regard to claims for a closed period of lost time where the employee has returned to work, for medical benefits only, for reimbursement of travel expenses and medical treatment, in cases in which the employee is not represented by an attorney, or there is no record of insurance coverage. Such mediation shall be conducted by the Commission mediator within thirty (30) days of the filing of a request for any such benefit.
- E. Upon the filing of a request for an administrative hearing on issues not specifically listed in subsection D of this section, the Commission shall set the case for prehearing before the assigned judge within fifteen (15) days. At the prehearing, the administrative law judge shall accept a waiver of mediation by the parties or appoint a mediator and issue an order reflecting such appointment. The mediator shall contact the parties and schedule a mediation session within thirty (30) days of such order, unless otherwise agreed to by the parties.
- F. Mediation is confidential and no part of the proceeding shall be considered a matter of public record. Recommendations of the mediator are not binding unless the parties enter into a

settlement agreement. If an agreement is not reached, the results and statements made during the mediation are not admissible in any following proceeding.

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- G. The Commission shall be responsible for certifying those persons who are eligible and qualified to serve as mediators. An individual may be certified as a mediator if the applicant meets the qualifications as required by the Commission. A certified mediator may be an attorney or nonattorney who has worked in the area of Oklahoma workers' compensation benefits for at least five (5) years. Mediators serving as Commission-certified mediators on the effective date of this section shall serve the remainder of their respective five-year certification periods and may reapply for successive certification periods.
- H. Each certified mediator shall remain on the list for five

 (5) years, unless removed. Mediators shall be required to complete

 at least six (6) hours of continuing education per two-year period

 in the areas of mediation and workers' compensation. Proof of

 compliance with this requirement shall be submitted to the

 Commission. This continuing education requirement shall be in

 addition to any other such general requirement which may be required

 by the Oklahoma State Bar Association. Cost of continuing education

 is to be borne by the applicant.
- I. Mediators shall be compensated at the rate or fee as determined by the mediator; provided, however, the rate or fee shall

not exceed a maximum rate to be established by the Commission by rule Five Hundred Dollars (\$500.00). The cost of mediation shall be paid by the respondent or its insurance carrier. A mediator must schedule mediations for a minimum two-hour block of time, and may not schedule more than one mediation to take place at a time.

- J. At the time of a mediation, the claimant shall be in attendance unless all parties agree, and all parties shall be represented during the entire mediation session by a person with full settlement authority to settle any issue of the claim. If a party does not have full settlement authority, or does not participate in good faith in the mediation process, the mediator shall report to the assigned administrative law judge of the Commission who may for good cause shown assess costs, attorney fees, and sanctions.
- K. To encourage early resolution of claims, an injured employee may participate in mediation without counsel. Upon compromise settlement of the claim, the parties may submit the settlement agreement to any administrative law judge for final approval.

19 SECTION 7. This act shall become effective November 1, 2017.

56-1-6624 SD 12/27/16