1	STATE OF OKLAHOMA						
2	2nd Session of the 55th Legislature (2016)						
3	CONFERENCE COMMITTEE						
4	SUBSTITUTE FOR ENGROSSED						
5	HOUSE BILL NO. 2205 By: Echols of the House						
6	and						
7	Sykes of the Senate						
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11	CONFERENCE COMMITTEE SUBSTITUTE						
12	An Act relating to workers' compensation; amending Sections 2, 3, 7, 18, 19, as amended by Section 4, H.J.R. No. 1096, p. 1745, O.S.L. 2014, 21, 22, 45, as amended by Section 2, Chapter 390, O.S.L. 2015, 46,						
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14	56, 62, 68, 71, 78, 80, 98, as amended by Section 4, Chapter 169, O.S.L. 2014, 99, as amended by Section						
15	5, Chapter 169, O.S.L. 2014, 108, 109, 110, as amended by Section 4, Chapter 390, O.S.L. 2015, 111,						
16	112, as amended by Section 5, Chapter 390, O.S.L. 2015, 113 and 118, as amended by Section 6, Chapter						
17	390, O.S.L. 2015, Chapter 208, O.S.L. 2013 (85A O.S. Supp. 2015, Sections 2, 3, 7, 18, 19, 21, 22, 45, 46,						
18	62, 68, 71, 78, 80, 98, 99, 201, 202, 203, 204, 205, 206 and 211), which relate to the Administrative						
19	Workers' Compensation Act and the Oklahoma Employee Injury Benefit Act; modifying definitions; clarifying						
20	applicability of act; modifying jurisdictional requirement for certain claims; establishing						
21	liability for damages for certain violations; specifying burden of proof for certain violations;						
22	expanding methods of providing certain notice; modifying procedure for replacement of disqualified						
23	Commissioners; modifying certain powers of the Commission; modifying duties of the Commission;						
24	<pre>modifying appeals process; modifying requirements for award of temporary total disability; modifying</pre>						

1 requirements for award of permanent partial disability; modifying calculation for specified 2 permanent partial disability; providing employer options regarding treating physicians; modifying time 3 limit for certain notice; providing consequences for failure to give timely notice; modifying definitions; modifying procedures for application for certain 4 employer status; requiring certain notice; providing 5 procedure for Affidavit of Exempt Status; requiring issuance of certain certificate; modifying procedures for confirmation of certain status; modifying 6 procedures for certain notification; specifying fee 7 schedule for certain groups; modifying threshold for certain assessment; modifying assessment rate; providing for transfer of certain security; stating 8 purpose; providing for transfer of excess proceeds; 9 modifying requirements for certain benefit plans; clarifying applicability of certain insurance 10 coverage; conforming language; modifying procedures for appeal of denial of certain claims; requiring maintenance of certain records; requiring certain 11 notice; establishing filing fee for certain appeals; 12 providing for codification; and providing an effective date. 13 14 15 16 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA: 17 Section 2, Chapter 208, O.S.L. SECTION 1. AMENDATORY 18 2013 (85A O.S. Supp. 2015, Section 2), is amended to read as 19 follows: 20 Section 2. As used in the Administrative Workers' Compensation 21 Act: 22 1. "Actually dependent" means a surviving spouse, a child or 23 any other person who receives one-half (1/2) or more of his or her 24 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;

6 3. "Case management" means the ongoing coordination, by a case 7 manager, of health care services provided to an injured or disabled worker, including but not limited to systematically monitoring the 8 9 treatment rendered and the medical progress of the injured or 10 disabled worker; ensuring that any treatment plan follows all 11 appropriate treatment protocols, utilization controls and practice 12 parameters; assessing whether alternative health care services are 13 appropriate and delivered in a cost-effective manner based upon 14 acceptable medical standards; and ensuring that the injured or 15 disabled worker is following the prescribed health care plan;

16 4. "Case manager" means a person who is a registered nurse with 17 a current, active unencumbered license from the Oklahoma Board of 18 Nursing, or possesses one or more of the following certifications 19 which indicate the individual has a minimum number of years of case 20 management experience, has passed a national competency test and 21 regularly obtains continuing education hours to maintain 22 certification:

a. Certified Disability Management Specialist (CDMS),
b. Certified Case Manager (CCM),

- 1 c. Certified Rehabilitation Registered Nurse (CRRN),
 - 2 d. Case Manager Certified (CMC),
- 3 e. Certified Occupational Health Nurse (COHN), or

Certified Occupational Health Nurse Specialist (COHN-

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6 "Certified workplace medical plan" means an organization of 5. 7 health care providers or any other entity, certified by the State Commissioner of Health, that is authorized to enter into a 8 9 contractual agreement with an employer, group self-insurance 10 association plan, an employer's workers' compensation insurance 11 carrier, third-party administrator or an insured to provide medical 12 care under the Administrative Workers' Compensation Act. Certified 13 plans shall only include plans which provide medical services and 14 payment for services on a fee-for-service basis to medical 15 providers;

16 6. "Child" means a natural or adopted son or daughter of the 17 employee under eighteen (18) years of age; or a natural or adopted 18 son or daughter of an employee eighteen (18) years of age or over 19 who is physically or mentally incapable of self-support; or any 20 natural or adopted son or daughter of an employee eighteen (18) 21 years of age or over who is actually dependent; or any natural or 22 adopted son or daughter of an employee between eighteen (18) and 23 twenty-three (23) years of age who is enrolled as a full-time 24 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;

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; 8 9 9. "Compensable injury" means damage or harm to the a. 10 physical structure of the body, or prosthetic 11 appliances, including eyeglasses, contact lenses, or 12 hearing aids, caused solely as the result of either an 13 accident, cumulative trauma or occupational disease 14 arising out of the course and scope of employment. An 15 "accident" means an event involving factors external 16 to the employee that:

17 (1) was unintended, unanticipated, unforeseen,
 18 unplanned and unexpected,

19 (2) occurred at a specifically identifiable time and
 20 place,

21 (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:

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1 (1)injury to any active participant in assaults or 2 combats which, although they may occur in the 3 workplace, are the result of non-employment-4 related hostility or animus of one, both, or all 5 of the combatants and which assault or combat 6 amounts to a deviation from customary duties; 7 provided, however, injuries caused by horseplay shall not be considered to be compensable 8 9 injuries, except for innocent victims, 10 (2) injury incurred while engaging in or performing or as the result of engaging in or performing any 11 12 recreational or social activities for the 13 employee's personal pleasure, 14 (3) injury which was inflicted on the employee at a 15 time when employment services were not being 16 performed or before the employee was hired or 17 after the employment relationship was terminated, 18 (4) injury where the accident was caused by the use 19 of alcohol, illegal drugs, or prescription drugs 20 used in contravention of physician's orders. If, 21 within twenty-four (24) hours of being injured or 22 reporting an injury, an employee tests positive 23 for intoxication, an illegal controlled 24 substance, or a legal controlled substance used

1 in contravention to a treating physician's 2 orders, or refuses to undergo the drug and 3 alcohol testing, there shall be a rebuttable 4 presumption that the injury was caused by the use 5 of alcohol, illegal drugs, or prescription drugs 6 used in contravention of physician's orders. 7 This presumption may only be overcome if the employee proves by objective, clear and 8 9 convincing evidence that his or her state of 10 intoxication had no causal relationship to the 11 injury, 12 any strain, degeneration, damage or harm to, or (5) 13 disease or condition of, the eye or 14 musculoskeletal structure or other body part 15 resulting from the natural results of aging, 16 osteoarthritis, arthritis, or degenerative

degenerative joint disease, degenerative disc disease, degenerative spondylosis/spondylolisthesis and spinal stenosis, or (6) any preexisting condition except when the treating physician clearly confirms an

process including, but not limited to,

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1 identifiable and significant aggravation incurred 2 in the course and scope of employment. The definition of "compensable injury" shall not be 3 с. 4 construed to limit or abrogate the right to recover 5 for mental injuries as described in Section 13 of this act title, heart or lung injury or illness as 6 7 described in Section 14 of this act title, or occupational diseases as described in Section 65 of 8 9 this act title. 10 d. A compensable injury shall be established by medical 11 evidence supported by objective findings as defined in 12 paragraph $\frac{30}{30}$ 31 of this section. 13 The injured employee shall prove by a preponderance of e. 14 the evidence that he or she has suffered a compensable 15 injury. 16 f. Benefits shall not be payable for a condition which 17 results from a non-work-related independent 18 intervening cause following a compensable injury which 19 causes or prolongs disability, aggravation, or 20 requires treatment. A non-work-related independent 21 intervening cause does not require negligence or 22 recklessness on the part of a claimant. 23 An employee who suffers a compensable injury shall be q. 24 entitled to receive compensation as prescribed in this

1 act. Notwithstanding other provisions of law, if it 2 is determined that a compensable injury did not occur, 3 the employee shall not be entitled to compensation 4 under this act;

5 10. "Compensation" means the money allowance payable to the 6 employee or to his or her dependents and includes the medical 7 services and supplies provided for in Section 50 of this act <u>title</u> 8 and funeral expenses;

9 11. "Consequential injury" means injury or harm to a part of 10 the body that is a direct result of the injury or medical treatment 11 to the part of the body originally injured in the claim. The 12 Commission shall not make a finding of a consequential injury unless 13 it is established by objective medical evidence that medical 14 treatment for such part of the body is required;

15 12. "Continuing medical maintenance" means medical treatment 16 that is reasonable and necessary to maintain claimant's condition 17 resulting from the compensable injury or illness after reaching 18 maximum medical improvement. Continuing medical maintenance shall 19 not include diagnostic tests, surgery, injections, counseling, 20 physical therapy, or pain management devices or equipment;

21 13. "Course and scope of employment" means an activity of any 22 kind or character for which the employee was hired and that relates 23 to and derives from the work, business, trade or profession of an 24 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:

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place of employment,

an employee's transportation to and from his or her

- 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
- 16 d. any injury occurring while an employee is on a work
 17 break, unless the injury occurs while the employee is
 18 on a work break inside the employer's facility and the
 19 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, 1 exacerbated or accelerated by the employee's course and scope of employment. Cumulative trauma shall have resulted directly and 2 independently of all other causes and. Unless the employee shall 3 4 have completed at least one hundred eighty (180) days of continuous 5 active employment with the employer, there shall be a rebuttable presumption that the cumulative trauma did not result in the course 6 7 and scope of employment, subject to clear and convincing evidence to 8 the contrary;

9 15. "Death" means only death resulting from compensable injury10 as defined in paragraph 9 of this section;

11 16. "Disability" means incapacity because of compensable injury 12 to earn, in the same or any other employment, substantially the same 13 amount of wages the employee was receiving at the time of the 14 compensable injury;

15 17. "Drive-away operations" includes every person engaged in 16 the business of transporting and delivering new or used vehicles by 17 driving, either singly or by towbar, saddle-mount or full-mount 18 method, or any combination thereof, with or without towing a 19 privately owned vehicle;

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18. a. "Employee" means any person, including a minor, in the
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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:

16	(1)	any person for whom an employer is liable under
17		any Act of Congress for providing compensation to
18		employees for injuries, disease or death arising
19		out of and in the course of employment including,
20		but not limited to, the Federal Employees'
21		Compensation Act, the Federal Employers'
22		Liability Act, the Longshore and Harbor Workers'
23		Compensation Act and the Jones Act, to the extent
24		his or her employees are subject to such acts,

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1	(2)	any person who is employed in agriculture or
2		horticulture by an employer who had a gross
3		annual payroll in the preceding calendar year of
4		less than One Hundred Thousand Dollars
5		(\$100,000.00) wages for agricultural or
6		horticultural workers, or any person who is
7		employed in agriculture or horticulture who is
8		not engaged in operation of motorized machines,
9	(3)	any person who is a licensed real estate sales
10		associate or broker, paid on a commission basis,
11	(4)	any person who is providing services in a medical
12		care or social services program, or who is a
13		participant in a work or training program,
14		administered by the Department of Human Services,
15		unless the Department is required by federal law
16		or regulations to provide workers' compensation
17		for such person. This division shall not be
18		construed to include nursing homes,
19	(5)	any person employed by an employer with five or
20		fewer total employees, all of whom are related by
21		blood or marriage to the employer, if the
22		employer is a natural person or a general or
23		limited partnership, or an incorporator of a
24		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,
- 5 (7) sole proprietors, members of a partnership, 6 individuals who are party to a franchise 7 agreement as set out by the Federal Trade 8 Commission franchise disclosure rule, 16 CFR 9 436.1 through 436.11, members of a limited 10 liability company who own at least ten percent 11 (10%) of the capital of the limited liability 12 company or any stockholder-employees of a 13 corporation who own ten percent (10%) or more 14 stock in the corporation, unless they elect to be 15 covered by a policy of insurance covering 16 benefits under the Administrative Workers' 17 Compensation Act,
- 18 (8) any person providing or performing voluntary
 19 service who receives no wages for the services
 20 other than meals, drug or alcohol rehabilitative
 21 therapy, transportation, lodging or reimbursement
 22 for incidental expenses except for volunteers
 23 specifically provided for in subparagraph a of
 24 this paragraph,

1 (9) a person, commonly referred to as an owner-2 operator, who owns or leases a truck-tractor or 3 truck for hire, if the owner-operator actually 4 operates the truck-tractor or truck and if the 5 person contracting with the owner-operator is not 6 the lessor of the truck-tractor or truck. 7 Provided, however, an owner-operator shall not be precluded from workers' compensation coverage 8 9 under the Administrative Workers' Compensation 10 Act if the owner-operator elects to participate 11 as a sole proprietor,

12 (10)a person referred to as a drive-away owner-13 operator who privately owns and utilizes a tow 14 vehicle in drive-away operations and operates 15 independently for hire, if the drive-away owner-16 operator actually utilizes the tow vehicle and if 17 the person contracting with the drive-away owner-18 operator is not the lessor of the tow vehicle. 19 Provided, however, a drive-away owner-operator 20 shall not be precluded from workers' compensation 21 coverage under the Administrative Workers' 22 Compensation Act if the drive-away owner-operator 23 elects to participate as a sole proprietor, and

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(11) 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 (\$50,000.00) for such workers;

7 "Employer" means a person, partnership, association, 19. limited liability company, corporation, and the legal 8 9 representatives of a deceased employer, or the receiver or trustee 10 of a person, partnership, association, corporation, or limited 11 liability company, departments, instrumentalities and institutions 12 of this state and divisions thereof, counties and divisions thereof, 13 public trusts, boards of education and incorporated cities or towns 14 and divisions thereof, employing a person included within the term 15 "employee" as defined in this section. Employer may also mean the 16 employer's workers' compensation insurance carrier, if applicable. 17 Except as provided otherwise, this act applies to all public and 18 private entities and institutions. Employer shall not include a 19 qualified employer with an employee benefit plan as provided under 20 the Oklahoma Employee Injury Benefit Act in Sections 107 200 through 21 120 213 of this act title;

22 20. "Employment" includes work or labor in a trade, business, 23 occupation or activity carried on by an employer or any authorized

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voluntary or uncompensated worker rendering services as a
 firefighter, peace officer or emergency management worker;

3 21. "Evidence-based" means expert-based, literature-supported 4 and outcomes validated by well-designed randomized trials when such 5 information is available and which uses the best available evidence 6 to support medical decision making;

7 22. "Gainful employment" means the capacity to perform
8 employment for wages for a period of time that is not part-time,
9 occasional or sporadic;

10 23. "Impaired self-insurer" means a private self-insurer or 11 group self-insurance association that fails to pay its workers' 12 compensation obligations, or is financially unable to do so and is 13 the subject of any proceeding under the Federal Bankruptcy Reform 14 Act of 1978, and any subsequent amendments or is the subject of any 15 proceeding in which a receiver, custodian, liquidator, 16 rehabilitator, trustee or similar officer has been appointed by a 17 court of competent jurisdiction to act in lieu of or on behalf of 18 the self-insurer;

19 24. "Incapacity" means inadequate strength or ability to 20 perform a work-related task;

21 25. "Insurance Commissioner" means the Insurance Commissioner
22 of the State of Oklahoma;

23 26. "Insurance Department" means the Insurance Department of 24 the State of Oklahoma;

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1 27. "Major cause" means more than fifty percent (50%) of the 2 resulting injury, disease or illness. A finding of major cause 3 shall be established by a preponderance of the evidence. A finding 4 that the workplace was not a major cause of the injury, disease or 5 illness shall not adversely affect the exclusive remedy provisions 6 of this act and shall not create a separate cause of action outside 7 this act;

8 28. "Maximum medical improvement" means that no further 9 material improvement would reasonably be expected from medical 10 treatment or the passage of time;

11 29. "Medical services" means those services specified in 12 Section 50 of this act title;

13 30. "Misconduct" shall include the following:

- 14 a. unexplained absenteeism or tardiness,
- b. willful or wanton indifference to or neglect of the
 duties required,
- c. willful or wanton breach of any duty required by the
 employer,
- d. the mismanagement of a position of employment by
 action or inaction,
- e. actions or omissions that place in jeopardy the
 health, life, or property of self or others,
- 23 f. dishonesty,
- 24 g. wrongdoing,

1		h.	viol	ation	n of a law, or		
2		i.	a vi	a violation of a policy or rule adopted to ensure			
3			orde	orderly work or the safety of self or others;			
4	31.	a.	(1)	"Obj	ective findings" are those findings which		
5				cann	not come under the voluntary control of the		
6				pati	.ent.		
7			(2)	(a)	When determining permanent disability, a		
8					physician, any other medical provider, an		
9					administrative law judge, the Commission or		
10					the courts shall not consider complaints of		
11					pain.		
12				(b)	For the purpose of making permanent		
13					disability ratings to the spine, physicians		
14					shall use criteria established by the most		
15					current edition of the American Medical		
16					Association "Guides to the Evaluation of		
17					Permanent Impairment".		
18			(3)	(a)	Objective evidence necessary to prove		
19					permanent disability in occupational hearing		
20					loss cases may be established by medically		
21					recognized and accepted clinical diagnostic		
22					methodologies, including, but not limited		
23					to, audiological tests that measure air and		
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1 bone conduction thresholds and speech 2 discrimination ability. 3 (b) Any difference in the baseline hearing 4 levels shall be confirmed by subsequent 5 testing; provided, however, such test shall 6 be given within four (4) weeks of the 7 initial baseline hearing level test but not before five (5) days after being adjusted 8 9 for presbycusis. 10 b. Medical opinions addressing compensability and 11 permanent disability shall be stated within a 12 reasonable degree of medical certainty; 13 32. "Official Disability Guidelines" or "ODG" means the current 14 edition of the Official Disability Guidelines and the ODG Treatment 15 in Workers' Comp as published by the Work Loss Data Institute; 16 "Permanent disability" means the extent, expressed as a 33. 17 percentage, of the loss of a portion of the total physiological 18 capabilities of the human body as established by competent medical 19 evidence and based on the current edition of the American Medical 20 Association guides to the evaluation of impairment, if the 21 impairment is contained therein; 22 "Permanent partial disability" means a permanent disability 34. 23 loss of use after maximum medical improvement has been reached 24 which prevents the injured employee, who has been released to return

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1 to work by the treating physician, from returning to his or her pre-2 injury or equivalent job. All evaluations of permanent partial 3 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;

11 36. "Preexisting condition" means any illness, injury, disease, 12 or other physical or mental condition, whether or not work-related, 13 for which medical advice, diagnosis, care or treatment was 14 recommended or received preceding the date of injury;

15 37. "Pre-injury or equivalent job" means the job that the 16 claimant was working for the employer at the time the injury 17 occurred or any other employment offered by the claimant's employer 18 that pays at least one hundred percent (100%) of the employee's 19 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;

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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;

4 40. "Scheduled member" or "member" means hands, fingers, arms,
5 legs, feet, toes, and eyes. In addition, for purposes of the
6 Multiple Injury Trust Fund only, "scheduled member" means hearing
7 impairment the body parts listed in Section 46 of this title which
8 are amputated or have permanent total loss of use;

9 41. "Scientifically based" involves the application of 10 rigorous, systematic, and objective procedures to obtain reliable 11 and valid knowledge relevant to medical testing, diagnoses and 12 treatment; is adequate to justify the general conclusions drawn; and 13 has been accepted by a peer-review journal or approved by a panel of 14 independent experts through a comparably rigorous, objective, and 15 scientific review;

16 42. "State average weekly wage" means the state average weekly 17 wage determined by the Oklahoma Employment Security Commission in 18 the preceding calendar year. If such determination is not 19 available, the Commission shall determine the wage annually after 20 reasonable investigation;

21 43. "Subcontractor" means a person, firm, corporation or other 22 legal entity hired by the general or prime contractor to perform a 23 specific task for the completion of a work-related activity;

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44. "Surgery" does not include an injection, or the forcing of
 2 fluids beneath the skin, for treatment or diagnosis;

3 45. "Surviving spouse" means the employee's spouse by reason of 4 a legal marriage recognized by the State of Oklahoma or under the 5 requirements of a common law marriage in this state, as determined 6 by the Workers' Compensation Commission;

7 46. "Temporary partial disability" means an injured employee 8 who is temporarily unable to perform his or her job, but may perform 9 alternative work offered by the employer;

10 47. "Time of accident" or "date of accident" means the time or 11 date of the occurrence of the accidental incident from which 12 compensable injury, disability, or death results; and

13 48. <u>"Total loss of use" means a one-hundred-percent permanent</u> 14 partial disability rating to the specific body part; and

15 <u>49.</u> "Wages" means money compensation received for employment at 16 the time of the accident, including the reasonable value of board, 17 rent, housing, lodging, or similar advantage received from the 18 employer and includes the amount of tips required to be reported by 19 the employer under Section 6053 of the Internal Revenue Code and the 20 regulations promulgated pursuant thereto or the amount of actual 21 tips reported, whichever amount is greater.

SECTION 2. AMENDATORY Section 3, Chapter 208, O.S.L. 23 2013 (85A O.S. Supp. 2015, Section 3), is amended to read as 24 follows:

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1	Section 3. A. Every employer and every employee, unless
2	otherwise specifically provided in this act, shall be subject and
3	bound to the provisions of the Administrative Workers' Compensation
4	Act shall pay or provide benefits according to the provisions of
5	this act for the accidental injury or death of an employee arising
6	out of and in the course of his or her employment, without regard to
7	fault for such injury, if the employee's contract of employment was
8	made or if the injury occurred within this state. If an employee
9	makes claim for an injury in another jurisdiction and a final
10	adjudication is entered in the case, the employee is precluded from
11	his or her right of action under the Administrative Workers'
12	Compensation Act of this state. If the employee brings an action in
13	this state prior to a final adjudication in another jurisdiction,
14	any receipt of benefits in the other jurisdiction shall not bar the
15	action in this state; provided, however, in no event shall the
16	Workers' Compensation Commission grant benefits that duplicate those
17	paid by the employer or insurance carrier in the other jurisdiction.
18	However, nothing Nothing in this act shall be construed to conflict
19	with any valid Act of Congress governing the liability of employers
20	for injuries received by their employees.
21	B. The State of Oklahoma accepts the provisions of the Acts of
22	Congress designated as 40 U.S.C., Section 3172, formerly 40 U.S.C.,
23	Section 290, and hereby extends the territorial jurisdiction of the
24	Administrative Workers' Compensation Act to all lands and premises

1 within the exterior boundaries of this state which the Government of 2 the United States of America owns or holds by deed or act of 3 cession, and to all purchases, projects, buildings, constructions, 4 improvements and property within the exterior boundaries of this 5 state belonging to the Government of the United States of America, in the same way and to the same extent as if the premises were under 6 7 the exclusive jurisdiction of this state, subject only to the 8 limitations placed thereon by the Acts of Congress. 9 C. This act shall apply only to claims for injuries and death based on accidents which occur on or after the effective date of 10 11 this act February 1, 2014. 12 C. D. The Workers' Compensation Code in effect before the 13 effective date of this act February 1, 2014, shall govern all rights 14 in respect to claims for injuries and death based on accidents 15 occurring before the effective date of this act February 1, 2014. 16 SECTION 3. Section 7, Chapter 208, O.S.L. AMENDATORY 17 2013 (85A O.S. Supp. 2015, Section 7), is amended to read as 18 follows: 19 Section 7. A. An employer may not discriminate or retaliate 20 against an employee when the employee has in good faith: 21 1. Filed a claim under this act; 22 2. Retained a lawyer for representation regarding a claim under 23 this act; 24

1 3. Instituted or caused to be instituted any proceeding under 2 the provisions of this act; or 3 4. Testified or is about to testify in any proceeding under the provisions of this act. 4 5 Β. The Commission shall have exclusive jurisdiction to hear and decide claims based on subsection A of this section. 6 7 C. If the Commission determines that the defendant violated subsection A of this section, the Commission may award the employee 8 9 back pay up to a maximum of One Hundred Thousand Dollars 10 (\$100,000.00) If a district court of this state determines that an 11 employer violated a provision of this section, such employer shall 12 be liable for reasonable compensatory damages suffered by an 13 employee as a result of the violation. The employee shall have the 14 burden of proof to show such violation by a preponderance of the 15 evidence. Interim earnings or amounts earnable with reasonable 16 diligence by the person discriminated against shall reduce the back 17 pay compensatory damages otherwise allowable. Exemplary or punitive 18 damage awards made pursuant to this section shall not exceed One 19 Hundred Thousand Dollars (\$100,000.00). 20 D. C. The prevailing party shall be entitled to recover costs 21 and a reasonable attorney fee. 22 E. D. No employer may discharge an employee during a period of 23 temporary total disability for the sole reason of being absent from 24

work or for the purpose of avoiding payment of temporary total
 disability benefits to the injured employee.

3 F. E. Notwithstanding any other provision of this section, an
4 employer shall not be required to rehire or retain an employee who,
5 after temporary total disability has been exhausted, is determined
6 by a physician to be physically unable to perform his or her
7 assigned duties, or whose position is no longer available.

8 G. F. This section shall not be construed as establishing an
9 exception to the employment at will doctrine.

H. G. The remedies provided for in this section shall be exclusive with respect to any claim arising out of the conduct described in subsection A of this section.

SECTION 4. AMENDATORY Section 18, Chapter 208, O.S.L. (85A O.S. Supp. 2015, Section 18), is amended to read as follows:

16 Section 18. A. No hospital, physician, or other health care 17 provider shall bill or attempt to collect any fee or any portion of 18 a fee for services rendered to an employee due to a work-related 19 injury or report to any credit-reporting agency any failure of the 20 employee to make the payment, when a claim for compensation has been 21 filed under this act and the hospital, physician, or health care 22 provider has received actual notice given in writing by the employee 23 or the employee's representative. Actual notice shall be deemed 24 received by the hospital, physician, or health care provider five

(5) days after mailing by certified mail or sending by facsimile, 1 2 electronic mail or other electronic means with confirmation of 3 receipt by the employee or his or her representative to the 4 hospital, physician, or health care provider. 5 Β. The notice shall include: The name of the employer; 6 1. 7 2. The name of the insurer, if known; 3. The name of the employee receiving the services; 8 9 4. The general nature of the injury, if known; and 10 5. Where a claim has been filed, the claim number, if known. 11 С. When an injury or bill is found to be noncompensable under 12 this act, the hospital, physician, or other health care provider 13 shall be entitled to pursue the employee for any unpaid portion of 14 the fee or other charges for authorized services provided to the 15 employee. Any applicable statute of limitations for an action for 16 the fees or other charges shall be tolled from the time notice is 17 given to the hospital, physician, or other health care provider 18 until a determination of noncompensability in regard to the injury 19 which is the basis of the services is made, or if there is an 20 appeal, until a final determination of noncompensability is rendered 21 and all appeal deadlines have passed. 22 This section shall not avoid void, modify, or amend any D.

23 other section or subsection of this act title.

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E. An order by the Commission under this section shall stay all
 proceedings for collection.

3 SECTION 5. AMENDATORY Section 19, Chapter 208, O.S.L. 4 2013, as amended by Section 4, H.J.R. No. 1096, p. 1745, O.S.L. 2014 (85A O.S. Supp. 2015, Section 19), is amended to read as follows: 5 6 Section 19. A. There is hereby created the Oklahoma Workers' 7 Compensation Commission, an executive agency of the State of 8 Oklahoma, which shall have the exclusive responsibility and duty to 9 carry out the provisions of this act, except as otherwise provided. 10 The Commission shall consist of three (3) full-time Β. 11 commissioners, each of whom must have been involved in the workers' 12 compensation field for at least three (3) years, appointed by the Governor: one of whom is chosen from a slate of three selected by 13 14 the Speaker of the House of Representatives, with all three 15 confirmed by the Senate. The term of each appointee shall be six 16 (6) years to administer the provisions of this act. The Governor 17 may request a subsequent slate of nominees from the Speaker of the 18 House of Representatives if a suitable nominee is not found. Any or 19 all of the commissioners may be reappointed for additional six-year 20 terms upon reconfirmation by the Senate. However, the initial 21 commissioners shall serve staggered terms of two (2), four (4), and 22 six (6) years, respectively, as determined by the Governor. If the 23 Legislature is not in session at the time of appointment, the appointment shall be subject to confirmation by the Senate upon 24

1 convening of the next regular session of the Legislature.

Membership on the Commission shall be a full-time position and no 2 commissioner shall have any other employment, unless authorized or 3 4 excused by law. Each commissioner shall receive a salary equal to 5 that paid to a district judge of this state; provided however, the commissioners shall not receive any increase in salary as a result 6 7 of the provisions of Section 1 of this resolution House Joint Resolution No. 1096 of the 2nd Session of the 54th Oklahoma 8 9 Legislature.

10 С. The Commission shall have the authority to adopt reasonable 11 rules within its respective areas of responsibility including the 12 rules of procedure for administrative hearings, after notice and 13 public hearing, for effecting the purposes of this act, in 14 accordance with the Oklahoma Administrative Procedures Act. All 15 rules, upon adoption, shall be published and be made available to 16 the public and, if not inconsistent with the law, shall be binding 17 in the administration of this act.

D. The principal office of the Commission shall be situated in the City of Oklahoma City in quarters assigned by the Office of Management and Enterprise Services. The Commission shall maintain and keep open, during reasonable business hours, the office in Oklahoma City, for the transaction of business, at which office its official records and papers shall be kept. The Commission or any commissioner may hold hearings in any city of this state.

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E. The Governor shall appoint one of the commissioners to be chair of the Commission. In addition to other duties, the chair of the Commission shall have the following powers and duties:

To organize, direct and develop the administrative work of
 the administrative law judges, including but not limited to
 docketing, clerical, technical and financial work and establishment
 of hours of operation;

8 2. To employ administrative staff for the Commission, within9 budgetary limitation; and

Such other duties and responsibilities authorized by law or
 as the Commission may prescribe.

F. All appeals or disputes arising from actions of the Commission shall be governed by provisions of this act and the Commission shall not be subject to the provisions of the Oklahoma Administrative Procedures Act, except as provided in this act.

16 G. When any commissioner of the Commission is disqualified for 17 any reason to hear and participate in the determination of any 18 matter pending before the Commission, the Governor shall appoint a 19 qualified person to hear and participate in the decision on the 20 particular matter. The special commissioner so appointed shall have 21 all authority and responsibility with respect to the particular 22 matter before the Commission as if the person were a regular 23 commissioner of the Commission but shall have no authority or 24 responsibility with respect to any other matter before the

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1 Commission. A person appointed as a special commissioner of the 2 Commission under the provisions of this subsection shall be entitled 3 to receive a per diem equal to the annual salary of the 4 commissioners prorated for the number of days he or she serves in 5 the capacity of a special commissioner of the Commission. Furthermore, when a vacancy on the Commission occurs or 6 is certain 7 to occur, the position shall be filled pursuant to the provisions of this section The power of the Commission to decide issues of fact 8 9 does not include the power to determine the constitutionality of 10 provisions of this title or the constitutionality of application of 11 the provisions of this title. Section 21, Chapter 208, O.S.L. 12 SECTION 6. AMENDATORY 13 2013 (85A O.S. Supp. 2015, Section 21), is amended to read as 14 follows: 15 Section 21. A. Commissioners shall be considered officers and 16 shall take the oath prescribed by the Oklahoma Constitution and the 17 laws of this state. 18 A majority of the Workers' Compensation Commission shall в. 1. 19 constitute a quorum for the transaction of business, and vacancies 20 shall not impair the right of the remaining commissioners to 21 exercise all the powers of the full Commission, so long as a 22 majority remains. 23 2. Any investigation, inquiry, or hearing which the Commission

24 is authorized to hold or undertake may be held or undertaken by or

before any one commissioner of the Commission, or appointee acting
 for him or her, under authorization of the Commission.

C. The Commission shall have a seal for authentication of its judgments, awards, and proceedings, on which shall be inscribed the words: "Workers' Compensation Commission, State of Oklahoma".

D. Except with respect to the Commission's authority to hear
appeals of decisions from administrative law judges other than as
provided pursuant to subsection B of Section 78 of this title, any
reference in this act title to the Commission's ability to hear and
decide the rights of interested parties under this act title shall
not prevent it from delegating that responsibility to an
administrative law judge.

SECTION 7. AMENDATORY Section 22, Chapter 208, O.S.L. (85A O.S. Supp. 2015, Section 22), is amended to read as follows:

Section 22. A. 1. For the purpose of administering the provisions of this act <u>title</u>, the Workers' Compensation Commission is authorized:

- a. to make rules necessary for the administration and
 operation of the Commission,
- b. to appoint and fix the compensation of temporary
 technical assistants, medical and legal advisers,
 clerical assistants and other officers and employees,
 and

- c. to make such expenditures, including those for
 personal service, rent, books, periodicals, office
 equipment, and supplies, and for printing and binding
 as may be necessary.
- 5
 2. a.
 Before The Commission shall vote on any substantive

 6
 change to any form and the effective date of such

 7
 substantive change.
- 8 <u>b.</u> <u>The Commission shall comply with the provisions of the</u> 9 <u>Administrative Procedures Act applicable to the filing</u> 10 <u>and publication requirements for rules before</u> the 11 adoption, prescription, amendment, modification, or 12 repeal of any rule, regulation, or form, the 13 <u>Commission shall give at least thirty (30) days'</u> 14 <u>notice of its intended action</u>.
- 15b.The notice shall include a statement of the terms or16substance of the intended action or description of the17subjects and issues involved, and the time, place, and18manner in which interested persons may present their19views thereon.
- 20 c. The notice shall be mailed to any person specified by
 21 law or who shall have requested advance notice of
 22 rule-making proceedings.
- 23 3. The Commission shall afford all interested persons a
- 24 reasonable opportunity to submit written data, views, or arguments,

1 and, if the Commission in its discretion shall so direct, oral
2 testimony or argument.

3 4. Each rule, regulation, or form adopted by the Commission 4 shall be effective twenty (20) days after adoption unless a later 5 date is specified by law or in the rule itself.

5. All expenditures of the Commission in the administration of
this act shall be allowed and paid from the Workers' Compensation
Fund on the presentation of itemized vouchers approved by the
Commission.

B. 1. The Commission may appoint as many persons as may be necessary to be administrative law judges and in addition may appoint such examiners, investigators, medical examiners, clerks, and other employees as it deems necessary to effectuate the provisions of this act title.

15 2. Employees appointed under this subsection shall receive an16 annual salary to be fixed by the Commission.

17 C. Additionally, the Commission shall have the following powers18 and duties:

19 1. To hear and approve compromise settlements;

20 2. To review and approve own-risk applications and group self-21 insurance association applications;

3. To monitor own-risk, self-insurer and group self-insurance
programs, in accordance with the rules of the Commission;

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1 4. To contract with an appropriate state governmental entity, 2 insurance carrier or approved service organization to process, 3 investigate and pay valid claims against an impaired self-insurer which fails, due to insolvency or otherwise, to pay its workers' 4 5 compensation obligations, charges for which shall be paid from the proceeds of security posted with the Commission as provided in 6 7 Section 38 of this act; 5. To establish a toll-free telephone number in order to 8 9 provide information and answer questions about the Commission; 10 6. 5. To hear and determine claims concerning disputed medical 11 bills; 12 7. 6. To promulgate necessary rules for administering this act 13 title and develop uniform forms and procedures for use by 14 administrative law judges. Such rules shall be reviewable by the 15 Legislature; 16 8. 7. To invest funds on behalf of the Multiple Injury Trust 17 Fund; 18 9. 8. To appoint a Commission Mediator to conduct informal 19 sessions to attempt to resolve assigned disputes; and 20 10. 9. Such other duties and responsibilities authorized by 21 law. 22 It shall be the duty of an administrative law judge, under D. 23 the rules adopted by the Commission, to hear and determine claims 24 for compensation and to conduct hearings and investigations and to

make such judgments, decisions, and determinations as may be
 required by any rule or judgment of the Commission.

3 SECTION 8. NEW LAW A new section of law to be codified 4 in the Oklahoma Statutes as Section 36.1 of Title 85A, unless there 5 is created a duplication in numbering, reads as follows:

A. Any person who is not required to be covered under a
workers' compensation insurance policy or other plan for the payment
of workers' compensation may execute an Affidavit of Exempt Status
under the Administrative Workers' Compensation Act. The affidavit
shall be a form prescribed by the Workers' Compensation Commission
and will be available on the Commission's website.

B. Execution of the affidavit shall establish a rebuttable presumption that the executor is not an employee for purposes of the Administrative Workers' Compensation Act and therefore shall not be eligible to seek workers' compensation benefits against any contractor.

C. The execution of an affidavit shall not affect the rights or
coverage of any employee of the individual executing the affidavit.

D. The lack of an executed affidavit under this section shall
not prejudice any defense by an employer to a claim for workers'
compensation benefits.

E. 1. Knowingly providing false information on a notarized
 Affidavit of Exempt Status under the Administrative Workers'

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Compensation Act shall constitute a misdemeanor punishable by a fine not to exceed One Thousand Dollars (\$1,000.00).

2. Affidavits shall conspicuously state on the front thereof in
4 at least ten-point, bold-faced print that it is a crime to falsify
5 information on the form.

3. The Commission shall immediately notify the Workers'
Compensation Fraud Unit in the Office of the Attorney General of any
violations or suspected violations of this section. The Commission
shall cooperate with the Fraud Unit in any investigation involving
affidavits executed pursuant to this section.

F. The Commission may assess a fee not to exceed Fifty Dollars (\$50.00) for an Affidavit of Exempt Status Application. Fees collected pursuant to this section shall be deposited in the State Treasury to the credit of the Workers' Compensation Commission Revolving Fund.

16 G. If an employer relies in good faith on proof of a valid 17 workers' compensation insurance policy issued to a contractor of any 18 tier or on proof of an Affidavit of Exempt Status under this 19 section, the employer shall not be liable for injuries of any 20 employees of the contractor.

21SECTION 9.AMENDATORYSection 45, Chapter 208, O.S.L.222013, as amended by Section 2, Chapter 390, O.S.L. 2015 (85A O.S.23Supp. 2015, Section 45), is amended to read as follows:

24 Section 45. A. Temporary Total Disability.

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1 1. If the injured employee is temporarily unable to perform his 2 or her job or any alternative work offered by the employer, he or she shall be entitled to receive compensation equal to seventy 3 percent (70%) of the injured employee's average weekly wage, but not 4 5 to exceed seventy percent (70%) of the state average weekly wage, for one hundred four (104) weeks. Provided, there shall be no 6 7 payment for the first three (3) days of the initial period of 8 temporary total disability. If an administrative law judge finds 9 that a consequential injury has occurred and that additional time is 10 needed to reach maximum medical improvement, temporary total 11 disability may continue for a period of not more than an additional 12 fifty-two (52) weeks. Such finding shall be based upon a showing of 13 medical necessity by clear and convincing evidence.

14 When the injured employee is released from active medical 2. 15 treatment by the treating physician for all body parts found by the 16 Commission to be injured, or in the event that the employee, without 17 a valid excuse, misses three two consecutive medical treatment 18 appointments as prescribed under Section 57 of this title, fails to 19 comply with medical orders of the treating physician, or otherwise 20 abandons medical care, the employer shall be entitled to terminate 21 temporary total disability by notifying the employee, or if 22 represented, his or her counsel. If, however, an objection to the 23 termination is filed by the employee within ten (10) days of 24 termination, the Commission shall set the matter within twenty (20)

days for a determination if temporary total disability compensation 1 2 shall be reinstated. The temporary total disability shall remain 3 terminated unless the employee proves the existence of a valid 4 excuse for his or her failure to comply with medical orders of the 5 treating physician or his or her abandonment of medical care. The 6 administrative law judge may appoint an independent medical examiner 7 to determine if further medical treatment is reasonable and 8 necessary. The independent medical examiner shall not provide 9 treatment to the injured worker, unless agreed upon by the parties. 10 Β. Temporary Partial Disability.

If the injured employee is temporarily unable to perform his 11 1. 12 or her job, but may perform alternative work offered by the 13 employer, he or she shall be entitled to receive compensation equal 14 to the greater of seventy percent (70%) of the difference between 15 the injured employee's average weekly wage before the injury and his 16 or her weekly wage for performing alternative work after the injury, 17 but only if his or her weekly wage for performing the alternative 18 work is less than the temporary total disability rate. However, the 19 injured employee's actual earnings plus temporary partial disability 20 shall not exceed the temporary total disability rate.

21 2. Compensation under this subsection may not exceed fifty-two
22 (52) weeks.

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- 24

3. If the employee refuses to perform the alternative work
 offered by the employee employer, he or she shall not be entitled to
 benefits under subsection A of this section or under this section.

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C. Permanent Partial Disability.

5 1. A permanent partial disability award or combination of awards granted an injured worker may not exceed a permanent partial 6 7 disability rating of one hundred percent (100%) to any body part or to the body as a whole. The determination of permanent partial 8 9 disability shall be the responsibility of the Commission through its 10 administrative law judges. Any claim by an employee for 11 compensation for permanent partial disability must be supported by 12 competent medical testimony of a medical doctor, osteopathic 13 physician, or chiropractor, and shall be supported by objective 14 medical findings, as defined in this act Section 2 of this title. 15 The opinion of the physician shall include employee's percentage of 16 permanent partial disability and whether or not the disability is 17 job-related and caused by the accidental injury or occupational 18 disease. A physician's opinion of the nature and extent of 19 permanent partial disability to parts of the body other than 20 scheduled members must be based solely on criteria established by 21 the current edition of the American Medical Association's "Guides to 22 the Evaluation of Permanent Impairment". A copy of any written 23 evaluation shall be sent to both parties within seven (7) days of 24 issuance. Medical opinions addressing compensability and permanent

1 disability must be stated within a reasonable degree of medical 2 certainty. Any party may submit the report of an evaluating 3 physician.

2. Permanent partial disability shall not be allowed to a part 4 5 of the body for which no medical treatment has been received. determination of permanent partial disability made by the Commission 6 7 or administrative law judge which is not supported by objective medical findings provided by a treating physician who is a medical 8 9 doctor, doctor of osteopathy, chiropractor or a qualified 10 independent medical examiner shall be considered an abuse of 11 discretion.

3. The examining physician shall not deviate from the Guidesexcept as may be specifically provided for in the Guides.

14 4. In cases of permanent partial disability, the compensation 15 shall be seventy percent (70%) of the employee's average weekly 16 wage, not to exceed Three Hundred Twenty-three Dollars (\$323.00) per 17 week, for a term not to exceed a total of three hundred fifty (350) 18 weeks for the body as a whole.

19 5. Except pursuant to settlement agreements entered into by the 20 employer and employee, payment of a permanent partial disability 21 award shall be deferred and held in reserve by the employer or 22 insurance company if the employee has reached maximum medical 23 improvement and has been released to return to work by his or her 24 treating physician, and then returns to his pre-injury or equivalent

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1	job for a ter	m of weeks determined by dividing the total dollar	
2	value of the	award by seventy percent (70%) of the employee's	
3	average weekly wage.		
4	a.	The amount of the permanent partial disability award	
5		shall be reduced by seventy percent (70%) of the	
6		employee's average weekly wage for each week he works	
7		in his pre-injury or equivalent job.	
8	b.	If, for any reason other than misconduct as defined in	
9		Section 2 of this act, the employer terminates the	
10		employee or the position offered is not the pre-injury	
11		or equivalent job, the remaining permanent partial	
12		disability award shall be paid in a lump sum. If the	
13		employee is discharged for misconduct, the employer	
14		shall have the burden to prove that the employee	
15		engaged in misconduct.	
16	c.	If the employee refuses an offer to return to his pre-	
17		injury or equivalent job, the permanent partial	
18		disability award shall continue to be deferred and	
19		shall be reduced by seventy percent (70%) of the	
20		employee's average weekly wage for each week he	
21		refuses to return to his pre-injury or equivalent job.	
22	d.	Attorney fees for permanent partial disability awards,	
23		as approved by the Commission, shall be calculated	

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1based upon the total permanent partial disability2award and paid in full at the time of the deferral.3c.3c.Assessments pursuant to Sections 31, 98, 112 and 1654of this act shall be calculated based upon the amount5of the permanent partial disability award and shall be6paid at the time of the deferral.

7 6. Previous Disability: The fact that an employee has suffered previous disability or received compensation therefor shall not 8 9 preclude the employee from compensation for a later accidental 10 personal injury or occupational disease. In the event there exists 11 a previous permanent partial disability, including a previous non-12 work-related injury or condition which produced permanent partial 13 disability and the same is appravated or accelerated by an 14 accidental personal injury or occupational disease, compensation for 15 permanent partial disability shall be only for such amount as was 16 caused by such accidental personal injury or occupational disease 17 and no additional compensation shall be allowed for the preexisting 18 disability or impairment. Any such reduction shall not apply to 19 temporary total disability, nor shall it apply to compensation for 20 medical treatment.

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

1 shall conclusively establish the amount of permanent 2 partial disability determined to be preexisting. If workers' compensation benefits have not previously 3 4 been awarded through settlement or judicial or 5 administrative determination in Oklahoma, the amount 6 of preexisting permanent partial disability shall be 7 established by competent evidence. b. In all cases, the applicable reduction shall be 8 9 calculated as follows: 10 (1)if the preexisting impairment disability is the 11 result of injury sustained while working for the 12 employer against whom workers' compensation 13 benefits are currently being sought, any award of 14 compensation shall be reduced by the current 15 dollar value attributable under the 16 Administrative Workers' Compensation Act to the 17 percentage of permanent partial disability 18 determined to be preexisting. The current dollar 19 value shall be calculated by multiplying the 20 percentage of preexisting permanent partial 21 disability by the compensation rate in effect on 22 the date of the accident or injury against which 23 the reduction will be applied, and

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1 (2) in all other cases, the employer against whom 2 benefits are currently being sought shall be entitled to a credit for the percentage of 3 4 preexisting permanent partial disability. 5 7. 6. No payments on any permanent partial disability order shall begin until payments on any preexisting permanent partial 6 7 disability orders have been completed. 8. 7. The whole body shall represent a maximum of three hundred 8 9 fifty (350) weeks. 10 9. The permanent partial disability rate of compensation for 11 amputation or permanent total loss of use of a scheduled member specified in Section 46 of this act shall be seventy percent (70%) 12 13 of the employee's average weekly wage, not to exceed Three Hundred 14 Twenty-three Dollars (\$323.00), multiplied by the number of weeks 15 set forth for the member in Section 46 of this act, regardless of 16 whether the injured employee is able to return to his or her pre-17 injury or equivalent job. 18 10. 8. An injured employee who is eligible for permanent 19 partial disability under this subsection shall be entitled to 20 receive vocational rehabilitation services provided by a technology

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

center or public secondary school offering vocational-technical

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1 rehabilitation services or training shall not extend for a period of 2 more than fifty-two (52) weeks.

3 D. Permanent Total Disability.

4 1. In case of total disability adjudged to be permanent, 5 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 6 7 the employee during the continuance of the disability until such 8 time as the employee reaches the age of maximum Social Security 9 retirement benefits or for a period of fifteen (15) years, whichever 10 is longer. In the event the claimant dies of causes unrelated to 11 the injury or illness, benefits shall cease on the date of death. 12 Provided, however, any person entitled to revive the action shall 13 receive a one-time lump-sum payment equal to twenty-six (26) weeks 14 of weekly benefits for permanent total disability awarded the 15 claimant. If more than one person is entitled to revive the claim, 16 the lump-sum payment shall be evenly divided between or among such 17 persons. In the event the Commission awards both permanent partial 18 disability and permanent total disability benefits, the permanent 19 total disability award shall not be due until the permanent partial 20 disability award is paid in full. If otherwise qualified according 21 to the provisions of this act, permanent total disability benefits 22 may be awarded to an employee who has exhausted the maximum period 23 of temporary total disability even though the employee has not 24 reached maximum medical improvement.

1 2. The Commission shall annually review the status of any 2 employee receiving benefits for permanent total disability against the last employer. The Commission shall require the employee to 3 4 annually file an affidavit under penalty of perjury stating that he 5 or she is not and has not been gainfully employed and is not capable of gainful employment. Failure to file such affidavit shall result 6 7 in suspension of benefits; provided, however, reinstatement of benefits may occur after proper hearing before the Commission. 8

9 E. 1. The Workers' Compensation Commission shall hire or 10 contract for a Vocational Rehabilitation Director to oversee the 11 vocational rehabilitation program of the Commission.

The Vocational Rehabilitation Director shall help injured 12 2. workers return to the work force. If the injured employee is unable 13 14 to return to his or her pre-injury or equivalent position due to 15 permanent restrictions as determined by the treating physician, upon 16 the request of either party, the Vocational Rehabilitation Director 17 shall determine if it is appropriate for a claimant to receive 18 vocational rehabilitation training or services, and will oversee 19 such training. If appropriate, the Vocational Rehabilitation 20 Director shall issue administrative orders, including, but not 21 limited to, an order for a vocational rehabilitation evaluation for 22 any injured employee unable to work for at least ninety (90) days. 23 In addition, the Vocational Rehabilitation Director may assign 24 injured workers to vocational rehabilitation counselors for

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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:

- 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,

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- 1 if the employee's occupation is laborer performing q. 2 overhead work and the medical condition is massive 3 rotator cuff tears, with or without surgery, 4 h. if the employee's occupation is heavy laborer and the 5 medical condition is recurrent inquinal hernia following unsuccessful surgical repair, 6 7 i. if the employee's occupation is heavy manual laborer and the medical condition is total knee replacement or 8 9 total hip replacement, 10 j. if the employee's occupation is roofer and the medical 11 condition is calcaneal fracture, medically or 12 surgically treated, 13 k. if the employee's occupation is laborer of any kind 14 and the medical condition is total shoulder 15 replacement, 16 1. if the employee's occupation is laborer and the 17 medical condition is amputation of a hand, arm, leg, 18 or foot, 19 if the employee's occupation is laborer and the m. 20 medical condition is tibial plateau fracture, pilon 21 fracture, 22 if the employee's occupation is laborer and the n.
 - medical condition is ankle fusion or knee fusion,

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- o. if the employee's occupation is driver or heavy
 equipment operator and the medical condition is
 unilateral industrial blindness, or
- p. if the employee's occupation is laborer and the
 medical condition is 3-, 4-, or 5-level positive
 discogram of the cervical spine or lumbar spine,
 medically treated.

4. Upon the request of either party, or by order of an 8 9 administrative law judge, the Vocational Rehabilitation Director 10 shall assist the Workers' Compensation Commission in determining if 11 it is appropriate for a claimant to receive vocational 12 rehabilitation training or services. If appropriate, the 13 administrative law judge shall refer the employee to a qualified 14 expert for evaluation of the practicability of, need for and kind of 15 rehabilitation services or training necessary and appropriate in 16 order to restore the employee to gainful employment. The cost of 17 the evaluation shall be paid by the employer. Following the 18 evaluation, if the employee refuses the services or training ordered 19 by the administrative law judge, or fails to complete in good faith 20 the vocational rehabilitation training ordered by the administrative 21 law judge, then the cost of the evaluation and services or training 22 rendered may, in the discretion of the administrative law judge, be 23 deducted from any award of benefits to the employee which remains 24 unpaid by the employer. Upon receipt of such report, and after

1 affording all parties an opportunity to be heard, the administrative 2 law judge shall order that any rehabilitation services or training, recommended in the report, or such other rehabilitation services or 3 4 training as the administrative law judge may deem necessary, 5 provided the employee elects to receive such services, shall be provided at the expense of the employer. Except as otherwise 6 7 provided in this subsection, refusal to accept rehabilitation 8 services by the employee shall in no way diminish any benefits 9 allowable to an employee.

10 5. The administrative law judge may order vocational 11 rehabilitation before the injured employee reaches maximum medical 12 improvement, if the treating physician believes that it is likely 13 that the employee's injury will prevent the employee from returning 14 to his or her former employment. In granting early benefits for 15 vocational rehabilitation, the Commission shall consider temporary 16 restrictions and the likelihood that such rehabilitation will return 17 the employee to gainful employment earlier than if such benefits are 18 granted after the permanent partial disability hearing in the claim.

19 6. Vocational rehabilitation services or training shall not 20 extend for a period of more than fifty-two (52) weeks. A request 21 for vocational rehabilitation services or training shall be filed 22 with the Commission by an interested party not later than sixty (60) 23 days from the date of receiving permanent restrictions that prevent

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1 the injured employee from returning to his or her pre-injury or 2 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
the employee is otherwise entitled under the Administrative Workers'
Compensation Act.

10 8. During the period when an employee is actively and in good 11 faith being evaluated or participating in a retraining or job 12 placement program for purposes of evaluating permanent total 13 disability status, the employee shall be entitled to receive 14 benefits at the same rate as the employee's temporary total 15 disability benefits for an additional fifty-two (52) weeks. All 16 tuition related to vocational rehabilitation services shall be paid 17 by the employer or the employer's insurer on a periodic basis 18 directly to the facility providing the vocational rehabilitation 19 services or training to the employee. The employer or employer's 20 insurer may deduct the amount paid for tuition from compensation 21 awarded to the employee.

22 F. Disfigurement.

23 1. If an injured employee incurs serious and permanent
24 disfigurement to any part of the body, the Commission may award

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1 compensation to the injured employee in an amount not to exceed 2 Fifty Thousand Dollars (\$50,000.00).

3 2. No award for disfigurement shall be entered until twelve4 (12) 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.

SECTION 10. AMENDATORY Section 46, Chapter 208, O.S.L. 2013 (85A O.S. Supp. 2015, Section 46), is amended to read as follows:

Section 46. A. An <u>In lieu of compensation provided pursuant to</u> paragraph 4 of subsection C of Section 45 of this title, an injured employee who is entitled to receive permanent partial disability compensation under Section 45 of this act <u>suffers amputation or</u> <u>permanent total loss of use of a scheduled member</u> shall receive compensation for each part of the body <u>in accordance with equal to</u> <u>seventy percent (70%) of the employee's average weekly wage, not to</u>

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1 exceed Three Hundred Twenty-three Dollars (\$323.00) multiplied by 2 the number of weeks for the scheduled loss member set forth below. 3 as follows: 1. Arm amputated at the elbow, or between the elbow and 4 5 shoulder, two hundred seventy-five (275) weeks; 6 2. Arm amputated between the elbow and wrist, two hundred 7 twenty (220) weeks; 3. Leg amputated at the knee, or between the knee and the hip, 8 9 two hundred seventy-five (275) weeks; 10 4. Leg amputated between the knee and the ankle, two hundred 11 twenty (220) weeks; 12 Hand amputated, two hundred twenty (220) weeks; 5. 13 6. Thumb amputated, sixty-six (66) weeks; 14 First finger amputated, thirty-nine (39) weeks; 7. 15 8. Second finger amputated, thirty-three (33) weeks; 16 9. Third finger amputated, twenty-two (22) weeks; 17 10. Fourth finger amputated, seventeen (17) weeks; 18 11. Foot amputated, two hundred twenty (220) weeks; 19 12. Great toe amputated, thirty-three (33) weeks; 20 13. Toe other than great toe amputated, eleven (11) weeks; 21 14. Eye enucleated, in which there was useful vision, two 22 hundred seventy-five (275) weeks; 23 15. Loss of hearing of one ear, one hundred ten (110) weeks; 24

Loss of hearing of both ears, three hundred thirty (330)
 weeks; and

3 17. Loss of one testicle, fifty-three (53) weeks; loss of both
4 testicles, one hundred fifty-eight (158) weeks.

5 B. The permanent partial disability rate of compensation for 6 amputation or permanent total loss of use of a scheduled member 7 specified in this section shall be seventy percent (70%) of the 8 employee's average weekly wage, not to exceed Three Hundred Twenty-9 three Dollars (\$323.00), multiplied by the number of weeks as set 10 forth in this section, regardless of whether or not the injured 11 employee is able to return to his or her pre-injury job.

12 C. Other cases: In cases in which the Commission finds an 13 injury to a part of the body not specifically covered by the 14 foregoing provisions of this section, the employee may be entitled 15 to compensation for permanent partial disability. The compensation 16 ordered paid shall be seventy percent (70%) of the employee's 17 average weekly wage, not to exceed Three Hundred Twenty-three 18 Dollars (\$323.00) for the number of weeks which the partial 19 disability of the employee bears to three hundred fifty (350) weeks. 20 D. 1. Compensation for amputation of the first phalange of a 21 digit shall be one-half (1/2) of the compensation for the amputation 22 of the entire digit.

23 2. Compensation for amputation of more than one phalange of a
24 digit shall be the same as for amputation of the entire digit.

E. 1. Compensation for the permanent loss of eighty percent (80%) or more of the vision of an eye shall be the same as for the loss of an eye.

4 2. In all cases of permanent loss of vision, the use of
5 corrective lenses may be taken into consideration in evaluating the
6 extent of loss of vision.

F. Compensation for amputation or loss of use of two or more digits or one or more phalanges of two or more digits of a hand or a foot may be proportioned to the total loss of use of the hand or the foot occasioned thereby but shall not exceed the compensation for total loss of a hand or a foot.

12 G. Compensation for permanent total loss of use of a member13 shall be the same as for amputation of the member.

H. The sum of all permanent partial disability awards,
excluding awards against the Multiple Injury Trust Fund, shall not
exceed three hundred fifty (350) weeks.

SECTION 11. AMENDATORY Section 56, Chapter 208, O.S.L. 2013 (85A O.S. Supp. 2015, Section 56), is amended to read as follows:

Section 56. A. If the employer has previously contracted with a certified workplace medical plan, the employer shall select for the injured employee a treating physician from the physicians listed within the network of the certified workplace medical plan. The employee may apply for a change of physician by utilizing the

dispute resolution process set out in the certified workplace
 medical plan on file with the State Department of Health.

If the employer is not covered by a certified workplace 3 в. 4 medical plan, the employer shall select the treating physician. The 5 Commission on application of the employee shall order one change of treating physician. Upon the Commission's granting of the 6 7 application, the employer shall provide a list of three physicians from whom the employee may select the replacement. The employer may 8 9 identify physicians within the same practice, facility or hospital 10 as the treating physician. The only requirement for the list of 11 three physicians is that they be licensed and accredited to perform 12 the necessary treatment.

SECTION 12. AMENDATORY Section 62, Chapter 208, O.S.L. 14 2013 (85A O.S. Supp. 2015, Section 62), is amended to read as 15 follows:

16 Section 62. A. Notwithstanding the provisions of Section 45 of 17 this act title, if an employee suffers a nonsurgical soft tissue 18 injury, temporary total disability compensation shall not exceed 19 eight (8) weeks, regardless of the number of parts of the body to 20 which there is a nonsurgical soft tissue injury. An employee who is 21 treated with an epidural steroid injection or injections shall be 22 entitled to an extension of an additional eight (8) weeks total, 23 regardless of the number of injections. An employee who has been 24 recommended by a treating physician for surgery for a soft tissue

1 injury may petition the Workers' Compensation Commission for one 2 extension of temporary total disability compensation and the Commission may order an extension, not to exceed sixteen (16) 3 4 additional weeks. If the surgery is not performed within thirty 5 (30) days of the approval of the surgery by the employer, its insurance carrier, or an order of the Commission authorizing the 6 7 surgery, and the delay is caused by the employee acting in bad 8 faith, the benefits for the extension period shall be terminated and 9 the employee shall reimburse the employer any temporary total 10 disability compensation he or she received beyond eight (8) weeks. 11 An epidural steroid injection, or any procedure of the same or 12 similar physical invasiveness, shall not be considered surgery. 13 For purposes of this section, "soft tissue injury" means в. 14 damage to one or more of the tissues that surround bones and joints. 15 Soft tissue injury includes, but is not limited to, sprains,

16 strains, contusions, tendonitis and muscle tears. Cumulative trauma 17 is to be considered a soft tissue injury. Soft tissue injury does 18 not include any of the following:

Injury to or disease of the spine, spinal discs, spinal
 nerves or spinal cord, where corrective surgery is performed;

- 2. Brain or closed-head injury as evidenced by:
- 22 a. sensory or motor disturbances,
- 23 b. communication disturbances,
- c. complex integrated disturbances of cerebral function,

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d. episodic neurological disorders, or

e. other brain and closed-head injury conditions at least
as severe in nature as any condition provided in
subparagraphs a through d of this paragraph; or
3. Any joint replacement.

6 SECTION 13. AMENDATORY Section 68, Chapter 208, O.S.L. 7 2013 (85A O.S. Supp. 2015, Section 68), is amended to read as 8 follows:

9 Section 68. A. Unless an employee gives oral or written notice 10 to the employer within thirty (30) fifteen (15) days of the date an 11 injury occurs, the rebuttable presumption shall be that the injury 12 was not work-related. Such presumption must may be overcome by a 13 preponderance of the evidence. If the notice of injury is not 14 timely given but the employee overcomes the presumption, no 15 compensation shall be due for the time period prior to the date 16 notice was given. In no event shall compensation be allowed if 17 notice is not given within one hundred twenty (120) days after the 18 date of the injury.

B. Unless an employee gives oral or written notice to the employer within thirty (30) days of the employee's separation from 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 <u>must may</u> be overcome by a preponderance of the evidence.

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SECTION 14. AMENDATORY Section 71, Chapter 208, O.S.L.
 2013 (85A O.S. Supp. 2015, Section 71), is amended to read as
 follows:

Section 71. A. Notice. Within ten (10) days after a claim for
compensation has been filed, the Commission shall notify the
employer and any other interested person of the filing of the claim.

7 B. Investigation - Hearing.

8 1. The Commission shall assign the claim to an administrative
9 law judge who shall hold a hearing on application of any interested
10 party, or on its own motion.

11 2. An application for a hearing shall clearly set forth the 12 specific issues of fact or law in controversy and the contentions of 13 the party applying for the hearing.

14 3. If any party is not represented by a lawyer, the15 administrative law judge shall define the issues to be heard.

16 4. If a hearing on the claim is ordered, the administrative law 17 judge shall give the claimant and other interested parties ten (10) 18 days' notice of the hearing served personally on the claimant and 19 other parties, or by registered mail, facsimile, electronic mail or 20 by other electronic means with confirmation of receipt. The hearing 21 shall be held in Tulsa or Oklahoma County, as determined by the 22 Commission.

23 5. The award, together with the statement of the findings of
24 fact and other matters pertinent to the issues, shall be filed with

1 the record of the proceedings, and a copy of the award shall
2 immediately be sent to the parties in or to counsels of record, if
3 any.

- 4 C. Evidence and Construction.
- 5 1. a. At the hearing the claimant and the employer may each present evidence relating to the claim. Evidence may 6 7 be presented by any person authorized in writing for such purpose. The evidence may include verified 8 9 medical reports which shall be accorded such weight as 10 may be warranted when considering all evidence in the 11 case.
- b. Any determination of the existence or extent of
 physical impairment shall be supported by objective
 and measurable physical or mental findings.

15 2. When deciding any issue, administrative law judges and the 16 Commission shall determine, on the basis of the record as a whole, 17 whether the party having the burden of proof on the issue has 18 established it by a preponderance of the evidence.

Administrative law judges, the Commission, and any reviewing
 courts shall strictly construe the provisions of this act.

4. In determining whether a party has met the burden of proof on an issue, administrative law judges and the Commission shall weigh the evidence impartially and without giving the benefit of the doubt to any party.

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D. Judgment. The judgment denying the claim or making the award shall be filed in the office of the Commission, and a copy shall be sent by registered mail, facsimile, electronic mail or by <u>other electronic means with confirmation of receipt</u> to the claimant and to the employer or to their attorneys.

E. No compensation for disability of an injured employee shall
be payable for any period beyond his or her death; provided,
however, an award of compensation for disability may be made after
the death of the injured employee for the period of disability
preceding death.

SECTION 15. AMENDATORY Section 78, Chapter 208, O.S.L. 2013 (85A O.S. Supp. 2015, Section 78), is amended to read as follows:

14 Section 78. A. Any party feeling aggrieved by the judgment, 15 decision, or award made by the administrative law judge may, within 16 ten (10) days of issuance, appeal to the Workers' Compensation 17 Commission. After hearing arguments, the Commission may reverse or 18 modify the decision only if it determines that the decision was 19 against the clear weight of the evidence or contrary to law. All 20 such proceedings of the Commission shall be recorded by a court 21 reporter, if requested by any party. Any judgment of the Commission 22 which reverses a decision of the administrative law judge shall 23 contain specific findings relating to the reversal.

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B. <u>The chair of the Commission shall have the authority to</u>
 <u>appoint an administrative law judge to the en banc panel when any</u>
 <u>Commissioner of the Commission is disqualified for any reason, to</u>
 <u>fill a vacancy, or in the absence of a Commissioner; provided, the</u>
 <u>appointed administrative law judge shall not have presided over any</u>
 of the previous hearings on the claim.

7 <u>C.</u> The appellant shall pay a filing fee of One Hundred Seventy8 five Dollars (\$175.00) to the Commission at the time of filing his
9 or her appeal. The fee shall be deposited in the Workers'
10 Compensation Fund.

11 C. D. The judgment, decision or award of the Commission shall 12 be final and conclusive on all questions within its jurisdiction 13 between the parties unless an action is commenced in the Supreme 14 Court of this state to review the judgment, decision or award within 15 twenty (20) days of being sent to the parties. Any judgment, 16 decision or award made by an administrative law judge shall be 17 stayed until all appeal rights have been waived or exhausted. The 18 Supreme Court may modify, reverse, remand for rehearing, or set 19 aside the judgment or award only if it was:

20 1. In violation of constitutional provisions;

21 2. In excess of the statutory authority or jurisdiction of the 22 Commission;

- 23 3. Made on unlawful procedure;
- 24 4. Affected by other error of law;

5. Clearly erroneous in view of the reliable, material,
 probative and substantial competent evidence;

6. Arbitrary or capricious;

7. Procured by fraud; or

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5 8. Missing findings of fact on issues essential to the6 decision.

7 This action shall be commenced by filing with the Clerk of the Supreme Court a certified copy of the judgment, decision or award of 8 9 the Commission attached to the petition by the complaint which shall 10 specify why the judgment, decision or award is erroneous or illegal. 11 The proceedings shall be heard in a summary manner and shall have 12 precedence over all other civil cases in the Supreme Court, except 13 preferred Corporation Commission appeals. The Supreme Court shall 14 require the appealing party to file within forty-five (45) days from 15 the date of the filing of an appeal or a judgment appealed from, a 16 transcript of the record of the proceedings before the Commission, 17 or such later time as may be granted by the Supreme Court on 18 application and for good cause shown. The action shall be subject 19 to the law and practice applicable to other civil actions cognizable 20 in the Supreme Court.

21 D. E. A fee of One Hundred Dollars (\$100.00) per appeal to the 22 Supreme Court shall be paid to the Commission and deposited in the 23 Workers' Compensation Fund as costs for preparing, assembling, 24 indexing and transmitting the record for appellate review. This fee

shall be paid by the party taking the appeal. If more than one
 party to the action files an appeal from the same judgment, decision
 or award, the fee shall be paid by the party whose petition in error
 commences the principal appeal.

5 SECTION 16. AMENDATORY Section 80, Chapter 208, O.S.L. 6 2013 (85A O.S. Supp. 2015, Section 80), is amended to read as 7 follows:

8 Section 80. A. Except where when a joint petition settlement has been approved, the Commission may reopen for review any 9 10 compensation judgment, award, or decision. Such review based on a 11 change of physical condition may be done at any time within six (6) 12 months of termination of the compensation period fixed in the 13 original compensation judgment or award from the date of the last 14 order in which monetary benefits or active medical treatment was 15 provided, on the Commission's own motion or on the application of 16 any party in interest, on the ground of a change in physical 17 condition or on proof of erroneous wage rate and unless filed within 18 such period of time, shall be forever barred. On review, the 19 Commission may make a judgment or award terminating, continuing, 20 decreasing, or increasing for the future the compensation previously 21 awarded, subject to the maximum limits provided for in this act 22 title. An order denying an application to reopen a claim shall not 23 extend the period of time set out in this title for reopening the

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1 <u>case. A failure to comply with a medical treatment plan ordered by</u>
2 the Commission shall bar reopening of a claim.

B. The review and subsequent judgment or award shall be made in accordance with the procedure prescribed in Sections 69 through 78 of this act <u>title</u>. No review shall affect any compensation paid under a prior order, judgment or award.

7 C. The Commission may correct any clerical error in any 8 compensation judgment or award within one (1) year from the date of 9 its issuance.

D. Aging and the effects of aging on a compensable injury are not to be considered in determining whether there has been a change in physical condition. Aging or the effect of aging on a compensable injury shall not be considered in determining permanent disability under this section or any other section in this act title.

SECTION 17. AMENDATORY Section 98, Chapter 208, O.S.L.
2013, as amended by Section 4, Chapter 169, O.S.L. 2014 (85A O.S.
Supp. 2015, Section 98), is amended to read as follows:

Section 98. The Self-insurance Guaranty Fund shall be derived from the following sources:

Any unexpended funds, including interest thereon, held by
 the State Treasurer in the Workers' Compensation Self-insurance
 Guaranty Fund transferred to the Self-insurance Guaranty Fund as
 provided in Section 124 of this title;

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1 2. Until In the event the Self-insurance Guaranty Fund contains 2 Two Million Dollars (\$2,000,000.00) or in the event the amount in 3 the fund falls below One Million Dollars (\$1,000,000.00) Eight 4 Hundred Thousand Dollars (\$800,000.00), an assessment levied by the 5 Commission against each private self-insurer and group selfinsurance association based on an assessment rate to be determined 6 7 by the commissioners, not exceeding one percent (1%) two percent 8 (2%) per annum of actual paid losses of the self-insurer during the 9 preceding calendar year, payable to the Tax Commission for deposit 10 to the fund. The assessment against private self-insurers shall be 11 determined using a rate equal to the proportion that the deficiency 12 in the fund attributable to private self-insurers bears to the 13 actual paid losses of all private self-insurers for the year period 14 of January 1 through December 31 preceding the assessment. The 15 assessment against group self-insurance associations shall be 16 determined using a rate equal to the proportion that the deficiency 17 in excess of the surplus of the Group Self-Insurance Association 18 Guaranty Fund at the date of the transfer attributable to group 19 self-insurance associations bears to the actual paid losses of all 20 group self-insurance associations cumulatively for any calendar year 21 preceding the assessment. Each self-insurer shall provide the 22 Workers' Compensation Commission with such information as the 23 Commission may determine is necessary to effectuate the purposes of 24 this paragraph. For purposes of this paragraph, "actual paid

1 losses" means all medical and indemnity payments, including
2 temporary disability, permanent disability, and death benefits, and
3 excluding loss adjustment expenses and reserves.

- a. The assessment shall be paid within thirty (30)
 calendar days after the date the commissioners notify
 the self-insurer of the assessment.
- 7 b. A private employer or group self-insurance association which ceases to be a self-insurer shall remain liable 8 9 for any and all assessments of the self-insurer as 10 provided in this paragraph based on actual paid losses 11 for the calendar year period preceding the assessment. 12 с. Failure of a self-insurer to pay, or timely pay, an 13 assessment required by this paragraph, or to report 14 payment of the same to the Commission within ten (10) 15 days of payment, shall be grounds for revocation by 16 the Commission of the self-insurer's permit to self-17 insure in this state, after notice and hearing. Α 18 former self-insurer failing to make payments required 19 by this paragraph promptly and correctly, or failing 20 to report payment of the same to the Commission within 21 ten (10) days of payment, shall be subject to 22 administrative penalties as allowed by law, including 23 but not limited to, a fine in the amount of Five 24 Hundred Dollars (\$500.00) or an amount equal to one

percent (1%) of the unpaid amount, whichever is greater, to be paid and deposited to the credit of the Workers' Compensation Fund created in Section 28 of this title. It shall be the duty of the Tax Commission to collect the assessment provided for in this paragraph. The Tax Commission is authorized to bring an action for recovery of any delinquent or unpaid assessments, and may enforce payment of the assessment by proceeding in accordance with Section 79 of this title.

- 11 d. An impaired self-insurer shall be exempt from
 12 assessments beginning on the date of the Commission's
 13 designation until the Commission determines the self14 insurer is no longer impaired.
- e. The Tax Commission shall determine the fund balance as
 of March 1 and September 1 of each year, and when
 otherwise requested by the Workers' Compensation
 Commission, and shall advise the Workers' Compensation
 Commission in writing within thirty (30) days of each
 such determination; and

3. <u>Any funds, including interest thereon, transferred to the</u> <u>Self-insurance Guaranty Fund as provided in Section 99 of this</u> title; and

4. Any interest accruing on monies paid into the fund.

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1 SECTION 18. AMENDATORY Section 99, Chapter 208, O.S.L. 2 2013, as amended by Section 5, Chapter 169, O.S.L. 2014 (85A O.S. Supp. 2015, Section 99), is amended to read as follows: 3 4 Section 99. A. On determination by the Commission that a self-5 insurer has become an impaired self-insurer, the Commission shall 6 promptly secure release of the security required by Section 38 of 7 this title and, advise the Self-insurance Guaranty Fund Board of the 8 impairment. Claims administration, including processing, 9 investigating and paying valid claims against an impaired self-10 insurer under the Administrative Workers' Compensation Act, may 11 include payment by the surety that issued the surety bond or be 12 under a contract between the Commission and an insurance carrier, 13 appropriate state governmental entity or an approved service 14 organization, as approved by the Commission and transfer the 15 proceeds of the security to the Self-insurance Guaranty Fund Board 16 to be maintained in a segregated account for administering workers' 17 compensation obligations of the impaired self-insurer. The Self-18 insurance Guaranty Fund Board shall be the fiduciary of the account. 19 B. Proceeds from the released security shall be used for 20 administering the workers' compensation obligations of the impaired 21 self-insurer. Claims administration includes, but is not limited 22 to, processing, investigating and paying claims; actuarial studies; 23 attorney fees incurred for filing a proof of claim in the bankruptcy

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1	of the impaired self-insurer; and a pro rata portion of the staff		
2	expenses of the Self-insurance Guaranty Fund Board.		
3	C. Except as otherwise provided by law or by agreement of the		
4	parties, excess proceeds from the security remaining after each		
5	claim for benefits of an impaired self-insurer has been paid,		
6	settled or lapsed under the Administrative Workers' Compensation		
7	Act, and costs of administration of such claims have been paid, as		
8	determined by the Self-insurance Guaranty Fund Board, shall be		
9	transferred to the Self-insurance Guaranty Fund by the Commission or		
10	Board, as appropriate.		
11	SECTION 19. AMENDATORY Section 108, Chapter 208, O.S.L.		
12	2013 (85A O.S. Supp. 2015, Section 201), is amended to read as		
13	follows:		
14	Section 201. A. As used in the Oklahoma Employee Injury		
15	Benefit Act:		
16	1. "Benefit plan" means a <u>written</u> plan established by a		
17	qualified employer under the requirements of Section 110 of this act		
18	the Oklahoma Employee Injury Benefit Act;		
19	2. "Commission" means the Workers' Compensation Commission		
20	under the Administrative Workers' Compensation Act;		
21	3. "Commissioner" means the Insurance Commissioner of the State		
22	of Oklahoma "Claimant" means a covered employee or his or her		
23	representative or beneficiary who claims benefits under the Oklahoma		
24	Employee Injury Benefit Act;		

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4. "Covered employee" means an employee whose employment with a
 qualified employer is principally located within the state;

3 5. <u>"Department" means the Insurance Department of the State of</u> 4 Oklahoma;

5 <u>6.</u> "Employee" means any person defined as an employee pursuant
6 to Section 2 of this act title;

7 6. 7. "Employer", except when otherwise expressly stated, means
8 a person, partnership, association, limited liability company,
9 corporation, and the legal representatives of a deceased employer,
10 or the receiver or trustee of a person, partnership, association,
11 corporation, or limited liability company, department,

12 instrumentality or institution of this state and divisions thereof, 13 counties and divisions thereof and other political subdivisions of 14 this state and public trusts employing a person included within the 15 term employee as defined in this section;

16 7. 8. "Fully insured plan" means insurance coverage of one 17 hundred percent (100%) of an employer's statutory benefit liability; 18 9. "Occupational injury disease" means an injury, including 19 death, or occupational illness, causing internal or external harm to 20 the body, which arises out of and in the course of employment shall 21 have the same meaning provided pursuant to Section 65 of this title; 22 8. 10. "Qualified employer" means an employer otherwise subject 23 to the Administrative Workers' Compensation Act that voluntarily 24 elects is approved to be exempt from such act the Administrative

1 Workers' Compensation Act by satisfying the requirements under this 2 act the Oklahoma Employee Injury Benefit Act; and 9. 11. "Surviving spouse" means the covered employee's spouse 3 4 by reason of a legal marriage recognized by the State of Oklahoma or 5 under the requirements of a common law marriage in this state. 6 Unless otherwise defined in this section, defined terms in в. 7 the Administrative Workers' Compensation Act shall have the same meaning in this act the Oklahoma Employee Injury Benefit Act. 8 9 SECTION 20. AMENDATORY Section 109, Chapter 208, O.S.L. 2013 (85A O.S. Supp. 2015, Section 202), is amended to read as 10 11 follows: 12 Section 202. A. Any employer may voluntarily elect apply to be 13 exempt from the Administrative Workers' Compensation Act and become 14 a qualified employer if the employer by submitting to the Insurance 15 Department: 16 1. Is in compliance with the notice requirements in subsections 17 B and H of this section A qualified employer election form published 18 by the Department; and 19 2. Has established a written A benefit plan as described in 20 Section 110 of this act and its proposed effective date, subject to 21 the Department's approval; 22 3. An annual nonrefundable fee of One Thousand Five Hundred 23 Dollars (\$1,500.00); 24

1 <u>4. The notice to employees required by subsection G of this</u> 2 section; and

3 <u>5. Any additional information required pursuant to rules</u>
4 promulgated by the Department.

5 B. An employer that has elected The Department shall notify an 6 employer whether it has met the requirements to become a qualified 7 employer by satisfying the. If such requirements of this section 8 shall notify the Insurance Commissioner in writing of the election 9 and the date that the election is to become effective, which may not 10 be sooner than the date that the qualified employer satisfies the employee notice requirements in this section. Such qualified 11 12 employer shall pay to the Commissioner an annual nonrefundable fee 13 of One Thousand Five Hundred Dollars (\$1,500.00) on the date of 14 filing written notice and every year thereafter have been met, the 15 Department shall issue a certificate of qualified employer to the 16 employer. If such requirements have not been met, the notice shall 17 contain a description of the deficiencies and how such deficiencies 18 may be resolved.

C. The Commissioner Department shall collect and maintain the information required under this section and shall monitor compliance with the requirements of this section. The Commissioner Department may also require an a qualified employer to provide information periodically to confirm its qualified-employer status. Subject to subsection D of this section, the Commissioner that it is still in

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compliance with the requirements of a qualified employer. The 1 2 Department shall adopt rules designating the methods and procedures 3 for confirming whether an employer is has met and continues to meet the requirements to become a qualified employer, notifying an 4 5 employer of any qualifying deficiencies, and the consequences 6 thereof of noncompliance with the requirements of the Oklahoma 7 Employee Injury Benefit Act. The Commissioner Department shall 8 record the date and time each notice of qualified-employer that an 9 employer is approved as a qualified employer and the date that such 10 status is received and the becomes effective date of qualified-11 employer election. The Commissioner Department shall maintain a 12 list on its official website accessible by the public of all 13 qualified employers and the date and time that such exemption status 14 became effective.

15 Except as otherwise expressly provided in this act, neither D. 16 the Workers' Compensation Commission, the courts of this state, or 17 any state administrative agencies shall promulgate rules or any 18 procedures related to design, documentation, implementation, 19 administration or funding of a qualified employer's benefit plan If 20 the Department determines that a qualified employer is deficient in 21 any requirements, it shall provide written notice of the deficiency 22 to the employer. Within ten (10) days, the qualified employer shall 23 provide proof to the Department that it has cured the deficiency or 24 it shall automatically lose status as a qualified employer and

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become subject to the provisions of the Administrative Workers'
Compensation Act. An employer that has lost status as a qualified
employer may reapply for such status.

E. The <u>Commissioner Department</u> may designate an information
collection agent, implement an electronic reporting and public
information access program, and adopt rules as necessary to
implement the information collection requirements of this section.
F. The Commissioner may prescribe rules and forms to be used

9 for the qualified-employer notification and shall require the <u>A</u>
10 qualified employer to <u>shall</u> provide its <u>the Department with:</u>

11 <u>1. Its</u> name, address, contact person and phone number, federal 12 tax identification number, <u>and</u> number of persons employed in this 13 state as of a specified date,;

14 2. The name, title, address and telephone number of the person 15 to contact for claim administration contact information,; and a16 3. A listing of all covered business locations in the state. 17 The Commissioner Department shall notify the Commissioner Workers' 18 Compensation Commission and the Department of Labor of all 19 qualified-employer notifications. The Department of Labor shall 20 provide such notifications to other governmental agencies as it 21 deems necessary.

G. The Commissioner may contract with the Oklahoma Employment
 Security Commission, the State Treasurer or the Department of Labor
 for assistance in collecting the notification required under this

section or otherwise fulfilling the Commissioner's responsibilities under this act. Such agencies shall cooperate with the Commissioner in enforcing the provisions of this section.

H. A qualified employer shall notify each of its employees in
the manner provided in this section that it is a qualified employer,
that it does not carry workers' compensation insurance coverage and
that such coverage has terminated or been cancelled.

I. The A qualified employer shall provide written notification 8 9 to covered employees as required by this section that it does not 10 carry workers' compensation coverage at the time the covered 11 employee is hired or at least five (5) days before the effective 12 time of designation as a qualified employer the benefit plan, as 13 applicable. The notice shall contain the name, title, address and 14 telephone number of the person to contact for claim administration. 15 A qualified employer shall post the employee notification required 16 by this section at conspicuous locations at the qualified employer's 17 places of business as necessary to provide reasonable notice to all 18 covered employees. The Commissioner Department may adopt rules 19 relating to the form, content, and method of delivery of the 20 employee notification required by this section.

H. Two or more employers who are members of a controlled group may apply to the Department for approval as a single qualified employer and be listed on a single qualified-employer certificate. The first member of the controlled group shall pay to the Department

1 an annual nonrefundable fee as required by paragraph 3 of subsection 2 A of this section. Each additional participating member of the 3 controlled group shall: 4 1. If the controlled group is fully insured, pay to the 5 Department an annual nonrefundable fee of Two Hundred Fifty Dollars 6 (\$250.00) on the date of filing written notice of election and every 7 year thereafter; or 2. If the controlled group is self-insured, pay to the 8 9 Department an annual nonrefundable fee of Seven Hundred Fifty 10 Dollars (\$750.00) on the date of filing written notice of election 11 and every year thereafter. 12 Section 110, Chapter 208, O.S.L. SECTION 21. AMENDATORY 13 2013, as amended by Section 4, Chapter 390, O.S.L. 2015 (85A O.S. 14 Supp. 2015, Section 203), is amended to read as follows: 15 Section 203. A. An employer voluntarily electing to become a 16 qualified employer shall adopt a written benefit plan that complies 17 with the requirements of this section. Qualified-employer status is 18 optional for eligible employers. The benefit plan shall not become 19 effective until the date that the qualified employer first satisfies 20 the notice requirements in Section 202 of this title. 21 Β. The benefit plan shall provide for payment of the same forms 22 of benefits included in the Administrative Workers' Compensation Act 23 for temporary total disability, temporary partial disability, 24 permanent partial disability, vocational rehabilitation, permanent

1 total disability, disfigurement, amputation or permanent total loss 2 of use of a scheduled member, death and medical benefits as a result of an occupational compensable injury, on a no-fault basis, with the 3 4 same statute of limitations, notice of injury reporting, and with 5 dollar, percentage, and duration limits that are at least equal to 6 or greater than the dollar, percentage, and duration limits 7 contained in Sections 45, 46 and 47 of this title. For this 8 purpose, the standards for determination of average weekly wage, 9 death beneficiaries, and disability under the Administrative 10 Workers' Compensation Act shall apply under the Oklahoma Employee 11 Injury Benefit Act; but no the Administrative Workers' Compensation 12 Act. Benefit plans shall not be subject to other provision 13 requirements of the Administrative Workers' Compensation Act 14 defining covered injuries, medical management, dispute resolution or 15 other process, funding, notices or penalties shall apply or 16 otherwise be controlling under the Oklahoma Employee Injury Benefit 17 Act, unless expressly incorporated. 18 C. The benefit plan may provide for lump-sum payouts that 19 as reasonably determined by the administrator of such plan appointed 20 by the qualified employer, actuarially equivalent to expected future 21 payments. The benefit plan may also provide for settlement 22 agreements; provided, however, any settlement agreement by a covered 23 employee shall be voluntary, entered into not earlier than the tenth 24 business day after the date of the initial report of injury, and

1	signed after the covered employee has received a medical evaluation
2	from a nonemergency care doctor, with any waiver of rights being
3	conspicuous and on the face of the agreement. The benefit plan
4	shall pay benefits without regard to whether the covered employee,
5	the qualified employer, or a third party caused the occupational
6	injury; and provided further, that the benefit plan shall provide
7	eligibility to participate in and provide the same forms and levels
8	of benefits to all Oklahoma employees of the qualified employer.
9	The Administrative Workers' Compensation Act shall not define,
10	restrict, expand or otherwise apply to a benefit plan Regardless of
11	whether such provisions are incorporated into a benefit plan,
12	qualified employers and their covered employees shall be subject to
13	the provisions of the Administrative Workers' Compensation Act
14	related to:
15	1. Compensable injury, as defined pursuant to paragraph 9 of
16	Section 2 of this title;
17	2. Course and scope of employment, as defined pursuant to
18	paragraph 13 of Section 2 of this title;
19	3. Fraud, pursuant to Section 6 of this title;
20	4. Discrimination or retaliation, pursuant to Section 7 of this
21	<u>title;</u>
22	5. Liability other than immediate employer, pursuant to Section
23	
	36 of this title; and

<u>6. Failure to appear for scheduled appointments, pursuant to</u>
 Section 57 of this title.

3 D. No <u>A qualified employer shall not charge any</u> fee or cost to 4 an employee shall apply <u>related</u> to a qualified employer's benefit 5 plan.

E. The qualified employer shall provide to the Commissioner and
covered employees notice of the name, title, address, and telephone
number for the person to contact for injury benefit claims
administration, whether in-house at the qualified employer or a

10 third-party administrator.

11 F. Information submitted to the Commissioner Department as part 12 of the application for approval as a qualified employer, to confirm 13 eligibility for continuing status as a qualified employer, or as 14 otherwise required by the Oklahoma Employee Injury Benefit Act may 15 not be made public by the Commissioner or by an agent or employee of 16 the Commissioner Department without the written consent of the 17 applicant or qualified employer, as applicable, except that: 18 The information may be discoverable by a party in a civil 1. 19 action or contested case to which the employer that submitted the 20 information is a party, upon a showing by the party seeking to 21 discover the information that: 22 the information sought is relevant to and necessary a.

23

for the furtherance of the action or case,

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1	b. the information sought is unavailable for from other
2	non-confidential nonconfidential sources, and
3	c. a subpoena issued by a judicial or administrative
4	officer of competent jurisdiction has been submitted
5	to the Commissioner <u>Department;</u> and
6	2. The Commissioner <u>Department</u> may disclose the information to
7	a public officer having jurisdiction over the regulation of
8	insurance in another state if:
9	a. the public officer agrees in writing to maintain the
10	confidentiality of the information, and
11	b. the laws of the state in which the public officer
12	serves require the information to be kept
13	confidential; and
14	3. A qualified employer's benefit plan and employee notice
15	shall be open to the public.
16	F. A qualified employer's insurance coverage pertains only to
17	covered employees in this state. An employer with employees in
18	other states shall obtain insurance coverage in compliance with the
19	laws of that state; provided:
20	1. A qualified employer's benefit plan and insurance coverage
20 21	1. A qualified employer's benefit plan and insurance coverage may apply to an employee who is employed outside of this state on
21	may apply to an employee who is employed outside of this state on

1 2. A qualified employer's insurance policy may include an 2 endorsement that provides coverage for employees working in other 3 states in compliance with the laws of such states; and 4 3. If an employee is not principally employed in this state but 5 is injured in this state, the employee shall be subject to the 6 provisions of the specific act in this title under which the 7 employer provides coverage. Section 111, Chapter 208, O.S.L. 8 SECTION 22. AMENDATORY 9 2013 (85A O.S. Supp. 2015, Section 204), is amended to read as 10 follows: 11 Section 204. A. A qualified employer may self-fund or insure 12 benefits payable under the benefit plan, employers' liability under 13 this act, and any other insurable risk related to its status as a 14 qualified employer with any insurance carrier authorized to do 15 business in this state.

B. Insurance coverage or surety bond obtained by a qualified employer shall be from an admitted or surplus lines insurer with an AM Best Rating of B+ or better. The Insurance Department has no duty to approve insurance rates charged for this coverage. A qualified employer shall secure compensation to covered employees in one of the following ways:

22 1. Obtaining accidental insurance coverage in an amount equal
23 to the compensation obligation;

24

2. Furnishing satisfactory proof to the Commissioner Department
 of the employer's financial ability to pay the compensation (self <u>insure</u>). The Commissioner, under Under rules adopted by the
 Insurance Department or the Commissioner for an individual self insured employer, the Department shall require an a self-insured
 employer that has:

7 less than one hundred employees or less than One a. Million Dollars (\$1,000,000.00) in net assets to: 8 9 (1) deposit with the Commissioner Department 10 securities, an irrevocable letter of credit or a 11 surety bond payable to the state, in an amount 12 determined by the Commissioner Department which 13 shall be at least an average of the yearly claims 14 for the last three (3) years, or 15 provide proof of excess coverage with such terms (2) 16 and conditions as is commensurate with their 17 ability to pay the benefits required by the 18 provisions of this act, or 19 (3) provide a combination of the requirements of 20 divisions (1) and (2) of this subparagraph, as 21 may be approved by the Department, 22 one hundred or more employees and One Million Dollars b. 23 (\$1,000,000.00) or more in net assets to: 24

- 1 (1)secure a surety bond payable to the state, or an 2 irrevocable letter of credit, in an amount 3 determined by the Commissioner Department which shall be at least an average of the yearly claims 4 5 for the last three (3) years, or provide proof of excess coverage with such terms 6 (2) 7 and conditions as is commensurate with their ability to pay the benefits required by the 8
- 9 provisions of this act, or
- 10(3)provide a combination of the requirements of11divisions (1) and (2) of this subparagraph, as12may be approved by the Department; or

Any other security as may be approved by the Commissioner
 Department.

15 The Commissioner Department may waive the requirements of С. 16 this section in an amount which is commensurate with the ability of 17 the employer to pay the benefits required by the provisions of this 18 act. Irrevocable letters of credit required by this section shall 19 contain such terms as may be prescribed by the Commissioner 20 Department and shall be issued for the benefit of the state by a 21 financial institution whose deposits are insured by the Federal 22 Deposit Insurance Corporation.

D. An employer who does not fulfill the requirements of this
section is not relieved of the obligation for compensation to a

1	covered employee. The security required under this section,
2	including any interest thereon, shall be maintained by the
3	Commissioner Department as provided in this act until each:
4	1. Each claim for benefits is paid, settled, or lapses under
5	this act, and costs of administration of such claims are paid; or
6	2. The Department has determined that the self-insured
7	qualified employer is impaired and has advised the Oklahoma Option
8	Self-insured Guaranty Fund of the impairment and released the
9	balance of any security required by this section to the Oklahoma
10	Option Self-insured Guaranty Fund. Claims administration, including
11	processing, investigating, and paying valid claims against an
12	impaired qualified employer's benefit plan under this act may
13	include claim upon the surety that issued any bond, a draw upon the
14	bank that issued any letter of credit, or liquidation of other
15	security.
16	E. Any bond <u>security</u> shall be filed <u>deposited with</u> and held by
17	the Commissioner <u>Department</u> and shall be for the exclusive benefit
18	of any covered employee of a qualified employer.
19	F. Any security held <u>released</u> by the Commissioner <u>Department to</u>
20	the Oklahoma Option Self-insured Guaranty Fund may be used to make a
21	payment to or on behalf of a covered employee provided the following
22	requirements are met:
23	1. The covered employee sustained an occupational injury that
24	is covered by the qualified employer's benefit plan;

2. The covered employee's claim for payment of a specific
 medical or wage replacement benefit amount has been accepted by the
 plan administrator of the benefit plan or acknowledged in a final
 judgment or court order assessing a specific dollar figure for
 benefits payable under the benefit plan;

3. The covered employee is unable to receive payment from the
benefit plan or collect on such judgment or court order because the
qualified employer has filed for bankruptcy or the benefit plan has
become insolvent; and

10 4. The covered employee is listed as an unsecured creditor of 11 the qualified employer because of the acceptance of such claim by 12 the plan administrator of the benefit plan or judgment or court 13 order assessing a specific dollar figure for benefits payable under 14 the benefit plan.

G. The <u>Commissioner Department</u> shall promulgate rules to carry out the provisions of this section including those establishing the procedure by which a covered employee may request and receive payment from the security held by the Commissioner an employer may be approved to self-insure all or part of the employer's liability under the Oklahoma Employee Injury Benefit Act.

H. The benefit plan may provide some level of benefits for sickness, injury or death not due to an occupational <u>a compensable</u> injury.

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1	I. A qualified employer shall hold harmless any insurance agent
2	or broker who sold the employer a benefits program compliant with
3	the Oklahoma Employee Injury Benefit Act if the qualified employer
4	is sued in district court for an injury arising in the course and
5	scope of employment.
6	SECTION 23. AMENDATORY Section 112, Chapter 208, O.S.L.
7	2013, as amended by Section 5, Chapter 390, O.S.L. 2015 (85A O.S.
8	Supp. 2015, Section 205), is amended to read as follows:
9	Section 205. A. There are established within the Office of the
10	State Treasurer two separate funds:
11	1. The Oklahoma Option Insured Guaranty Fund ; and
12	2. The Oklahoma Option Self-insured Guaranty Fund is hereby
13	abolished. Any monies in the Oklahoma Option Insured Guaranty Fund
14	shall be transferred to the Oklahoma Property and Casualty Insurance
15	Guaranty Association or the Oklahoma Life and Health Insurance
16	Guaranty Association as follows:
17	1. If the insurer paying the original assessment was a member
18	of the Oklahoma Property and Casualty Insurance Guaranty
19	Association, then such transfer shall be made to the Oklahoma
20	Property and Casualty Insurance Guaranty Association and credited
21	against the assessment liability of such member; and
22	2. If the insurer paying the original assessment was a member
23	of the Oklahoma Life and Health Insurance Guaranty Association, then
24	such transfer shall be made to the Oklahoma Life and Health

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Insurance Guaranty Association and credited against the assessment liability of such member.

3 Β. The funds established pursuant to subsection A of this 4 section Oklahoma Option Self-insured Guaranty Fund shall be for the 5 purpose of continuation of benefits under this act for covered claims that are due and unpaid or interrupted due to the inability 6 7 of the insurer or sponsor of a self-insured plan, as applicable, 8 qualified employer to meet its compensation obligations because its 9 financial resources, security deposit, guaranty agreements, surety 10 agreements and excess insurance are either inadequate or not 11 immediately accessible for the payment of benefits. Monies in such 12 funds the fund, including interest, are not subject to appropriation 13 and shall be expended to compensate employees for eligible benefits 14 for a compensable injury under this act, pay outstanding workers' 15 compensation obligations of the impaired insurer self-insurer, and 16 for all claims for related administrative fees, operating costs, 17 attorney fees, and other costs reasonably incurred by the Oklahoma 18 Property and Casualty Guaranty Association in the performance of its 19 duties under this act. Expenditures from such funds the fund shall 20 be made on warrants issued by the State Treasurer against claims as 21 prescribed by law. Such funds The fund shall be subject to audit 22 the same as state funds and accounts, the cost for which shall be 23 paid for from the funds fund. A "covered claim" has the meaning 24

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1 given to it pursuant to paragraph 7 of Section 2004 of Title 36 of 2 the Oklahoma Statutes.

C. The funds established under this section Oklahoma Option
<u>Self-insured Guaranty Fund</u> shall be administered, disbursed, and
invested under the direction of the Oklahoma Property and Casualty
Insurance Guaranty Association established by Section 2005 of Title
36 of the Oklahoma Statutes.

8 D. The funds established under this section shall be funded
9 from the following sources:

10

1. Insured Guaranty Fund:

11 Until the Insured Guaranty Fund contains Two Million Dollars 12 (\$2,000,000.00) or if the amount in the fund falls below One Million Dollars (\$1,000,000.00), each insurer shall be assessed a fee equal 13 14 to two percent (2%) of all gross direct premiums written during each 15 quarter of the calendar year for insurance covering a benefit plan 16 under this act after deducting from such gross direct premiums, 17 return premiums, unabsorbed portions of any deposit premiums, policy 18 dividends, safety refunds, savings and other similar returns paid or 19 credited to policyholders. The assessment shall be paid to the 20 Insured Guaranty Fund, care of the Commission, no later than the 21 fifteenth day of the month following the close of each quarter of 22 the calendar year in which the gross direct premium is collected or 23 collectible. No insurer may be assessed in any year an amount 24 greater than two percent (2%) of the net direct written premiums of

1 that insurer or one percent (1%) of that surplus of the insurer as
2 regards policyholders for the calendar year preceding the assessment
3 on the kinds of insurance in the account, whichever is less; and
4 2. Self-insured Guaranty Fund:

5 Until the Oklahoma Option Self-insured Guaranty Fund contains One Million Dollars (\$1,000,000.00) or if the amount in the fund 6 7 falls below Seven Hundred Fifty Thousand Dollars (\$750,000.00), each self-insurer shall be assessed a fee pay an assessment at the rate 8 9 of one percent (1%) of the total compensation for permanent partial 10 disability awards paid out during each quarter of the calendar year 11 by the employers. The fee assessment shall be paid to the Oklahoma 12 Option Self-insured Guaranty Fund, care of the Commission, no later 13 than the fifteenth day of the month following the close of each 14 quarter of the calendar year. The fee assessment shall be 15 determined using a rate equal to the proportion that the deficiency 16 in the fund attributable to self-insurers bears to the actual paid 17 losses of all self-insurers for the preceding calendar year. Each 18 self-insurer shall provide the Commission with the information 19 necessary to determine the amount of the fee to be assessed.

E. The Guaranty Association shall create a separate account for each <u>the</u> fund which may not be commingled with any other account managed by the Guaranty Association.

F. On determination by the <u>Commissioner Department</u> that a selfinsurer has become an impaired insurer, the <u>Commissioner Department</u>

1 shall release the security required by paragraph 2 of subsection B 2 of Section 111 204 of this act title and advise the Guaranty Association of the impairment. Claims administration, including 3 4 processing, investigating and paying valid claims against an 5 impaired self-insurer under this act, may include payment by the surety that issued the surety bond or be under a contract between 6 7 the Commissioner Department and an insurance carrier, appropriate state governmental entity or an approved service organization. 8

9 G. The Guaranty Association shall be a party in interest in all 10 proceedings involving any claims for benefits under this act with 11 respect to an impaired insurer and shall have all rights of 12 subrogation of the impaired insurer. In those proceedings, the 13 Guaranty Association may assume and exercise all rights and defenses 14 of the impaired insurer, including, but not limited to, the right 15 to:

16 1. Appear, defend and appeal claims;

17 2. Receive notice of, investigate, adjust, compromise, settle18 and pay claims; and

19 3. Investigate, handle and contest claims.

20 H. The Guaranty Association may also:

Retain persons necessary to handle claims and perform other
 duties of the Guaranty Association;

23 2. Sue or be sued;

24

Negotiate and become a party to such contracts as are
 necessary to carry out the purposes of this act; and

3 4. Exercise any other powers necessary to perform its duties4 under this act.

5 I. No monies deposited to the funds shall be subject to any6 deduction, tax, levy or any other type of assessment.

J. An impaired self-insurer shall be exempt from assessments
8 until it is no longer impaired.

9 K. Unless provided otherwise in this act, all fines and 10 penalties assessed under this act shall be paid to the Commission 11 for deposit into the funds established in this section in equal 12 amounts.

SECTION 24. AMENDATORY Section 113, Chapter 208, O.S.L. 2013 (85A O.S. Supp. 2015, Section 206), is amended to read as follows:

Section 206. A. In addition to the premium or surplus lines taxes collected from carriers, the carriers shall pay annually to the Workers' Compensation Commission a fee, at the rate to be determined as provided in Section 115 <u>208</u> of this act <u>title</u> but not to exceed three percent (3%), on all written premiums resulting from the writing of insurance under this act on risks within the state.

B. The fee required pursuant to subsection A of this section shall be collected by the Workers' Compensation Commission from the carriers at the same time and in the same manner as insurance

1 premium taxes under Title 36 of the Oklahoma Statutes and deposited 2 into the Oklahoma Option Insured Guaranty Fund as follows: 3 1. If the insurer paying the original assessment was a member 4 of the Oklahoma Property and Casualty Insurance Guaranty 5 Association, then such transfer shall be made to the Oklahoma Property and Casualty Insurance Guaranty Association and credited 6 7 against the assessment liability of such member; and 2. If the insurer paying the original assessment was a member 8 9 of the Oklahoma Life and Health Insurance Guaranty Association, then 10 such transfer shall be made to the Oklahoma Life and Health Insurance Guaranty Association and credited against the assessment 11 12 liability of such member. 13 C. 1. Assessments on which premium taxes are based shall be 14 made on forms prescribed by the Commission and shall be paid to the 15 Commission. 16 2. Absent a waiver obtained from the Commission for good cause, 17 the failure of the carrier to pay the assessment when due shall be 18 referred to the Commissioner Department for appropriate 19 administrative action against the Oklahoma certificate of authority 20 of the delinguent insurer. 21 Payments shall be made by check payable to the Commission. D. 22 Section 118, Chapter 208, O.S.L. SECTION 25. AMENDATORY 23 2013, as amended by Section 6, Chapter 390, O.S.L. 2015 (85A O.S. 24 Supp. 2015, Section 211), is amended to read as follows:

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Section 211. A. If an a qualified employer denies a claimant's 1 2 claim for benefits under this act the Oklahoma Employee Injury 3 Benefit Act, the qualified employer shall notify him or her in 4 writing of the decision or the need for additional information 5 within fifteen (15) days after receipt of the claim, subject to a 6 reasonable extension if the qualified employer requests additional 7 information. Unless otherwise provided by law, the adverse benefit 8 determination letter shall contain an explanation of why the claim 9 was denied, including the benefit plan provision or provisions that 10 were the basis for the denial, and a detailed description of how to 11 appeal the determination. The letter shall also inform the claimant 12 of the right to testify at the hearing, produce witnesses in person 13 or by written statement and submit expert reports. Additional claim 14 procedures consistent with this section may be specified in the 15 benefit plan.

16 The benefit plan Qualified employers and claimants shall в. 17 provide be subject to the following minimum appeal rights: 18 The claimant may appeal in writing an initial adverse 1. 19 benefit determination to an appeals committee within one hundred 20 eighty (180) days following his or her receipt of the adverse 21 benefit determination. The appeal appeals committee shall be heard 22 by a committee consisting consist of at least three people that, 23 none of whom are employees of the qualified employer, were not 24 involved in the original adverse benefit determination or have any

pecuniary interest in the outcome of the appeal. The appeals committee shall <u>conduct a full and fair hearing including</u>, <u>but not</u> <u>limited to</u>, the opportunity to present live testimony, <u>witness</u> <u>statements</u>, <u>briefs</u>, <u>expert reports and oral argument on the merits</u>. <u>The appeals committee shall</u> not give any deference to the claimant's initial adverse benefit determination in its review;

7 2. The <u>appeals</u> committee may request any additional information
8 it deems necessary to make a decision, including having the claimant
9 submit to a medical exam. The committee shall create a

10 comprehensive record of the hearing and maintain such record for no 11 less than two (2) years from the date the decision on appeal is 12 issued;

13 3. The committee shall notify the claimant in writing of its 14 decision, including an explanation of the decision and his or her 15 right to judicial review;

16 4. Subject to the need for a reasonable extension of time due 17 to matters beyond the control of the benefit plan, the appeals 18 committee shall review the determination and issue a decision no 19 later than forty-five (45) days from the date the notice of contest 20 The committee shall provide written notice of its is received. 21 decision to the claimant and the qualified employer. Such notice 22 shall include a detailed explanation of the decision, analysis of 23 evidence presented and instruction for seeking judicial review of 24 the decision. No legal action may be brought by or with respect to a claimant to recover benefits under the benefit plan before the
 foregoing claim procedures have been exhausted;

5. If any part of an adverse benefit determination is upheld by 3 4 the committee, the 4. The qualified employer or claimant may then 5 file appeal the decision of the appeals committee by filing a petition for review with the Commission within one (1) year after 6 7 the date the claimant receives notice that of the adverse benefit 8 determination, or part thereof, was upheld is received. The appeals 9 committee shall provide the record of the hearing to the Commission 10 within seven (7) days of notice from the Commission. If the 11 Commission determines in its sole discretion that the record is 12 deficient, it shall provide written notice to the appeals committee 13 of the defect or defects, after which the committee shall have three 14 (3) days to submit a cured record. If the record is not cured, the 15 administrative law judge shall presume that the defect or defects 16 are unfavorable to the qualified employer. The Commission shall 17 appoint an administrative law judge to hear any the appeal of an 18 adverse benefit determination as a trial de novo. The Commission 19 shall prescribe additional rules governing the authority and 20 responsibility of the parties, the administrative law judge and the 21 Commission during the appeal processes. The administrative law 22 judge and Commission shall act as the court of competent 23 jurisdiction under 29 U.S.C.A. Section 1132(e)(1), and shall possess 24 adjudicative authority to render decisions in individual proceedings by claimants to recover benefits due to the claimant or employers
under the terms of the claimant's applicable plan, including the
authority to award or deny benefits and otherwise enforce the
claimant's rights under the terms of the benefit plan, or to clarify
the claimant's rights to future benefits under the terms of the
plan;

7 6. 5. The Commission administrative law judge shall rely on the record established by the internal appeal process and use an 8 9 objective standard of review that is not arbitrary or capricious the 10 claim de novo. Any party aggrieved by the judgment, decision, or award made by an administrative law judge may, within ten (10) days 11 12 of issuance, appeal to the Commission. After hearing, the 13 Commission may reverse or modify the decision of the administrative 14 law judge only if it determines that the decision was against the 15 clear weight of evidence or contrary to law. All such proceedings 16 of the Commission shall be recorded by a court reporter. Any 17 judgment of the Commission which reverses a decision of the 18 administrative law judge shall contain specific findings relating to 19 the reversal. Any award by the administrative law judge or 20 Commission shall be limited to benefits payable under the terms of 21 the benefit plan and, to the extent provided herein, attorney fees 22 and costs; and

23 7. 6. If the claimant appeals to the Commission and any part of
24 the adverse benefit determination is upheld, he or she may appeal to

1 the Oklahoma Supreme Court. The judgment, decision or award of the 2 Commission shall be final and conclusive on all questions within its 3 jurisdiction between the parties unless an action is commenced in 4 the Supreme Court of this state to review the judgment, decision or 5 award within twenty (20) days of being sent to the parties. Any judgment, decision or award made by an administrative law judge 6 7 shall be stayed until all appeal rights have been waived or 8 The Supreme Court may modify, reverse, remand for exhausted. 9 rehearing, or set aside the judgment, decision or award only if it 10 was: 11 a. in violation of constitutional provisions, 12 b. in excess of the statutory authority or jurisdiction 13 of the Commission, 14 с. made on unlawful procedure, 15 d. affected by other error of law, 16 clearly erroneous in view of the reliable, material, e. 17 probative and substantial competent evidence, 18 f. arbitrary or capricious, 19 procured by fraud, or q. 20 missing findings of fact on issues essential to the h. 21 decision. 22 Such action shall be commenced by filing with the Clerk of the 23 Supreme Court a certified copy of the judgment, decision or award of 24

1 the Commission attached to a petition which shall specify why the 2 judgment, decision or award is erroneous or illegal.

The Supreme Court shall require the appealing party to file within forty-five (45) days from the date of the filing of an appeal a transcript of the record of the proceedings before the Commission, or such later time as may be granted by the Supreme Court on application and for good cause shown. The action shall be subject to the law and practice applicable to comparable civil actions cognizable in the Supreme Court.

10 C. If any of the provisions in paragraphs 5 through 7 of 11 subsection B of this section are determined to be unconstitutional 12 or otherwise unenforceable by the final nonappealable ruling of a 13 court of competent jurisdiction, then the following minimal appeal 14 procedures will go into effect:

15 1. The appeal shall be heard by a committee consisting of at 16 least three people that were not involved in the original adverse 17 benefit determination. The appeals committee shall not give any 18 deference to the claimant's initial adverse benefit determination in 19 its review;

20 2. The committee may request any additional information it 21 deems necessary to make a decision, including having the claimant 22 submit to a medical exam; 23

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1	3. The committee shall notify the claimant in writing of its
2	decision, including an explanation of the decision and his or her
3	right to judicial review;
4	4. The committee shall review the determination and issue a
5	decision no later than forty-five (45) days from the date the notice
6	of contest is received;
7	5. If any part of an adverse benefit determination is upheld by
8	the committee, the claimant may then file a petition for review in a
9	proper state district court; and
10	6. The district court shall rely on the record established by
11	the internal appeal process and use a deferential standard of
12	review.
13	D. The provisions of this section shall apply to the extent not
14	inconsistent with or preempted by any other applicable law or rule.
15	E. All intentional tort or other employers' liability claims
16	may proceed through the appropriate state courts of Oklahoma,
17	mediation, arbitration, or any other form of alternative dispute
18	resolution or settlement process available by law.
19	A fee of One Hundred Dollars (\$100.00) per appeal to the Supreme
20	Court shall be paid by the party filing the appeal to the Commission
21	and deposited to the credit of the Workers' Compensation Fund as
22	costs for preparing, assembling, indexing and transmitting the
23	record for appellate review. If more than one party to the action
24	files an appeal from the same judgment, decision or award, the fee

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1	shall be paid by the party whose petition in error commences the
2	principal appeal.
3	SECTION 26. This act shall become effective in accordance with
4	the provisions of Section 58 of Article V of the Oklahoma
5	Constitution.
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