HB3717 FULLPCS1 Kevin Wallace-SD 4/24/2018 9:52:58 am

COMMITTEE AMENDMENT

HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:			
CHAIR:			
I move to amer	nd <u>HB3717</u>		
Page	Section	Lines	Of the printed Bill
			Of the Engrossed Bill
	ne Title, the Enacti lieu thereof the fol		ire bill, and by
	ONFORM TO AMENDMENTS	Amendment subm	nitted by: Kevin Wallace
Adopted:			

Reading Clerk

1 STATE OF OKLAHOMA 2 2nd Session of the 56th Legislature (2018) 3 PROPOSED COMMITTEE SUBSTITUTE 4 FOR HOUSE BILL NO. 3717 By: Wallace and Casey of the 5 House 6 and 7 David and Fields of the Senate 8 9 10 11 PROPOSED COMMITTEE SUBSTITUTE 12 An Act relating to workers' compensation; creating the Multiple Injury Trust Fund Recovery Act; stating 1.3 purpose; amending Section 6, Chapter 208, O.S.L. 2013, as amended by Section 1, Chapter 390, O.S.L. 14 2015, Section 30, Chapter 208, O.S.L. 2013, Section 31, Chapter 208, O.S.L. 2013, as amended by Section 15 3, Chapter 344, O.S.L. 2015, Sections 32, 33, 34 and 82, Chapter 208, O.S.L. 2013 and Section 165, Chapter 16 208, O.S.L. 2013, as amended by Section 4, Chapter 344, O.S.L. 2015 (85A O.S. Supp. 2017, Sections 6, 30, 31, 32, 33, 34, 82 and 122), which relate to the 17 Administrative Workers' Compensation Act; updating 18 reference to certain fund; eliminating certain funding to the Workers' Compensation Fraud 19 Investigation Unit; modifying definition of physically impaired person; modifying duration of 20 permanent disability payments; modifying application to certain adjudications; modifying assessment 21 procedure for the Multiple Injury Trust Fund; providing definitions; modifying maximum amount of 22 certain assessments; requiring the Oklahoma Tax

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Commission to assess and collect certain assessments;

Injury Trust Fund; modifying appointment authority

modifying fine; establishing interest rate for accrued and unpaid compensation from the Multiple

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for MITF Director; providing for permanent total disability awards from the Multiple Injury Trust Fund for physically impaired persons; providing certain requirements; requiring offers to be conveyed within a certain time; prohibiting subsequent claims in certain circumstances; clarifying when attorney awards vest; modifying statute of limitations; modifying authority of the MITF Director; modifying administration of the Multiple Injury Trust Fund; modifying definition of controverted claim; modifying procedure required for payment of legal fees; modifying apportionments from the Multiple Injury Trust Fund; amending Section 169, Chapter 208, O.S.L. 2013 (85A O.S. Supp. 2017, Section 400), which relates to the Workers' Compensation Court of Existing Claims; modifying certain terms of office; changing manner in which vacancies are filled; providing duties and responsibilities of the Presiding Judge; clarifying scope of jurisdiction of the Court; changing appeal process; eliminating certain duties and powers of administrative law judges; repealing Section 15, Chapter 208, O.S.L. 2013 (85A O.S. Supp. 2016, Section 15), which relates to a Fraud Investigation funding report; providing for noncodification; and declaring an emergency.

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16 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

Sections 3 through 9 of this act shall be known and may be cited as the "Multiple Injury Trust Fund Recovery Act". The purpose of this act is to change eligibility criteria for claims against the Multiple Injury Trust Fund and to provide additional funding for said Fund from nongovernment sources to minimize legislative

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1 appropriation to secure the Fund as a general obligation of the 2 State of Oklahoma.

3 SECTION 2. AMENDATORY Section 6, Chapter 208, O.S.L.

- 2013, as amended by Section 1, Chapter 390, O.S.L. 2015 (85A O.S.
- 5 | Supp. 2016, Section 6), is amended to read as follows:
- 6 Section 6.

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- A. 1. a. Any person or entity who makes any material false statement or representation, who willfully and knowingly omits or conceals any material information, or who employs any device, scheme, or artifice, or who aids and abets any person for the purpose of:
 - (1) obtaining any benefit or payment,
 - (2) increasing any claim for benefit or payment, or
 - (3) obtaining workers' compensation coverage under this act,
 - shall be guilty of a felony punishable pursuant to Section 1663 of Title 21 of the Oklahoma Statutes.
 - b. A material false statement or representation includes, but is not limited to, attempting to obtain treatment or compensation for body parts that were not injured in the course and scope of employment.
 - c. Fifty percent (50%) of any criminal fine imposed and collected under this section shall be paid and allocated in accordance with applicable law to the

Workers' Compensation <u>Commission Revolving</u> Fund administered by the Workers' Compensation Commission.

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- 2. Any person or entity with whom any person identified in division (1) of subparagraph a of paragraph 1 of this subsection has conspired to achieve the proscribed ends shall, by reason of such conspiracy, be guilty as a principal of a felony.
- B. A copy of division (1) of subparagraph a of paragraph 1 of subsection A of this section shall be included on all forms prescribed by the Commission for the use of injured employees claiming benefits and for the use of employers in responding to employees' claims under this act.
- C. Where the Commission or the Attorney General finds that a violation of division (1) of subparagraph a of paragraph 1 of subsection A of this section has been committed, or that any other criminal violations in furtherance of this act were committed, the chair of the Commission or the Attorney General shall refer the matter for appropriate action to the prosecuting attorney having criminal jurisdiction over the matter.
 - D. 1. a. There shall be established within the Office of the

 Attorney General a Workers' Compensation Fraud

 Investigation Unit, funded by the Commission. The

 Attorney General shall appoint a Director of the

 Workers' Compensation Fraud Investigation Unit, who

 may also serve as the director of any other designated

insurance fraud investigation division within the Attorney General's office.

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- b. (1) The Unit shall investigate workers' compensation fraud, any additional criminal violations that may be related to workers' compensation fraud, and any other insurance fraud matters as may be assigned at the discretion of the Attorney General.
 - (2) The Attorney General shall designate the personnel assigned to the Unit, who, on meeting the qualifications established by the Oklahoma Council on Law Enforcement Education and Training, shall have the powers of specialized law enforcement officers of the State of Oklahoma for the purpose of conducting investigations under this subparagraph. Personnel hired as specialized law enforcement officers shall have a minimum of three (3) years of certified law enforcement experience or its equivalent in national or military law enforcement experience as approved by the Oklahoma Council on Law Enforcement Education and Training.
- 2. The Attorney General and his or her deputies and assistants and the Director of the Workers' Compensation Fraud Investigation

Unit and his or her deputies and assistants shall be vested with the power of enforcing the requirements of this section.

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- 3. It shall be the duty of the Unit to assist the Attorney General in the performance of his or her duties. The Unit shall determine the identity of employees in this state who have violated division (1) of subparagraph a of paragraph 1 of subsection A of this section and report the violation to the Office of the Attorney General and the Commission. The Attorney General shall report the violation to the prosecuting attorney having jurisdiction over the matter.
 - 4. a. In the course of any investigation being conducted by the Unit, the Attorney General and his or her deputies and assistants and the Director and his or her deputies and assistants shall have the power of subpoena and may:
 - (1) subpoena witnesses,
 - (2) administer oaths or affirmations and examine any individual under oath, and
 - (3) require and compel the production of records, books, papers, contracts, and other documents.
 - b. The issuance of subpoenas for witnesses shall be served in the same manner as if issued by a district court.

c. (1) Upon application by the commissioner or the Director of the Unit, the district court located in the county where a subpoena was served may issue an order compelling an individual to comply with the subpoena to testify.

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- (2) Any failure to obey the order of the court may be punished as contempt.
- d. If any person has refused in connection with an investigation by the Director to be examined under oath concerning his or her affairs, then the Director is authorized to conduct and enforce by all appropriate and available means any examination under oath in any state or territory of the United States in which any officer, director, or manager may then presently be to the full extent permitted by the laws of the state or territory.
- e. In addition to the punishments described in paragraph

 1 of subsection A of this section, any person

 providing false testimony under oath or affirmation in

 this state as to any matter material to any

 investigation or hearing conducted under this

 subparagraph, or any workers' compensation hearing,

 shall upon conviction be guilty of perjury.

5. Fees and mileage of the officers serving the subpoenas and of the witnesses in answer to subpoenas shall be as provided by law.

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- 6. a. Every carrier or employer who has reason to suspect that a violation of division (1) of subparagraph a of paragraph 1 of subsection A of this section has occurred shall be required to report all pertinent matters to the unit.
 - b. No carrier or employer who makes a report for a suspected violation of division (1) of subparagraph a of paragraph 1 of subsection A of this section by an employee shall be liable to the employee unless the carrier or employer knowingly and intentionally included false information in the report.
 - c. (1) Any carrier or employer who willfully and knowingly fails to report a violation under division (1) of subparagraph a of paragraph 1 of subsection A of this section shall be guilty of a misdemeanor and on conviction shall be punished by a fine not to exceed One Thousand Dollars (\$1,000.00).
 - (2) Fifty percent (50%) of any criminal fine imposed and collected under this subparagraph shall be paid and allocated in accordance with applicable law to the fund administered by the Commission.

- d. Any employee may report suspected violations of division (1) of subparagraph a of paragraph 1 of subsection A of this section. No employee who makes a report shall be liable to the employee whose suspected violations have been reported.
- E. 1. For the purpose of imposing criminal sanctions or a fine for violation of the duties of this act, the prosecuting attorney shall have the right and discretion to proceed against any person or organization responsible for such violations, both corporate and individual liability being intended by this act.

- 2. The prosecuting attorney of the district to whom a suspected violation of subsection A of this section, or any other criminal violations that may be related thereto, have been referred shall, for the purpose of assisting him or her in such prosecutions, have the authority to appoint as special deputy prosecuting attorneys licensed attorneys—at—law in the employment of the Unit or any other designated insurance fraud investigation division within the Attorney General's office. Such special deputy prosecuting attorneys shall, for the purpose of the prosecutions to which they are assigned, be responsible to and report to the prosecuting attorney.
- F. Notwithstanding any other provision of law, investigatory files as maintained by the Attorney General's office and by the Unit shall be deemed confidential and privileged. The files may be made

- open to the public once the investigation is closed by the Director of the Workers' Compensation Fraud Investigation Unit with the consent of the Attorney General.
 - G. The Attorney General, with the cooperation and assistance of the Commission, is authorized to establish rules as may be necessary to carry out the provisions of this section.

- H. Nothing in this section shall be deemed to create a civil cause of action.
- I. The Commission shall include a statement on all forms for notices and instructions to employees, employers, carriers and third-party administrators that any person who commits workers' compensation fraud, upon conviction, shall be guilty of a felony punishable by imprisonment, a fine or both.
- J. If an injured employee is charged with workers' compensation fraud, any pending workers' compensation proceeding, including benefits, shall be stayed after the preliminary hearing is concluded and the claimant is bound over and shall remain stayed until the final disposition of the criminal case. All notice requirements shall continue during the stay.
- K. If the Attorney General's Office is in compliance with the discovery provisions of Section 258 of Title 22 of the Oklahoma Statutes, medical records created for the purpose of treatment and medical opinions obtained during the investigation shall be admissible at the preliminary hearing without the appearance of the

medical professional creating such records or opinions. However, when material evidence dispositive to the issues of whether there was probable cause the crime was committed and whether the defendant committed the crime, was not included in a report or opinion admitted at preliminary hearing, but might be presented at a pretrial hearing by a medical professional who created such report or opinion, the judge may, upon the motion of either party, order the appearance of the medical professional creating such report or opinion. Questions of fact regarding the conduct of the defendant that conflict with the findings of the medical professional evaluating the defendant shall not constitute material evidence. the event of such motion, notice shall be given to the Attorney General's Workers Compensation Fraud and Investigation and Prosecution Unit. A hearing shall be held and, if the motion is granted, the evidence shall not be presented fewer than five (5) days later.

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L. Any person or entity who, in good faith and exercising due care, reports suspected workers' compensation fraud or insurance fraud, or who allows access to medical records or other information pertaining to suspected workers' compensation or insurance fraud, by persons authorized to investigate a report concerning the workers' compensation and insurance fraud, shall have immunity from any civil or criminal liability for such report or access. Any such person or entity shall have the same immunity with respect to participation in

- any judicial proceeding resulting from such reports. For purposes
 of any civil or criminal proceeding, there shall be a presumption of
 good faith of any person making a report, providing medical records
 or providing information pertaining to a workers' compensation or
 insurance fraud investigation by the Attorney General, and
 participating in a judicial proceeding resulting from a subpoena or
- 8 SECTION 3. AMENDATORY Section 30, Chapter 208, O.S.L.
- 9 2013 (85A O.S. Supp. 2017, Section 30), is amended to read as
- 10 | follows:

a report.

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- Section 30. A. For the purposes of Sections 31 through 35 of this act title, the term "physically impaired person" means a person who, as a result of accident, disease, birth, military action, or any other cause, has suffered:
 - 1. The loss of the sight of one eye;
 - 2. The loss by amputation of the whole or a part of a member of the body; $\underline{\text{or}}$
 - 3. The loss of use or partial loss of use of a member such as is obvious and apparent from observation or examination by a person who is not skilled in the medical profession; or
 - 4. Any previous adjudications of compensable permanent partial disability adjudged and determined by the Workers' Compensation

 Court, the Workers' Compensation Court of Existing Claims, or the Workers' Compensation Commission or any disability resulting from

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separately adjudicated injuries and adjudicated occupational
diseases even though arising at the same time. Provided, that any
adjudication of preexisting disability to a part of the body shall
not be combinable for purposes of the Multiple Injury Trust Fund
unless that part of the body was deemed to have been injured in the
claim being adjudicated.
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B. This section shall apply to all adjudications of Multiple
Injury Trust Fund claims heard by the Commission on or after the

effective date of this act in which the last injury occurred on or

after the effective date of this act.

- SECTION 4. AMENDATORY Section 31, Chapter 208, O.S.L. 2013, as amended by Section 3, Chapter 344, O.S.L. 2015 (85A O.S. Supp. 2017, Section 31), is amended to read as follows:
 - Section 31. A. The Multiple Injury Trust Fund shall be derived from the following additional sources:
 - 1. As soon as practicable after January 1 of each year, the commissioners of the Workers' Compensation Commission shall establish an assessment rate applicable to each mutual or interinsurance association, stock company, CompSource Oklahoma, or other insurance carrier writing workers' compensation insurance in this state, each employer carrying its own risk, and each group self-insurance association, including the Consolidated Workers' Compensation Program authorized by Section 85.58A of Title 74 of the Oklahoma Statutes, and operated by the Office of Management and

Enterprise Services, for amounts for purposes of computing the assessment authorized by this section necessary to pay the annual obligations of the Multiple Injury Trust Fund determined on or before December 31 of each year by the MITF Director, provided for in subsection P of this section, to be outstanding for the next calendar year, and to pay the allocations provided for in subsection I of this section. The rate shall be equal for all parties required insurance company, the The Board of Directors for CompSource Mutual Insurance Company shall have the power to disapprove the rate established by the MITF Director until the Multiple Injury Trust Fund repays in full the amount due on any loan from CompSource Mutual Insurance Company or its predecessor CompSource Oklahoma. the MITF Director and CompSource Mutual Insurance Company have not agreed on the assessment rate within thirty (30) days, the Workers' Compensation Commission shall set an assessment rate sufficient to cover all foreseeable obligations of the Multiple Injury Trust Fund, including interest and principal owed by the Fund on any loan. The rate in effect on the effective date of this act shall remain effective through June 30, 2014;

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2. The Oklahoma Tax Commission shall assess and collect from any uninsured employer a temporary assessment at the rate of five percent (5%) of the total compensation for permanent total disability awards, permanent partial disability awards, and death

benefits paid out during each quarter of the calendar year by the employers;

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3. The assessments shall be paid to the Oklahoma Tax

Commission. Insurance carriers, self-insurers, and group selfinsurance associations and CompSource Oklahoma shall pay the
assessment in four equal installments not later than the fifteenth
day of the month following the close of each quarter of the calendar
year of the assessment. Assessments shall be determined based upon
gross direct written premiums before deductible credits are applied,
normal premiums or actual paid losses of the paying party, as
applicable, during the calendar quarter for which the assessment is
due. Uninsured employers shall pay the assessment not later than
the fifteenth day of the month following the close of each quarter
of the calendar year of the assessment. For purposes of this
section, "uninsured employer" means an employer required by law to
carry workers' compensation insurance but who has failed or
neglected to do so.

a. The assessment authorized in this section shall be determined using a rate equal to the proportion that the sum of the outstanding obligations of the Multiple Injury Trust Fund as determined pursuant to paragraph 1 of this subsection and the allocations provided for in subsection I of this section bear to the combined gross direct written premiums of all such insurers;

all actual paid losses of all individual selfinsureds; and the normal premium of all group selfinsurance associations, for the year period from
January 1 to December 31 preceding the assessment.

- b. For purposes of this subsection:
 - (1) "actual paid losses" means all medical and indemnity payments, including temporary disability, permanent disability, and death benefits, and excluding loss adjustment expenses and reserves, and
 - companies means all consideration, whether

 designated as premium or otherwise, for workers'

 compensation insurance paid to an insurance

 company or its representative, including on

 insurance policies with provisions for

 deductibles, the calculated cost for coverage,

 including experience modification and premium

 surcharge or discount prior to any reduction for

 deductibles, and
 - (3) "normal premium" means a standard premium less
 any discounts;

provide the <u>Workers' Compensation</u> Commission with such information, including annual deductible recoveries received, as the Commission may determine is necessary to effectuate the purposes of this section;

5. 4. Each mutual or interinsurance association, stock company, CompSource Oklahoma, or other insurance carrier writing workers' compensation insurance in this state, and each employer carrying its own risk, including each group self-insurance association, shall be notified by the Workers' Compensation Commission in writing of the rate for the assessment on or before May 1 of each year in which a rate is determined. The rate determined by the Commission shall be in effect for four calendar quarters beginning July 1 following determination by the Commission. The Commission may amend its previously determined rate on or after the effective date of this act. Parties affected by the amended rate shall be notified by the Commission in writing as is reasonable. The amended rate shall be in effect beginning October 1, 2018, for the remainder of fiscal year 2019; and

6. 5. a. No mutual or interinsurance association, stock company, CompSource Oklahoma, or other insurance carrier writing workers' compensation insurance in this state may be assessed in any year an amount greater than six percent (6%) seven percent (7%) of the gross direct written premiums of that insurer.

b. No employer carrying its own risk may be assessed in any year an amount greater than six percent (6%) seven percent (7%) of the total actual paid losses of that individual self-insured.

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- c. No group self-insurance association may be assessed in any year an amount greater than six percent (6%) seven percent (7%) of the normal premium of that group self-insurance association—;
- 6. The Oklahoma Tax Commission shall assess and collect from any uninsured employer a temporary assessment at the rate of five percent (5%) of the total compensation for permanent total disability awards, permanent partial disability awards, and death benefits paid out during each quarter of the calendar year by employers. For the purpose of this paragraph, "uninsured employer" means an employer required by law to secure its workers' compensation obligations but who has failed or neglected to do so;
- 7. The Oklahoma Tax Commission shall assess and collect from claimants a temporary assessment as follows:
 - a. if an award has been made by the Workers' Compensation

 Court of Existing Claims or the Workers' Compensation

 Commission for permanent partial disability or

 permanent total disability, or if a Compromise

 Settlement or Joint Petition has been approved, the

 employer or insurance carrier shall pay to such

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employee the amount of the award less the assessment.

The assessment shall be paid to the Oklahoma Tax

Commission no later than the fifteenth day of the

month following the close of each quarter of the

calendar year in which compensation is paid or became

payable,

- b. the payments provided for in this subsection shall be payable at the time the award becomes final, regardless of whether or not the award made to the claimant is paid, and
- c. in making and entering awards for compensation for

 permanent total disability or permanent partial

 disability, the Workers' Compensation Commission and

 the Workers' Compensation Court of Existing Claims

 shall determine and fix the amounts that shall be paid

 to the Tax Commission under paragraph 8 of this

 subsection. The total amount of the deduction so

 determined and fixed shall have the same force and

 effect as an award for compensation, and all

 provisions relating to the collection of awards shall

 apply to such judgments; and

d.

8. If the maximum assessment does not provide revenue in any one year an amount sufficient is insufficient to make all necessary

payments for obligations of the Multiple Injury Trust Fund and for the allocations provided for in subsection I of this section, the unpaid portion shall be paid as soon thereafter as funds become available.

- B. The Multiple Injury Trust Fund is hereby authorized to receive and expend monies appropriated by the Legislature.
- C. It shall be the duty of the Tax Commission to collect the payments provided for in this act. The Tax Commission is hereby authorized to bring an action for the recovery of any delinquent or unpaid payments required in this section.
- D. Any mutual or interinsurance association, stock company, or other insurance company, which is subject to regulation by the Insurance Commissioner, or CompSource Oklahoma, failing to make payments required in this act promptly and correctly, and failing to report payment of the same to the Insurance Commission Commissioner within ten (10) days of payment shall be subject to administrative penalties as allowed by law, including but not limited to a fine in the amount of Five Hundred Dollars (\$500.00) or an amount equal to one percent (1%) of the unpaid amount, whichever is greater, to be paid to the Insurance Commissioner.
- E. Any employer carrying its own risk, or group self-insurance association failing to make payments required in this act promptly and correctly, and failing to report payment of the same to the Commission within ten (10) days of payment shall be subject to

21, administrative penalties as allowed by law, including but not
limited to a fine in the amount of Five Hundred Dollars (\$500.00)

Two Hundred Fifty Dollars (\$250.00) for each day following the due
date for which payment is not paid or an amount equal to one percent
(1%) of the unpaid amount, whichever is greater, to be paid to the

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Commission.

- F. 1. On or before the first day of April of each year, the State Treasurer shall advise the Commission, the MITF Director and the Tax Commission of the amount of money held as of March 1 of that year by the State Treasurer to the credit of the Multiple Injury Trust Fund. On or before the first day of November of each year, the State Treasurer shall advise the Commission, the MITF Director and the Tax Commission of the amount of money held as of October 1 of that year by the State Treasurer to the credit of the Multiple Injury Trust Fund.
- 2. Until such time as the Multiple Injury Trust Fund fully satisfies any loan obligation payable to CompSource Mutual Insurance Company or its predecessor CompSource Oklahoma, the State Treasurer shall:
 - a. advise the Chief Executive Officer of CompSource

 Mutual Insurance Company on or before the first day of

 April of the money held as of March 1 of that year by

 the State Treasurer to the credit of the Multiple

 Injury Trust Fund, and

b. advise the Chief Executive Officer of CompSource
Mutual Insurance Company on or before the first day of
November of the money held as of October 1 of that
year by the State Treasurer to the credit of the
Multiple Injury Trust Fund.

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G. Eighty percent (80%) of all sums held by the State Treasurer to the credit of the Multiple Injury Trust Fund may by order of the MITF Director be invested in or loaned on the pledge of any of the securities in which a state bank may invest the monies deposited therein by the State Treasurer; or may be deposited in state or national banks or trust companies upon insured time deposit bearing interest at a rate no less than currently being paid upon insured savings accounts in the institutions. As used in this section, "insured" means insurance as provided by an agency of the federal government. All such securities or evidence of indebtedness shall be placed in the hands of the State Treasurer, who shall be the custodian thereof, who shall collect the principal and interest when due, and pay the same into the Multiple Injury Trust Fund. State Treasurer shall pay by vouchers drawn on the Multiple Injury Trust Fund for the making of such investments, when signed by the MITF Director, upon delivery of such securities or evidence of indebtedness to the State Treasurer. The MITF Director may sell any of such securities, the proceeds thereof to be paid over to the State Treasurer for the Multiple Injury Trust Fund.

H. The refund provisions of Sections 227 through 229 of Title 68 of the Oklahoma Statutes shall be applicable to any payments made to the Multiple Injury Trust Fund. Refunds shall be paid from and out of the Multiple Injury Trust Fund.

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- I. The Tax Commission shall pay, monthly, to the State

 Treasurer to the credit of the Multiple Injury Trust Fund all monies

 collected pursuant to the provisions of this section. The State

 Treasurer shall pay out of the Multiple Injury Trust Fund only upon

 the order and direction of the Workers' Compensation Commission

 acting under the provisions hereof.
- J. The Commission shall promulgate rules as the Commission deems necessary to effectuate the provisions of this section.
- K. The Insurance Commissioner shall promulgate rules relating to insurers as defined in Title 36 of the Oklahoma Statutes, as the Insurance Commissioner deems necessary to effectuate the provisions of this section.
- L. The MITF Director shall have authority to fulfill all payment obligations of the Multiple Injury Trust Fund.
- M. The Multiple Injury Trust Fund may enter into an agreement with any reinsurer licensed to sell reinsurance by the Insurance Commissioner pursuant to a competitive process administered by the Director of Central Purchasing in the Office of Management and Enterprise Services.

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N. Any dividend, rebate, or other distribution, payable by CompSource Oklahoma Mutual Insurance Company or any other workers' compensation insurance carrier, to a state agency policyholder shall be paid to the State Treasurer, and shall be credited as follows:

- 1. In the event of failure of the Multiple Injury Trust Fund to meet all lawful obligations, the monies shall be credited to the Multiple Injury Trust Fund and shall be used by the Multiple Injury Trust Fund to meet all lawful obligations of the Multiple Injury Trust Fund; and
- 2. Otherwise, all future dividends made by CompSource Oklahoma or any workers' compensation insurance carrier, on behalf of state agencies, shall be deposited to the credit of the General Revenue Fund of the State Treasury.
- O. The Workers' Compensation Commission shall be charged with the administration and protection of the Multiple Injury Trust Fund.
- P. The person serving as the Administrator of the Multiple
 Injury Trust Fund on the date of passage and approval of this act
 shall serve as the initial MITF Director, provided such person is
 serving as the Administrator of the Multiple Injury Trust Fund on
 the effective date of this act. The MITF Director shall be
 appointed by and serve at the pleasure of the Governor Workers'
 Compensation Commission.
- Q. Any party interested shall have a right to bring a proceeding in the Supreme Court to review an award of the Workers'

Compensation Commission affecting such Multiple Injury Trust Fund,
in the same manner as is provided by law with reference to other
awards by the Commission.

- R. The State Treasurer shall allocate to the Commission out of the Multiple Injury Trust Fund sufficient funds for administration expenses thereof in amounts to be fixed and approved by the Administrator Director for the Multiple Injury Trust Fund, unless rejected by the Workers' Compensation Commission.
- S. On or after the effective date of this act, accrued and unpaid compensation from the Multiple Injury Trust Fund shall bear simple interest only at the percentage rate applicable under Section 727.1 of Title 12 of the Oklahoma Statutes from the day an award is made by the Workers' Compensation Court of Existing Claims or the Workers' Compensation Commission.
- SECTION 5. AMENDATORY Section 32, Chapter 208, O.S.L.

 16 2013 (85A O.S. Supp. 2017, Section 32), is amended to read as

 17 follows:
 - Section 32. A. For actions in which the subsequent injury occurred on or after November 1, 2005, if If an employee who is a physically impaired person and who receives an accidental personal injury compensable under the Workers' Compensation Act, the Workers' Compensation Code, or the Administrative Workers' Compensation Act which results in additional permanent disability so that the degree of disability caused by the combination of both disabilities results

in disability materially greater than that which would have resulted from the subsequent injury alone, the employee may proceed against the Multiple Injury Trust Fund for permanent total disability. Only disability due to an injury to the body as a whole at a subsequent employer shall be combinable with a prior body disability, except that disability to a member may be combined with disability to the body as a whole. If such combined disabilities constitute permanent total disability, as defined in Section 2 of this act title, the employee shall receive full compensation as provided by law for the disability resulting directly and specifically from the subsequent injury. In addition, the employee shall receive compensation for permanent total disability if the combination of injuries renders the employee permanently and totally disabled. The employer shall be liable only for the degree of percent of disability which would have resulted from the subsequent injury if there had been no preexisting impairment. The compensation rate for permanent total disability awards from the Multiple Injury Trust Fund shall be the compensation rate for permanent partial disability paid by the employer in the last combinable compensable injury.

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B. Permanent total disability awards from the Multiple Injury

Trust Fund shall be payable in periodic installments for a period of

fifteen (15) ten (10) years or until the employee reaches sixty-five

(65) years of age, whichever period is longer.

C. Permanent total disability awards from the Multiple Injury
Trust Fund shall accrue from the file date of the order of the
Workers' Compensation Commission finding the claimant to be
permanently and totally disabled.

- D. Before a physically impaired person can proceed against the Multiple Injury Trust Fund, the previously adjudicated compensable permanent partial disability adjudged and determined by the Workers' Compensation Court, the Workers' Compensation Court of Existing Claims, or Workers' Compensation Commission, and the permanent partial disability from the last injury must exceed sixty percent (60%) to the body as a whole. However, amputations and loss of use of a scheduled member qualifying as previous impairment under paragraph 2 of subsection A of Section 30 of this title shall be considered in lieu of previously adjudicated compensable permanent partial disability.
- $\underline{\text{E.}}$ Awards under this section shall abate upon the death, from any cause, of the employee.
- E. F. Reopening any prior claim other than the last <u>injury</u> claim against the employer shall not give a claimant the right to additional Multiple Injury Trust Fund benefits.
- F. G. The Multiple Injury Trust Fund shall have authority to compromise a claim for less than the indicated amount of permanent total disability. An order entered after the effective date of this act may Orders shall be paid in periodic installments beginning on

the date of the award, or may be unless commuted to a lump-sum payment or payments, by agreement of the claimant and the Multiple Injury Trust Fund. All offers made by the Multiple Injury Trust Fund pursuant to this section shall be conveyed by the claimant's attorney to the claimant within five (5) days of receipt of the offer.

G. H. If an order is entered finding an employee to be permanently totally disabled as a result of combined disability, and such order is compromised, the employee is thereafter prohibited from making an additional claim against the MITF. An attorney for a claimant against the Multiple Injury Trust Fund shall be entitled to a fee equal to twenty percent (20%) of permanent disability benefits awarded. For awards entered after the effective date of this act, the The attorney fee shall be paid in periodic installments by the attorney receiving every fifth check. All benefits awarded to the attorney shall be vested at the time the award becomes final.

H. In the event a claimant receiving benefits for permanent and total disability from the Multiple Injury Trust Fund dies as a result of his or her injury before the award has been fully paid, payments shall continue to the surviving spouse for five (5) years or upon remarriage, whichever occurs first. In no event shall payments to the surviving spouse extend beyond the period of benefits awarded to the claimant.

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1 SECTION 6. AMENDATORY Section 33, Chapter 208, O.S.L.
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- 2 | 2013 (85A O.S. Supp. 2017, Section 33), is amended to read as
- 3 | follows:
- 4 Section 33. A. The right to claim compensation for benefits
- 5 | from the Multiple Injury Trust Fund shall be forever barred unless a
- 6 | Notice of Claim, on a form prescribed by the Workers' Compensation
- 7 | Commission, shall be filed with the Commission within two (2) years
- 8 of the date of the last order for permanent partial disability
- 9 arising from the latest claim against the last employer.
- 10 B. When a claim for benefits from the Multiple Injury Trust
- 11 | Fund is filed, unless claimant shall in good faith request a hearing
- 12 and final determination thereon within three (3) two (2) years of
- 13 the filing thereof, the same shall be barred.
- 14 C. An attorney who represents a respondent or insurance carrier
- 15 | in a claim against the last employer shall not represent the
- 16 employee in a subsequent claim against the Multiple Injury Trust
- 17 Fund.
- 18 | SECTION 7. AMENDATORY Section 34, Chapter 208, O.S.L.
- 19 | 2013 (85A O.S. Supp. 2017, Section 34), is amended to read as
- 20 follows:
- 21 Section 34. A. The MITF Director shall be charged with the
- 22 administration and protection of the Multiple Injury Trust Fund and
- 23 | shall be notified by the Workers' Compensation Commission of all
- 24 proceedings which may affect such fund.

B. The MITF Director shall have authority to conduct all business affairs relating to administration of the Multiple Injury

Trust Fund, including, but not limited to, appointment of assistants, accountants, attorneys and other employees as may be necessary.

- <u>C.</u> The MITF Director shall have standing and the authority to appear in any case before the Commission in which the Commission is considering an award from the Multiple Injury Trust Fund.
- C. D. Any party interested shall have a right to bring a proceeding in the Supreme Court to review an award of the Commission affecting such Multiple Injury Trust Fund, in the same manner as is now provided by law with reference to other awards by the Commission.
- D. The State Treasurer shall allocate to the MITF Director sufficient funds for administration expenses thereof in amounts to be fixed and approved by the Administrator for the Multiple Injury Trust Fund, unless rejected by the Governor and Attorney General.

AMENDATORY Section 82, Chapter 208, O.S.L.

- 19 2013 (85A O.S. Supp. 2017, Section 82), is amended to read as 20 follows:
- 21 Section 82.

SECTION 8.

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A. 1. a. Fees for legal services rendered in a claim shall not be valid unless approved by the Commission.

1 An attorney representing an injured employee may only b. 2 recover attorney fees up to ten percent (10%) of any temporary total disability or temporary partial 3 disability compensation and twenty percent (20%) of 5 any permanent partial disability, permanent total 6 disability, or death compensation awarded to an 7 injured employee by the Commission from a controverted claim. If the employer makes a written offer to 8 9 settle permanent partial disability, permanent total 10 disability, or death compensation and that offer is 11 rejected, the employee's attorney may not recover 12 attorney fees in excess of thirty percent (30%) of the 1.3 difference between the amount of any award and the 14 settlement offer. 15 Attorney fees may not be collected for recovery (1)16

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- on noncontroverted claims.
- (2) Attorney fees shall not be awarded on medical benefits or services.
- The fee for legal services rendered by an (3) attorney representing an employee in connection with a change of physician requested by the injured employee, controverted by the employer, and awarded by the Commission, shall be Two Hundred Dollars (\$200.00).

(4) Attorney fees may include not more than ten percent (10%) of the value, or reasonable estimate thereof, of vocational rehabilitation services.

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- A "controverted claim" means that there has been a contested hearing before the Commission over the employer or its insurance carrier has controverted whether there has been a compensable injury or whether the employee is entitled to temporary total disability, temporary partial disability, permanent partial disability, permanent total disability, or death compensation. A request for a change in physician shall not trigger a controverted claim for purposes of recovering any attorney fees except the fees under division 3 of subparagraph b of this paragraph. A controverted claim shall not exist if the employee or his or her representative has withheld pertinent information in his or her possession related to the claim from the employer or has violated the provisions of Section 6 of this act title.
- 2. Any person who or entity that brings a controverted claim against the State Treasurer, as a custodian of the Multiple Injury Trust Fund, shall provide notice of the claim to the Commission.

 Thereafter, the Commission shall direct fees for legal services be

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paid from the Fund, in addition to any compensation award. The fees

shall be authorized only on the difference between the amount of

compensation controverted and the amount awarded from the Fund.
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- 3. In any case where attorney fees are allowed by the Commission, the limitations expressed in subparagraph b of paragraph 1 of this subsection shall apply.
- 4. 3. Medical providers may voluntarily contract with the attorney for the employee to recover disputed charges, and the provider may charge a reasonable fee for the cost of collection.
- B. An attorney representing an employee under this act may not recover fees for services except as expressly provided in this section.
- SECTION 9. AMENDATORY Section 165, Chapter 208, O.S.L.
- 14 | 2013, as amended by Section 4, Chapter 344, O.S.L. 2015 (85A O.S.
- 15 Supp. 2017, Section 122), is amended to read as follows:
- Section 122. A. The Workers' Compensation Commission Revolving

 Fund established by Section 2 28.1 of this act title shall be used
- 18 for the costs of administering this act and for other purposes as
- 19 authorized by law.

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- B. For the purpose of providing funds for the Workers'
- 21 | Compensation Commission Revolving Fund, for the Workers'
- 22 Compensation Administrative Fund created in Section $\frac{5}{401.1}$ of this
- 23 act title, for the Multiple Injury Trust Fund created in Section 28

of this title, and to fund other provisions within this title, the following tax rates shall apply:

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- 1. Each mutual or interinsurance association, stock company, CompSource Oklahoma or other insurance carrier writing workers' compensation insurance in this state shall pay to the Oklahoma Tax Commission an assessment at a rate of one percent (1%) of all gross direct premiums written during each quarter of the calendar year for workers' compensation insurance on risks located in this state after deducting from such gross direct premiums, return premiums, unabsorbed portions of any deposit premiums, policy dividends, safety refunds, savings and other similar returns paid or credited to policyholders. Such payments to the Tax Commission shall be made not later than the fifteenth day of the month following the close of each quarter of the calendar year in which such gross direct premium is collected or collectible. Contributions made by insurance carriers and CompSource Oklahoma, under the provisions of this section, shall be considered for the purpose of computing workers' compensation rates; and
- 2. When an employer is authorized to become a self-insurer, the Commission shall so notify the Tax Commission, giving the effective date of such authorization. The Tax Commission shall then assess and collect from the employers carrying their own risk an assessment at the rate of two percent (2%) of the total compensation for permanent total disability awards, permanent partial disability

awards and death benefits paid out during each quarter of the calendar year by the employers. Such assessment shall be payable by the employers and collected by the Tax Commission according to the provisions of this section regarding payment and collection of the assessment created in paragraph 1 of this subsection.

- C. It shall be the duty of the Tax Commission to collect the payments provided for in this title. The Tax Commission is hereby authorized to bring an action for the recovery of any delinquent or unpaid payments required in this section. The Tax Commission may also enforce payments by proceeding in accordance with the provisions of Section 98 of this title.
- D. The Tax Commission shall pay monthly to the State Treasurer to the credit of the Multiple Injury Trust Fund all monies collected under the provisions of this section less the annual amounts which shall be apportioned by the Oklahoma Tax Commission as follows:
- 1. Five Million Dollars (\$5,000,000.00) shall be payable in equal monthly installments to the credit of the Workers'

 Compensation Commission Revolving Fund established in Section 2 28.1 of this act for the fiscal year ending June 30, 2016, and Three

 Million Dollars (\$3,000,000.00) title for the fiscal year ending

 June 30, 2017 2019, and for all subsequent years to be used to implement the provisions of this title; and
- 2. Four Million Dollars (\$4,000,000.00) Three Million Five
 Hundred Thousand Dollars (\$3,500,000.00) shall be payable in equal

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monthly installments to the credit of the Workers' Compensation

Administrative Fund established in Section 5 401.1 of this act for

the fiscal year ending June 30, 2016, Three Million Five Hundred
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- 4 | Thousand Dollars (\$3,500,000.00) for the fiscal year ending June 30,
- 5 2017, Three Million Five Hundred Thousand Dollars (\$3,500,000.00)
- 6 | for the fiscal year ending June 30, 2018, Three Million Dollars
- $7 \mid \frac{\$3,000,000.00}{\$3,000,000.00}$ title for the fiscal year ending June 30, 2019, and
- 8 | Two Million Five Hundred Thousand Dollars (\$2,500,000.00) for the
- 9 | fiscal year ending June 30, 2020 Three Million Dollars
- 10 (\$3,000,000.00) for all subsequent years as long as the Workers'
- 11 | Compensation Court of Existing Claims is authorized by the
- 12 | Legislature. Monies deposited in the Workers' Compensation
- 13 | Administrative Fund shall be used by the Workers' Compensation Court
- 14 of Existing Claims to implement provisions provided for in this
- 15 | title.
- 16 E. The refund provisions of Sections 227 through 229 of Title
- 17 | 68 of the Oklahoma Statutes shall be applicable to any payments made
- 18 pursuant to this section.
- 19 SECTION 10. AMENDATORY Section 169, Chapter 208, O.S.L.
- 20 | 2013 (85A O.S. Supp. 2017, Section 400), is amended to read as
- 21 follows:
- 22 Section 400. A. The Workers' Compensation Court shall be
- 23 | renamed the Workers' Compensation Court of Existing Claims for the
- 24 purpose of hearing disputes relating to claims that arise before

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    February 1, 2014. The Court shall consist of the existing judges
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    for the remainder of his or her term. Each judge of the Court shall
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    continue to serve as the appointment to a designated numbered
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    position on the Court. The positions shall be numbered one through
          The terms of the judges by position number shall expire on the
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    following dates:
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        Position 1 shall expire 7-1-14.
        Position 2 shall expire 7-1-14.
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        Position 3 shall expire 7-1-14.
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        Position 4 shall expire 7-1-20 28.
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        Position 5 shall expire 7-1-20 23.
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        Position 6 shall expire 7-1-16.
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        Position 7 shall expire 7-1-16.
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        Position 8 shall expire 7-1-20 23.
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        Position 9 shall expire 7-1-20 23.
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        Position 10 shall expire 7-1-14.
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        Provided, judges who are serving unexpired terms on the Workers'
18
    Compensation Court on the effective date of this section shall serve
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Provided, judges who are serving unexpired terms on the Workers' Compensation Court on the effective date of this section shall serve on the Court created by this section until their respective terms expire as provided in this act. Thereafter, each position shall be dissolved. After a judge serves this term, such judge shall be eligible to reapply for an administrative law judge with the Workers' Compensation Commission.

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B. When a vacancy on the Court occurs or is certain to occur, the Workers' Compensation Commission shall assign administrative law judges from the Commission to assist in the duties of the Workers' Compensation Court of Existing Claims Governor shall appoint a judge to serve the remainder of the term from a list of three applicants submitted to the Governor by the Judicial Nominating Commission.

The Presiding Judge of the Court on the effective date of this act shall continue to serve for the duration of the Court and shall perform supervisory duties as the needs of the Court may require and supervise the work of all employees of the Court and handle, oversee, and be responsible for all administrative affairs of the Court. In addition, the Presiding Judge shall be authorized to contract with the Workers' Compensation Commission or other individuals or entities for services and shared services.

 \overline{B} . \underline{C} . A judge may be removed for cause by the Court on the Judiciary prior to the expiration of his or her term.

C. D. Each judge shall receive a salary equal to that paid to a district judge of this state, and shall devote full time to his or her duties and shall not engage in the private practice of law during the term in office.

 $\overline{\text{D. E.}}$ The Court shall operate by the rules adopted by the Workers' Compensation Court prior to the effective date of this act.

 $\overline{\text{E. }}$ F. The Court is hereby designated and confirmed as a court of record, with respect to any matter within the limits of its

jurisdiction, and within such limits the judges thereof shall
possess the powers and prerogatives of the judges of the other
courts of record of this state, including the power to punish for
contempt those persons who disobey a subpoena, or refuse to be sworn

or to answer as a witness, when lawfully ordered to do so.

F. G. The principal office of the Court shall be situated in the City of Oklahoma City in quarters assigned by the Office of Management and Enterprise Services. The Court may hold hearings in any city of this state.

G. H. All county commissioners and presiding district judges of this state shall make quarters available for the conducting of hearings by a judge of the Court upon request by the Court.

H. I. Judges of the Workers' Compensation Court of Existing Claims may punish for direct contempt pursuant to Sections 565, 565.1 and 566 of Title 21 of the Oklahoma Statutes.

I. J. The Court shall be vested with jurisdiction over all claims filed pursuant to the Workers' Compensation Code or previous statute in effect on the date of an injury that occurred before

February 1, 2014. All claims so filed shall be heard by the judge sitting without a jury. The Court shall have full power and authority to determine all questions in relation to payment of claims for compensation under the provisions of the Workers' Compensation Code. The Court, upon application of either party, shall order a hearing. Upon a hearing, either party may present

evidence and be represented by counsel. The decision of the Court shall be final as to all questions of fact and law; provided, the decision of the Court may be appealed to the Commission Court en Banc or the Supreme Court as provided by the Workers' Compensation Code. In the event that an insufficient number of active judges are available to comprise the three-judge en Banc panel, retired or former judges of the district court, Workers' Compensation Court, or Workers' Compensation Court of Existing Claims may be designated by the Presiding Judge to serve on such panel. The Any decision of the Court shall be issued within sixty (60) days following the submission of the case by the parties. The power and jurisdiction of the Court over each case shall be continuing and it may, from time to time, make such modifications or changes with respect to former findings or orders relating thereto if, in its opinion, it may be justified.

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J. Any appeal of an order by the Workers' Compensation Court of Existing Claims shall be heard by the Commission en banc. The Commission shall review the decision using an abuse of discretion standard of review. Orders by the Commission may be appealed in accordance with Section 78 of this act.

K. To protect the integrity of the transition from the Workers' Compensation Court to the administrative system created by this act, and to protect all rights and privileges of parties to claims adjudicated by the Workers' Compensation Court, the Commission shall

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retain all remedies and responsibilities of the Workers'

Compensation Court for as long as cases involving claims for

compensation accruing before the effective date of this act but

filed thereafter or which were pending before or adjudicated by the

Workers' Compensation Court shall remain open.
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L. For an injury occurring before the effective date of this act, all benefits and procedures to obtain benefits shall be determined by the workers' compensation law of this state in effect on the date of the injury. Administrative law judges of the Commission shall enforce all final orders of the Workers' Compensation Court in a manner to secure for all parties the due process and equal protection guarantees of the Constitution of the State of Oklahoma.

M. L. All accrued rights and penalties incurred pursuant to a final order of the Workers' Compensation Court shall be preserved. Administrative law judges of the Commission shall be authorized to issue orders and conduct legal proceedings to enforce all such accrued rights and penalties incurred. No accrued right, penalty incurred, or proceeding begun by virtue of a statute repealed by this act shall be abrogated by the terms of this act.

SECTION 11. REPEALER Section 15, Chapter 208, O.S.L. 2013 (85A O.S. Supp. 2016, Section 15), is hereby repealed.

SECTION 12. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby

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declared to exist, by reason whereof this act shall take effect and
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    be in full force from and after its passage and approval.
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