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### STATE OF RHODE ISLAND

### IN GENERAL ASSEMBLY

#### **JANUARY SESSION, A.D. 2014**

### AN ACT

# RELATING TO LABOR AND LABOR RELATIONS - WORKERS' COMPENSATION - GENERAL PROVISIONS

Introduced By: Representatives Shekarchi, Guthrie, Slater, and Amore

Date Introduced: June 05, 2014

Referred To: House Labor

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 28-29-26 of the General Laws in Chapter 28-29 entitled "Workers'

Compensation - General Provisions" is hereby amended to read as follows:

3 <u>28-29-26. Supervision of enforcement. --</u> (a) Department of labor and training. The

4 director as provided for in chapters 29 - 38 of this title, and chapter 53 of this title and chapter

16.1 of title 42, shall have supervision over the enforcement of the provisions of those chapters,

and the director shall have the power and authority to adopt and enforce all reasonable rules,

regulations, and orders necessary and suitable to the administration of the department's

responsibilities as described in those chapters.

(b) Workers' compensation court. The workers' compensation court, as provided for in

chapters 29 - 38 of this title, shall have supervision over the enforcement of the provisions of the

11 chapters, and shall have the power and authority to adopt and enforce all reasonable rules,

12 regulations, and orders necessary and suitable to the administration of its responsibilities

described in the chapters. In addition to the foregoing, the court shall have the power and

authority to hear and decide appeals from the retirement board in accordance with Rhode Island

15 general law § 45-21.2-9. The court shall remain judicially and administratively independent. The

Workers' compensation court shall have original jurisdiction over all civil actions filed pursuant

to §§ 28-36-15 and 28-37-28 and pursuant to the provisions of chapter 53 of this title.

(2) Any petition arising from any dispute regardless of date of injury, unless specifically

excepted, shall be filed with the administrator of the workers' compensation court in accordance with chapter 35 of this title and the rules of practice any rules and regulations promulgated by the workers' compensation court.

(3) The enactment of this subsection shall not affect the rights of the parties established by any existing memorandum of agreement, suspension agreement and receipt, preliminary determination of the department of workers' compensation, order or decree, or any existing right

8 SECTION 2. Sections 28-30-7, 28-30-13, 28-30-15, 28-30-15.1, 28-30-15.2 and 28-30-9
16.3 of the General Laws in Chapter 28-30 entitled "Workers' Compensation Court" are hereby
amended to read as follows:

to the payment of compensation acquired pursuant to § 28-29-6 or 28-35-9.

- 28-30-7. Clerical assistance to administrator. -- The administrator, with the approval of the chief judge of the workers' compensation court, may employ any clerical assistance that he or she may require for copying, recording, indexing, and attending upon the files of the court, The administrator, with the approval of the chief judge, shall—and may appoint the following additional support staff as necessary.: two (2) court secretaries, three (3) hearings reporters, five (5) assistant administrator/clerks, two (2) clerk secretaries, and two (2) data entry clerks. The compensation for the additional staff created by this section shall be provided from the workers' compensation administrative fund established by § 28-37-1.
- **28-30-13.** Controversies submitted to court. -- (a) Any controversy over which the workers' compensation court has jurisdiction in accordance with chapters 29 38 and chapter 53 of this title, including compensation, reasonableness of medical and hospital bills, degree of functional impairment and/or disability, a dispute between an insurance carrier and an employer under a workers' compensation insurance contract, except disputes under the jurisdiction of the workers' compensation appeals board established pursuant to § 27-9-29, failure of an employer to secure the payment of compensation under chapters 29 38 and chapter 53 of this title and any controversy in which the state or any of its political subdivisions is a party, and appeals from an order of the retirement board pursuant to Rhode Island general law § 45- 21.2-9 shall be submitted to the court in the manner provided in chapters 33 and 35 of this title.
- (b) Disputes between an insurance carrier and an employer under a workers' compensation insurance contract shall not be subject to a pretrial conference in accordance with § 28-35-20, but shall be assigned consistent with the rules of practice and regulations of the workers' compensation court.
- 28-30-15. Retirement of judges engaged on or before July 2, 1997, on reduced pay. -
  (a) Whenever any person engaged as a judge on or before July 2, 1997, has served as a workers'

compensation judge for twenty (20) years, or has so served for ten (10) years and has reached the age of sixty-five (65) years, he or she may retire from active service and subsequently he or she shall receive annually during life a sum equal to three-fourths (3/4) of the annual salary that he or she was receiving at the time of retirement. In determining eligibility under this section, any judge who has served as a general officer may include that service as if that service had been on the workers' compensation court. Whenever a judge or magistrate shall be granted a leave of absence without pay, such absence shall not be credited towards active service time for the purposes of retirement.

- (b) Any judge who retires in accordance with the provisions of this section may at his or her own request and at the direction of the chief justice of the supreme court, subject to the retiree's physical and mental competence, be assigned to perform any services that a judge on the workers' compensation court as the chief judge prescribes. When so assigned and performing those services, he or she shall have all the powers and authority of a judge. A retired judge shall not be counted in the number of judges provided by law for the workers' compensation court. Whenever a judge or magistrate shall be granted a leave of absence without pay, such absence shall not be credited towards active service time for the purposes of retirement.
- **<u>28-30-15.1. Retirement of judges engaged after July 2, 1997. --</u> (a) Whenever any person first engaged as a judge:**
- (1) Subsequent to July 2, 1997 and prior to January 1, 2009, has served as a workers' compensation judge for twenty (20) years, or has so served for ten (10) years and has reached the age of sixty-five (65) years, he or she may retire from active service and subsequently he or she shall receive annually during life a sum equal to three-fourths (3/4) of his or her average highest three (3) consecutive years of compensation;
- (2) On or after January 1, 2009 and prior to July 1, 2009, has served as a workers' compensation judge for twenty (20) years or has so served for ten (10) years and reached the age of sixty-five (65) years, he or she may retire from active service and subsequently he or she shall receive annually during life a sum equal to seventy percent (70%) of his or her average highest three (3) consecutive years or compensation.
- (3) On or after July 1, 2009, has served as a workers' compensation judge for twenty (20) years, or has served for ten (10) years, and reached the age of sixty-five (65) years, he or she may retire from regular active service and thereafter said justice shall receive annually during his or her life a sum equal to sixty-five (65%) percent of his or her average highest five (5) consecutive years of compensation.
- 34 (b) In determining eligibility under this section, any judge who has served as a general

2	Whenever a judge or magistrate shall be granted a leave of absence without pay, such absence
3	shall not be credited towards active service time for the purposes of retirement.
4	(c) Any judge who retires in accordance with the provisions of this section may at his or
5	her own request and at the direction of the chief justice of the supreme court subject to the
6	retiree's physical and mental competence, be assigned to perform those services that a judge or
7	the workers' compensation court as the chief judge prescribes. When so assigned and performing
8	those services, he or she shall have all the powers and authority of a judge. A retired judge shall
9	not be counted in the number of judges provided by law for the workers' compensation court.
0	28-30-15.2. No incremental retirement benefit for temporary service as chief justice.
.1	presiding justice or chief judge retired pursuant to section 28-30-15 or 28-30-15.1 No.
2	incremental retirement benefit for temporary service as chief justice, presiding justice or
.3	chief judge retired pursuant to § 28-30-15 or § 28-30-15.1 No increment in salary resulting
4	from the application of personnel rule 4.0217 or any other or successor rule or regulation
5	providing for an increment in salary for temporary service as chief justice, presiding justice or
.6	chief judge shall be construed to add to the annual salary of a judicial officer for purposes of
.7	retirement under § 28-30-15 or § 28-30-15.1.
.8	28-30-16.3. No incremental retirement benefit for temporary service as chief justice.
9	presiding justice or chief judge retired pursuant to section 28-30-16 or 28-30-16.2 No.
20	incremental retirement benefit for temporary service as chief justice, presiding justice or
21	chief judge retired pursuant to section § 28-30-16 or § 28-30-16.2. — No increment in salary
22	resulting from the application of personnel rule 4.0217 or any other or successor rule or
23	regulation providing for an increment in salary for temporary service as chief justice, presiding
24	justice or chief judge shall be construed to add to the annual salary of a judicial officer for
25	purposes of retirement under § 28-30-16 or § 28-30-16.2.
26	SECTION 3. Sections 28-30-8 and 28-30-14 of the General Laws in Chapter 28-30
27	entitled "Workers' Compensation Court" are hereby repealed.
28	28-30-8. Declaration of vacancy in office Whenever a workers' compensation judge
29	or the administrator neglects, is unable to serve, or becomes disqualified to serve because of
80	malfeasance in office or otherwise, the governor, with the advice and consent of the senate, may
31	after a hearing declare vacant the office of the judge or administrator.
32	28-30-14. Clerk/secretary in unclassified service The clerk/secretary of the workers
33	compensation court shall be in the unclassified status of state employment.
34	SECTION 4. Section 28-32-2 of the General Laws in Chapter 28-32 entitled "Workers

officer may include that service as if that service had been on the workers' compensation court.

Compensation-Report of Injuries" is hereby amended to read as follows:

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- 2 <u>28-32-2. Penalty for failure to report. --</u> (a) Any employer who refuses or neglects to make the reports required by the provisions of § 28-32-1 may be assessed a penalty of two hundred fifty dollars (\$250) by the director for each refusal or neglect to make a report.
  - (b) The district court for the county of Providence workers' compensation court shall have jurisdiction to enforce compliance with any order of the director made pursuant to this section. The director, in his or her discretion, may bring a civil action to collect all penalties assessed.
- 9 (c) All penalties collected pursuant to this section shall be deposited in the general fund.

  SECTION 5. Sections 28-33-8, 28-33-9, 28-33-17, 28-33-17.3, 28-33-18.3, 28-33-34.1,

  28-33-35, 28-33-37 and 28-33-43 of the General Laws in Chapter 28-33 entitled "Workers'

  Compensation Benefits" are hereby amended to read as follows:

28-33-8. Employee's choice of physician, dentist, or hospital -- Payment of charges --Physician reporting schedule. -- (a) (1) An injured employee shall have freedom of choice to obtain health care, diagnosis, and treatment from any qualified health care provider initially. The initial health care provider of record may, without prior approval, refer the injured employee to any qualified specialist for independent consultation or assessment, or specified treatment. If the insurer or self-insured employer has a preferred provider network approved and kept on record by the medical advisory board, any change by the employee from the initial health care provider of record shall only be to a health care provider listed in the approved preferred provider network; provided, however, that any contract proffered or maintained which restricts or limits the health care provider's ability to make referrals pursuant to the provisions of this section, restricts the injured employee's first choice of health care provider, substitutes or overrules the treatment protocols maintained by the medical advisory board or attempts to evade or limit the jurisdiction of the workers' compensation court shall be void as against public policy. If the employee seeks to change to a health care provider not in the approved preferred provider network, the employee must obtain the approval of the insurer or self-insured employer. Nothing contained in this section shall prevent the treatment, care, or rehabilitation of an employee by more than one physician, dentist, or hospital. The employee's first visit to any facility providing emergency care or to a physician or medical facility under contract with or agreement with the employer or insurer to provide priority care shall not constitute the employee's initial choice to obtain health care, diagnosis or treatment.

(2) In addition to the treatment of qualified health care providers, the employee shall have the freedom to obtain a rehabilitation evaluation by a rehabilitation counselor certified by the director pursuant to § 28-33-41 in cases where the employee has received compensation for a period of more than three (3) months, and the employer shall pay the reasonable fees incurred by the rehabilitation counselor for the initial assessment.

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- (b) Within three (3) days of an initial visit following an injury, the health care provider shall provide to the insurer or self-insured employer, and the employee and his or her attorney a notification of compensable injury form to be approved by the administrator of the medical advisory board. Within three (3) days of the injured employee's release or discharge, return to work, and/or recovery from an injury covered by chapters 29 - 38 of this title, the health care provider shall provide a notice of release to the insurer or self-insured employer and the employee and his or her attorney on a form approved by the division. A twenty dollar (\$20.00) fee may be charged by the health care provider to the insurer or self-insured employer for the notification of compensable injury forms or notice of release forms or for affidavits filed pursuant to subsection (c) of this section, but only if filed in a timely manner. No claim for care or treatment by a physician, dentist, or hospital chosen by an employee shall be valid and enforceable as against his or her employer, the employer's insurer, or the employee, unless the physician, dentist, or hospital gives written notice of the employee's choice to the employer/insurance carrier within fifteen (15) days after the beginning of the services or treatment. The health care provider shall in writing submit present to the employer or insurance carrier an itemized bill and report for the services or treatment and a final itemized bill for all unpaid services or treatment within three (3) months after the conclusion of the treatment. The employee shall not be personally liable to pay any physician, dentist, or hospital bills in cases where the physician, dentist, or hospital has forfeited the right to be paid by the employer or insurance carrier because of noncompliance with this section.
  - (c) (1) At six (6) weeks from the date of injury, then every twelve (12) weeks thereafter until maximum medical improvement, any qualified physician or other health care professional providing medical care or treatment to any person for an injury covered by chapters 29 38 of this title shall file an itemized bill and an affidavit with the insurer, the employee and his or her attorney, and the medical advisory board. A ten percent (10%) discount may be taken on the itemized bill affidavits not filed in a timely manner and received by the insurer one week or more late. The affidavit shall be on a form designed and provided by the administrator of the medical advisory board and shall state:
- (i) The type of medical treatment provided to date, including type and frequency of treatment(s);
  - (ii) Anticipated further treatment including type, frequency, and duration of treatment(s),

whether or not maximum medical improvement has been reached and the anticipated date of discharge;

- (iii) Whether the employee can return to the former position of employment or is capable
   of other work, specifying work restrictions and work capabilities of the employee;
  - (2) The affidavit shall be admissible as an exhibit of the workers' compensation court with or without the appearance of the affiant.
  - (d) "Itemized bill", as referred to in this section, means a <u>completed</u> statement of charges, on a form <u>CMS</u> HCFA 1500, <u>UB 92/94</u> or other form suitable to the insurer, which includes, but is not limited to, an enumeration of specific types of care provided, facilities or equipment used, services rendered, and appliances or medicines prescribed, for purposes of identifying the treatment given the employee with respect to his or her injury.
  - (e) (1) The treating physician shall furnish to the employee, or to his or her legal representative, a copy of his or her medical report within ten (10) days of the examination date.
  - (2) The treating physician shall notify the employer, and the employee and his or her attorney immediately when an employee is able to return to full or modified work.
  - (3) There shall be no charge for a health record when that health record is necessary to support any appeal or claim under the Workers' Compensation Act § 23-17-19.1(16). The treating physician shall furnish to the employee, or to his or her legal representative, a medical report, within ten (10) days of the request, stating the diagnosis, disability, loss of use, end result and/or causal relationship of the employee's condition associated with the work related injury. The physician shall be entitled to charge for these services only as enunciated in the State of Rhode Island workers compensation medical fee schedule.
  - (f) (1) Compensation for medical expenses and other services under § 28-33-5, 28-33-7 or 28-33-8 is due and payable within twenty-one (21) days from the date a request is payment is not made within twenty-one (21) days from the date a request is made for payment, the provider of medical services may add, and the insurer or self-insurer shall pay, interest at the per annum rate as provided in § 9-21-10 on the amount due. The employee or the medical provider may file a petition with the administrator of the workers' compensation court which petition shall follow the procedure as authorized in chapter 35 of this title.
  - (2) The twenty-one (21) day period in subdivision (1) of this subsection and in § 28-35-12 shall begin on the date the insurer receives a request with appropriate documentation required to determine whether the claim is compensable and the payment requested is due.
  - **28-33-9. Order declaring employer liable for medical services.** -- When an injury results in no incapacity or incapacity of three (3) days or less and a dispute arises between the

employee and the employer or insurer as to the payment of medical expenses or other services provided under §§ 28-33-5, 28-33-7 and 28-33-8, the employee or the medical provider may file a petition with the administrator of the workers' compensation court, which petition shall follow the procedure as outlined in chapter 35 of this title. In no event shall a petition be filed until twenty-one (21) days have elapsed since written demand for payment for the expense or service has been made on the employer or insurer.

28-33-17. Weekly compensation for total incapacity -- Permanent total disability --

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**Dependents' allowances.** -- (a) (1) While the incapacity for work resulting from the injury is total, the employer shall pay the injured employee a weekly compensation equal to seventy-five percent (75%) of his or her average weekly spendable base wages, earnings, or salary, as computed pursuant to the provisions of § 28-33-20. The amount may not exceed more than sixty percent (60%) of the state average weekly wage of individuals in covered employment under the provisions of the Rhode Island Employment Security Act as computed and established by the Rhode Island department of labor and training, annually, on or before May 31 of each year, under the provisions of § 28-44-6(a). Effective September 1, 1974, the maximum rate for weekly compensation for total disability shall not exceed sixty-six and two-thirds percent (662/3%) of the state average weekly wage as computed and established under the provisions of § 28-44-6(a). Effective September 1, 1975, the maximum rate for weekly compensation for total disability shall not exceed one hundred percent (100%) of the state average weekly wage as computed and established under the provisions of § 28-44-6(a). Effective September 1, 2007, the maximum rate for weekly compensation for total disability shall not exceed one hundred fifteen percent (115%) of the state average weekly wage as computed and established under the provisions of § 28-44-6(a). Effective October 1, 2016, the maximum rate for weekly compensation for total disability shall not exceed one hundred twenty percent (120%) of the state average weekly wage as computed and established under the provisions of § 28-44-6(a) and effective October 1, 2017, the maximum rate for weekly compensation for total disability shall not exceed one hundred twenty five percent (125%) of the state average weekly wage as computed and established under the provisions of § 28-44-6(a). If the maximum weekly benefit rate is not an exact multiple of one dollar (\$1.00), then the rate shall be raised to the next higher multiple of one dollar (\$1.00).

(2) The average weekly wage computed and established under § 28-44-6(a) is applicable to injured employees whose injury occurred on or after September 1, 2000, and shall be applicable for the full period during which compensation is payable.

(3) (i) "Spendable earnings" means the employee's gross average weekly wages, earnings, or salary, including any gratuities reported as income, reduced by an amount determined to reflect

- amounts which would be withheld from the wages, earnings, or salary under federal and state income tax laws, and under the Federal Insurance Contributions Act (FICA), 26 U.S.C. 3101 et seq., relating to social security and Medicare taxes. In all cases, it is to be assumed that the amount withheld would be determined on the basis of expected liability of the employee for tax for the taxable year in which the payments are made without regard to any itemized deductions but taking into account the maximum number of personal exemptions allowable.
  - (ii) Each year, the director shall publish tables of the average weekly wage and seventy-five percent (75%) of spendable earnings that are to be in effect on May 10. These tables shall be conclusive for the purposes of converting an average weekly wage into seventy-five percent (75%) of spendable earnings. In calculating spendable earnings the director shall have discretion to exempt funds assigned to third parties by order of the family court pursuant to § 8-10-3 and funds designated for payment of liens pursuant to § 28-33-27 upon submission of supporting evidence.
- 14 (b) (1) In the following cases, it shall for the purpose of this section be that the injury 15 resulted in permanent total disability:
  - (i) The total and irrecoverable loss of sight in both eyes or the reduction to one-tenth (1/10th) or less of normal vision with glasses;
    - (ii) The loss of both feet at or above the ankle;
  - (iii) The loss of both hands at or above the wrist;
- 20 (iv) The loss of one hand and one foot;

- (v) An injury to the spine resulting in permanent and complete paralysis of the legs or arms; and
- (vi) An injury to the skull resulting in incurable imbecility or insanity.
  - (2) In all other cases, total disability shall be determined only if, as a result of the injury, the employee is physically unable to earn any wages in any employment; provided, that in cases where manifest injustice would otherwise result, total disability shall be determined when an employee proves, taking into account the employee's age, education, background, abilities, and training, that he or she is unable on account of his or her compensable injury to perform his or her regular job and is unable to perform any alternative employment. The court may deny total disability under this subsection without requiring the employer to identify particular alternative employment.
  - (c) (1) Where the employee has persons conclusively presumed to be dependent upon him or her or in fact so dependent, the sum of fifteen dollars (\$15.00) shall be added to the weekly compensation payable for total incapacity for each person wholly dependent on the

employee, except that the sum of forty dollars (\$40.00) shall be added for those receiving benefits under § 28-33-12, but in no case shall the aggregate of those amounts exceed eighty percent (80%) of the average weekly wage of the employee, except that there shall be no limit for those receiving benefits under § 28-33-12.

- (2) The dependency allowance shall be in addition to the compensation benefits for total disability otherwise payable under the provisions of this section. The dependency allowance shall be increased if the number of persons dependent upon the employee increases during the time that weekly compensation benefits are being received.
- (3) For the purposes of this section the following persons shall be conclusively presumed to be wholly dependent for support upon an employee:
- (i) A wife upon a husband with whom she is living at the time of his injury, but only while she is not working for wages during her spouse's total disability.
- (ii) A husband upon a wife with whom he is living at the time of her injury, but only while he is not working for wages during his spouse's total disability.
- (iii) Children under the age of eighteen (18) years, or over that age but physically or mentally incapacitated from earning, if living with the employee, or, if the employee is bound or ordered by law, decree, or order of court, or by any other lawful requirement, to support the children, although living apart from them. Provided, that the payment of dependency benefits to a dependent child over the age of eighteen (18) years shall continue as long as that child is satisfactorily enrolled as a full-time student in an educational institution or an educational facility duly accredited or approved by the appropriate state educational authorities at the time of enrollment. Those payments shall not be continued beyond the age of twenty-three (23) years. "Children," within the meaning of this paragraph, also includes any children of the injured employee conceived but not born at the time of the employee's injury, and the compensation provided for in this section shall be payable on account of any such children from the date of their birth.
- (d) "Dependents," as provided in this section, does not include the spouse of the injured employee except as provided in paragraphs (c)(3)(i) and (ii) of this section. In all other cases questions of dependency shall be determined in accordance with the facts as the facts may be at the time of the injury.
- (e) The court or any of its judges may in its or his or her discretion order the insurer or self-insurer to make payment of the nine dollars (\$9.00) or fifteen dollars (\$15.00) for those receiving benefits under § 28-33-12 directly to the dependent.
- (f) (1) Where any employee's incapacity is total and has extended beyond fifty-two (52)

- weeks, regardless of the date of injury, payments made to all totally incapacitated employees shall be increased as of May 10, 1991, and annually on the tenth of May after that as long as the employee remains totally incapacitated. The increase shall be by an amount equal to the total percentage increase in annual consumer price index, United States city average for urban wage earners and clerical workers, as formulated and computed by the bureau of labor statistics of the United States Department of Labor for the period of March 1 to February 28 each year.
  - (2) If the employee is subsequently found to be only partially incapacitated, the weekly compensation benefit paid to the employee shall be equal to the payment in effect prior to his or her most recent cost of living adjustment.
  - (3) "Index" as used in this section refers to the consumer price index, United States city average for urban wage earners, clerical workers, as that index is formulated and computed by the Bureau of Labor Statistics of the United States Department of Labor.
  - (4) The May 10, 1991 increase shall be based upon the total percentage increase, if any, in the annual consumer price index for the period of March 1, 1990 to February 28, 1991. Thereafter, increases shall be made on May 10 annually, based upon the percentage increase, if any, in the index for the period March 1 to February 28.
  - (5) The computations in this section shall be made by the director of labor and training and promulgated to insurers and employers making payments required by this section. Increases shall be paid by insurers and employers without further order of the court. If payment payable under this section is not paid within fourteen (14) days after the employer or insurer has been notified or it becomes due, whichever is later, there shall be added to the unpaid payment an amount equal to twenty percent (20%) of that amount, which shall be paid at the same time as, but in addition to the payment.
  - (6) This section applies only to payment of weekly indemnity benefits to employees as described in subdivision (1) of this subsection, and does not apply to specific compensation payments for loss of use or disfigurement or payment of dependency benefits or any other benefits payable under the Workers' Compensation Act.

(7) Notwithstanding any other provision of the general law or public laws to the contrary, any employee of the state of Rhode Island who is receiving workers' compensation benefits for total incapacity, as a result of brain injury due to a violent assault, on or before July 19, 2005, shall be entitled to receive the health insurance benefit he or she was entitled to at the time of the injury for the duration of the total incapacity or until said employee and his or her spouse are both eligible for Medicare.

1	28-33-17.3. Fraud and abuse (a) (1) The workers' compensation court is authorized
2	and directed to impose sanctions and penalties necessary to maintain the integrity of and to
3	maintain the high standards of professional conduct in the workers' compensation system. All
4	pleadings related to proceedings under chapters 29 - 38 of this title shall be considered an
5	attestation by counsel that valid grounds exist for the position taken and that the pleading is not
6	interposed for delay.
7	(2) If any judge determines that any proceedings have been brought, prosecuted, or
8	defended by an employer, insurer, or their counsel without reasonable grounds, then:
9	(i) The whole cost of the proceedings shall be assessed upon the employer, insurer, or
10	counsel, whoever is responsible; and
11	(ii) If a subsequent order requires that additional compensation be paid, a penalty of
12	double the amount of retroactive benefits ordered shall be paid to the employee and the penalty
13	shall not be included in any formula utilized to establish premium rates for workers'
14	compensation insurance.
15	(3) If any judge determines that any proceedings have been brought or defended by an
16	employee or his or her counsel without reasonable grounds, the whole cost of the proceedings
17	shall be assessed against the employee or counsel, whoever is responsible.
18	(4) The court shall determine whether an action or defense is frivolous or conduct giving
19	rise to the action or defense was unreasonable. Where the amount at issue is less than the actual
20	attorneys' fees of the parties combined, the court shall exercise particular vigilance. Nothing in
21	this subsection, however, is intended to discourage prompt payment in full of all amounts
22	required to be paid.
23	(5) The appropriate body with professional disciplinary authority over the attorney shall
24	be notified of the action.
25	(6) Where any party or his or her attorney intentionally and unreasonably utilizes and /or
26	obstructs the twenty-one (21) day demand process of § 28-35-12 in order to harass or hinder any
27	opposing entity, the whole cost of the resulting proceedings shall be assessed against that party or
28	attorney, whoever is responsible.
29	(b) (1) It is unlawful to do any of the following:
30	(i) Make or cause to be made any knowingly false or fraudulent material statement or
31	material representation for the purpose of obtaining or denying any compensation;
32	(ii) Present or cause to be presented any knowingly false or fraudulent written or oral
33	material statement in support of, or in opposition to, any claim for compensation or petition
34	regarding the continuation, termination, or modification of benefits;

- 1 (iii) Knowingly assist, aid and abet, solicit, or conspire with any person who engages in 2 an unlawful act under this section; 3 (iv) Make or cause to be made any knowingly false or fraudulent statements with regard 4 to entitlement to benefits with the intent to discourage an injured worker from claiming benefits 5 or pursuing a claim; (v) Willfully misrepresent or fail to disclose any material fact in order to obtain workers' 6 7 compensation insurance at less than the proper rate for the insurance including, but not limited to, 8 intentionally misleading or failing to disclose information to an insurer regarding the appropriate 9 rate classification of an employee; 10 (vi) Willfully fail to provide a lower rate adjustment favorable to an employer as required 11 by an approved experience rating plan or regulations promulgated by the insurance 12 commissioners; 13 (vii) Willfully fail to report or provide false or misleading information regarding 14 ownership changes as required by an approved experience rating plan or regulations promulgated 15 by the insurance commissioner; or 16 (viii) Knowingly assist, aid and abet, solicit or conspire to coerce an employee to 17 willfully misrepresent an employee's status as a shareholder, director or officer of a corporation, or as a member or manager of a limited liability company, or as a partner, in a general or, limited 18 19 partnership, registered limited liability partnership or a registered limited liability limited 20 partnership, or as an independent contractor for the purpose of avoiding the inclusion of that or 21 other employees in a workers' compensation insurance application, renewal or both. 22 (2) For the purposes of this section, "Statement" includes, but is not limited to, any 23 endorsement of a benefit check, application for insurance coverage, oral or written statement, 24 proof of injury, bill for services, diagnosis, prescription, hospital or provider records, x-rays, test 25 results, or other documentation offered as proof of, or in the absence of, a loss, injury, or 26 expense. 27
  - (3) If it is determined that any person concealed or knowingly failed to disclose that which is required by law to be revealed, knowingly gave or used perjured testimony or false evidence, knowingly made a false statement of fact, participated in the creation or presentation of evidence which he or she knows to be false, or otherwise engaged in conduct in violation of subdivision (1) of this subsection, that person shall be subject in criminal proceedings to a fine and/or penalty not exceeding fifty thousand dollars (\$50,000), or double the value of the fraud, whichever is greater, or by imprisonment up to five (5) years in state prison or both.

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(4) There shall be a general amnesty until July 1, 1992 for any person receiving

compensation under chapters 29 - 38 of this title, to the extent compensation has been voluntarily reduced or relinquished by the employee prior to that date.

- (c) The director of labor and training shall establish a form, in consultation with the attorney general, to be sent to all workers who are presently receiving benefits and those for whom first reports of injury are filed in the future which shall give the employee notice that the endorsement of a benefit check sent pursuant to § 28-35-39 is the employee's affirmation that he or she is qualified to receive benefits under the Workers' Compensation Act. The insurers and self-insured employers are directed to send the form to all workers receiving benefits.
- (d) Any employer, or in any case where the employer is a corporation, the president, vice president, secretary, treasurer, and other officers of the corporation, or in any case where the employer is a limited liability company, the managers, and the managing members or in any case where the employer is a general partnership or a registered limited liability partnership, or in the case where the employer is a limited partnership or a registered limited liability limited partnership, the partners, that are found to have violated this section or § 28-36-15, shall be guilty of a felony for failure to secure and maintain compensation, and upon conviction, shall be subject to imprisonment of up to two (2) years, a fine not exceeding ten thousand dollars (\$10,000), or both. In any case where the employer is a corporation, the president, vice president, secretary, treasurer, and other officers of the corporation, shall be severally liable for the fine or subject to imprisonment, or both. In any case where the employer is a limited liability company, the managers and managing members shall be severally liable for the fine or subject to imprisonment, or both. In any case where the employer is a partnership or a registered limited liability partnership, the partners shall be severally liable for the fine or subject to imprisonment, or both. In any case where the employer is a limited partnership or a registered limited liability limited partnership, the general partners shall be severally liable for the fine or subject to imprisonment, or both.

28-33-18.3. Continuation of benefits -- Partial incapacity. -- (a) (1) For all injuries occurring on or after September 1, 1990, in those cases where the employee has received a notice of intention to terminate partial incapacity benefits pursuant to § 28-33-18, the employee or his or her duly authorized representative may file with the workers' compensation court a petition for continuation of benefits on forms prescribed by the workers' compensation court. In any proceeding before the workers' compensation court on a petition for continuation of partial incapacity benefits, where the employee demonstrates by a fair preponderance of the evidence that his or her partial incapacity poses a material hindrance to obtaining employment suitable to his or her limitation, partial incapacity benefits shall continue. For injuries on and after July 1,

- 2 2016 2018, "material hindrance" is defined to include only compensable injuries causing a greater than sixty-five percent (65%) degree of functional impairment and/or disability. Any period of time for which the employee has received benefits for total incapacity shall not be included in the calculation of the three hundred and twelve (312) week period.
- 5 (2) The provisions of this subsection apply to all injuries from Sept. 1, 1990, to July 1, 6 2016 2018.

- (b) (1) Where any employee's incapacity is partial and has extended for more than three hundred and twelve (312) weeks and the employee has proved an entitlement to continued benefits under subsection (a) of this section, payments made to these incapacitated employees shall be increased annually on the tenth (10th) day of May thereafter so long as the employee remains incapacitated. The increase shall be by an amount equal to the total percentage increase in the annual consumer price index, United States city average for urban wage earners and clerical workers, as formulated and computed by the Bureau of Labor Statistics of the United States Department of Labor for the period of March 1 to February 28 each year.
- (2) "Index" as used in this section refers to the consumer price index, United States city average for urban wage earners and clerical workers, as that index was formulated and computed by the Bureau of Labor Statistics of the United States Department of Labor.
- (3) The annual increase shall be based upon the percentage increase, if any, in the consumer price index for the month of a given year, over the index for February, the previous year. Thereafter, increases shall be made on May 10 annually, based upon the percentage increase, if any, in the consumer price index for the period of March 1 to February 28.
- (4) The computations in this section shall be made by the director of labor and training and promulgated to insurers and employers making payments required by this section. Increases shall be paid by insurers and employers without further order of the court. If payment payable under this section is not mailed within fourteen (14) days after the employer or insurer has been notified by publication in a newspaper of general circulation in the state it becomes due, there shall be added to the unpaid payment an amount equal to twenty percent (20%) of it, to be paid at the same time as but in addition to the payment.
- (5) This section applies only to payment of weekly indemnity benefits to employees as described in subdivision (1) of this subsection, and does not apply to specific compensation payments for loss of use or disfigurement or payment of dependency benefits or any other benefits payable under the Workers' Compensation Act.
- (c) No petitions for commutation shall be allowed or entertained in those cases where an employee is receiving benefits pursuant to this section.

28-33-34.1. Schedule of medical review. -- (a) On or about twenty-six (26) weeks from the date of a compensable injury, any person obtaining incapacity benefits may be examined and their diagnosis and treatment reviewed by a comprehensive independent health care review team or an impartial medical examiner. The comprehensive independent health care review team or impartial medical examiner shall be selected through a mechanism to be established by the administrator of the medical advisory board. The results of the examination and review shall be provided to the employee and the insurer or self-insured employer within fourteen (14) days of the examination and a copy shall be filed with the medical advisory board. The comprehensive independent health care review team and/or impartial medical examiner shall review the treating physician's findings and diagnosis and make its own findings of the extent and nature of the claimed disability, the degree of functional impairment and/or disability, the expectation of further medical improvement, any further medical care, treatment, and/or rehabilitation services that may be required to reach maximum medical improvement, type(s) of work that can be performed within existing physical capacity, the degree of disability expected at maximum medical improvement, whether the employee can return to the former position of employment, and compliance of the treating physician with protocols and standards of medical care established by the medical advisory board. The report shall may be subsequently admissible as a the court's <u>court</u> exhibit. A party may be permitted to cross-examine the author(s) of the report with leave of the court.

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- (b) On or about thirteen (13) weeks after any examination under this section or § 28-33-35, a comprehensive independent health care review team or impartial medical examiner shall perform a similar review. The same comprehensive independent health care review team or impartial medical examiner may not perform more than two (2) consecutive reviews on a particular employee.
- (c) Failure to appear for examination under this section shall be grounds for suspension or termination of benefits unless justified by good cause. Residence outside the state does not, by itself, constitute good cause for failure to appear.
- **28-33-35. Appointment of impartial medical examiner.** -- (a) Any judge of the court may, at any time after an injury, on his or her own motion or on the request or petition of the employer or employee, appoint an impartial medical examiner or a comprehensive independent health care review team to act as a medical examiner, and the reasonable fee of the medical examiner for examinations under this section and/or § 28-33-34.1 shall be paid by the employer.
  - (b) Impartial medical examiners and/or comprehensive independent health care review

teams shall provide guidance and make recommendations with respect to contested or disputed findings of fact concerning health care. Impartial medical examiners and/or comprehensive independent health care review teams may also make findings as to compliance of health care providers with medical care standards and protocols established by the medical advisory board. Unless previously approved by the board, treatment or diagnostic services that are not consistent with the medical care standards and protocols shall not be charged to the employer or employee. The report of the findings of the impartial medical examiner and/or comprehensive independent health care review team shall may be admissible as an exhibit of the court. The findings of the report shall become final and binding unless either party elects to contest the findings. Notice of the contest must be filed within ten (10) days of receipt of the report required to be provided pursuant to § 28-33-34.1(a). The contesting party shall pay the cost of the court appearance of the author of the report. In the event that the employee is the prevailing party, the employee shall be reimbursed for the entire amount paid by him or her for the court appearance of the author of the report.

28-33-37. Examination by impartial examiner -- Reports. -- A medical examiner, once being duly sworn by the administrator or a judge of the workers' compensation court appointing him or her to the faithful performance of his or her duties at the inception of his or her designation as an impartial medical examiner, shall at that time and as often as requested in accordance with chapters 29 - 38 of this title, examine injured employees to determine the nature and probable duration of their injuries. This medical examiner shall file a signed report within ninety-six (96) hours of the completion of each and every examination made of those employees with the office of the administrator of the workers' compensation court, in triplicate, and that report shall indicate the name and the title of the official by whom he or she was sworn in and appointed and shall then be acceptable as proper legal evidence in any hearing or proceedings before the workers' compensation court to determine the amount of compensation due the employee under the provisions of chapters 29 - 38 of this title, and the examiner may be summoned for the purpose of cross-examination in proceedings before the court. Copies of those reports shall be furnished to all interested parties.

**28-33-43. Employer liability for property damage.** -- When an employee sustains property damage to eyeglasses, dentures, or artificial prosthesis arising out of and in the course of his or her employment, regardless of whether or not he or she suffered personal injury or loss of time, he or she may file a petition with the administrator of the workers' compensation court, and he or she shall be paid the reasonable value of the property or the reasonable expense of repairing the property by an employer subject to or who has elected to become subject to the provisions of

- 1 chapters 29 38 of this title. The petition shall be prosecuted in the same manner as other
- 2 petitions for compensation before the court. In hearings before the court, counsel and witness fees
- 3 shall be awarded for the successful prosecution of a petition under this section.
- 4 SECTION 6. Sections 28-35-6, 28-35-9, 28-35-12, 28-35-12.1, 28-35-14, 28-35-17, 28-
- 5 35-20, 28-35-24, 28-35-27, 28-35-28, 28-35-28.1, 28-35-31, 28-35-37, 28-35-45, 28-35-46, 28-
- 6 35-54, 28-35-55 and 28-35-61 of the General Laws in Chapter 28-35 entitled "Workers'
- 7 Compensation Procedure" are hereby amended to read as follows:

- 28-35-6. Notice of amendments to memorandum of agreement. -- (a) If the workers'
  compensation court makes any amendment or addition to the memorandum of agreement, the
  administrator of the workers' compensation court shall immediately notify the department of the
  changes in the agreement.
  - (b) If an employer or insurer and an employee and his or her attorney, if represented, reach an agreement, subsequent to the filing of a memorandum of agreement, order, or decree, as to any issue, the parties shall file a written agreement and receipt with the department, signed by the parties, and on a form prescribed by the department. A copy of any agreement and receipt shall be delivered to each of the parties. Upon the filing of the agreement and receipt with the department, it shall be as binding upon both parties as a preliminary determination order or decree.
  - 28-35-9. Payment of weekly benefits -- Admission of entitlement to compensation -Payment of compensation without agreement. -- (a) For all injuries occurring from September 1, 1982 through February 28, 1986, in the event that an employer or insurer makes direct payment of weekly benefits to an employee, the employee must file a copy of the initial medical treatment report that he or she has received as a result of the injury with the employer or insurer within ten (10) days of receipt by the employee or his or her attorney of the report, certified mail, return receipt requested. If the employer or insurer continues to make payment to the employee after ten (10) days following receipt of the report by the employer or insurer, the employer shall immediately after that ten (10) day period file a memorandum of agreement as set forth in § 28-35-1 and that payment shall constitute a conclusive admission of liability as to the injuries set forth in the report and that the employee is entitled to compensation under chapters 29—38 of this title. The employer may not file a petition to suspend or reduce payments until a memorandum has been filed.
  - (b) In the event that an employer or insurer makes payment of weekly benefits to an employee without filing a memorandum of agreement or a non-prejudicial memorandum of agreement with the department the payment shall constitute a conclusive admission of liability

and ongoing incapacity and that the employee is entitled to compensation under chapters 29 - 38 of this title and the employer or insurer shall not be entitled to any credit for the payment if the employee is awarded compensation in accordance with these chapters. The employer or insurer shall not file a petition to suspend or reduce payments until a memorandum has been filed with the department.

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28-35-12. Petition for determination of controversy -- Contents and filing. -- (a) In all disputes between an employer and employee in regard to compensation or any other obligation established under chapters 29 - 38 of this title, and when death has resulted from the injury and the dependents of the deceased employee entitled to compensation are, or its apportionment among them is, in dispute, any person in interest or his or her duly authorized representative may file with the administrator of the workers' compensation court a petition prescribed by the court, setting forth the names and residences of the parties, the facts relating to employment at the time of injury, the cause, extent, and character of the injury, the amount of wages, earnings, or salary received at the time of the injury, and the knowledge of the employer of notice of the occurrence of the injury, and any other facts that may be necessary and proper for the information of the court, and shall state the matter in dispute and the claims of the petitioner with reference to it; provided, that no petition shall be filed within twenty-one (21) days of the date of the injury and no petition regarding any other obligation established under chapters 29 - 38 of this title shall be filed until twenty-one (21) days after written demand for payment upon the employer or insurer or written notice to the employer or insurer of failure to fulfill the obligation, except that any petition alleging the non-payment or late payment of weekly compensation benefits, attorneys' fees, and costs, may be filed after fourteen (14) days from the date the payment is due as set forth in §§ 28-35-42, 28-35-43, and 28-35-20(c). All demands seeking payment of bills for medical services rendered shall include reference to a claim number or a legible copy of the agreement, order, and/or decree, as appropriate, establishing liability. Medical bills for services ordered paid by decree or pretrial order shall be paid within fourteen (14) days of the entry of the decree or order. In the event that the bills are not paid within the fourteen (14) day period, a petition may be filed to enforce said order or decree without any additional written notice to the employer or insurer.

(b) (1) If one or more claims are filed for an injury and there are two (2) or more insurers, any one of which may be held to be liable to pay compensation, and the judge determines that the injured employee would be entitled to receive compensation but for the existence of a controversy as to which one of the insurers is liable to pay compensation, one of the insurers shall be selected by a judge of the workers' compensation court, to pay to the injured

employee the compensation, pending a final decision of the workers' compensation court as to the matter in controversy, and that decision shall require that the amount of compensation paid shall be deducted from the award if made against another insurer and shall be paid by that other insurer to the insurer selected by the judge.

- (2) The workers' compensation court shall award compensation, costs, and attorneys' fees in its discretion if one of the insurers is held to be liable following the hearing.
- (c) If any determination of the workers' compensation court entitles an employee to retroactive payment of weekly benefits, the court shall award to the employee interest at the rate per annum provided in § 9-21-10 on that retroactive weekly payment from six (6) months subsequent to the date that the employee first filed a petition for benefits to the time when that retroactive payment is actually made. If the proceedings are unduly delayed by or at the request of the employee or his or her attorney, the judge may reduce or eliminate interest on retroactive payment; provided, that the provisions of this section as they relate to interest shall apply only to petitions filed on or after July 1, 1984.
- (d) Any fine, penalty, or interest expense incurred by an insurer under this section may not be used as an expense for the purpose of seeking a rate increase before the department of business regulation.
- **28-35-12.1. Prompt decision required.** -- The judge who hears a case pursuant to § 28-35-12 shall render his or her decision no later than thirty (30) days after each party has completed presenting its case. This provision shall not apply in any case for which the judge has shown just cause, as determined by rules of practice of the workers' compensation court adopted pursuant to the authority granted to the court by § 28-29-26, for delay beyond thirty (30) days.
- **28-35-14.** Copies of petition to respondents. -- Upon filing with the workers' compensation court administrator of any petition, stating the general nature of any claim as to which any dispute or controversy may have arisen, the petitioner shall serve a copy of the petition on the respondent or respondents in accordance with the workers' compensation court rules of practice.
- **28-35-17. Notice and conduct of hearings. --** (a) Upon the filing of any petition the court shall assign the matter to a judge. The court shall issue notice at that time, advising the parties of the judge to whom the case has been assigned and the date for pretrial conference in accordance with § 28-35-20.
- (b) Upon filing of any claim for a trial, following the pretrial conference held in accordance with § 28-35-20, the judge shall fix a time for trial and give notice of it in accordance with the rules of practice procedure promulgated by the court but the initial hearing shall be fixed

not later than thirty (30) days next after filing the claim for a trial. The court shall cause notice of the trial to be given to each interested party in accordance with the rules of practice and regulations promulgated by the court. The judge shall proceed to hear the matter as the justice of the case may require, and may allow amendments to the petition and the answer at any stage of the proceedings. Hearings may be adjourned from time to time for just and sufficient cause, and hearings may be held at the places that the workers' compensation court shall designate.

**28-35-20. Informal pretrial conference.** -- (a) Before any case shall proceed to a trial, the judge shall conduct a mandatory pretrial conference within twenty-one (21) days of the date of filing with a view to expediting the case and reducing the issues in dispute to a minimum, notice of which shall be sent by the administrator to the parties or to their attorneys of record. The conference shall be informal and no oral testimony shall be offered or taken. Any statement then made by either party shall in the absence of agreement be without prejudice, but any agreement then made shall be binding.

- (b) Within a reasonable time of receipt, all medical reports and documentary evidence which the parties possess and which the parties intend to present as evidence at the pretrial conference shall be provided to the opposing party.
- (c) At the pretrial conference, the judge shall make every effort to resolve any controversies or to plan for any subsequent trial of the case. The judge shall render a pretrial order immediately at the close of the pretrial conference. The pretrial order shall be set forth in a simplified manner on forms prescribed by the workers' compensation court. It may reflect any agreements reached between the parties, but shall grant or deny, in whole or in part, the relief sought by the petitioner. Subject to the provisions of subsection 45-21.2-9(j), the pretrial order shall be effective upon entry. Any payments ordered by it including, but not limited to, weekly benefits, medical expenses, costs, and attorneys' fees, shall be paid within fourteen (14) days of the entry of the order.
- (d) Any party aggrieved by the entry of the order by the judge may claim a trial on any issue that was not resolved by agreement at the pretrial conference by filing with the administrator of the workers' compensation court within five (5) days of the date of the entry of the order, exclusive of Saturdays, Sundays and holidays, a claim for a trial on forms prescribed by the administrator of the workers' compensation court. If no timely claim for a trial is filed or is filed and withdrawn, the pretrial order shall become, by operation of law and without further action by any party, a final decree of the workers' compensation court.
- (e) All trials shall be assigned for hearing and decision to the same judge who presided over the pretrial of the matter. Notice of the trial shall be sent by the <u>workers' compensation court</u>

administrator to the parties and to their attorneys of record. All trials shall be de novo, except that issues resolved by agreement at the pretrial conference may not be reopened. Any other case or dispute under chapters 29 - 38 of this title that arises during the pendency of this trial, shall be forwarded immediately to the same judge for pretrial in accordance with this section and for any subsequent trial.

- (f) If after trial and the entry of a final decree, it is determined that the employee or medical services provider was not entitled to the relief sought in the petition, the employer or insurer shall be reimbursed from the workers' compensation administrative fund, described in chapter 37 of this title, to the extent of any payments made pursuant to the pretrial order to which there is no entitlement.
- **28-35-24.** Examination by or opinion of impartial physician. -- (a) Whenever the testimony presented at any hearing indicates a dispute, or creates doubt, as to the extent, nature, or cause of disability or death, the workers' compensation court may direct that the injured employee be examined, or may obtain an opinion without examination of an impartial, competent physician designated by the workers' compensation court who is not under contract with or regularly employed or regularly retained by a compensation insurer or self-insured employer.
- (b) The expense of the examination shall be paid by the employer. The report of the examination shall be transmitted in writing to the workers' compensation court and a copy of it shall be furnished by the workers' compensation court to each party who shall have an opportunity to rebut it on further hearing.
- **28-35-27. Decision of controversies -- Decree. --** (a) In any controversy over which the workers' compensation court has jurisdiction pursuant to this chapter and Rhode Island general law § 45-21.2-9, any judge of that court shall, pursuant to §§ 28-35-11 28-35-28, and the procedural rules or practice of the court, hear all questions of law and fact involved in the controversy and presented by any party in interest, and he or she shall within ten (10) days after the hearing, unless the parties otherwise agree, decide the merits of the controversy pursuant to the law and the fair preponderance of the evidence and notify the administrator of the court of the decision, who shall immediately notify the parties.
- (b) Within seventy-two (72) hours of notice, exclusive of <u>Saturdays</u>, Sundays, and holidays, the judge shall enter a decree upon the decision, which shall contain findings of fact, but within that time any party may appear and present a form of decree for consideration.
- **<u>28-35-28. Appeal to appellate division. ---</u>** (a) Any person aggrieved by the entry of a decree by a judge may appeal to the appellate division established pursuant to this section by filing with the administrator of the court within five (5) days of the date of the entry of a decree,

exclusive of Saturdays, Sundays, and holidays, a claim of appeal and, subject to the rules of the court, by filing a request for a transcript of the testimony and ruling or any part thereof desired. Within any time that a judge shall fix, either by an original fixing or otherwise, the appellant shall file with the administrator of the court reasons of appeal stating specifically all matters determined adversely to him or her which he or she desires to appeal, together with so much of the transcript of testimony and rulings as he or she deems pertinent, and within ten (10) days after that the parties may file with the administrator of the court those briefs and memoranda that they may desire concerning the appeal. The chief judge shall appoint appellate panels of three (3) members of the court to hear any claim of appeal and the decision of the appellate panel shall be binding on the court. The three (3) members of the appellate panel shall immediately review the decree upon the record of the case and shall file a decision pursuant to the law and the fair preponderance of the evidence within ten (10) days of the expiration of the time within which the parties may file briefs and memoranda. Upon consideration of the appeal, the appellate panel shall affirm, reverse, or modify the decree appealed from, and may itself take any further proceedings that are just, or may remand the matter to the trial judge for further consideration of any factual issue that the appellate division may raise, including the taking of additional evidence or testimony by the trial judge. It shall be within the prerogative of the appellate panel to remand a matter to the trial judge. If the decision requires the entry of a new decree, notice shall be given the parties, and the new decree shall be entered in the same manner as the original decree, but if the decision of two (2) appellate panel judges does not require the entry of a new decree, the decree shall be affirmed. Any member of the appellate panel may, for cause, disqualify himself or herself from hearing any appeal that may come before the appellate panel.

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(b) The findings of the trial judge on factual matters shall be final unless an appellate panel finds them to be clearly erroneous. The court may award costs, including reasonable attorney fees, to the prevailing party when the appellate panel finds there was complete absence of a justiciable issue of either law or fact.

**28-35-28.1. Reports of hearings -- Transcripts. --** (a) Hearings reporters, or electronic court reporters, shall report stenographically, or electronically, the proceedings in the trial of every action or proceeding in the workers' compensation court. Electronic court reporting shall be used only when hearings reporters are unavailable for any reason.

(b) Each hearings reporter, or electronic court reporter, shall also, upon the order of any judge in the court, transcribe his or her report to be filed with the <u>court judge in the case</u>. He or she shall also make a transcript of the whole or any part of that report upon request, filed with the <u>court administrator</u>, by either party to the action or proceeding, and when completed and within

- the time limited by the court for filing the transcript, shall immediately deliver it to the party ordering it, or to the attorney of record of that party. For this service, the reporter shall be paid a reasonable compensation, not less than five dollars (\$5.00), and not exceeding three dollars (\$3.00) per page for originals and one dollar and fifty cents (\$1.50) per page for copies of it, to be allowed by the court. If the transcript is used in subsequent proceedings in the cause, the cost of it may be allowed as a part of the costs.
  - **28-35-31. Transcript on appeal.** -- (a) Upon the filing of reasons of appeal and transcript, the administrator of the workers' compensation court shall present the transcript to the judge who heard the cause, and in case of vacancy in office, or for any cause, the administrator is unable to present the transcript to the judge who heard the cause, then the transcript shall be presented to any other judge, and that other judge shall have full power to examine and pass upon and allow the transcript. The judge to whom the transcript has been presented by the administrator shall, after examination, restore the transcript to the files of the administrator with a certificate of his or her action.
  - (b) Upon an appeal being taken and the transcript of the testimony as may be required being allowed and returned, the administrator of the workers' compensation court shall immediately certify the cause and all the papers of it to the supreme court.
  - (c) In case of failure to allow and return the transcript within twenty (20) days from its filing a hearing may be had on the question of the correctness of the transcript before the workers' compensation court.
  - 28-35-37. Delay of process for execution of decree. -- No process for the execution of any decree of the workers' compensation court from which an appeal may be taken shall issue until the expiration of the appeal period, unless all parties against whom the decree is made, <u>file</u> with the court a waiver of waive an appeal with the administrator or by causing an entry thereof to be made on the docket.
  - **28-35-45.** Review and modification of decrees. -- (a) At any time after the date of the approval of any agreement or at any time after the date of the entry of any decree concerning compensation, and if compensation has ceased under the agreement or decree, within ten (10) years after that, any agreement, award, order, finding, or decree may be from time to time reviewed by the workers' compensation court, upon its own motion or upon a petition of either party upon forms prescribed and furnished by the court, after due notice to the interested parties:
  - (1) Upon the ground that the:

- 33 (i) Incapacity of the injured employee has diminished, ended, increased, or returned;
  - (ii) Employee has recovered from the effects of his or her work-related injury and is

disabled only as a result of a preexisting condition;

- 2 (iii) Employee is able to return to the same work which he or she performed at the time of 3 his or her injury;
  - (iv) Employee has refused an offer of suitable employment; or
- 5 (v) Weekly compensation payments have been based upon an erroneous average weekly
  6 wage; or
  - (2) Regarding any other obligation established under chapters 29 38 of this title.
  - (b) Upon this review the workers' compensation court may decrease, suspend, increase, commence, or recommence compensation payments in accordance with the facts, or make any other order that the justice of the case may require. No review shall affect the agreement, award, order, finding, or decree as regards money already paid, except that an award increasing the compensation rate may be made effective from the date of the injury, and except that if any part of the compensation due or to become due is unpaid, an award decreasing the compensation rate may be made effective from the date of injury, and any payments made prior thereto in excess of the decreased rate shall be deducted from any unpaid compensation, in the manner and by the methods that may be determined by the workers' compensation court.
  - (c) Relief on review shall not be denied an employee or granted an employer or his or her insurer on the grounds that the employee is incapacitated by an injury or disease which is different from the one for which the employee was paid compensation if the injury or disease incapacitating the employee results from an injury or disease for which the employee was paid compensation.

**28-35-46. Notice of intent to discontinue, suspend, or reduce payments -- Filing -- Form. --** Before an employer may discontinue, suspend, or reduce compensation payments whether they are being received under an agreement, memorandum of agreement, award, order, finding, or decree, or when suitable alternative employment has been offered to the employee pursuant to § 28-33-18.2, the employer shall notify the court and the employee of his or her intention to discontinue, suspend, or reduce payments and the reason for doing so by filing with the **court judge** an affidavit setting forth the factual basis for filing the petition to review along with a copy of the medical reports upon which the employer seeks to justify the discontinuance, suspension, or reduction in payments. A copy of the affidavit and medical report shall be forwarded to the employee. The notice of intention to discontinue, suspend, or reduce payments must be given fifteen (15) days prior to the proposed date of discontinuance, suspension, or reduction; provided, that where an employee has returned to work at an average weekly wage equal to or in excess of that which he or she was earning at the time of his or her injury, not

1	including overtime, the notice of intention to discontinue, suspend, or reduce the payments
2	provided for in this section may be given five (5) days prior to the proposed date of
3	discontinuance. Notices shall be in substantially the following form:
4	Notice to Workers' Compensation Court and Employee of Intention to Discontinue,
5	Suspend, or Reduce Payment
6	You are hereby notified that the undersigned employer intends on the day
7	of 20, to discontinue, suspend, or reduce the payments of compensation to the
8	above-named employee for the following reasons, to wit:
9	(1) Employee has returned to work at an average weekly wage equal to or in excess of
10	that which he or she was earning at the time of his or her injury, not including overtime.
11	(2) Employee has returned to work and is earning wages in the sum of dollars
12	weekly.
13	(3) Employee has been discharged by his or her treating physician on the day of
14	20
15	28-35-54. Certification of papers to court Whenever the director certifies to the
16	workers' compensation court papers, agreements, and documents in any proceedings as are
17	provided in chapters 29 - 38 of this title, he or she shall certify them to the administrator of the
18	workers' compensation court.
19	28-35-55. Filing day or required act falling on weekend or holiday Whenever,
20	under chapters 29 - 38 of this title, the day, or the last day, for the filing with the administrator of
21	the workers' compensation court, of any original petition or other petition, motion, decree, claim
22	of appeal, reasons of appeal, brief, or other document in writing, or for the doing of any act
23	required or permitted to be done by those chapters, falls on Saturday, Sunday, or a legal holiday,
24	the act or filing may be done on the next succeeding business day.
25	28-35-61. Decrees procured by fraud (a) The workers' compensation court may,
26	upon petition of an employee, the dependents of a deceased employee, an employer, an insurance
27	carrier, or any other party in interest, vacate, modify, or amend any final decree entered within a
28	period of six (6) months of the date such decree was entered prior to the filing of the petition,
29	either by a single judge or by the full court, if it appears that the decree:
30	(1) Has been procured by fraud; or
31	(2) Does not accurately and completely set forth and describe the nature and location of
32	all injuries sustained by the employee.
33	(b) The petition shall be served in the same manner as is provided for in chapters 29 - 38
34	of this title for all other petitions.

(c) The workers' compensation court shall hear any and all petitions and make its decision in accordance with those chapters.

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3 SECTION 7. Section 28-35-35 of the General Laws in Chapter 28-35 entitled "Workers' 4 Compensation - Procedure" is hereby repealed.

28-35-35. Motion day in supreme court. -- Any court day in the supreme court shall be motion day for the purpose of hearing a motion to assign the appeal for hearing.

SECTION 8. Section 28-36-15 of the General Laws in Chapter 28-36 entitled "Workers' 8 Compensation - Insurance" is hereby amended to read as follows:

28-36-15. Penalty for failure to secure compensation -- Personal liability of corporate officers. -- (a) Any employer required to secure the payment of compensation under chapters 29 - 38 of this title who knowingly fails to secure that compensation shall be guilty of a felony and shall be subject to imprisonment for up to two (2) years. In addition to the foregoing, the employer shall be subject to a civil penalty punished by a fine not to exceed one thousand dollars (\$1,000) for each day of noncompliance with the requirements of this title. The director shall institute any and all reasonable measures to comprehensively monitor, investigate, and otherwise discover all employer noncompliance with this section and shall establish rules and regulations governing these measures. Each day shall constitute a separate and distinct offense for calculation of the penalty. Where that employer is a corporation the president, vice president, secretary, treasurer, and other officers of the corporation, shall be severally liable for the fine, penalty or imprisonment as provided in this section for the failure of that corporation to secure the payment of compensation. The president, vice president, secretary, treasurer, and other officers of the corporation shall also be severally personally liable, jointly with the corporation for any compensation or other benefit which may accrue under those chapters in respect to any injury which may occur to any employee of that corporation while it fails to secure the payment of compensation as required by those chapters.

(b) Where the employer is a limited liability company, the managers and managing members who knowingly fail to secure the payment of compensation under chapters 29 - 38 of this title shall be guilty of a felony and shall be subject to imprisonment for up to two (2) years. The managers and managing members shall also be severally liable for the fine, penalty or imprisonment as provided in this section for the failure of that company to secure the payment of compensation. The managers and managing members shall be severally personally liable, jointly with the company, for any compensation or other benefit which may accrue under those chapters in respect to any injury which may occur to any employee of that company while it fails to secure the payment of compensation as required by those chapters.

(c) Where the employer is a partnership, or a registered limited liability partnership, the partners who knowingly fail to secure the payment of compensation under chapters 29 - 38 of this title shall be guilty of a felony and shall be subject to imprisonment for up to two (2) years. The partners shall also be severally liable for the fine, penalty, or imprisonment as provided in this section for the failure of that partnership to secure the payment of compensation. The partners shall be severally personally liable, jointly with the partnership, for any compensation or other benefit which may accrue under those chapters in respect to any injury which may occur to any employee of that partnership while it fails to secure the payment as required by those chapters.

- (d) Where the employer is a limited partnership or a registered limited liability limited partnership, the general partners who knowingly fail to secure the payment of compensation under chapters 29 38 of this title shall be guilty of a felony and shall be subject to imprisonment for up to two (2) years. The general partners shall also be severally liable for the fine, penalty or imprisonment as provided in this section for the failure of that limited partnership to secure the payment of compensation. The general partners shall be severally personally liable, jointly with the limited partnership, for any compensation or other benefit which may accrue under those chapters in respect to any injury which may occur to any employee of that partnership while it fails to secure the payment of compensation as required by those chapters.
- (e) All criminal actions for any violation of this section shall be prosecuted by the attorney general. The attorney general shall prosecute actions to enforce the payment of penalties and fines at the request of the director. The workers' compensation court shall have jurisdiction over all civil actions filed pursuant to this section.

The court shall consider the following factors in assessing a civil penalty: gravity of offense, resources of the employer, effect of the penalty on employees of the company, the reason for the lapse in coverage, and the recommendation of the director. Following a review of the factors set forth above, the court may suspend all or a part of a civil penalty or shall establish a time table for compliance with any court order.

- (f) (1) As soon as practicable after the director receives notice of noncompliance under this section, the director shall determine whether cause exists for the imposition of a civil penalty. Unless the director determines that the noncompliance was unintentional or the result of a clerical error and subject to the administrative proceedings under subsection (g) of this section, the director shall commence an action in the workers' compensation court to assess a civil penalty against the employer as set forth in subsection (a) of this section and shall refer the matter to the attorney general for prosecution of criminal charges.
  - (2) The director shall bring a civil action in the workers' compensation court to collect all

payments and penalties ordered and not paid. All civil actions for any violations of this chapter or of any of the rules or regulations promulgated by the director, or for the collection of payments in accordance with § 28-37-13, 28-33-17.3(a)(2) or 28-33-17.3(a)(3) or civil penalties under this chapter, shall be prosecuted by any qualified member of the Rhode Island bar whom the director may designate, in the name of the director, and the director is exempt from giving surety for costs in any proceedings.

- (g) In the case of unintentional noncompliance or noncompliance resulting from clerical error where the uninsured period is less than one year from the date of discovery and there were no employees injured during the uninsured period and the employer has not been subject to any other findings of noncompliance with these chapters, the director shall assess an administrative penalty of not less than the estimated annual workers' compensation insurance premium for that employer and not more than triple that amount. Any party has the right to appeal the orders of the director. Such appeal shall be to the workers' compensation court in the first instance and thereafter from the workers' compensation court to the Rhode Island supreme court in accordance with § 28-35-30.
- (h) The director shall collect all payments under this chapter under the rules and regulations that may be set forth by the director. All fines collected pursuant to this section shall be deposited to a restricted receipt account to be administered by the director of the department of labor and training in his or her sole discretion to carry out chapters 29 38 of this title.
- (i) (1) In that the operation of a commercial enterprise without the required workers' compensation insurance is a crime and creates a clear and present danger of irreparable harm to employees who are injured while the employer is uninsured, the director shall suspend the operation of the business immediately and until workers' compensation and employers' liability insurance is secured consistent with these chapters. The director shall lift the suspension upon receipt of satisfactory proof of insurance and evidence sufficient to satisfy the director that the employer is in full compliance with these chapters. Any party has the right to appeal the suspension to the workers' compensation court where the matter shall proceed pursuant to the workers' compensation court rules of practice procedure.
- (2) In the event that the employer shall fail to comply with the director's order of suspension, the director may apply immediately to the workers' compensation court for an order directing the employer to comply with the director's prior orders.
- (3) Actions filed with the workers' compensation court pursuant to this section shall not be subject to a pretrial conference in accordance with § 28-35-20 but shall be assigned consistent with the workers' compensation court rules of <u>practice</u> <u>procedure</u>.

1 (4) Interest shall accrue on unpaid penalties during the pendency of any appeal at the rate 2 per annum provided in § 9-21-10. 3 (j) These provisions shall take effect upon passage except 28-29-2(6)(iv) which shall 4 take effect on January 1, 2006. 5 SECTION 9. Sections 28-53-2 and 28-53-7 of the General Laws in Chapter 28-53 entitled "Rhode Island Uninsured Employers Fund" are hereby amended to read as follows: 6 7 28-53-2. Establishment -- Sources -- Administration. -- (a) There shall be established 8 within the department of labor and training a special restricted receipt account to be known as the 9 Rhode Island uninsured employers fund. The fund shall be capitalized from excise taxes assessed 10 against uninsured employers pursuant to the provisions of § 28-53-9 of this chapter and from 11 general revenues appropriated by the legislature. Beginning in state fiscal year ending June 30, 12 2015, the legislature may appropriate up to two million dollars (\$2,000,000) in general 13 revenue funds annually for deposit into the Rhode Island uninsured employers fund. 14 (b) All moneys in the fund shall be mingled and undivided. The fund shall be 15 administered by the director of the department of labor and training or his or her designee, but in 16 no case shall the director incur any liability beyond the amounts paid into and earned by the 17 fund. 18 (c) All amounts owed to the uninsured employers fund from illegally uninsured 19 employers are intended to be excise taxes and as such, all ambiguities and uncertainties are to be 20 resolved in favor of a determination that such assessments are excise taxes. 21 28-53-7. Payments to employees of uninsured employers. -- (a) Where it is determined 22 that the employee was injured in the course of employment while working for an employer who 23 fails to maintain a policy of workers' compensation insurance as required by Rhode Island general 24 laws § 28-36-1, et seq., the uninsured employers fund shall pay the benefits to which the injured 25 employee would be entitled pursuant to chapters 29 to 38 of this title subject to the limitations set 26 forth herein. 27 (b) The workers' compensation court shall hear all petitions for payment from the fund 28 pursuant to Rhode Island general laws § 28-30-1, et seq., provided, however, that the uninsured 29 employers fund and the employer shall be named as parties to any petition seeking payment of 30 benefits from the fund. 31 (c) Where an employee is deemed to be entitled to benefits from the uninsured 32 employers fund, the fund shall pay benefits for disability and medical expenses as provided 33 pursuant to chapters 29 to 38 of this title except that the employee shall not be entitled to receive 34 benefits for loss of function and disfigurement pursuant to the provisions of Rhode Island general

laws § 28-33-19.

- (d) The fund shall pay cost, counsel and witness fees as provided in Rhode Island general laws § 28-35-32 to any employee who successfully prosecutes any petitions for compensation, petitions for medical expenses, petitions to amend a pretrial order or memorandum of agreement and all other employee petitions and to employees who successfully defend, in whole or in part, proceedings seeking to reduce or terminate any and all workers' compensation benefits; provided, however, that the attorney's fees awarded to counsel who represent the employee in petitions for lump sum commutation filed pursuant to Rhode Island general laws § 28-33-25 or in the settlement of disputed cases pursuant to Rhode Island general laws § 28-33-25.1 shall be limited to the maximum amount paid to counsel who serve as court appointed attorneys in workers' compensation proceedings as established by rule or order of the Rhode Island supreme court.
  - (e) In the event that the uninsured employer makes payment of any monies to the employee to compensate the employee for lost wages or medical expenses, the fund shall be entitled to a credit for all such monies received by or on behalf of the employee against any future benefits payable directly to the employee.
    - (f) This section shall apply to injuries that occur on or after January 1,  $\frac{2015}{2016}$ .
- SECTION 10. Section 36-10-31 of the General Laws in Chapter 36-10 entitled
  "Retirement System-Contributions and Benefits" is hereby amended to read as follows:
  - <u>damages. --</u> Any amount paid or payable under the provisions of any workers' compensation law exclusive of Medicare set-aside allocations, specific compensation benefits or any benefits authorized by the terms of a collective bargaining agreement or as the result of any action for damages for personal injuries against the state of Rhode Island on account of the death or disability of a member shall be offset against and payable in lieu of any benefits payable out of funds provided by the state under the provisions of this chapter on account of the death or disability of the member. If the value of the total commuted benefits under any workers' compensation law or action is less than the present value on an actuarial basis of the benefits otherwise payable under this chapter, the value of the commuted payments shall be deducted from the present value of the benefits and the balance thereof shall be payable under the provisions of this chapter.
- 32 SECTION 11. This act shall take effect upon passage.

LC005804

### **EXPLANATION**

### BY THE LEGISLATIVE COUNCIL

OF

## AN ACT

# RELATING TO LABOR AND LABOR RELATIONS - WORKERS' COMPENSATION - GENERAL PROVISIONS

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