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2014 -- S 3053

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: Senators P Fogarty, Goodwin, Ruggerio, Ciccone, and Doyle

Date Introduced: May 29, 2014

Referred To: Senate Labor

It is enacted by the General Assembly as follows:

- 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:
- 28-29-26. Supervision of enforcement. -- (a) Department of labor and training. The
 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.

9 (b) Workers' compensation court. The workers' compensation court, as provided for in 10 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 13 described in the chapters. In addition to the foregoing, the court shall have the power and 14 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 16 17 to §§ 28-36-15 and 28-37-28 and pursuant to the provisions of chapter 53 of this title.

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

1 excepted, shall be filed with the administrator of the workers' compensation court in accordance 2 with chapter 35 of this title and the rules of practice any rules and regulations promulgated by the 3 workers' compensation court.

4 (3) The enactment of this subsection shall not affect the rights of the parties established 5 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 6 7 to the payment of compensation acquired pursuant to § 28-29-6 or 28-35-9.

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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 10 amended to read as follows:

11 28-30-7. Clerical assistance to administrator. -- The administrator, with the approval of 12 the chief judge of the workers' compensation court, may employ any clerical assistance that he or 13 she may require for copying, recording, indexing, and attending upon the files of the court- "The 14 administrator, with the approval of the chief judge, shall and may appoint the following 15 additional support staff as necessary.: two (2) court secretaries, three (3) hearings reporters, five 16 (5) assistant administrator/clerks, two (2) clerk secretaries, and two (2) data entry clerks. The 17 compensation for the additional staff created by this section shall be provided from the workers' 18 compensation administrative fund established by § 28-37-1.

19 28-30-13. Controversies submitted to court. -- (a) Any controversy over which the 20 workers' compensation court has jurisdiction in accordance with chapters 29 - 38 and chapter 53 21 of this title, including compensation, reasonableness of medical and hospital bills, degree of 22 functional impairment and/or disability, a dispute between an insurance carrier and an employer 23 under a workers' compensation insurance contract, except disputes under the jurisdiction of the 24 workers' compensation appeals board established pursuant to § 27-9-29, failure of an employer to 25 secure the payment of compensation under chapters 29 - 38 and chapter 53 of this title and any 26 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 27 28 submitted to the court in the manner provided in chapters 33 and 35 of this title.

29 (b) Disputes between an insurance carrier and an employer under a workers' 30 compensation insurance contract shall not be subject to a pretrial conference in accordance with § 31 28-35-20, but shall be assigned consistent with the rules of practice and regulations of the 32 workers' compensation court.

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28-30-15. Retirement of judges engaged on or before July 2, 1997, on reduced pay. --

34 (a) Whenever any person engaged as a judge on or before July 2, 1997, has served as a workers'

1 compensation judge for twenty (20) years, or has so served for ten (10) years and has reached the 2 age of sixty-five (65) years, he or she may retire from active service and subsequently he or she 3 shall receive annually during life a sum equal to three-fourths (3/4) of the annual salary that he or 4 she was receiving at the time of retirement. In determining eligibility under this section, any 5 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 6 7 absence without pay, such absence shall not be credited towards active service time for the 8 purposes of retirement.

9 (b) Any judge who retires in accordance with the provisions of this section may at his or 10 her own request and at the direction of the chief justice of the supreme court, subject to the 11 retiree's physical and mental competence, be assigned to perform any services that a judge on the 12 workers' compensation court as the chief judge prescribes. When so assigned and performing 13 those services, he or she shall have all the powers and authority of a judge. A retired judge shall 14 not be counted in the number of judges provided by law for the workers' compensation court. 15 Whenever a judge or magistrate shall be granted a leave of absence without pay, such absence 16 shall not be credited towards active service time for the purposes of retirement.

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28-30-15.1. Retirement of judges engaged after July 2, 1997. -- (a) Whenever any 18 person first engaged as a judge:

19 (1) Subsequent to July 2, 1997 and prior to January 1, 2009, has served as a workers' 20 compensation judge for twenty (20) years, or has so served for ten (10) years and has reached the 21 age of sixty-five (65) years, he or she may retire from active service and subsequently he or she 22 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; 23

24 (2) On or after January 1, 2009 and prior to July 1, 2009, has served as a workers' 25 compensation judge for twenty (20) years or has so served for ten (10) years and reached the age 26 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 27 28 three (3) consecutive years or compensation.

29 (3) On or after July 1, 2009, has served as a workers' compensation judge for twenty (20) 30 years, or has served for ten (10) years, and reached the age of sixty-five (65) years, he or she may 31 retire from regular active service and thereafter said justice shall receive annually during his or 32 her life a sum equal to sixty-five (65%) percent of his or her average highest five (5) consecutive 33 years of compensation.

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(b) 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.

- 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 on 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.
- 10 28-30-15.2. No incremental retirement benefit for temporary service as chief justice, 11 presiding justice or chief judge retired pursuant to section 28-30-15 or 28-30-15.1. -- No 12 incremental retirement benefit for temporary service as chief justice, presiding justice or 13 chief judge retired pursuant to § 28-30-15 or § 28-30-15.1. -- No increment in salary resulting 14 from the application of personnel rule 4.0217 or any other or successor rule or regulation 15 providing for an increment in salary for temporary service as chief justice, presiding justice or 16 chief judge shall be construed to add to the annual salary of a judicial officer for purposes of 17 retirement under § 28-30-15 or § 28-30-15.1.
- 18 28-30-16.3. No incremental retirement benefit for temporary service as chief justice, 19 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 purposes of retirement under § 28-30-16 or § 28-30-16.2. 25 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
- 30 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 <u>28-30-14. Clerk/secretary in unclassified service. --</u> 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'

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

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 3 4 hundred fifty dollars (\$250) by the director for each refusal or neglect to make a report.

5 (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 6 7 section. The director, in his or her discretion, may bring a civil action to collect all penalties 8 assessed.

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(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, 10 11 28-33-35, 28-33-37 and 28-33-43 of the General Laws in Chapter 28-33 entitled "Workers' 12 Compensation - Benefits" are hereby amended to read as follows:

13 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 14 15 obtain health care, diagnosis, and treatment from any qualified health care provider initially. The 16 initial health care provider of record may, without prior approval, refer the injured employee to 17 any qualified specialist for independent consultation or assessment, or specified treatment. If the 18 insurer or self-insured employer has a preferred provider network approved and kept on record by 19 the medical advisory board, any change by the employee from the initial health care provider of 20 record shall only be to a health care provider listed in the approved preferred provider network; 21 provided, however, that any contract proffered or maintained which restricts or limits the health 22 care provider's ability to make referrals pursuant to the provisions of this section, restricts the 23 injured employee's first choice of health care provider, substitutes or overrules the treatment 24 protocols maintained by the medical advisory board or attempts to evade or limit the jurisdiction 25 of the workers' compensation court shall be void as against public policy. If the employee seeks 26 to change to a health care provider not in the approved preferred provider network, the employee 27 must obtain the approval of the insurer or self-insured employer. Nothing contained in this 28 section shall prevent the treatment, care, or rehabilitation of an employee by more than one 29 physician, dentist, or hospital. The employee's first visit to any facility providing emergency care 30 or to a physician or medical facility under contract with or agreement with the employer or 31 insurer to provide priority care shall not constitute the employee's initial choice to obtain health

32 care, diagnosis or treatment.

33 (2) In addition to the treatment of qualified health care providers, the employee shall have 34 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.

4 (b) Within three (3) days of an initial visit following an injury, the health care provider 5 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 6 7 advisory board. Within three (3) days of the injured employee's release or discharge, return to 8 work, and/or recovery from an injury covered by chapters 29 - 38 of this title, the health care 9 provider shall provide a notice of release to the insurer or self-insured employer and the employee 10 and his or her attorney on a form approved by the division. A twenty dollar (\$20.00) fee may be 11 charged by the health care provider to the insurer or self-insured employer for the notification of 12 compensable injury forms or notice of release forms or for affidavits filed pursuant to subsection 13 (c) of this section, but only if filed in a timely manner. No claim for care or treatment by a 14 physician, dentist, or hospital chosen by an employee shall be valid and enforceable as against his 15 or her employer, the employer's insurer, or the employee, unless the physician, dentist, or hospital 16 gives written notice of the employee's choice to the employer/insurance carrier within fifteen (15) 17 days after the beginning of the services or treatment. The health care provider shall in writing 18 submit present to the employer or insurance carrier an itemized bill and report for the services or 19 treatment and a final itemized bill for all unpaid services or treatment within three (3) months 20 after the conclusion of the treatment. The employee shall not be personally liable to pay any 21 physician, dentist, or hospital bills in cases where the physician, dentist, or hospital has forfeited 22 the right to be paid by the employer or insurance carrier because of noncompliance with this 23 section.

24 (c) (1) At six (6) weeks from the date of injury, then every twelve (12) weeks thereafter 25 until maximum medical improvement, any qualified physician or other health care professional 26 providing medical care or treatment to any person for an injury covered by chapters 29 - 38 of 27 this title shall file an itemized bill and an affidavit with the insurer, the employee and his or her 28 attorney, and the medical advisory board. A ten percent (10%) discount may be taken on the 29 itemized bill affidavits not filed in a timely manner and received by the insurer one week or more 30 late. The affidavit shall be on a form designed and provided by the administrator of the medical 31 advisory board and shall state:

32 (i) The type of medical treatment provided to date, including type and frequency of33 treatment(s);

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(ii) Anticipated further treatment including type, frequency, and duration of treatment(s),

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

2 discharge;

3 (iii) Whether the employee can return to the former position of employment or is capable
4 of other work, specifying work restrictions and work capabilities of the employee;

5 (2) The affidavit shall be admissible as an exhibit of the workers' compensation court
6 with or without the appearance of the affiant.

7 (d) "Itemized bill", as referred to in this section, means a <u>completed</u> statement of 8 charges, on a form <u>CMS</u> HCFA 1500, <u>UB 92/94</u> or other form suitable to the insurer, which 9 includes, but is not limited to, an enumeration of specific types of care provided, facilities or 10 equipment used, services rendered, and appliances or medicines prescribed, for purposes of 11 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.

14 (2) The treating physician shall notify the employer, and the employee and his or her15 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.

30 (2) The twenty-one (21) day period in subdivision (1) of this subsection and in § 28-3531 <u>12</u> shall begin on the date the insurer receives a request with appropriate documentation required
32 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 twentyone (21) days have elapsed since written demand for payment for the expense or service has been made on the employer or insurer.

7 28-33-17. Weekly compensation for total incapacity -- Permanent total disability --8 Dependents' allowances. -- (a) (1) While the incapacity for work resulting from the injury is 9 total, the employer shall pay the injured employee a weekly compensation equal to seventy-five 10 percent (75%) of his or her average weekly spendable base wages, earnings, or salary, as 11 computed pursuant to the provisions of § 28-33-20. The amount may not exceed more than sixty 12 percent (60%) of the state average weekly wage of individuals in covered employment under the 13 provisions of the Rhode Island Employment Security Act as computed and established by the 14 Rhode Island department of labor and training, annually, on or before May 31 of each year, under 15 the provisions of § 28-44-6(a). Effective September 1, 1974, the maximum rate for weekly 16 compensation for total disability shall not exceed sixty-six and two-thirds percent (662/3%) of the 17 state average weekly wage as computed and established under the provisions of § 28-44-6(a). 18 Effective September 1, 1975, the maximum rate for weekly compensation for total disability shall 19 not exceed one hundred percent (100%) of the state average weekly wage as computed and 20 established under the provisions of § 28-44-6(a). Effective September 1, 2007, the maximum rate 21 for weekly compensation for total disability shall not exceed one hundred fifteen percent (115%) 22 of the state average weekly wage as computed and established under the provisions of § 28-44-23 6(a). Effective October 1, 2016, the maximum rate for weekly compensation for total disability 24 shall not exceed one hundred twenty percent (120%) of the state average weekly wage as 25 computed and established under the provisions of § 28-44-6(a) and effective October 1, 2017, the 26 maximum rate for weekly compensation for total disability shall not exceed one hundred twenty -27 five percent (125%) of the state average weekly wage as computed and established under the 28 provisions of § 28-44-6(a). If the maximum weekly benefit rate is not an exact multiple of one 29 dollar (\$1.00), then the rate shall be raised to the next higher multiple of one dollar (\$1.00).

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

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

1 amounts which would be withheld from the wages, earnings, or salary under federal and state 2 income tax laws, and under the Federal Insurance Contributions Act (FICA), 26 U.S.C. 3101 et 3 seq., relating to social security and Medicare taxes. In all cases, it is to be assumed that the 4 amount withheld would be determined on the basis of expected liability of the employee for tax 5 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. 6

7 (ii) Each year, the director shall publish tables of the average weekly wage and seventy-8 five percent (75%) of spendable earnings that are to be in effect on May 10. These tables shall be 9 conclusive for the purposes of converting an average weekly wage into seventy-five percent 10 (75%) of spendable earnings. In calculating spendable earnings the director shall have discretion 11 to exempt funds assigned to third parties by order of the family court pursuant to § 8-10-3 and 12 funds designated for payment of liens pursuant to § 28-33-27 upon submission of supporting 13 evidence.

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(b) (1) In the following cases, it shall for the purpose of this section be that the injury 15 resulted in permanent total disability:

16 (i) The total and irrecoverable loss of sight in both eyes or the reduction to one-tenth 17 (1/10th) or less of normal vision with glasses;

18 (ii) The loss of both feet at or above the ankle;

19 (iii) The loss of both hands at or above the wrist;

20 (iv) The loss of one hand and one foot;

21 (v) An injury to the spine resulting in permanent and complete paralysis of the legs or 22 arms; and

23 (vi) An injury to the skull resulting in incurable imbecility or insanity.

24 (2) In all other cases, total disability shall be determined only if, as a result of the injury, 25 the employee is physically unable to earn any wages in any employment; provided, that in cases 26 where manifest injustice would otherwise result, total disability shall be determined when an 27 employee proves, taking into account the employee's age, education, background, abilities, and 28 training, that he or she is unable on account of his or her compensable injury to perform his or her 29 regular job and is unable to perform any alternative employment. The court may deny total 30 disability under this subsection without requiring the employer to identify particular alternative 31 employment.

32 (c) (1) Where the employee has persons conclusively presumed to be dependent upon 33 him or her or in fact so dependent, the sum of fifteen dollars (\$15.00) shall be added to the 34 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.

5 (2) The dependency allowance shall be in addition to the compensation benefits for total 6 disability otherwise payable under the provisions of this section. The dependency allowance shall 7 be increased if the number of persons dependent upon the employee increases during the time that 8 weekly compensation benefits are being received.

9 (3) For the purposes of this section the following persons shall be conclusively presumed
10 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 onlywhile 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 onlywhile he is not working for wages during his spouse's total disability.

15 (iii) Children under the age of eighteen (18) years, or over that age but physically or 16 mentally incapacitated from earning, if living with the employee, or, if the employee is bound or 17 ordered by law, decree, or order of court, or by any other lawful requirement, to support the 18 children, although living apart from them. Provided, that the payment of dependency benefits to a 19 dependent child over the age of eighteen (18) years shall continue as long as that child is 20 satisfactorily enrolled as a full-time student in an educational institution or an educational facility 21 duly accredited or approved by the appropriate state educational authorities at the time of 22 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 23 24 employee conceived but not born at the time of the employee's injury, and the compensation 25 provided for in this section shall be payable on account of any such children from the date of their 26 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.

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(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.

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7 (2) If the employee is subsequently found to be only partially incapacitated, the weekly
8 compensation benefit paid to the employee shall be equal to the payment in effect prior to his or
9 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.

17 (5) The computations in this section shall be made by the director of labor and training 18 and promulgated to insurers and employers making payments required by this section. Increases 19 shall be paid by insurers and employers without further order of the court. If payment payable 20 under this section is not paid within fourteen (14) days after the employer or insurer has been 21 notified or it becomes due, whichever is later, there shall be added to the unpaid payment an 22 amount equal to twenty percent (20%) of that amount, which shall be paid at the same time as, 23 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.

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(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 interposed for delay. 6

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.

(5) The appropriate body with professional disciplinary authority over the attorney shall 23 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

opposing entity, the whole cost of the resulting proceedings shall be assessed against that party or 27

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;

(iii) Knowingly assist, aid and abet, solicit, or conspire with any person who engages in
 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'
compensation insurance at less than the proper rate for the insurance including, but not limited to,
intentionally misleading or failing to disclose information to an insurer regarding the appropriate
rate classification of an employee;

(vi) Willfully fail to provide a lower rate adjustment favorable to an employer as required
by an approved experience rating plan or regulations promulgated by the insurance
commissioners;

(vii) Willfully fail to report or provide false or misleading information regarding
ownership changes as required by an approved experience rating plan or regulations promulgated
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, 18 or as a member or manager of a limited liability company, or as a partner, in a general or, limited 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.

(2) For the purposes of this section, "Statement" includes, but is not limited to, any
endorsement of a benefit check, application for insurance coverage, oral or written statement,
proof of injury, bill for services, diagnosis, prescription, hospital or provider records, x-rays, test
results, or other documentation offered as proof of, or in the absence of, a loss, injury, or
expense.

(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.

34

(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.

3 (c) The director of labor and training shall establish a form, in consultation with the 4 attorney general, to be sent to all workers who are presently receiving benefits and those for 5 whom first reports of injury are filed in the future which shall give the employee notice that the 6 endorsement of a benefit check sent pursuant to § 28-35-39 is the employee's affirmation that he 7 or she is qualified to receive benefits under the Workers' Compensation Act. The insurers and 8 self-insured employers are directed to send the form to all workers receiving benefits.

9 (d) Any employer, or in any case where the employer is a corporation, the president, vice 10 president, secretary, treasurer, and other officers of the corporation, or in any case where the 11 employer is a limited liability company, the managers, and the managing members or in any case 12 where the employer is a general partnership or a registered limited liability partnership, or in the 13 case where the employer is a limited partnership or a registered limited liability limited 14 partnership, the partners, that are found to have violated this section or § 28-36-15, shall be guilty 15 of a felony for failure to secure and maintain compensation, and upon conviction, shall be subject 16 to imprisonment of up to two (2) years, a fine not exceeding ten thousand dollars (\$10,000), or 17 both. In any case where the employer is a corporation, the president, vice president, secretary, 18 treasurer, and other officers of the corporation, shall be severally liable for the fine or subject to 19 imprisonment, or both. In any case where the employer is a limited liability company, the 20 managers and managing members shall be severally liable for the fine or subject to imprisonment, 21 or both. In any case where the employer is a partnership or a registered limited liability 22 partnership, the partners shall be severally liable for the fine or subject to imprisonment, or both. 23 In any case where the employer is a limited partnership or a registered limited liability limited 24 partnership, the general partners shall be severally liable for the fine or subject to imprisonment, 25 or both.

28-33-18.3. Continuation of benefits -- Partial incapacity. -- (a) (1) For all injuries 26 27 occurring on or after September 1, 1990, in those cases where the employee has received a notice 28 of intention to terminate partial incapacity benefits pursuant to § 28-33-18, the employee or his or 29 her duly authorized representative may file with the workers' compensation court a petition for 30 continuation of benefits on forms prescribed by the workers' compensation court. In any 31 proceeding before the workers' compensation court on a petition for continuation of partial 32 incapacity benefits, where the employee demonstrates by a fair preponderance of the evidence 33 that his or her partial incapacity poses a material hindrance to obtaining employment suitable to 34 his or her limitation, partial incapacity benefits shall continue. For injuries on and after July 1,

1 2016 2018, "material hindrance" is defined to include only compensable injuries causing a greater 2 than sixty-five percent (65%) degree of functional impairment and/or disability. Any period of 3 time for which the employee has received benefits for total incapacity shall not be included in the 4 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.

7 (b) (1) Where any employee's incapacity is partial and has extended for more than three 8 hundred and twelve (312) weeks and the employee has proved an entitlement to continued 9 benefits under subsection (a) of this section, payments made to these incapacitated employees 10 shall be increased annually on the tenth (10th) day of May thereafter so long as the employee 11 remains incapacitated. The increase shall be by an amount equal to the total percentage increase 12 in the annual consumer price index, United States city average for urban wage earners and 13 clerical workers, as formulated and computed by the Bureau of Labor Statistics of the United 14 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.

33 (c) No petitions for commutation shall be allowed or entertained in those cases where an
 34 employee is receiving benefits pursuant to this section.

1 28-33-34.1. Schedule of medical review. -- (a) On or about twenty-six (26) weeks from 2 the date of a compensable injury, any person obtaining incapacity benefits may be examined and 3 their diagnosis and treatment reviewed by a comprehensive independent health care review team 4 or an impartial medical examiner. The comprehensive independent health care review team or 5 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 6 7 provided to the employee and the insurer or self-insured employer within fourteen (14) days of 8 the examination and a copy shall be filed with the medical advisory board. The comprehensive 9 independent health care review team and/or impartial medical examiner shall review the treating 10 physician's findings and diagnosis and make its own findings of the extent and nature of the 11 claimed disability, the degree of functional impairment and/or disability, the expectation of 12 further medical improvement, any further medical care, treatment, and/or rehabilitation services 13 that may be required to reach maximum medical improvement, type(s) of work that can be 14 performed within existing physical capacity, the degree of disability expected at maximum 15 medical improvement, whether the employee can return to the former position of employment, 16 and compliance of the treating physician with protocols and standards of medical care established 17 by the medical advisory board. The report shall may be subsequently admissible as a the court's 18 court exhibit. A party may be permitted to cross-examine the author(s) of the report with leave of 19 the court.

(b) On or about thirteen (13) weeks after any examination under this section or § 28-3335, 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 **<u>28-33-35. Appointment of impartial medical examiner. --</u> (a) Any judge of the court 29 may, at any time after an injury, on his or her own motion or on the request or petition of the 30 employer or employee, appoint an impartial medical examiner or a comprehensive independent 31 health care review team to act as a medical examiner, and the reasonable fee of the medical 32 examiner for examinations under this section and/or § 28-33-34.1 shall be paid by the 33 employer.**

34

(b) Impartial medical examiners and/or comprehensive independent health care review

1 teams shall provide guidance and make recommendations with respect to contested or disputed 2 findings of fact concerning health care. Impartial medical examiners and/or comprehensive 3 independent health care review teams may also make findings as to compliance of health care 4 providers with medical care standards and protocols established by the medical advisory board. 5 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. 6 7 The report of the findings of the impartial medical examiner and/or comprehensive independent 8 health care review team shall may be admissible as an exhibit of the court. The findings of the 9 report shall become final and binding unless either party elects to contest the findings. Notice of 10 the contest must be filed within ten (10) days of receipt of the report required to be provided 11 pursuant to § 28-33-34.1(a). The contesting party shall pay the cost of the court appearance of the 12 author of the report. In the event that the employee is the prevailing party, the employee shall be 13 reimbursed for the entire amount paid by him or her for the court appearance of the author of the 14 report.

15 **<u>28-33-37. Examination by impartial examiner -- Reports. --</u> A medical examiner, once** 16 being duly sworn by the administrator or a judge of the workers' compensation court appointing 17 him or her to the faithful performance of his or her duties at the inception of his or her 18 designation as an impartial medical examiner, shall at that time and as often as requested in 19 accordance with chapters 29 - 38 of this title, examine injured employees to determine the nature 20 and probable duration of their injuries. This medical examiner shall file a signed report within 21 ninety-six (96) hours of the completion of each and every examination made of those employees 22 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 23 24 appointed and shall then be acceptable as proper legal evidence in any hearing or proceedings 25 before the workers' compensation court to determine the amount of compensation due the 26 employee under the provisions of chapters 29 - 38 of this title, and the examiner may be 27 summoned for the purpose of cross-examination in proceedings before the court. Copies of those 28 reports shall be furnished to all interested parties.

29 **<u>28-33-43. Employer liability for property damage. --</u>** When an employee sustains 30 property damage to eyeglasses, dentures, or artificial prosthesis arising out of and in the course of 31 his or her employment, regardless of whether or not he or she suffered personal injury or loss of 32 time, he or she may file a petition with the administrator of the workers' compensation court, and 33 he or she shall be paid the reasonable value of the property or the reasonable expense of repairing 34 the property by an employer subject to or who has elected to become subject to the provisions of chapters 29 - 38 of this title. The petition shall be prosecuted in the same manner as other
petitions for compensation before the court. In hearings before the court, counsel and witness fees
shall be awarded for the successful prosecution of a petition under this section.

SECTION 6. Sections 28-35-6, 28-35-9, 28-35-12, 28-35-12.1, 28-35-14, 28-35-17, 2835-20, 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, 2835-54, 28-35-55 and 28-35-61 of the General Laws in Chapter 28-35 entitled "Workers'
Compensation - Procedure" are hereby amended to read as follows:

8 **28-35-6.** Notice of amendments to memorandum of agreement. -- (a) If the workers' 9 compensation court makes any amendment or addition to the memorandum of agreement, the 10 administrator of the workers' compensation court shall immediately notify the department of the 11 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.

19 28-35-9. Payment of weekly benefits -- Admission of entitlement to compensation --20 Payment of compensation without agreement. -- (a) For all injuries occurring from September 21 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 22 23 report that he or she has received as a result of the injury with the employer or insurer within ten 24 (10) days of receipt by the employee or his or her attorney of the report, certified mail, return 25 receipt requested. If the employer or insurer continues to make payment to the employee after ten 26 (10) days following receipt of the report by the employer or insurer, the employer shall 27 immediately after that ten (10) day period file a memorandum of agreement as set forth in § 28-28 35-1 and that payment shall constitute a conclusive admission of liability as to the injuries set 29 forth in the report and that the employee is entitled to compensation under chapters 29 - 38 of this 30 title. The employer may not file a petition to suspend or reduce payments until a memorandum 31 has been filed.

32 (b) In the event that an employer or insurer makes payment of weekly benefits to an 33 employee without filing a memorandum of agreement or a non-prejudicial memorandum of 34 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.

6

28-35-12. Petition for determination of controversy -- Contents and filing. -- (a) In

7 all disputes between an employer and employee in regard to compensation or any other obligation 8 established under chapters 29 - 38 of this title, and when death has resulted from the injury and 9 the dependents of the deceased employee entitled to compensation are, or its apportionment 10 among them is, in dispute, any person in interest or his or her duly authorized representative may 11 file with the administrator of the workers' compensation court a petition prescribed by the court, 12 setting forth the names and residences of the parties, the facts relating to employment at the time 13 of injury, the cause, extent, and character of the injury, the amount of wages, earnings, or salary 14 received at the time of the injury, and the knowledge of the employer of notice of the occurrence 15 of the injury, and any other facts that may be necessary and proper for the information of the 16 court, and shall state the matter in dispute and the claims of the petitioner with reference to it; 17 provided, that no petition shall be filed within twenty-one (21) days of the date of the injury and 18 no petition regarding any other obligation established under chapters 29 - 38 of this title shall be 19 filed until twenty-one (21) days after written demand for payment upon the employer or insurer 20 or written notice to the employer or insurer of failure to fulfill the obligation, except that any 21 petition alleging the non-payment or late payment of weekly compensation benefits, attorneys' 22 fees, and costs, may be filed after fourteen (14) days from the date the payment is due as set forth 23 in §§ 28-35-42, 28-35-43, and 28-35-20(c). All demands seeking payment of bills for medical 24 services rendered shall include reference to a claim number or a legible copy of the agreement, 25 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 26 27 order. In the event that the bills are not paid within the fourteen (14) day period, a petition may be 28 filed to enforce said order or decree without any additional written notice to the employer or 29 insurer.

30 (b) (1) If one or more claims are filed for an injury and there are two (2) or more 31 insurers, any one of which may be held to be liable to pay compensation, and the judge 32 determines that the injured employee would be entitled to receive compensation but for the 33 existence of a controversy as to which one of the insurers is liable to pay compensation, one of 34 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.

5 (2) The workers' compensation court shall award compensation, costs, and attorneys' fees
6 in its discretion if one of the insurers is held to be liable following the hearing.

7 (c) If any determination of the workers' compensation court entitles an employee to 8 retroactive payment of weekly benefits, the court shall award to the employee interest at the rate 9 per annum provided in § 9-21-10 on that retroactive weekly payment from six (6) months 10 subsequent to the date that the employee first filed a petition for benefits to the time when that 11 retroactive payment is actually made. If the proceedings are unduly delayed by or at the request 12 of the employee or his or her attorney, the judge may reduce or eliminate interest on retroactive 13 payment; provided, that the provisions of this section as they relate to interest shall apply only to 14 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.

18 <u>28-35-12.1. Prompt decision required. --</u> The judge who hears a case pursuant to § 28-19 35-12 shall render his or her decision no later than thirty (30) days after each party has completed 20 presenting its case. This provision shall not apply in any case for which the judge has shown just 21 cause, as determined by rules <u>of practice</u> of the workers' compensation court adopted pursuant to 22 the authority granted to the court by § 28-29-26, for delay beyond thirty (30) days.

23 <u>**28-35-14.**</u> Copies of petition to respondents. --</u> Upon filing with the <u>workers'</u> 24 <u>compensation court administrator</u> of any petition, stating the general nature of any claim as to 25 which any dispute or controversy may have arisen, the petitioner shall serve a copy of the petition 26 on the respondent or respondents in accordance with the workers' compensation court rules of 27 practice.

28 <u>28-35-17. Notice and conduct of hearings. --</u> (a) Upon the filing of any petition the 29 court shall assign the matter to a judge. The court shall issue notice at that time, advising the 30 parties of the judge to whom the case has been assigned and the date for pretrial conference in 31 accordance with § 28-35-20.

32 (b) Upon filing of any claim for a trial, following the pretrial conference held in 33 accordance with § 28-35-20, the judge shall fix a time for trial and give notice of it in accordance 34 with <u>the</u> rules of <u>practice</u> 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 <u>the</u> rules <u>of practice</u> 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.

7 <u>28-35-20. Informal pretrial conference. --</u> (a) Before any case shall proceed to a trial, 8 the judge shall conduct a mandatory pretrial conference within twenty-one (21) days of the date 9 of filing with a view to expediting the case and reducing the issues in dispute to a minimum, 10 notice of which shall be sent by the administrator to the parties or to their attorneys of record. The 11 conference shall be informal and no oral testimony shall be offered or taken. Any statement then 12 made by either party shall in the absence of agreement be without prejudice, but any agreement 13 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.

17 (c) At the pretrial conference, the judge shall make every effort to resolve any 18 controversies or to plan for any subsequent trial of the case. The judge shall render a pretrial order 19 immediately at the close of the pretrial conference. The pretrial order shall be set forth in a 20 simplified manner on forms prescribed by the workers' compensation court. It may reflect any 21 agreements reached between the parties, but shall grant or deny, in whole or in part, the relief 22 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 23 24 benefits, medical expenses, costs, and attorneys' fees, shall be paid within fourteen (14) days of 25 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.

6 (f) If after trial and the entry of a final decree, it is determined that the employee or 7 medical services provider was not entitled to the relief sought in the petition, the employer or 8 insurer shall be reimbursed from the workers' compensation administrative fund, described in 9 chapter 37 of this title, to the extent of any payments made pursuant to the pretrial order to which 10 there is no entitlement.

11 **28-35-24. Examination by or opinion of impartial physician.** -- (a) Whenever the 12 testimony presented at any hearing indicates a dispute, or creates doubt, as to the extent, nature, 13 or cause of disability or death, the workers' compensation court may direct that the injured 14 employee be examined, or may obtain an opinion without examination of an impartial, competent 15 physician designated by the workers' compensation court who is not under contract with or 16 regularly employed or regularly retained by a compensation insurer or self-insured employer.

17 (b) The expense of the examination shall be paid by the employer. The report of the 18 examination shall be transmitted in writing to the workers' compensation court and a copy of it 19 shall be furnished by the workers' compensation court to each party who shall have an 20 opportunity to rebut it on further hearing.

21 28-35-27. Decision of controversies -- Decree. -- (a) In any controversy over which the 22 workers' compensation court has jurisdiction pursuant to this chapter and Rhode Island general 23 law § 45-21.2-9, any judge of that court shall, pursuant to §§ 28-35-11 - 28-35-28, and the 24 procedural rules or practice of the court, hear all questions of law and fact involved in the 25 controversy and presented by any party in interest, and he or she shall within ten (10) days after 26 the hearing, unless the parties otherwise agree, decide the merits of the controversy pursuant to 27 the law and the fair preponderance of the evidence and notify the administrator of the court of the 28 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,

1 exclusive of Saturdays, Sundays, and holidays, a claim of appeal and, subject to the rules of the 2 court, by filing a request for a transcript of the testimony and ruling or any part thereof desired. 3 Within any time that a judge shall fix, either by an original fixing or otherwise, the appellant shall 4 file with the administrator of the court reasons of appeal stating specifically all matters 5 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 6 7 that the parties may file with the administrator of the court those briefs and memoranda that they 8 may desire concerning the appeal. The chief judge shall appoint appellate panels of three (3) 9 members of the court to hear any claim of appeal and the decision of the appellate panel shall be 10 binding on the court. The three (3) members of the appellate panel shall immediately review the 11 decree upon the record of the case and shall file a decision pursuant to the law and the fair 12 preponderance of the evidence within ten (10) days of the expiration of the time within which the 13 parties may file briefs and memoranda. Upon consideration of the appeal, the appellate panel 14 shall affirm, reverse, or modify the decree appealed from, and may itself take any further 15 proceedings that are just, or may remand the matter to the trial judge for further consideration of 16 any factual issue that the appellate division may raise, including the taking of additional evidence 17 or testimony by the trial judge. It shall be within the prerogative of the appellate panel to remand 18 a matter to the trial judge. If the decision requires the entry of a new decree, notice shall be given 19 the parties, and the new decree shall be entered in the same manner as the original decree, but if 20 the decision of two (2) appellate panel judges does not require the entry of a new decree, the 21 decree shall be affirmed. Any member of the appellate panel may, for cause, disqualify himself or 22 herself from hearing any appeal that may come before the appellate panel.

(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.

27 <u>28-35-28.1. Reports of hearings -- Transcripts. --</u> (a) Hearings reporters, or electronic 28 court reporters, shall report stenographically, or electronically, the proceedings in the trial of 29 every action or proceeding in the workers' compensation court. Electronic court reporting shall be 30 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.

7 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 8 9 judge who heard the cause, and in case of vacancy in office, or for any cause, the administrator is 10 unable to present the transcript to the judge who heard the cause, then the transcript shall be 11 presented to any other judge, and that other judge shall have full power to examine and pass upon 12 and allow the transcript. The judge to whom the transcript has been presented by the 13 administrator shall, after examination, restore the transcript to the files of the administrator with a 14 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.

21 <u>28-35-37. Delay of process for execution of decree. --</u> No process for the execution of 22 any decree of the workers' compensation court from which an appeal may be taken shall issue 23 until the expiration of the appeal period, unless all parties against whom the decree is made, <u>file</u> 24 <u>with the court a waiver of waive an</u> appeal with the administrator or by causing an entry thereof 25 to be made on the docket.

26 **28-35-45. Review and modification of decrees.** -- (a) At any time after the date of the 27 approval of any agreement or at any time after the date of the entry of any decree concerning 28 compensation, and if compensation has ceased under the agreement or decree, within ten (10) 29 years after that, any agreement, award, order, finding, or decree may be from time to time 30 reviewed by the workers' compensation court, upon its own motion or upon a petition of either 31 party upon forms prescribed and furnished by the court, after due notice to the interested parties:

32 (1) Upon the ground that the:

33 (i) Incapacity of the injured employee has diminished, ended, increased, or returned;

34 (ii) Employee has recovered from the effects of his or her work-related injury and is

- 1 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
- 7

4

(2) Regarding any other obligation established under chapters 29 - 38 of this title.

8 (b) Upon this review the workers' compensation court may decrease, suspend, increase, 9 commence, or recommence compensation payments in accordance with the facts, or make any 10 other order that the justice of the case may require. No review shall affect the agreement, award, 11 order, finding, or decree as regards money already paid, except that an award increasing the 12 compensation rate may be made effective from the date of the injury, and except that if any part 13 of the compensation due or to become due is unpaid, an award decreasing the compensation rate 14 may be made effective from the date of injury, and any payments made prior thereto in excess of 15 the decreased rate shall be deducted from any unpaid compensation, in the manner and by the 16 methods that may be determined by the workers' compensation court.

17 (c) Relief on review shall not be denied an employee or granted an employer or his or 18 her insurer on the grounds that the employee is incapacitated by an injury or disease which is 19 different from the one for which the employee was paid compensation if the injury or disease 20 incapacitating the employee results from an injury or disease for which the employee was paid 21 compensation.

22

28-35-46. Notice of intent to discontinue, suspend, or reduce payments -- Filing --

23 Form. -- Before an employer may discontinue, suspend, or reduce compensation payments 24 whether they are being received under an agreement, memorandum of agreement, award, order, 25 finding, or decree, or when suitable alternative employment has been offered to the employee 26 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 27 28 the <u>court</u> judge an affidavit setting forth the factual basis for filing the petition to review along 29 with a copy of the medical reports upon which the employer seeks to justify the discontinuance, 30 suspension, or reduction in payments. A copy of the affidavit and medical report shall be 31 forwarded to the employee. The notice of intention to discontinue, suspend, or reduce payments 32 must be given fifteen (15) days prior to the proposed date of discontinuance, suspension, or 33 reduction; provided, that where an employee has returned to work at an average weekly wage 34 equal to or in excess of that which he or she was earning at the time of his or her injury, not

including overtime, the notice of intention to discontinue, suspend, or reduce the payments
provided for in this section may be given five (5) days prior to the proposed date of
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.

(2) Employee has returned to work and is earning wages in the sum of...... dollarsweekly.

(3) Employee has been discharged by his or her treating physician on the..... day of......
20.....

15 **<u>28-35-54. Certification of papers to court. --</u>** 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 <u>28-35-55. Filing day or required act falling on weekend or holiday. --</u> 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 <u>28-35-61. Decrees procured by fraud. --</u> (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 of32 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.

- 1 (c) The workers' compensation court shall hear any and all petitions and make its 2 decision in accordance with those chapters.
- 3 SECTION 7. Section 28-35-35 of the General Laws in Chapter 28-35 entitled "Workers' 4 Compensation - Procedure" is hereby repealed.
- 5 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. 6

SECTION 8. Section 28-36-15 of the General Laws in Chapter 28-36 entitled "Workers'

- 7

8 Compensation - Insurance" is hereby amended to read as follows:

9 28-36-15. Penalty for failure to secure compensation -- Personal liability of 10 corporate officers. -- (a) Any employer required to secure the payment of compensation under 11 chapters 29 - 38 of this title who knowingly fails to secure that compensation shall be guilty of a 12 felony and shall be subject to imprisonment for up to two (2) years. In addition to the foregoing, 13 the employer shall be subject to a civil penalty punished by a fine not to exceed one thousand 14 dollars (\$1,000) for each day of noncompliance with the requirements of this title. The director 15 shall institute any and all reasonable measures to comprehensively monitor, investigate, and 16 otherwise discover all employer noncompliance with this section and shall establish rules and 17 regulations governing these measures. Each day shall constitute a separate and distinct offense for 18 calculation of the penalty. Where that employer is a corporation the president, vice president, 19 secretary, treasurer, and other officers of the corporation, shall be severally liable for the fine, 20 penalty or imprisonment as provided in this section for the failure of that corporation to secure the 21 payment of compensation. The president, vice president, secretary, treasurer, and other officers of 22 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 23 24 which may occur to any employee of that corporation while it fails to secure the payment of 25 compensation as required by those chapters.

26 (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 27 28 this title shall be guilty of a felony and shall be subject to imprisonment for up to two (2) years. 29 The managers and managing members shall also be severally liable for the fine, penalty or 30 imprisonment as provided in this section for the failure of that company to secure the payment of 31 compensation. The managers and managing members shall be severally personally liable, jointly 32 with the company, for any compensation or other benefit which may accrue under those chapters 33 in respect to any injury which may occur to any employee of that company while it fails to secure 34 the payment of compensation as required by those chapters.

1 (c) Where the employer is a partnership, or a registered limited liability partnership, the 2 partners who knowingly fail to secure the payment of compensation under chapters 29 - 38 of this 3 title shall be guilty of a felony and shall be subject to imprisonment for up to two (2) years. The 4 partners shall also be severally liable for the fine, penalty, or imprisonment as provided in this 5 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 6 7 benefit which may accrue under those chapters in respect to any injury which may occur to any 8 employee of that partnership while it fails to secure the payment as required by those chapters.

9 (d) Where the employer is a limited partnership or a registered limited liability limited 10 partnership, the general partners who knowingly fail to secure the payment of compensation 11 under chapters 29 - 38 of this title shall be guilty of a felony and shall be subject to imprisonment 12 for up to two (2) years. The general partners shall also be severally liable for the fine, penalty or 13 imprisonment as provided in this section for the failure of that limited partnership to secure the 14 payment of compensation. The general partners shall be severally personally liable, jointly with 15 the limited partnership, for any compensation or other benefit which may accrue under those 16 chapters in respect to any injury which may occur to any employee of that partnership while it 17 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.

34

(2) The director shall bring a civil action in the workers' compensation court to collect all

1 payments and penalties ordered and not paid. All civil actions for any violations of this chapter or 2 of any of the rules or regulations promulgated by the director, or for the collection of payments in 3 accordance with § 28-37-13, 28-33-17.3(a)(2) or 28-33-17.3(a)(3) or civil penalties under this 4 chapter, shall be prosecuted by any qualified member of the Rhode Island bar whom the director 5 may designate, in the name of the director, and the director is exempt from giving surety for costs in any proceedings. 6

7 (g) In the case of unintentional noncompliance or noncompliance resulting from clerical 8 error where the uninsured period is less than one year from the date of discovery and there were 9 no employees injured during the uninsured period and the employer has not been subject to any 10 other findings of noncompliance with these chapters, the director shall assess an administrative 11 penalty of not less than the estimated annual workers' compensation insurance premium for that 12 employer and not more than triple that amount. Any party has the right to appeal the orders of the 13 director. Such appeal shall be to the workers' compensation court in the first instance and 14 thereafter from the workers' compensation court to the Rhode Island supreme court in accordance 15 with § 28-35-30.

16 (h) The director shall collect all payments under this chapter under the rules and 17 regulations that may be set forth by the director. All fines collected pursuant to this section shall 18 be deposited to a restricted receipt account to be administered by the director of the department of 19 labor and training in his or her sole discretion to carry out chapters 29 - 38 of this title.

20 (i) (1) In that the operation of a commercial enterprise without the required workers' 21 compensation insurance is a crime and creates a clear and present danger of irreparable harm to 22 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 23 24 insurance is secured consistent with these chapters. The director shall lift the suspension upon 25 receipt of satisfactory proof of insurance and evidence sufficient to satisfy the director that the 26 employer is in full compliance with these chapters. Any party has the right to appeal the 27 suspension to the workers' compensation court where the matter shall proceed pursuant to the workers' compensation court rules of practice procedure. 28

29 (2) In the event that the employer shall fail to comply with the director's order of 30 suspension, the director may apply immediately to the workers' compensation court for an order 31 directing the employer to comply with the director's prior orders.

32 (3) Actions filed with the workers' compensation court pursuant to this section shall not 33 be subject to a pretrial conference in accordance with § 28-35-20 but shall be assigned consistent 34 with the workers' compensation court rules of practice procedure.

(4) Interest shall accrue on unpaid penalties during the pendency of any appeal at the rate
 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 6 entitled "Rhode Island Uninsured Employers Fund" are hereby amended to read as follows:

28-53-2. Establishment -- Sources -- Administration. -- (a) There shall be established
within the department of labor and training a special restricted receipt account to be known as the
Rhode Island uninsured employers fund. The fund shall be capitalized from excise taxes assessed
against uninsured employers pursuant to the provisions of § 28-53-9 of this chapter and from
general revenues appropriated by the legislature. Beginning in state fiscal year ending June 30,
2015 2016, the legislature may appropriate up to two million dollars (\$2,000,000) in general
revenue funds annually for deposit into the Rhode Island uninsured employers fund.

(b) All moneys in the fund shall be mingled and undivided. The fund shall be administered by the director of the department of labor and training or his or her designee, but in no case shall the director incur any liability beyond the amounts paid into and earned by the 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.

(b) The workers' compensation court shall hear all petitions for payment from the fund
pursuant to Rhode Island general laws § 28-30-1, et seq., provided, however, that the uninsured
employers fund and the employer shall be named as parties to any petition seeking payment of
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 1 laws § 28-33-19.

2 (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 3 4 compensation, petitions for medical expenses, petitions to amend a pretrial order or memorandum 5 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 6 7 benefits; provided, however, that the attorney's fees awarded to counsel who represent the 8 employee in petitions for lump sum commutation filed pursuant to Rhode Island general laws 9 § 28-33-25 or in the settlement of disputed cases pursuant to Rhode Island general laws § 28-33-10 25.1 shall be limited to the maximum amount paid to counsel who serve as court appointed 11 attorneys in workers' compensation proceedings as established by rule or order of the Rhode 12 Island supreme court.

13 (e) In the event that the uninsured employer makes payment of any monies to the 14 employee to compensate the employee for lost wages or medical expenses, the fund shall be 15 entitled to a credit for all such monies received by or on behalf of the employee against any future 16 benefits payable directly to the employee.

17 (f) This section shall apply to injuries that occur on or after January 1, $\frac{2015}{2016}$.

18 SECTION 10. Section 36-10-31 of the General Laws in Chapter 36-10 entitled 19 "Retirement System-Contributions and Benefits" is hereby amended to read as follows:

20

36-10-31. Deduction of amounts received from workers' compensation or as 21 damages. -- Any amount paid or payable under the provisions of any workers' compensation law 22 exclusive of Medicare set-aside allocations, specific compensation benefits or any benefits 23 authorized by the terms of a collective bargaining agreement or as the result of any action for 24 damages for personal injuries against the state of Rhode Island on account of the death or 25 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 26 disability of the member. If the value of the total commuted benefits under any workers' 27 28 compensation law or action is less than the present value on an actuarial basis of the benefits 29 otherwise payable under this chapter, the value of the commuted payments shall be deducted 30 from the present value of the benefits and the balance thereof shall be payable under the 31 provisions of this chapter.

32

SECTION 11. This act shall take effect upon passage.

LC005819 _____

EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

AN ACT

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

1 This act would make various changes to the jurisdiction, procedure, and administration of

2 the Rhode Island workers' compensation court.

3 This act would take effect upon passage.

LC005819