

Labor Proposals to WCAC for 2023 Session

(Partial List)

- **Proposal #1 – Increasing the Permanent Partial Disability (PPD) Schedule (2021 proposal below)**
 - PPD is rated as a percentage of the whole body. The schedule of the whole body is adopted with rules under **MN Statutes 176.105 COMMISSIONER TO ESTABLISH DISABILITY SCHEDULES**
 - In 1983, the legislature enacted 176.105 directing the Commissioner of Labor and Industry to establish a schedule of degrees of disability. The PPD guidelines has been used since 1984.
 - From 1995 to present, PPD was calculated by multiplying the % PPD by the corresponding dollar amount. These amounts stayed the same from 1995 to 2000. In 2000 they were slightly increased overall by 14.1%. They were not changed again until 18 years later in 2018 when a slight increase of 5% was given. No changes have been made since that time.
 - In February and October 2021 reports on the PPD Schedule by the Department of Labor and Industry concluded that the PPD benefit had largely been fixed between 1984 and 2021. This contributed to a 9.6% decrease to the overall workers’ compensation cost per \$100 of payroll.

Impairment rating	In the dollars of the time (unadjusted) [1]			In constant 1983 dollars [2]			In constant 2022 dollars [2]		
	1983 benefit	2022 benefit	Change	1983 benefit	2022 benefit	Change	1983 benefit	2022 benefit	Change
5%	\$3,750	\$3,940	+5.1%	\$3,750	\$1,490	-60.3%	\$9,920	\$3,940	-60.3%
10%	\$7,500	\$8,400	+12.0%	\$7,500	\$3,170	-57.7%	\$19,850	\$8,400	-57.7%
20%	\$15,000	\$19,960	+33.1%	\$15,000	\$7,540	-49.7%	\$39,690	\$19,960	-49.7%
40%	\$36,000	\$50,400	+40.0%	\$36,000	\$19,050	-47.1%	\$95,260	\$50,400	-47.1%

1. These benefits were calculated using the formula in effect at the time, assuming no change in 2022.
2. The benefit amounts in 1983 and 2022 constant dollars were calculated using the Consumer Price Index for Urban Consumers (CPI-U) (Twin Cities), which will have increased by a projected 165% between 1983 and 2022.

Proposed Solution

The table in section 176.101, subdivision 2a (b), applies for injuries occurring on or after October 1, 2023. Beginning October 1, 2024, and each subsequent October 1, the dollar amount for each corresponding rating in the table contained in section 176.101, subd. 2a (b), shall be increased by the same percent increase in the statewide average weekly wage most recently computed under section 176.645, but without the annual cap provided by that section. If there is no increase, or if there is a decrease, in the statewide average weekly wage, the dollar amounts shall not change for that year. The commissioner shall publish each year an updated table on the department’s website annually by October 1.

(b)The percentage determined pursuant to the rules promulgated under section 176.105 must be multiplied by the corresponding amount in the following table, as adjusted according to paragraph (a) at the time permanent partial disability is payable according to paragraph (c):

<u>Impairment Rating (percent)</u>	<u>Amount</u>
less than 5.5	\$78,800 187,150
5.5 to less than 10.5	84,000 199,500
10.5 to less than 15.5	89,300 212,087
15.5 to less than 20.5	94,500 224,437
20.5 to less than 25.5	99,800 237,025
25.5 to less than 30.5	105,000 249,375
30.5 to less than 35.5	115,500 274,312
35.5 to less than 40.5	126,000 299,250
40.5 to less than 45.5	136,500 324,187
45.5 to less than 50.5	147,000 349,125
50.5 to less than 55.5	173,300 408,468
55.5 to less than 60.5	199,500 473,812
60.5 to less than 65.5	225,800 536,275
65.5 to less than 70.5	252,000 598,500
70.5 to less than 75.5	278,300 660,962
75.5 to less than 80.5	330,800 785,650
80.5 to less than 85.5	383,300 910,337

85.5 to less than 90.5	435,800 1,035,025
90.5 to less than 95.5	488,300 1,159,712
95.5 up to and including 100	540,800 1,284,400

An employee may not receive compensation for more than a 100 percent disability of the whole body, even if the employee sustains disability to two or more body parts.

~~(c)(b)~~ Permanent partial disability....

Proposal #2 – Add direct care beside hospital and long-term care nurses to the PTSD Rebuttable Presumption definition under MN Statutes 176.011, Subdivision 15 (e).

- Additionally, penalties should be increased for denials without good cause.

Proposal #3 – Calculate the Average Weekly Wage (AWW) based on gross earnings and include non-taxable contributions – health insurance, pension and 401K.

- This would require amending MN Statutes 176.011 Subdivisions.

Proposal #4 – Stronger penalties for denials and delays in payment at least in MN Statutes 176.225 and 176.194.

Proposal #5 – Reform Adverse Medical Exams (AME) or Independent medical Exams (IME).

- Limit employer and insurer delays to “good cause.”
- Yearly reports – Doctors must disclose how many AME’s they do in a year and how much they or a facility are getting paid.

Proposal #6 – Remove the presumed cap on attorney fees which is currently 20% up to \$130,000 or \$26,000.