COMPACT

# Rulemaking draft: DLI intends to adopt rules governing rehabilitation registration

Under the Administrative Procedure Act, each Minnesota agency must make reasonable efforts to notify persons or classes of persons who might be affected by the rule being proposed. Therefore, the Department of Labor and Industry is notifying the COMPACT audience of an updated draft of the proposed rehabilitation registration rule amendments in chapter 5220.

The Department of Labor and Industry (DLI) intends to adopt rules governing rehabilitation registration. The department has developed an updated rule draft, dated Jan. 5, 2023, that includes changes from the initial draft DLI shared with the Rehabilitation Review Panel in July.

The updated draft and an accompanying version of the rules showing changes made to the July 2022 draft are available on the rulemaking docket webpage at dli.mn.gov/about-department/rulemaking/rulemaking-docket-minnesota-rules-chapter-5220-2022.

If you have any questions or would like to provide feedback about the rule changes, contact Ethan Landy at dli.rules@state.mn.us or 651-284-5006.

## Jeff Hendrix joins DLI as Work Comp Campus product manager

The Department of Labor and Industry (DLI) welcomed Jeff Hendrix in January as the Work Comp Campus product manager, reporting to Michelle Doheny, Business Technology Office director. Hendrix will work closely with the

development team to represent the voice of Campus users. For the next several months, he will focus on understanding the current state, identifying priorities and implementing an approach for improvements to Campus.

Hendrix is looking forward to the challenge and working with internal and external stakeholders to make Campus a portal users enjoy interacting with.

Since 2017, Hendrix worked at the Minnesota Department of Human Services (DHS) as a member of its Business Solutions Office. While at DHS, he focused on enterprise coordination of program simplification, strategic planning and, most recently, was the co-sponsor and product manager for MNbenefits, a nationally recognized integrated benefits application. Before DHS, Hendrix worked for a decade in higher education at the University of Louisiana at Monroe, where he served as the executive director of university planning and analysis.

Hendrix lives in Cottage Grove, Minnesota, with his wife and two sons. He enjoys woodworking, yoga and coaching youth sports. He earned a bachelor's degree from Oklahoma State University and an MBA from the University of Louisiana at Monroe.

# Mileage rate increases for 2023

The standard IRS mileage rate for the business use of an employee's personal vehicle for 2023 increased Jan. 1 from 62.5 cents a mile to 65.5 cents a mile.



## Work Comp Campus EDI changes and guidance

The Department of Labor and Industry (DLI) updated its Work Comp Campus electronic data interchange (EDI) program to adopt the International Association of Industrial Accident Boards and Commissions (IAIABC) Claims Release Standard Version 3.1.5 (R3.1) XML format Feb. 9.

The change retired the ACORD XML format and mandates all trading partners reporting EDI use only the IAIABC XML format. The format change does not affect eform trading partners.

While nearly all EDI edits did not change, two new data elements were adopted.

- **DN0438 Collective Bargaining Agreement Code** used to report Union Construction Workers' Compensation Program (UCWCP) claims only.
- **DN0440 Withheld Attorney Fees Current**, and the associated DN0092 Benefit Adjustment Code valid value 4, which equals withheld attorney fees to report potential contingent attorneys fees.

Trading partners who would like to receive specialized and targeted EDI training should email the DLI EDI team at dli.edi@state.mn.us. Some trading partners benefit from having their EDI resources meet with DLI's EDI team to better coordinate reporting functionality.

### EDI and discontinuance forms guidance

The EDI maintenance type code (MTC) SX – full suspension transaction creates a form that is returned to the claim administrator when the SX contains the full suspension code S1 and an actual return to work date. The discontinuance form is commonly known as the box 1 type discontinuance. If the conditions within the SX transaction are not met to create the form, then Campus presumes the discontinuance webform applies and does not generate a form. The discontinuance webform is commonly known as the box 3 type discontinuance and must be completed and exported from Campus directly.

The MTC CB – change in benefits transaction creates a form that is returned to the claim administrator when the claim benefits are changing from temporary total disability to temporary partial disability. The form is commonly known as the box 2 discontinuance.



## VRU P.O. box eliminated, one shared fax number

The Minnesota Department of Labor and Industry's Vocational Rehabilitation unit (VRU) has two updates to its contact information.

 VRU is discontinuing its P.O. box, effective June 30, 2023. Mail for the St. Paul VRU office should be sent to: Minnesota Department of Labor and Industry, VRU, 443 Lafayette Road N., St. Paul, MN 55155. VRU Greater Minnesota addresses remain unchanged.



2. All VRU office locations now share one fax number, 651-284-5734.

### Verify workers' compensation insurance coverage via online lookup tool

### INSURANCE LOOKUP ►

The Department of Labor and Industry's (DLI's) online workers' compensation insurance lookup tool, designed to allow users to verify workers' compensation insurance coverage for employers based on proof of coverage data filed with DLI, is always available at inslookup.doli.state.mn.us.

Minnesota workers' compensation law requires all employers, with limited exceptions, to purchase workers' compensation insurance or become self-insured. This is often referred to as "mandatory coverage."

If you cannot find an employer using the lookup tool, contact DLI's Special Compensation Fund at 651-284-5324 or dli.scf.insver@state.mn.us to request insurance coverage verification about any employer in the state.

### Redesigned, printable employee's guide handout available in Spanish

After a First Report of Injury form is received by the Department of Labor and Industry (DLI), the injured worker is automatically mailed a copy of *An employee's guide to the Minnesota workers' compensation system*.

The guide provides basic information about the Minnesota workers' compensation process, benefits and who to contact with questions. It is not a full description of the workers' compensation system and is not meant to provide legal advice.

The guide was recently updated and redesigned from a textpacked 14-page booklet to an easier to read, easily printed, eight-page 8.5" x 11" document.

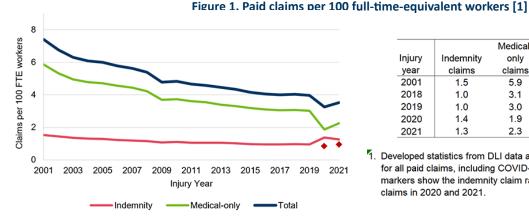
The guide is available online at www.dli.mn.gov/business/ workers-compensation/work-comp-reports-publications in English and Spanish.



## Workers' compensation claims, costs continue to show long-term downward trend

Minnesota's workers' compensation total claim rate and the system cost per \$100 of payroll decreased in 2021, continuing the long-term downward trend in both. Estimates for 2020 and 2021 were strongly affected by the COVID-19 pandemic.

Figure 1 shows the estimated rate of paid claims per 100 full-time-equivalent (FTE) workers from 2001 through 2021. During this period, the total claim rate fell by 52%, from 7.4 to 3.5 per 100 FTE workers, and the indemnity claim rate fell by 17%, from 1.5 to 1.3. (For non-COVID-19 claims in 2021, the indemnity claim rate – 0.9 – was lower.) During the 20-year period, the total claim rate fell at an average annual rate of 3.5%, even though the total claim rate was stable from 2016 through 2019.

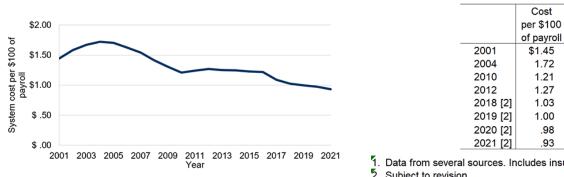


Injury	Medical-		
	Indemnity	only	Total
year	claims	claims	claims
2001	1.5	5.9	7.4
2018	1.0	3.1	4.0
2019	1.0	3.0	4.0
2020	1.4	1.9	3.2
2021	1.3	2.3	3.5

 Developed statistics from DLI data and other sources. Lines show claim rates for all paid claims, including COVID-19 claims in 2020 and 2021. The diamond markers show the indemnity claim rate for only non-COVID-19 paid indemnity claims in 2020 and 2021.

However, from 2019 to 2021, there was a 32% increase in the indemnity claim rate, which can be attributed to the influx of COVID-19 claims in 2020 and 2021. There was also a 25% decrease in the medical-only claim rate, resulting in an 11% decrease in the total claim rate during this period. COVID-19 claims accounted for 26% of indemnity claims in 2021, compared to 39% in 2020. While 90% of COVID-19 claims in 2021 were for indemnity benefits, most claims for all other injuries and illnesses were medical-only claims.

Figure 2 shows total workers' compensation system cost per \$100 of covered payroll. The total cost of Minnesota's workers' compensation system was an estimated \$1.62 billion for 2021, or \$.93 per \$100 of payroll. From 2001 through 2021, system cost fell from \$1.45 to \$.93 per \$100 of payroll, a drop of 36%. During the long term, system cost per \$100 of payroll follows a cycle of about 10 years.<sup>1</sup> Taking averages over adjacent 10-year periods gives an average annual rate of decline of 2.9%.



#### Figure 2. System cost per \$100 of payroll [1]

1. Data from several sources. Includes insured and self-insured employers. 2. Subject to revision.

While the falling claim rate – at an average annual rate of 3.5% – tends to push down system cost per \$100 of payroll, the latter is also affected by the trend in average claim cost. As adjusted for average wage growth, average claim cost grew rapidly from 2000 to 2008, but has been relatively stable since then. (Claim costs will be presented in more detail in a later edition of COMPACT.) Without the decrease in the claim rate, the increase in average claim cost during the first half of the period would have brought about an increase in system cost per \$100 of payroll, but the increase in average claim cost was counteracted by the falling claim rate.

<sup>1</sup>This cycle follows a nationwide cycle of alternating "hard" and "soft" insurance markets – periods of high and low premiums, respectively, relative to claim costs.

## Your expertise is needed: Apply for a board or panel position

### Medical Services Review Board seeks new members, alternates

The Medical Services Review Board (MSRB) currently has openings for:

- one employee representative (four-year term);
- one hospital representative (fouryear term);
- one physician alternate (annual term);
- one employee representative alternate (annual term); and
- one hospital representative alternate (annual term).

## To apply for a position, visit sos.state.mn. us/boards-commissions.

MSRB is composed of two chiropractic representatives, one hospital representative, one registered nurse, one physical therapist, one occupational therapist, six physicians of different specialties, one employee representative and one employer/insurer representative. Each discipline also has one alternate, except there are three physician alternates.



The board meets quarterly, from 4 to 6 p.m., and: advises the Department of Labor and Industry (DLI) about workers' compensation medical issues; is the liaison between the department and the medical-provider community; and supports and engages in the education of the provider community about workers' compensation.

Learn more about MSRB at dli.mn.gov/about-department/boards-and-councils/medical-services-review-board.

### **Rehabilitation Review Panel seeks a new alternate member**

The Rehabilitation Review Panel (RRP) currently has an opening for one alternate union labor member (annual term). To apply for this position, visit the Secretary of State website at sos.state.mn.us/boards-commissions.

RRP is composed of employer, insurer, labor, medical and rehabilitation representatives, and: advises the Department of Labor and Industry (DLI) about workers' compensation vocational rehabilitation issues and rules; is a liaison between DLI and interested people about workers' compensation vocational rehabilitation; and makes final decisions about certification approval or disciplinary matters of qualified rehabilitation consultants and vendors in conjunction with contested hearings.

Learn more about RRP at dli.mn.gov/about-department/boards-and-councils/rehabilitation-review-panel.

## Training: OSHA recordkeeping basics offered online May 19

The Department of Labor and Industry is offering a free, online introductory-level training seminar about OSHA recordkeeping requirements Friday, May 19, 8:30 to 11:30 a.m.

Maintaining an accurate OSHA log of recordable work-related injuries and illnesses is an important skill that benefits employers, workers, safety professionals and government agencies.

Topics will include: recordability of injuries and illnesses; differences between OSHA cases and workers' compensation claims; classifying cases; counting time; privacy cases; how many logs to keep; maintaining logs; creating a log summary; reporting log data to OSHA; and recording COVID-19 cases.

• Learn more about the session and register to attend (required) on the MNOSHA Compliance: Recordkeeping standard webpage.

## Workers' Compensation Advisory Council welcomes new members

The Workers' Compensation Advisory Council (WCAC) advises the Department of Labor and Industry commissioner about matters of workers' compensation and submits its recommendations for proposed changes to the workers' compensation statutes to the proper legislative committees. WCAC's recommendations must be supported by a majority of business and labor members.

The council is composed of 12 voting members (six representing organized labor and six representing Minnesota businesses), 10 of which are appointed by the governor, the majority and minority leaders of the Senate, and by the speaker and minority leader of the House of Representatives. The two other members are the presidents of the largest statewide Minnesota business organizations and the largest organized labor association. In addition, the majority and minority leaders of the Senate and the speaker and minority leader of the House of Representatives each appoint a caucus member as a liaison to the council. The WCAC chairperson is DLI Commissioner Nicole Blissenbach; the executive director is DLI Assistant Commissioner Kate Daly.

WCAC recently welcomed the following members, alternates and liaisons.

### **Business members, alternates**

- David Henrich (member), president, Bergerson-Caswell, Inc.
- John Reynolds (alternate), state director, National Federation of Independent Businesses
- Matthew Schmidt (member), risk management district case manager, UPS Risk Management
- Thomas Schuberg (alternate), labor relations manager, UPS Northern Plains District

### Labor members

- Hannah Alstead (alternate), political and labor director, Teamsters Joint Council 32
- Burt Johnson (member), general counsel, NCS Regional Council of Carpenters
- Robb Nelson (alternate), deputy general counsel, NCS Regional Council of Carpenters

### Legislative liaisons

Rep. Joe McDonald

- Rep. Dan Wolgamott
- Sen. Jennifer McEwen

### **More information**

Visit the WCAC webpage for more about the council, a list of current members and comprehensive meeting information, including dates, times and locations, as well as agendas, links, materials and minutes.



## **CompFact:** A glimpse at long COVID-19 claims

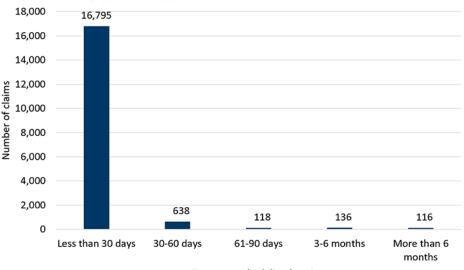
### By Brian Zaidman, Research and Statistics

The Centers for Disease Control and Prevention (CDC) describes post-COVID-19 conditions as "a wide range of new, returning or ongoing health problems that people experience after being infected with the virus that causes COVID-19. Most people with COVID-19 get better within a few days to a few weeks after infection, so at least four weeks after infection is the start of when post-COVID-19 conditions could first be identified."<sup>1</sup> The Workers' Compensation Research Institute (WCRI) recently published a study of long COVID-19 and the National Council on Compensation Insurance (NCCI) is also tracking long COVID-19 incidences and costs.<sup>2</sup>

While WCRI and NCCI have access to medical treatment data, the Department of Labor and Industry's workers' compensation claims database does not track medical treatment and lacks formal medical symptom data for most claims. However, it is possible to use indemnity benefits as an indicator of workers experiencing long-term effects of COVID-19.

This analysis used workers' compensation COVID-19 claims with injury dates in 2020 and 2021 that were paid indemnity benefits. Length of disability was defined as the sum of the duration of temporary total disability (TTD) and temporary partial disability (TPD), with the duration measured by the benefit start and end dates. This definition likely undercounts the actual number of workers with long COVID-19 because it does not include cases where workers remain at work at full pay while receiving medical care for their symptoms. It also excludes workers who might be continuing to receive temporary benefits where a benefit payment report has not yet been filed and workers who might have received settlements for their lost time. Workers experiencing long COVID-19 symptoms from a work-related COVID-19 case who are not receiving medical care or whose illness was not covered by workers' compensation insurance are not included in any organization's workers' compensation estimates.

Figure 1 shows the number of COVID-19 indemnity claims by temporary disability duration (both TTD and TPD duration). Claims with temporary disability duration of less than 30 days account for 94.3% of the 17,803 claims. This means 5.7% of the COVID-19 indemnity claims had durations of greater than 30 days and 2.1% had durations of 60 days or more.



### Figure 1. Distribution of accepted COVID-19 claims by temporary disability duration

Temporary disability duration

<sup>1</sup>CDC, Long COVID or Post-COVID Conditions. cdc.gov/coronavirus/2019-ncov/long-term-effects, accessed Feb. 21, 2023.

<sup>2</sup>Savych, B., Long COVID in the Workers' Compensation System Early in the Pandemic, *Workers' Compensation Research Institute*, 2023. Choo, M., Moss, RJ, Arnautovic, N. Long COVID in Workers Compensation: A First Look. *National Council on Compensation Insurance Research Brief, 2022*.

Figure 2 shows the largest numbers of long COVID-19 claims came from the second quarter of 2020, during the initial surge, and during the fourth quarter of 2020, which includes the large surge in cases before vaccinations were available.

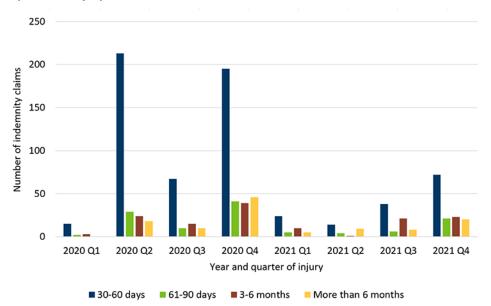


Figure 2. Number of long COVID-19 claims by temporary disability duration and year and quarter of injury

Figure 3 shows the percentage of COVID-19 indemnity claims with long temporary disability durations increases within each age category and the increase occurs for each duration category. The WCRI and NCCI reports show long COVID-19 is more common among older workers. While temporary duration benefits of 30 days or longer were paid to 2.8% of workers aged 24 years and younger, the longer benefit durations were reported for 12.2% of workers aged 65 years and older.

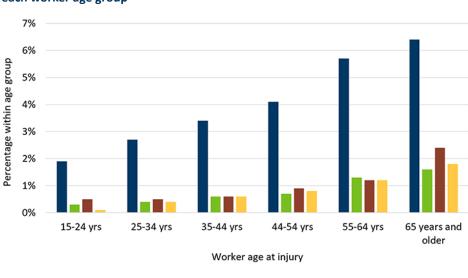


Figure 3. Percentage of long COVID-19 claims by temporary disability duration within each worker age group

■ 30-60 days ■ 61-90 days ■ 3-6 months ■ More than 6 months

Long COVID-19 claims, because of their duration, also account for a significant percentage of indemnity benefits. The WCRI and NCCI reports referenced above show long COVID-19 claims account for a large percentage of medical benefits paid. The 5.7% of COVID-19 claims identified for this analysis accounted for 33.3% of indemnity benefits paid. DLI will continue to track and report about long COVID-19 claims and their possible effects on Minnesota's workers' compensation system.

## Workers' compensation events calendar

Note: Event dates may change. Always check the online calendar at www.dli.mn.gov/about-department/about-dli/events-workers-compensation.

### March 2023

March 15	Workers' Compensation Insurers' Task Force	
April 2023		
April 6	Rehabilitation Review Panel	
April 20	Medical Services Review Board	
May 2023		
May 19	Training: Basics of OSHA recordkeeping	
July 2023		
July 6	Rehabilitation Review Panel	
July 20	Medical Services Review Board	
August 2023		
Aug. 25	QRC intern, vendor, supervisor orientation session	

## Translated materials, Language Line available via DLI website

The Department of Labor and Industry (DLI) posts its available translated materials online at dli.mn.gov/aboutdepartment/about-dli/translated-materials. It has documents available in Chinese, Hmong, Karen, Somali and Spanish. A few other documents throughout the website are available in additional languages.

Also, the DLI website now provides Google Translate, allowing visitors to choose the language for the website text.

In addition, DLI has access to Language Line, a free language translation phone service for limited-English speakers. If DLI help is needed, view the contact information at dli.mn.gov/about-department/about-dli/contact-us, call and a DLI employee will get in touch with an interpreter in the needed language.

## Workers' Compensation Court of Appeals

November 2022 through January 2023

Case summaries published are those prepared by the WCCA



### Deborah K. Leadens v. Diversified Distributors, Nov. 14, 2022

### Vacation of Award – Voidable Award

Because the employee has not shown that the award on stipulation was erroneous or was founded on an irregularity, the award cannot be considered voidable and her request for a referral to a compensation judge for review of the settlement agreement is denied.

Petition denied.

### Mohammed S. Ibrahim v. Mayo Clinic, Nov. 16, 2022

### **Causation – Substantial Evidence**

Substantial evidence, including medical records and expert medical opinion, support the compensation judge's determination that the employee did not sustain significant work-related injuries and the denial of the employee's claims.

### Causation – <u>Gillette</u> Injury

Where the employee failed to provide medical evidence to support his claim of a <u>Gillette</u> injury and did not establish a causal connection between his work activities and his claimed injuries, substantial evidence supports the compensation judge's finding that the employee did not sustain a <u>Gillette</u> injury.

Affirmed.

### Joyce Cagle v. St. Benedict's Church, Dec. 1, 2022

### **Practice and Procedure – Estoppel**

The doctrine of collateral estoppel, or issue preclusion, applies to matters that were necessarily determined in a previous judgment based on the same or a different cause of action.

### Medical Treatment and Expense – Reasonable and Necessary

Substantial evidence supports the compensation judge's finding that the proposed surgery was not reasonable and necessary.

Affirmed in part and reversed in part.

### Rogelio O. Espinoza v. Direct Home Health Care, Inc., Dec. 20, 2022

### Arising Out Of and In The Course Of – Substantial Evidence

When the compensation judge's findings and order are manifestly contrary to the evidence in the record as a whole and would require reasonable minds to adopt a contrary conclusion, this court may reverse such findings to conform to the facts and evidence presented. Substantial evidence does not support the compensation judge's finding that the employee's claimed injury did not arise out of and in the course of his employment.

### **Practice and Procedure – Remand**

Where the compensation judge failed to address specific matters of issue raised at the hearing, the matter is remanded for determination of those issues.

Reversed and remanded.

#### Milton Rucker v. Ramsey County, Jan. 13, 2023

### Evidence – Admission Evidence – Medical Expert Opinion

Including inadmissable witness statements in the documents reviewed by a medical expert does not preclude admission of that expert's opinion under Minnesota Rules Evid. 703.

### **Evidence – Unopposed Medical Opinion**

Where an employee's medical record contains substantial evidence that is contradictory to an expert opinion, the compensation judge is not obligated to treat the expert opinion as unopposed.

Affirmed.

Sheila Hanson v. Kato Cable, Jan. 24, 2023

### Temporary Partial Disability Benefits – Withdrawal From Labor Market

Where the employee was not restricted from full-time work and limited herself to part-time remote employment with no search for additional work, substantial evidence supports the compensation judge's conclusions that the employee voluntarily withdrew from the labor market and was ineligible for temporary partial disability benefits.

Affirmed.

## Minnesota Supreme Court

November 2022 through January 2023

Case summaries published are those prepared by the WCCA



### C. Jeremy Lagasse, Relator, v. Larry Horton, Employee/Respondent, and Aspen Water Systems, Inc., Nov. 30, 2022

### **Standard of review**

The review standard for determining whether the WCCA properly substituted its own finding for a conflicting finding of the compensation judge is if there is evidence in the record that a reasonable mind might accept as adequate to support the compensation judge's finding.

### Attorney Fees Statutes Construed – Minnesota Statutes § 176.081, subdivision 7

An award of additional fees under Minn. Stat. § 176.081, subd. 7 (2020), is determined under a separate standard than an award of contingency fees under Minn. Stat. § 176.081, subd. 1(c), and whether to award fees under each subdivision must be analyzed separately.

Reversed and remanded to the compensation judge.

### Douglas Juntunen, Employee/Respondent, v. Carlton County, Dec. 21, 2022

### Statutes Construed - Minn. Stat. § 176.011, subd. 15(e)

Under Minn. Stat. § 176.011, subd. 15(e) (2022), an employee who works in one of the designated occupations and who had not been previously diagnosed with post-traumatic stress disorder (PTSD) is presumptively entitled to workers' compensation benefits upon presenting a diagnosis of PTSD by a licensed psychiatrist or psychologist, which the employer can rebut.

### **Evidence – Burden of Proof**

The determination by the Workers' Compensation Court of Appeals, that the employer's expert medical opinion did not rebut the presumption that the employee's PTSD was compensable, was not manifestly contrary to the evidence.

Affirmed.