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Details:

(FORM UPDATED: 08/11/2010)

**WISCONSIN STATE LEGISLATURE ...  
PUBLIC HEARING - COMMITTEE RECORDS**

**2007-08**

(session year)

**Senate**

(Assembly, Senate or Joint)

**Committee on ... Labor, Elections and Urban  
Affairs (SC-LEUA)**

**COMMITTEE NOTICES ...**

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

**INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL**

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
  - (**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)
  - (**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**



- None.

February 20, 2008

**EXECUTIVE SESSION HELD**

Present: (5) Senators Coggs, Wirch, Lehman, Grothman  
and A. Lasee.

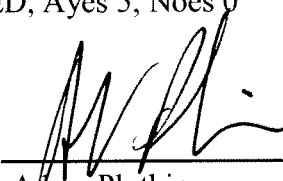
Absent: (0) None.

Moved by Senator Wirch, seconded by Senator Lehman that  
**Senate Bill 430** be recommended for passage.

Ayes: (5) Senators Coggs, Wirch, Lehman, Grothman  
and A. Lasee.

Noes: (0) None.

PASSAGE RECOMMENDED, Ayes 5, Noes 0



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Adam Plotkin  
Committee Clerk



## Vote Record

# Committee on Labor, Elections and Urban Affairs

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Date: Thursday, February 14, 2008

Moved by: \_\_\_\_\_ Seconded by: \_\_\_\_\_

AB \_\_\_\_\_ SB **430** \_\_\_\_\_ Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_ SJR \_\_\_\_\_ Appointment \_\_\_\_\_  
 AR \_\_\_\_\_ SR \_\_\_\_\_ Other \_\_\_\_\_

A/S Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_

A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:

- Passage   
  Adoption   
  Confirmation   
  Concurrence   
  Indefinite Postponement  
 Introduction   
 Rejection   
 Tabling   
 Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
<b>Senator Spencer Coggs, Chair</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Robert Wirch</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator John Lehman</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Glenn Grothman</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Alan Lasee</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Totals:**    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_

Motion Carried

Motion Failed

## Vote Record

### Committee on Labor, Elections and Urban Affairs

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Date: Wed. February 20, 2008

Moved by: WIRCH                      Seconded by: LASEE

AB \_\_\_\_\_                      SB 430                      Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_                      SJR \_\_\_\_\_                      Appointment \_\_\_\_\_  
 AR \_\_\_\_\_                      SR \_\_\_\_\_                      Other \_\_\_\_\_

A/S Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_  
 A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:  
 Passage                       Adoption                       Confirmation                       Concurrence                       Indefinite Postponement  
 Introduction                       Rejection                       Tabling                       Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
<b>Senator Spencer Coggs, Chair</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Robert Wirch</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator John Lehman</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Glenn Grothman</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Alan Lasee</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Totals:</b>	<u>5</u>	<u>0</u>	_____	_____

Motion Carried                       Motion Failed



SB 430  
Folder

**Plotkin, Adam**

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**From:** Culbert, Jean M [Jean.Culbert@dwd.state.wi.us]  
**Sent:** Thursday, January 17, 2008 11:07 AM  
**To:** beiriger@cf-law.com; jbucher@wmc.org; rckent@tds.net; dnewby@wisaficio.org; vetter0708@aol.com; shaver.scott@basco.com; jbrand@wi.rr.com; bruce.olson@sentry.com; michelle.bean@storaenso.com; jimfurley@charter.net; rleonard@aol.com; markg@wismed.org; Mike.Schimke@GeneralCasualty.com; jeffrey.scott@wausau.com; sredman@plumbers75.com; Sen.Coggs; Rep.Honadel; lleitch@wha.org  
**Cc:** Huntley-Cooper, Frances - DWD; Conway, John P - DWD; O'Malley, Jim T - DWD; Krueger, Brian L - DWD; Knutson, Janell - DWD  
**Subject:** 'AGREED BILL'  
**Importance:** High  
**Attachments:** 07-30931.pdf

**Attached is an electronic pdf copy of the "Agreed Bill" that resulted from the teleconference on January 11, 2008. We intend to submit the "agreed bill" to both legislative labor committees on Tuesday, January 22, 2008.**

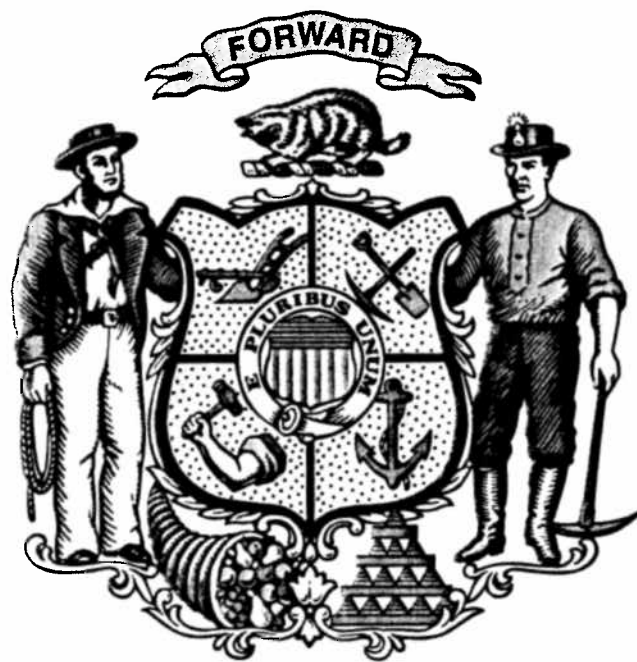
**Thank you all for your hard work and diligent efforts in finalizing this bill.**

**Sincerely,**

**Frances Huntley-Cooper**

<<07-30931.pdf>>





Department of Workforce Development  
Division of Worker's Compensation  
201 East Washington Avenue  
P.O. Box 7901  
Madison, WI 53707-7901  
Telephone: (608) 266-1340  
Fax: (608) 267-0394  
TTY: (866) 265-3142  
Email: [dwdwc@dwd.state.wi.us](mailto:dwdwc@dwd.state.wi.us)



State of Wisconsin  
Department of Workforce Development  
Jim Doyle, Governor  
Roberta Gassman, Secretary  
Frances Huntley-Cooper, Division Administrator

January 24, 2008

The Honorable Spencer Coggs  
State Senator  
Room 123 South  
State Capitol  
Madison, WI 53703

SB 430  
Folder

Dear Senator Coggs:

Enclosed are the proposed changes to the Worker's Compensation Act, Chapter 102 of the Wisconsin Statutes. These changes were developed by the statutory Worker's Compensation Advisory Council based on input and recommendations from numerous sources including employer representatives, labor representatives, medical providers, insurance carriers, and the Department of Workforce Development. The Council unanimously approved the proposed changes at its January 11, 2008 meeting.

Traditionally, statute changes to the Act are developed every two years and are introduced by the chairs of the legislative labor committees on an alternating basis. However, in the recent past the bill has been co-sponsored by the labor committee chairs from both houses. Therefore, we have also sent the draft bill to Representative Honadel for review.

If you have any questions about the bill, or if I can be of any assistance, please contact me directly at 266-6841.

Sincerely,

Frances Huntley-Cooper  
Administrator  
Worker's Compensation Division



**Plotkin, Adam**

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**From:** Conway, John [John.Conway@dwd.state.wi.us]  
**Sent:** Monday, January 28, 2008 10:22 AM  
**To:** Vick, Jason; Plotkin, Adam  
**Subject:** Summary of the Worker's Compensation Bill

**Attachments:** TALKING POINTS ON WC AGREED BILL 1.25.08.doc; PLAIN LANGUAGE SUMMARY CH. 102 AMENDMENTS 1.18.08.doc



TALKING POINTS  
ON WC AGREED BI..



PLAIN LANGUAGE  
SUMMARY CH. 102..

SB 430  
Folder

Packet

## SIGNIFICANT CHANGES TO CH. 102, STATS. IN WC AGREED BILL

- The maximum weekly benefit rates for permanent partial disability are increased for injuries occurring on and after the effective date in 2008 to \$272 and to \$282 for injuries occurring on and after January 1, 2009.
- Exclusive remedy is extended to cover more than one temporary help agency or employee leasing company and all of the employees that are provided to a client-employer.
- Multiple coordinated insurance policies for WC liability will be required for Professional Employer Organizations (PEOs) and employee leasing companies except for small clients whose premiums are not large enough for experience rating who may continue to insure under master policies. Master policies will be permitted in the future when unit statistical and other data can be tracked for each client-employer and the filing is approved by the Wisconsin Compensation Rating Bureau and Office of the Commissioner of Insurance.
- The interest credit for advancement and lump sum payments will be reduced from 7% to 5%.
- Employers will no longer be permitted to elect to not have their employees covered by Christian Science treatment and charges for Christian Science treatment will be limited to usual and customary amounts.
- A dispute resolution process is created for resolving disputes involving the pharmacy fee schedule similar to reasonableness of fee disputes and use of the American Druggist Blue Book as a reference for determining average wholesale price is eliminated because this is no longer published.
- Supplemental benefits for employees with old injuries who are permanently and totally disabled are extended covering injury dates for 6 more years from 1987 to 1992 with the maximum weekly benefit rate increased from \$338 to \$450.
- Liability is eliminated for testing, examination, treatment and hearing aids for occupational hearing loss claims that do not reach the level of hearing loss to qualify for indemnity. This amendment will apply to injury dates on and after the effective date and for claims made more than 6 years after the effective date.
- The Attorney General's Office will be authorized by statute to represent the state for collection of payments due to the Work Injury Supplemental Benefit

Fund of double and treble compensation payable for illegal employment of minors under s. 102.60, Stats., and elimination of the fund's maximum balance limit of 3 times the amount of payments made in the preceding fiscal year.

- For payments due to the Uninsured Employers Fund the time limit that liens resulting from warrants will be extended from 10 years to the date paid, and personal liability based on individual, joint and several liability will remain in effect until the date paid.

## DRAFT

### AMENDMENTS TO THE WORKER'S COMPENSATION ACT PLAIN LANGUAGE SUMMARY AB-TBD EFFECTIVE TBD

1. **Law in Effect on Injury Date.** The drafter included this amendment to cover the effective date(s) for s. 102.555 (12) stats. s. 102.03 (4).
2. **Permanent Partial Disability.** The maximum weekly benefit rates for permanent partial disability are increased for injuries occurring on and after the effective date in 2008 to \$272 and to \$282 for injuries occurring on and after January 1, 2009. s. 102.11 (intro).
3. **Reasonableness of Fee Disputes.** These are technical amendments by the drafter to update the language covering reasonableness of fee disputes. ss. 102.16 (1m) (a) & (2) (am) and 102.18 (1) (bg) 1.
4. **Necessity of Treatment Disputes.** These are technical amendments by the drafter to update the language covering necessity of treatment disputes. ss. 102.16 (1m) (b), (2m) (c), (2m) (g), and 102.18 (1) (bg) 2.
5. **Pharmacy Fee Disputes.** These amendments clarify the authority of administrative law judges to determine by stipulation, compromise or order after hearing whether or not prescription drug fees are reasonable in a similar manner as used in reasonableness of fee disputes. ss. 102.16 (1m) (c) and 102.18 (1) (bg) 3.
6. **Reimbursement of Sums Illegally Deducted.** The drafter included this amendment to cover sums illegally deducted by employers for worker's compensation insurance policies issued pursuant to s. 102.315 (3), (4) and (5) (a) stats., for PEOs and employee leasing companies. s. 102.16 (3).
7. **WC Treatment Guidelines.** Reference to the Minnesota WC Treatment Guidelines is deleted. s. 102.16 (2m) (g).
8. **Statute of Limitations.** The drafter included this amendment to cover the effective date(s) for s. 102.555 (12) stats. s. 102.17 (4).
9. **Exclusive Remedy.** Exclusive remedy is extended to cover more than one temporary help agency or employee leasing company and all of the employees that are provided to a client-employer. s. 102.29 (6) and (6m).
10. **Insurance Requirements for PEOs and Employee Leasing Companies.** Multiple coordinated policies will be required for WC liability except for small clients whose premium is not large enough for experience rating who may continue to be insured under a master policy. Master policies will be permitted in the future when unit statistical and other data can be tracked for each client and

the filing is approved by the Wisconsin Compensation Rating Bureau ( WCRB ) and Office of the Commissioner of Insurance ( OCI ). s. 102.315.

11. **Interest Credit.** The interest credit for advancement and lump sum payments will be reduced from 7 % to 5 %. s. 102.32.
12. **Christian Science Treatment.** Employers will no longer be permitted to elect to not have their employees covered by Christian Science treatment, and charges from Christian Science practitioners will be limited to usual and customary. s. 102.42 (1) and (4).
13. **Pharmacy Fee Schedule.** Reference to the American Druggist Blue Book or its successor for determining average wholesale price is deleted, and a dispute resolution process is created for resolving disputes involving the pharmacy fee schedule similar to reasonableness of fee disputes. s. 102.425 (3), (4) (b) and (4m).
14. **Supplemental Benefits.** Supplemental benefits for employees with old injuries who are permanently and totally disabled are extended covering 6 more years from 1987 to 1992 with the maximum weekly benefit rate increased from \$338 to \$450. s. 102.44 (1).
15. **Occupational Hearing Loss.** Liability is eliminated for expense for examination or test, treatment for hearing loss, evaluation of examination or testing, medical treatment for hearing loss or restoring hearing or hearing aids for occupational hearing loss claims that do not reach the level of hearing loss to qualify for indemnity. This amendment applies to injury dates on and after the effective date and for claims made more than 6 years after the effective date. s. 102.555 (12).
16. **Work Injury Supplemental Benefit Fund.** Statutory authority is established for the Attorney General's Office to represent the state for collection of double and treble compensation payable for illegal employment of minors under s. 102.60 stats., and elimination of the fund's maximum balance limit of 3 times the payments made in the preceding fiscal year. ss. 102.64 (2) and 102.65 (3).
17. **Uninsured Employers Fund (UEF) Reserves.** Elimination of the requirement to consider incurred but not reported ( IBNR ) claims in calculating reserves for the UEF. s. 102.80 (3) (ag).
18. **Uninsured Employers Fund (UEF) Liens and Personal Liability.** Increase the time limit that liens resulting from warrants remain in effect from 10 years to the date paid, and personal liability based on individual, joint and several liability will remain in effect until the date paid. s. 102.83 (1) (a) and (8).

( JOM 1.25.08 )







# Wisconsin State AFL-CIO *...the voice for working families.*

David Newby, President • Sara J. Rogers, Exec. Vice President • Phillip L. Neuenfeldt, Secretary-Treasurer

TO: Members of the Senate Labor, Elections and Urban Affairs Committee  
and the Assembly Labor and Industry Committee

FROM: David Newby, President

DATE: February 14, 2008

RE: Support for SB 430 / AB 758, Changes to Workers Compensation Law

The Wisconsin State AFL-CIO supports SB 430 and strongly urges your support for this bill, without amendment.

As you know, Wisconsin has had an understood process by which the Workers Compensation Advisory Council carefully works out a bill supported by both labor and management Members of the Council which the Legislature is urged to adopt without amendment.

This process has served us well over many decades, and we hope you follow in this tradition by supporting SB 430.

As you know from other materials, this bill does not contain major changes to our Workers Compensation law. Provisions include:

- 1) Increasing Permanent Partial Disability indemnity rates by \$10 weekly in 2008 and in 2009 (basically a cost of living increase).
- 2) Permitting all injured employees to choose Christian Science treatment, eliminating the power of employers to block this option.
- 3) Establishing rules regarding policy coverage and cost available to Professional Employee Organizations and Employee Leasing Companies.
- 4) Scaling back hearing loss benefits.
- 5) Raising the minimum indemnity payment for those who are Permanently and Totally Disabled from the rate in effect in 1987 to the rate in effect in 1992.

Our greatest disappointment with this bill is that more could not be agreed upon to increase payments for those who have been Permanently and Totally Disabled. Unfortunately, Wisconsin law does not contain any automatic Cost of Living adjustment for these severely injured workers. Thus the purchasing power of their weekly payments is reduced every year by that year's rate of inflation. While we have made sporadic changes to increase the floor on these payments, we need to bring all these workers who were totally disabled in the past up to current payment levels. That has been labor's top priority in the last two rounds of discussions, and it will be our top priority in the discussions leading to the bill that will be presented to you in the next Session. Permanently and Totally Disabled workers deserve payments that permit them to live at a minimum level of dignity, no matter how many years have passed since their tragic injury. Achieving economic justice for these workers will remain our first objective.





**Wisconsin  
Manufacturers  
& Commerce**

**Memo**

TO: Members of the Senate Labor, Elections and Urban Affairs  
Committee  
Members of the Assembly Labor and Industry Committee

FROM: James A. Buchen, Vice President, Government Relations

DATE: February 14, 2008

RE: Support for SB 430/AB 758 – Worker’s Compensation Reform  
Legislation

Wisconsin Manufactures and Commerce supports Senate Bill 430 and Assembly Bill 758, a package of workers reform initiatives developed by the Wisconsin Worker’s Compensation Advisory Council.

**Reforms in SB 404/AB 758**

The primary focus of this legislation addresses benefits issues for injured Wisconsin workers. The bill provides an increase in disability benefits for both Permanently Partially Disabled claimants, as well as supplementary benefits for Permanently Totally Disabled claimants. The PPD and PTD benefit increase and supplement are designed to keep pace with the needs of injured workers, within the worker’s compensation system’s ability to provide those benefits.

In addition, the bill addresses a recent court decision that had created uncertainty regarding the application of the Worker’s Compensation Acts application of the exclusive remedy provision as it relates to employees of temporary employment services working at the same worksite who cause an injury to the other. This legislation assures that the exclusive remedy provision of the Wisconsin Worker’s Compensation Act applies to those situations.

**The WCAC’s Future Focus**

The Wisconsin Worker’s Compensation Advisory Council (WCAC) focused a great deal of it deliberations in the past two years on matters relating to the cost of providing health care services to Worker’s Compensation claimants. Management Representatives on the WCAC would like to continue to focus on this area.

Benchmarking data provided by the Worker’s Compensation Research Institute continues to show that health care costs in Wisconsin are rising at a faster pace than those costs in most other states. At the same time, Wisconsin continues to achieve better than average outcomes for injured workers. Thus, indemnity benefit costs appear to be offsetting the higher health care costs. However, over the longer term, if health care costs do not moderate, Wisconsin employers could face significant challenges to providing affordable worker’s compensation insurance coverage to their workers.

**Conclusion**

In conclusion, WMC supports Senate Bill 430 and Assembly Bill 758, and urges the members of the Senate and Assembly Labor Committees to approve these bills.





National Association  
of Professional Employer Organizations

901 North Pitt Street  
Suite 150  
Alexandria Virginia 22314

T 703 836.0466  
F 703 836.0976  
www.napeo.org

**Before the Assembly Committee on Labor & Industry and the  
Senate Committee on Labor, Elections, & Urban Affairs  
Testimony of Adam S. Peer, Assistant Director, State Government Affairs  
National Association of Professional Employer Organizations (NAPEO)  
2007 Assembly Bill 758 and Senate Bill 430  
February 14, 2008**

Thank you Chairman Coggs, Chairman Honadel, and Committee Members: My name is Adam Peer and I am representing the National Association of Professional Employer Organizations. On behalf of our entire membership and specifically our Wisconsin-based members, I am here this today to testify in support of Assembly Bill 758 and Senate Bill 430 which make important changes to workers' compensation law that effect professional employer organizations.

As you know, this legislation is a result of the work of the Workers' Compensation Advisory Council and special working group that focused on professional employer organizations specifically. NAPEO would like to thank the members of the council and working group for their time and consideration of our issues.

A Professional Employer Organization or PEO is a business that partners with an existing small business to manage human resources, that can include employee benefits including healthcare, workers' compensation, Section 125 plans, retirement services and other critical benefits so their small business clients can focus on their core competencies to maintain and grow their business. The average PEO client is a small business with an average of 5 to 20 employees. By forming an employment relationship with these small businesses and their employees, PEOs are able to offer enhanced access to employee benefits that makes a small business of 10 feel like they are part of a company of 10,000.

This legislation is an important step forward in recognizing the important workers' compensation services that a professional employer organization provides to small businesses. NAPEO will continue to participate in the council process to work on clarifying professional employer organizations.

NAPEO also appreciates the work of the Wisconsin Rating Bureau on these issues. The bureau has drafted an amendment to the basic rating manual in anticipation of this legislation becoming law. An important part of that filing is a footnote that clarifies that insurers may issue workers' compensation policies with flexible premium options to professional employer organizations. Specifically, the footnote states:

"1 Policies issued to the ELC [employee leasing companies] as the first named insured for the ELC's Wisconsin clients, or policies issued with the client as the first named insured, are not restricted from being combinable and subject to application of a retrospective rating option premium."

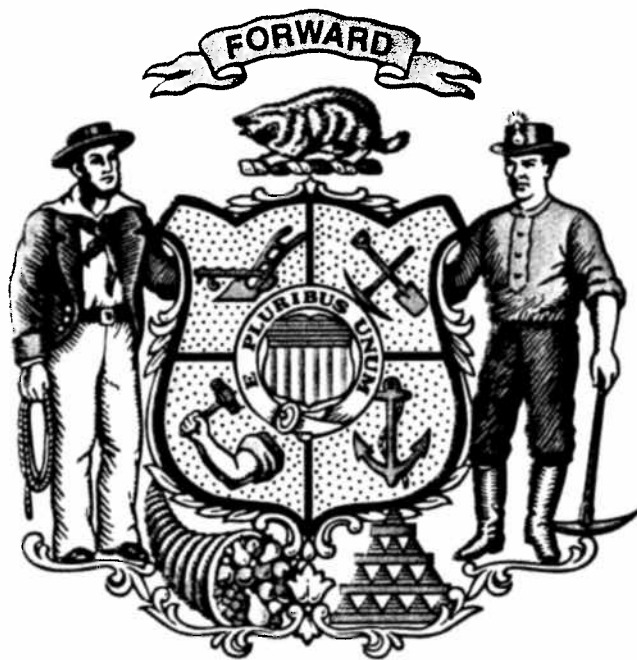
It is our understanding that while AB 758 and SB 430 do not specifically address flexible premium options, it is clearly the intention that those options will be available to PEOs as evidenced by the inclusion of the footnote in the draft amendment to the basic manual that was developed in conjunction with the bill language recommended to the legislature.

Additionally, on page 31 lines 3 to 7 of the legislation, it is our understanding that the coverage the language refers in lines 6 and 7 is coverage that is provided as professional employer organization services.

Again, I urge your support of Assembly Bill 758 and Senate Bill 430. Thank you for your time and consideration.

Adam S. Peer, Assistant Director  
National Association of Professional Employer Organizations

Phone: 703-739-8179 Email: [apeer@napeo.org](mailto:apeer@napeo.org)





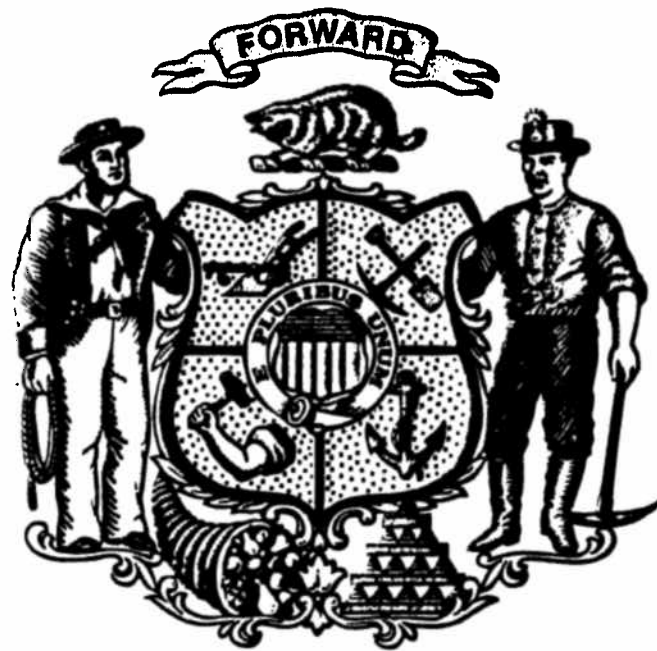
## Unemployment Insurance and Worker's Comp Bills

Exec – LEUA

Feb. 20, 2008



Both of these bills, **SB 430** dealing with worker's compensation changes and **SB 431** dealing with unemployment insurance changes, are two bills that have been extensively vetted and worked on by members of the Advisory Councils made up of both labor and business representatives. Both bills contain a long list of changes that have been compromised and agreed to by all parties affected with the stability of the system and support for injured and unemployed workers maintained.



Date?

Frances Huntley-Cooper SB430

(I would like to thank the Committees for the opportunity to comment on the Agreed Bill, which was developed and endorsed by the Worker's Compensation Advisory Council. I am Frances Huntley-Cooper, Administrator of the State Worker's Compensation Division, and chairperson of the Council. Seated with me today are James Buchen and David Newby and in the audience is Scott Schaver)

As you know, the Agreed Bill concept is a long-standing tradition in Wisconsin. The function of the Council has been to serve the Legislature by monitoring the development of the economic and social environment in Wisconsin and recommending statutory changes that are considered best for the people of our state.

Under this concept, Council members agree to support the Council's proposed changes in the Legislature and not to individually seek any changes to those proposals. Likewise, the Council members agree not to support any worker's compensation law changes that have not gone through the Council's "agreed bill" process.

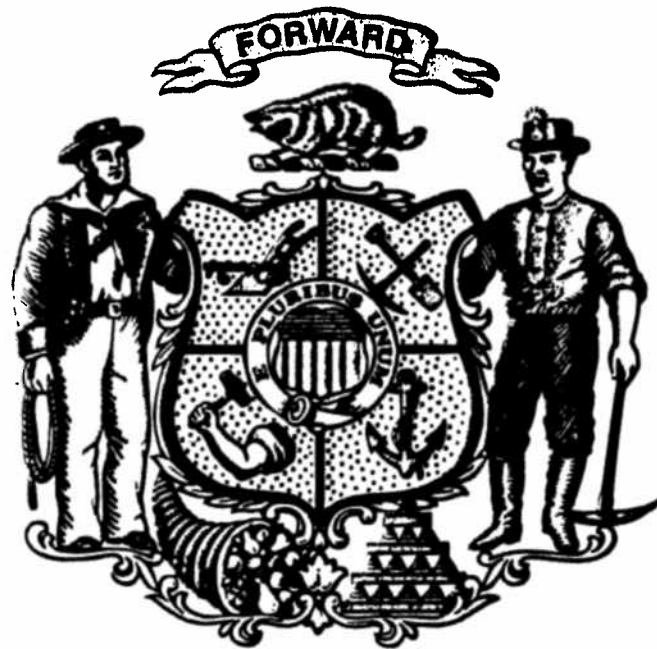
The changes that are proposed through this process come from a variety of sources, including the legislature, business, and industry. The Council, being, itself, made up of representatives from labor and management, insurance carriers, and health care providers, thoroughly reviews the proposals, taking into account the views of all stakeholders, including the injured workers.

You may also know that, in the field of worker's compensation, Wisconsin is considered by many to be the model program in the nation. I am happy to report that in the most recent findings of the independent Worker's Compensation Research Institute of Massachusetts, Wisconsin still holds its position of leadership and excellence. Among the states studied by the Institute we continue to rank highest in the areas of rapid return to work, timely and accurate payments to injured workers, low levels of litigation, low costs of program administration, and low costs to employers. All this while Wisconsin maintains above average benefit levels for injured workers.

Many experts believe that Wisconsin's system involving the Council and the agreed bill process is key to our effectiveness as a program. Based on this concept, the Legislature traditionally accepts the Council's recommendations and enacts them into law. The Council is aware of the

trust and support offered by the Legislature. In return, the Council makes every effort to address worker's compensation concerns and respond to questions brought by legislators.

I would like to offer (Mr. Buchen and Mr. Newby) an opportunity to make some introductory comments and then we will be happy to answer any questions the committees may have.



Date?

SB430  
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## SIGNIFICANT CHANGES TO CH. 102, STATS. IN WC AGREED BILL

- The maximum weekly benefit rates for permanent partial disability are increased for injuries occurring on and after the effective date in 2008 to \$272 and to \$282 for injuries occurring on and after January 1, 2009.
- Exclusive remedy is extended to cover more than one temporary help agency or employee leasing company and all of the employees that are provided to a client-employer.
- Multiple coordinated insurance policies for WC liability will be required for Professional Employer Organizations (PEOs) and employee leasing companies except for small clients whose premiums are not large enough for experience rating who may continue to insure under master policies. Master policies will be permitted in the future when unit statistical and other data can be tracked for each client-employer and the filing is approved by the Wisconsin Compensation Rating Bureau and Office of the Commissioner of Insurance.
- The interest credit for advancement and lump sum payments will be reduced from 7% to 5%.
- Employers will no longer be permitted to elect to not have their employees covered by Christian Science treatment and charges for Christian Science treatment will be limited to usual and customary amounts.
- A dispute resolution process is created for resolving disputes involving the pharmacy fee schedule similar to reasonableness of fee disputes and use of the American Druggist Blue Book as a reference for determining average wholesale price is eliminated because this is no longer published.
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- The Attorney General's Office will be authorized by statute to represent the state for collection of payments due to the Work Injury Supplemental Benefit

Fund of double and treble compensation payable for illegal employment of minors under s. 102.60, Stats., and elimination of the fund's maximum balance limit of 3 times the amount of payments made in the preceding fiscal year.

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SB 430  
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## DRAFT

### AMENDMENTS TO THE WORKER'S COMPENSATION ACT PLAIN LANGUAGE SUMMARY AB-TBD EFFECTIVE TBD

1. **Law in Effect on Injury Date.** The drafter included this amendment to cover the effective date(s) for s. 102.555 (12) stats. s. 102.03 (4).
2. **Permanent Partial Disability.** The maximum weekly benefit rates for permanent partial disability are increased for injuries occurring on and after the effective date in 2008 to \$272 and to \$282 for injuries occurring on and after January 1, 2009. s. 102.11 (intro).
3. **Reasonableness of Fee Disputes.** These are technical amendments by the drafter to update the language covering reasonableness of fee disputes. ss. 102.16 (1m) (a) & (2) (am) and 102.18 (1) (bg) 1.
4. **Necessity of Treatment Disputes.** These are technical amendments by the drafter to update the language covering necessity of treatment disputes. ss. 102.16 (1m) (b), (2m) (c), (2m) (g), and 102.18 (1) (bg) 2.
5. **Pharmacy Fee Disputes.** These amendments clarify the authority of administrative law judges to determine by stipulation, compromise or order after hearing whether or not prescription drug fees are reasonable in a similar manner as used in reasonableness of fee disputes. ss. 102.16 (1m) (c) and 102.18 (1) (bg) 3.
6. **Reimbursement of Sums Illegally Deducted.** The drafter included this amendment to cover sums illegally deducted by employers for worker's compensation insurance policies issued pursuant to s. 102.315 (3), (4) and (5) (a) stats., for PEOs and employee leasing companies. s. 102.16 (3).
7. **WC Treatment Guidelines.** Reference to the Minnesota WC Treatment Guidelines is deleted. s. 102.16 (2m) (g).
8. **Statute of Limitations.** The drafter included this amendment to cover the effective date(s) for s. 102.555 (12) stats. s. 102.17 (4).
9. **Exclusive Remedy.** Exclusive remedy is extended to cover more than one temporary help agency or employee leasing company and all of the employees that are provided to a client-employer. s. 102.29 (6) and (6m).
10. **Insurance Requirements for PEOs and Employee Leasing Companies.** Multiple coordinated policies will be required for WC liability except for small clients whose premium is not large enough for experience rating who may continue to be insured under a master policy. Master policies will be permitted in the future when unit statistical and other data can be tracked for each client and

the filing is approved by the Wisconsin Compensation Rating Bureau ( WCRB ) and Office of the Commissioner of Insurance ( OCI ). s. 102.315.

11. **Interest Credit.** The interest credit for advancement and lump sum payments will be reduced from 7 % to 5 %. s. 102.32.
12. **Christian Science Treatment.** Employers will no longer be permitted to elect to not have their employees covered by Christian Science treatment, and charges from Christian Science practitioners will be limited to usual and customary. s. 102.42 (1) and (4).
13. **Pharmacy Fee Schedule.** Reference to the American Druggist Blue Book or its successor for determining average wholesale price is deleted, and a dispute resolution process is created for resolving disputes involving the pharmacy fee schedule similar to reasonableness of fee disputes. s. 102.425 (3), (4) (b) and (4m).
14. **Supplemental Benefits.** Supplemental benefits for employees with old injuries who are permanently and totally disabled are extended covering 6 more years from 1987 to 1992 with the maximum weekly benefit rate increased from \$338 to \$450. s. 102.44 (1).
15. **Occupational Hearing Loss.** Liability is eliminated for expense for examination or test, treatment for hearing loss, evaluation of examination or testing, medical treatment for hearing loss or restoring hearing or hearing aids for occupational hearing loss claims that do not reach the level of hearing loss to qualify for indemnity. This amendment applies to injury dates on and after the effective date and for claims made more than 6 years after the effective date. s. 102.555 (12).
16. **Work Injury Supplemental Benefit Fund.** Statutory authority is established for the Attorney General's Office to represent the state for collection of double and treble compensation payable for illegal employment of minors under s. 102.60 stats., and elimination of the fund's maximum balance limit of 3 times the payments made in the preceding fiscal year. ss. 102.64 (2) and 102.65 (3).
17. **Uninsured Employers Fund (UEF) Reserves.** Elimination of the requirement to consider incurred but not reported ( IBNR ) claims in calculating reserves for the UEF. s. 102.80 (3) (ag).
18. **Uninsured Employers Fund (UEF) Liens and Personal Liability.** Increase the time limit that liens resulting from warrants remain in effect from 10 years to the date paid, and personal liability based on individual, joint and several liability will remain in effect until the date paid. s. 102.83 (1) (a) and (8).

( JOM 1.25.08 )