AN ACT to repeal 102.076 (3m) and 102.82 (3) (c); to renumber and amend 102.33 (2); to amend 20.445 (1) (ga), 20.445 (1) (sp), 102.11 (1) (intro.), 102.13 (1) (b) (intro.), 102.13 (1) (b) 1, 102.13 (1) (e), 102.13 (2) (b), 102.17 (7) (b), 102.28 (2) (b), 102.44 (1) (a) and (b), 102.475 (1) (a), 102.49 (6), 102.50, 102.555 (10), 102.80 (3), 102.82 (2) (c) and 102.88; to repeal and recreate 102.16 (2) and 102.28 (2) (c); and to create 102.13 (1) (b) 4, 102.16 (2m), 102.17 (7) (c), 102.33 (2) (b), 102.75 (4) and 102.80 (3) (am) of the statutes, relating to: various changes in the worker’s compensation laws, granting rule–making authority, providing an exemption from emergency rule–making procedures, making appropriations and providing penalties.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.445 (1) (ga) of the statutes, as affected by 1991 Wisconsin Act 39, is amended to read:

20.445 (1) (ga) Auxiliary services. All moneys received from fees collected under ss. 101.02 (18) and 101.23 (7) and 102.16 (2m) (d) for the delivery of services under ss. 101.02 (18) and 101.23 and 102.16 (2m) (f) and ch. 108.

SECTION 2. 20.445 (1) (sp) of the statutes is amended to read:

20.445 (1) (sp) Uninsured employers fund; administration. From the uninsured employers fund, the amounts in the schedule for the administration of ss. 102.28 (4) and 102.80 to 102.85. No money may be expended or encumbered under this paragraph after July 1, 1992, unless the secretary of industry, labor and human relations has filed a certificate under s. 102.80 (3) (a) 102.89.

SECTION 3. 102.076 (3m) of the statutes is repealed.

SECTION 4. 102.11 (1) (intro.) of the statutes is amended to read:

102.11 (1) (intro.) The average weekly earnings for temporary disability, permanent total disability or death benefits for injury in each calendar year on or after January 1, 1982, shall be not less than $30 nor more than the wage rate which results in a maximum compensation rate of 100% of the state’s average weekly earnings as determined under s. 108.05 as of June 30 of the previous year, except that the average weekly earnings for temporary disability, permanent total disability or death benefits for injuries occurring on or after January 1, 1992, and before January 1, 1994, shall be not more than $675, resulting in a maximum compensation rate of $450. The average weekly earnings for permanent partial disability shall be not less than $30. The average weekly earnings for permanent partial disability for injuries occurring on or after January 1, 1990 1992, shall be not more than $196.50 $216, resulting in a maximum compensation rate of $134.144. The average weekly earnings for permanent partial disability for injuries occurring on or after January 1, 1991 1993, shall be not more than $205.50 $228, resulting in a maximum compensation rate of $137.152. Between such limits the average weekly earnings shall be determined as follows:

SECTION 5. 102.13 (1) (b) (intro.) of the statutes is amended to read:

102.13 (1) (b) (intro.) An employer or insurer who requests that an employee submit to reasonable examination under par. (a) shall tender to the employee, before the examination, all necessary expenses including transportation expenses. The employee is entitled to have a physician, chiropractor, psychologist or podiatrist pro-
vided by himself or herself present at the examination and to request and receive a copy of all reports of the examination that are prepared by the examining physician, chiropractor, psychologist or podiatrist. The employer’s or insurer’s written request for examination shall notify the employee of all of the following:

**SECTION 6.** 102.13 (1) (b) 1. of the statutes is amended to read:

102.13 (1) (b) 1. The proposed date, time and place of the examination and the identity and area of specialization of the examining physician, chiropractor, psychologist or podiatrist.

**SECTION 7.** 102.13 (1) (b) 4. of the statutes is created to read:

102.13 (1) (b) 4. The employee’s right to request and receive a copy of all reports of the examination that are prepared by the examining physician, chiropractor, psychologist or podiatrist.

**SECTION 8.** 102.13 (1) (e) of the statutes is amended to read:

102.13 (1) (e) No person may testify on the issue of the reasonableness of the fees of a licensed health care professional unless the person is licensed to practice the same health care profession as the professional whose fees are the subject of the testimony. This paragraph does not apply to the fee dispute resolution process under s. 102.16 (2).

**SECTION 9.** 102.13 (2) (b) of the statutes is amended to read:

102.13 (2) (b) A physician, chiropractor, podiatrist, psychologist, hospital or health service provider shall furnish a legible, certified duplicate of the written material requested under par. (a) upon payment of the greater of the actual costs of preparing the certified duplicate, not to exceed $25, the greater of 45 cents per page or $5 or $7.50 per request, plus the actual costs of postage. Any person who refuses to provide certified duplicates of written material in the person’s custody that is requested under par. (a) shall be liable for reasonable and necessary costs and, notwithstanding s. 814.04 (1), reasonable attorney fees incurred in enforcing the requester’s right to the duplicates under par. (a).

**SECTION 10.** 102.16 (2) of the statutes is repealed and recreated to read:

102.16 (2) (a) The department has jurisdiction to resolve a dispute between a health service provider and an insurer or self–insured employer over the reasonableness of a fee charged by the health service provider for health services provided to an injured employee who claims benefits under this chapter. The department shall deny payment of a health service fee that the department determines under this subsection to be unreasonable. A health service provider and an insurer or self–insured employer that are parties to a fee dispute under this subsection are bound by the department’s determination on the reasonableness of the disputed fee, unless that determination is set aside on judicial review under par. (f).

(b) An insurer or self–insured employer that disputes the reasonableness of a fee charged by a health service provider shall provide reasonable notice to the health service provider that the fee is being disputed. After receiving reasonable notice that a health service fee is being disputed, a health service provider may not collect the disputed fee from, or bring an action for collection of the disputed fee against, the employee who received the services for which the fee was charged.

(c) After a fee dispute is submitted to the department, the insurer or self–insured employer that is a party to the dispute shall provide to the department information on that fee and information on fees charged by other health service providers for comparable services. The insurer or self–insured employer shall obtain the information on comparable fees from a data base that is certified by the department under par. (h). Except as provided in par. (e), if the insurer or self–insured employer does not provide the information required under this paragraph, the department shall determine that the disputed fee is reasonable and order that it be paid. If the insurer or self–insured employer provides the information required under this paragraph, the department shall use that information to determine the reasonableness of the disputed fee.

(d) For fee disputes that are submitted to the department before July 1, 1994, the department shall analyze the information provided to the department under par. (c) according to the criteria provided in this paragraph to determine the reasonableness of the disputed fee. The department shall determine that a disputed fee is reasonable and order that the disputed fee be paid if that fee is at or below the mean fee for the health service procedure for which the disputed fee was charged, plus 1.5 standard deviations from that mean, as shown by data from a data base that is certified by the department under par. (h). The department shall determine that a disputed fee is unreasonable and order that a reasonable fee be paid if the disputed fee is above the mean fee for the health service procedure for which the disputed fee was charged, plus 1.5 standard deviations from that mean, as shown by data from a data base that is certified by the department under par. (h), unless the health service provider proves to the satisfaction of the department that a higher fee is justified because the service provided in the disputed case was more difficult or more complicated to provide than in the usual case.

(e) If an insurer or self–insured employer that disputes the reasonableness of a fee charged by a health service provider cannot provide information, from a data base that is certified by the department under par. (h), on fees charged by other health service providers for comparable services because no department–certified data base is able to provide accurate information for the health ser-
A health service provider, insurer or self–insured employer that is aggrieved by a determination of the department under this subsection may seek judicial review of that determination in the same manner that compensation claims are reviewed under s. 102.23.

Section 102.13 (1) (e) does not apply to the fee dispute resolution process under this subsection.

The department shall promulgate rules establishing procedures and requirements for the fee dispute resolution process under this subsection, including rules specifying the standards that health service fee data bases must meet for certification under this paragraph. Using those standards, the department shall certify data bases of the health service fees that various health service providers charge.

Section 11. 102.16 (2m) of the statutes is created to read:

102.16 (2m) (a) The department has jurisdiction to resolve a dispute between a health service provider and an insurer or self–insured employer over the necessity of treatment provided for an injured employee who claims benefits under this chapter. The department shall deny payment for any treatment that the department determines under this subsection to be unnecessary. A health service provider and an insurer or self–insured employer that are parties to a dispute under this subsection over the necessity of treatment are bound by the department’s determination on the necessity of that treatment, unless that determination is set aside on judicial review under par. (e).

(b) An insurer or self–insured employer that disputes the necessity of treatment provided by a health service provider shall provide reasonable notice to the health service provider that the necessity of that treatment is being disputed. After receiving reasonable notice that the necessity of treatment is being disputed, a health service provider may not collect a fee for that disputed treatment from, or bring an action for collection of the fee for that disputed treatment against, the employee who received the treatment.

(c) Before determining the necessity of treatment provided for an injured employee who claims benefits under this chapter, the department shall obtain a written opinion on the necessity of the treatment in dispute from an expert selected by the department. To qualify as an expert, a person must be licensed to practice the same health care profession as the individual health service provider whose treatment is under review and must either be performing services for an impartial health care services review organization or be a member of an independent panel of experts established by the department under par. (f). The department shall adopt the written opinion of the expert as the department’s determination on the issues covered in the written opinion, unless the health service provider or the insurer or self–insured employer present clear and convincing written evidence that the expert’s opinion is in error.

(d) The department may charge a party to a dispute over the necessity of treatment provided for an injured employee who claims benefits under this chapter for the full cost of obtaining the written opinion of the expert under par. (c). The department shall charge the insurer or self–insured employer for the full cost of obtaining the written opinion of the expert for the first dispute that a particular individual health service provider is involved in, unless the department determines that the individual health service provider’s position in the dispute is frivolous or based on fraudulent representations. In a subsequent dispute involving the same individual health service provider, the department shall charge the losing party to the dispute for the full cost of obtaining the written opinion of the expert.

(e) A health service provider, insurer or self–insured employer that is aggrieved by a determination of the department under this subsection may seek judicial review of that determination in the same manner that compensation claims are reviewed under s. 102.23.

(f) The department may contract with an impartial health care services review organization to provide the expert opinions required under par. (c), or establish a panel of experts to provide those opinions, or both. If the department establishes a panel of experts to provide the expert opinions required under par. (c), the department may pay the members of that panel a reasonable fee, plus actual and necessary expenses, for their services.

(g) The department shall promulgate rules establishing procedures and requirements for the necessity of treatment dispute resolution process under this subsection, including rules setting the fees under par. (f).

Section 12. 102.17 (7) (b) of the statutes is amended to read:

102.17 (7) (b) Except as provided in par. (c), the department may not receive in evidence testimony or verified reports from expert witnesses under par. (a) offered by the party that raises the issue of loss of earning capacity if the party offering the testimony or reports failed to notify the department and the other parties of interest, at least 60 days before the date of the hearing, of the party’s intent to provide the testimony or reports and of the names of the expert witnesses involved. Except as provided in par. (c), the department shall exclude from evidence testimony or verified reports from expert witnesses under par. (a) offered by a party of interest in response to the party that raises the issue of loss of earning capacity if the responding party failed to notify the department and the other parties of interest, at least 45 days before the date of the hearing.
ining, of the party’s intent to provide the testimony or reports and of the names of the expert witnesses involved.

Section 13. 102.17 (7) (c) of the statutes is created to read:

102.17 (7) (c) Notwithstanding the notice deadlines provided in par. (b), the department may receive in evidence testimony or verified reports from expert witnesses under par. (a) when the applicable notice deadline under par. (b) is not met if good cause is shown for the delay in providing the notice required under par. (b) and if no party is prejudiced by the delay.

Section 14. 102.28 (2) (b) of the statutes is amended to read:

102.28 (2) (b) Exemption from duty to insure. The department may grant a written order of exemption to an employer who shows its financial ability to pay the amount of compensation, agrees to report faithfully all compensable injuries and agrees to comply with this chapter and the rules of the department. The department may condition the granting of an exemption upon the employer’s furnishing of satisfactory security to guarantee payment of all claims under compensation. The department may require that bonds or other personal guarantees be enforceable against sureties in the same manner as an award may be enforced. The department may from time to time require proof of financial ability of the employer to pay compensation. Any exemption shall be void if the application for it contains a financial statement which is false in any material respect. An employer who files an application containing a false financial statement remains subject to par. (a). The department may promulgate rules establishing an amount to be charged as an initial application fee and an amount to be charged as a renewal application fee to employers applying for exemption under this paragraph.

Section 15. 102.28 (2) (c) of the statutes is repealed and recreated to read:

102.28 (2) (c) Revocation of exemption. The department, after seeking the advice of the self–insurers council, may revoke an exemption granted to an employer under par. (b), upon giving the employer 10 days’ written notice, if the department finds that the employer’s financial condition is inadequate to pay its employees’ claims for compensation, that the employer has received an excessive number of claims for compensation or that the employer has failed to discharge faithfully its obligations according to the agreement contained in the application for exemption. The employer may, within 10 days after receipt of the notice of revocation, request a review of the revocation by the secretary or the secretary’s designee and the secretary or the secretary’s designee shall review the revocation within 30 days after receipt of the request for review. If the employer is aggrieved by the determination of the secretary or the secretary’s designee, the employer may, within 10 days after receipt of notice of that determination, request a hearing under s. 102.17. If the secretary or the secretary’s designee determines that the employer’s exemption should be revoked, the employer shall obtain insurance coverage as required under par. (a) immediately upon receipt of notice of that determination and, notwithstanding the pendency of proceedings under ss. 102.17 to 102.25, shall keep that coverage in force until another exemption under par. (b) is granted.

Section 16. 102.33 (2) of the statutes is renumbered 102.33 (2) (a) and amended to read:

102.33 (2) (a) The Except as provided in par. (b), the records of the department related to the administration of this chapter are not subject to inspection and copying under s. 19.35 (1), except as provided by the department by rule.

Section 17. 102.33 (2) (b) of the statutes is created to read:

102.33 (2) (b) Notwithstanding par. (a), a record maintained by the department that reveals the identity of an employee who claims worker’s compensation benefits, the nature of the employee’s claimed injury, the employee’s past or present medical condition, the extent of the employee’s disability, the amount, type or duration of benefits paid to the employee or any financial information provided to the department by a self–insured employer or by an applicant for exemption under s. 102.28 (2) (b) is confidential and not open to public inspection or copying under s. 19.35 (1). The department may deny a request made under s. 19.35 (1) to inspect and copy a record that is confidential under this paragraph, unless one of the following applies:

1. The requester is the employee who is the subject of the record or an attorney or authorized agent of that employee. An attorney or authorized agent of an employee who is the subject of a record shall provide a written authorization for inspection and copying from the employee if requested by the department.

2. The record that is requested contains confidential information concerning a worker’s compensation claim and the requester is an insurance carrier or employer that is a party to the claim or an attorney or authorized agent of that insurance carrier or employer. An attorney or authorized agent of an insurance carrier or employer that is a party to an employee’s worker’s compensation claim shall provide a written authorization for inspection and copying from the insurance carrier or employer if requested by the department.

3. The record that is requested contains financial information provided by a self–insured employer or by an applicant for exemption under s. 102.28 (2) (b) and the requester is the self–insured employer or applicant for exemption or an attorney or authorized agent of the self–insured employer or applicant for exemption. An attorney or authorized agent of the self–insured employer or of the applicant for exemption shall provide a written authorization for inspection and copying from the self–
1991 Assembly Bill 571

insured employer or applicant for exemption if requested by the department.

SECTION 18. 102.44 (1) (a) and (b) of the statutes are amended to read:

102.44 (1) (a) If such employee is receiving the maximum weekly benefits in effect at the time of the injury, the supplemental benefit shall be an amount which, when added to the regular benefit established for the case, shall equal the maximum weekly benefit in effect for a totally disabled employee whose injury occurred on January 1, 1972. 

(b) If such employee is receiving a weekly benefit which is less than the maximum benefit which was in effect on the date of the injury, the supplemental benefit shall be an amount sufficient to bring the total weekly benefits to the maximum in effect on the date of injury.

SECTION 19. 102.475 (1) (a) of the statutes is amended to read:

102.475 (1) (a) If the deceased employee is a law enforcement officer, correctional officer, fire fighter, rescue squad member, national guard member or state defense force member on state active duty as described in s. 102.07 (9) or if a deceased person is an employee or volunteer performing emergency government activities under ch. 166 during a state of emergency or a circumstance described in s. 166.04, who sustained an accidental injury while performing services growing out of and incidental to that employment or volunteer activity so that benefits are payable under s. 102.46 or 102.47 (1), the department shall voucher and pay from the appropriation under s. 20.445 (1) (aa) a sum equal to 75% of the primary death benefit as of the date of death, but not less than $50,000 to the persons wholly dependent upon the deceased. For purposes of this subsection, dependency shall be determined under ss. 102.49 and 102.51.

SECTION 20. 102.49 (6) of the statutes is amended to read:

102.49 (6) The department may award the additional benefits payable under this section to the surviving parent of the child, to the child’s guardian or to such other person, bank or trust company for the child’s use as may be found best calculated to conserve the interest of the child. In the case of death of a child while benefits are still payable there shall be paid the reasonable expense for burial, not exceeding $1,500.

SECTION 21. 102.50 of the statutes is amended to read:

102.50 Burial expenses. In all cases where death of an employee proximately results from the injury the employer or insurer shall pay the reasonable expense for burial, not exceeding $1,500.

SECTION 22. 102.555 (10) of the statutes is amended to read:

102.555 (10) No compensation may be paid for tinnitus unless a hearing test demonstrates a compensable hearing loss other than tinnitus. For injuries occurring on or after January 1, 1992, no compensation may be paid for tinnitus.

SECTION 23. 102.75 (4) of the statutes is created to read:

102.75 (4) From the appropriation under s. 20.445 (1) (ha), the department shall allocate the amounts that it collects in application fees from employers applying for exemption under s. 102.28 (2) to fund the activities of the department under s. 102.28 (2) (b) and (c).

SECTION 24. 102.80 (3) of the statutes is amended to read:

102.80 (3) (a) If the cash balance in the uninsured employers fund equals or exceeds $3,000,000 before July 1, 1992, the secretary shall consult the council on worker’s compensation within 45 days after the cash balance equals or exceeds $3,000,000. The secretary may file with the secretary of administration, within 15 days after consulting the council on worker’s compensation, a certificate attesting that the cash balance equals or exceeds $3,000,000.

(b) If the secretary does not file the certificate under par. (a) before August 15, 1992, the department may expend the moneys in the uninsured employers fund shall cease to exist and the balance in the uninsured employers fund shall be transferred to the work injury supplemental benefit fund created under s. 102.65 only to administer ss. 102.68 to 102.70.

SECTION 25. 102.80 (3) (am) of the statutes is created to read:

102.80 (3) (am) If the secretary files the certificate under par. (a) before August 15, 1994, the department may expend the moneys in the uninsured employers fund to make payments under s. 102.81 (1) to employees of uninsured employers and to administer ss. 102.82 and 102.80 to 102.89.

SECTION 26. 102.82 (2) (c) of the statutes is amended to read:

102.82 (2) (c) The department of justice or, if the department of justice consents, the department of industry, labor and human relations may bring an action in circuit court to recover payments and interest owed to the department of industry, labor and human relations under this section.

SECTION 27. 102.82 (3) (c) of the statutes is repealed.

SECTION 28. 102.88 of the statutes is amended to read:

102.88 Penalties; repeaters. (1) When a person is convicted of any violation of this chapter or of any department rule or order, and it is alleged in the indictment, information or complaint, and proved or admitted on trial or ascertained by the court after conviction that the person was previously subjected to a fine or forfeiture within a period of 5 years under s. 102.85, the person may
be fined not more than $2,000 or imprisoned for not more than 90 days or both.

(2) When any person is convicted and it is alleged in the indictment, information or complaint and proved or admitted on trial or ascertained by the court after conviction that such person had been before subjected to a fine or forfeiture 3 times within a period of 3 years under s. 102.85 and that those convictions remain of record and unreversed, the person may be fined not more than $2,000 or imprisoned for not more than 9 months or both.

SECTION 29. Nonstatutory provisions. (1) Rules for the fee dispute resolution process. The department of industry, labor and human relations shall submit the proposed rules required under section 102.16 (2) (h) of the statutes, as affected by this act, to the legislative council staff for review under section 227.15 (1) of the statutes no later than the first day of the 5th month beginning after the effective date of this subsection.

(2) Rules for the necessity of treatment dispute resolution process. (a) The department of industry, labor and human relations shall submit the proposed rules required under section 102.16 (2m) (g) of the statutes, as created by this act, to the legislative council staff for review under section 227.15 (1) of the statutes no later than the first day of the 5th month beginning after the effective date of this paragraph.

(b) Using the procedure under section 227.24 of the statutes, the department of industry, labor and human relations shall promulgate rules under section 102.16 (2m) (g) of the statutes, as created by this act, for the period before the effective date of the rules submitted under paragraph (a), but not to exceed the period authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding section 227.24 (1) and (3) of the statutes, the department is not required to make a finding of emergency.

SECTION 30. Appropriation changes. (1) Self-insured employers program. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of industry, labor and human relations under section 20.445 (1) (ha) of the statutes, as affected by the acts of 1991, the dollar amount is increased by $25,000 for fiscal year 1991–92 and the dollar amount is increased by $25,000 for fiscal year 1992–93 to provide additional funding for the administration of the self–insured employers program under section 102.28 (2) (b) and (c) of the statutes, as affected by this act.

(2) Uninsured employers fund. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of industry, labor and human relations under section 20.445 (1) (sp) of the statutes, as affected by the acts of 1991, the dollar amount is increased by $107,000 for fiscal year 1991–92 and the dollar amount is increased by $135,000 for fiscal year 1992–93 to increase the authorized FTE positions for the department by 3.0 SEG positions for the purpose of administering and enforcing sections 102.28 (4) and 102.80 to 102.89 of the statutes, as affected by this act.

SECTION 29. Nonstatutory provisions. (1) Rules for the fee dispute resolution process. The department of industry, labor and human relations related to the administration of sections 102.28 (4) and 102.80 to 102.89 of the statutes, as affected by this act, to the legislative council staff for review under section 227.15 (1) of the statutes no later than the first day of the 5th month beginning after the effective date of this subsection.

(2) Rules for the necessity of treatment dispute resolution process. The treatment of section 102.16 (2m) of the statutes first applies to health services provided on the effective date of this subsection.

(3) Worker’s compensation procedure. The treatment of section 102.17 (7) (b) and (c) of the statutes first applies to hearings noticed under section 102.17 (1) (a) of the statutes on the effective date of this subsection.

(4) Revocation of self-insurer status. The treatment of section 102.28 (2) (c) of the statutes first applies to proceedings for revocation of an exemption granted under section 102.28 (2) (b) of the statutes for which notice under section 102.28 (2) (c) of the statutes, as affected by this act, is provided on the effective date of this subsection.

(5) Open records law. The treatment of section 102.44 (1) (a) and (b) of the statutes first applies to a week of disability for which supplemental benefits are payable under section 102.44 (1) of the statutes that begins on the effective date of this subsection.

(6) Supplemental benefits. The treatment of section 102.44 (1) (a) and (b) of the statutes first applies to violations of chapter 102 of the statutes, as affected by this act, or of any rule or order of the department of industry, labor and human relations, occurring on the effective date of this subsection.

SECTION 32. Effective dates. This act takes effect on January 1, 1992, or the first day of the first month beginning after publication, whichever is later, except as follows:

(1) The treatment of sections 102.13 (1) (e) and 102.16 (2) of the statutes and Section 31 (1) of this act take effect on July 1, 1992.