

2005 SENATE BILL 474

1 **AN ACT** *to repeal* 102.60 (9); *to renumber and amend* 20.445 (1) (ha), 20.445
2 (1) (hb), 20.445 (1) (hp), 102.60 (intro.), 102.60 (1), 102.60 (2), 102.60 (3) and
3 102.60 (4); *to amend* 20.445 (1) (t), 102.03 (1) (c) 3., 102.04 (2m), 102.11 (1)
4 (intro.), 102.16 (1m) (b), 102.16 (2m) (c), 102.16 (2m) (g), 102.17 (1) (h), 102.17
5 (4), 102.18 (1) (bg) 2., 102.18 (1) (bp), 102.23 (5), 102.28 (8), 102.29 (1), 102.31
6 (7), 102.32 (6) (b), 102.32 (6m), 102.33 (2) (a), 102.33 (2) (b) (intro.), 102.33 (2)
7 (b) 1., 102.33 (2) (b) 2., 102.33 (2) (b) 4., 102.33 (2) (c), 102.35 (1), 102.42 (2) (b),
8 102.44 (1) (intro.), 102.44 (1) (intro.), 102.44 (1) (a), 102.44 (1) (b), 102.49 (5) (a),
9 102.49 (5) (e), 102.59 (2), 102.60 (title), 102.60 (5) (a), 102.60 (5) (b), 102.60 (6),
10 102.60 (7), 102.60 (8), 102.61 (1), 102.61 (1m) (c), 102.62, 102.65 (1), 102.66 (1),
11 102.66 (2), 102.75 (2), 102.75 (4), 102.81 (1) (a), 102.81 (2), 102.87 (4) and 103.78
12 (4); *to repeal and recreate* 102.44 (1) (a) and 102.44 (1) (b); and *to create*
13 25.17 (1) (zd), 102.13 (2) (c), 102.17 (1) (d) 4., 102.31 (2m), 102.33 (2) (d), 102.42
14 (1m) (title), 102.425, 102.43 (9), 102.75 (1m), 102.80 (1m) and 814.75 (24m) of

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1 the statutes; **relating to:** making various changes in the worker's
2 compensation law, requiring the exercise of rule-making authority, and
3 making appropriations.

Analysis by the Legislative Reference Bureau

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

4 **SECTION 1.** 20.445 (1) (ha) of the statutes is renumbered 20.445 (1) (ra) and
5 amended to read:

6 20.445 (1) (ra) *Worker's compensation operations.* ~~The fund; administration.~~
7 From the worker's compensation operations fund, the amounts in the schedule for
8 the administration of the worker's compensation program by the department. All
9 moneys received under ss. 102.28 (2) (b) and 102.75 for the department's activities
10 and not appropriated under par. ~~(hp)~~ (rp) shall be credited to this appropriation.
11 From this appropriation, an amount not to exceed \$5,000 may be expended each
12 fiscal year for payment of expenses for travel and research by the council on worker's
13 compensation.

14 **SECTION 2.** 20.445 (1) (hb) of the statutes is renumbered 20.445 (1) (rb) and
15 amended to read:

16 20.445 (1) (rb) *Worker's compensation operations fund; contracts.* ~~All~~ From the
17 worker's compensation operations fund, all moneys received in connection with
18 contracts entered into under s. 102.31 (7) for the purpose of carrying out those
19 contracts.

20 **SECTION 3.** 20.445 (1) (hp) of the statutes is renumbered 20.445 (1) (rp) and
21 amended to read:

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1 20.445 (1) (rp) *Uninsured Worker's compensation operations fund; uninsured*
2 *employers program; administration.* From the ~~moneys received under s. 102.75~~
3 worker's compensation operations fund, the amounts in the schedule for the
4 administration of ss. 102.28 (4) and 102.80 to 102.89.

5 **SECTION 4.** 20.445 (1) (t) of the statutes is amended to read:

6 20.445 (1) (t) *Work injury supplemental benefit fund.* All moneys paid into the
7 work injury supplemental benefit fund under ss. 102.35 (1), 102.47, 102.49 and,
8 102.59, 102.60, and 102.75 (2), to be used for the discharge of liabilities payable
9 under ss. 102.44 (1), 102.49, 102.59, 102.63, 102.64 (2), and 102.66.

10 **SECTION 5.** 25.17 (1) (zd) of the statutes is created to read:

11 25.17 (1) (zd) *Worker's compensation operations fund (s. 102.75).*

12 **SECTION 6.** 102.03 (1) (c) 3. of the statutes is amended to read:

13 102.03 (1) (c) 3. An employee is not performing service growing out of and
14 incidental to his or her employment while going to or from employment in a private
15 or group or employer–sponsored car pool, van pool, commuter bus service, or other
16 ride–sharing program in which the employee participates voluntarily and the sole
17 purpose of which is the mass transportation of employees to and from employment.
18 An employee is not performing service growing out of and incidental to employment
19 while engaging in a program, event, or activity designed to improve the physical
20 well–being of the employee, whether or not the program, event, or activity is located
21 on the employer's premises, if participation in the program, event, or activity is
22 voluntary and the employee receives no compensation for participation.

23 **SECTION 7.** 102.04 (2m) of the statutes is amended to read:

24 102.04 (2m) A temporary help agency is the employer of an employee whom
25 the temporary help agency has placed with or leased to another employer that

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1 compensates the temporary help agency for the employee's services. A temporary
2 help agency is liable under s. 102.03 for all compensation and other payments
3 payable under this chapter to or with respect to that employee, including any
4 payments required under s. 102.16 (3), 102.18 (1) (b) or (bp), 102.22 (1), 102.35 (3),
5 102.57, or 102.60. Except as permitted under s. 102.29, a temporary help agency may
6 not seek or receive reimbursement from another employer for any payments made
7 as a result of that liability.

8 **SECTION 8.** 102.11 (1) (intro.) of the statutes is amended to read:

9 102.11 (1) (intro.) The average weekly earnings for temporary disability,
10 permanent total disability, or death benefits for injury in each calendar year on or
11 after January 1, 1982, shall be not less than \$30 nor more than the wage rate that
12 results in a maximum compensation rate of 110% 110 percent of the state's average
13 weekly earnings as determined under s. 108.05 as of June 30 of the previous year,
14 ~~except that the average weekly earnings for temporary disability, permanent total~~
15 ~~disability, or death benefits for injuries occurring on or after January 1, 2006, shall~~
16 ~~be not more than the wage rate that results in a maximum compensation rate of~~
17 ~~100% of the state's average weekly earnings as determined under s. 108.05 as of June~~
18 ~~30 of the previous year.~~ The average weekly earnings for permanent partial
19 disability shall be not less than \$30 and, for permanent partial disability for injuries
20 occurring ~~on or after January 1, 2002, and before January 1, 2003, not more than~~
21 ~~\$318, resulting in a maximum compensation rate of \$212, for permanent partial~~
22 ~~disability for injuries occurring on or after January 1, 2003, and before January 1,~~
23 ~~2004, not more than \$333, resulting in a maximum compensation rate of \$222, for~~
24 ~~permanent partial disability for injuries occurring on or after January 1, 2004, and~~
25 ~~before January 1, 2005, not more than \$348, resulting in a maximum compensation~~

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1 rate of \$232, and, for permanent partial disability for injuries occurring on or after
2 January 1, 2005, and before January 1, 2006, not more than \$363, resulting in a
3 maximum compensation rate of \$242 on or after the effective date of this subsection
4 [revisor inserts date], and before January 1, 2007, not more than \$378, resulting
5 in a maximum compensation rate of \$252, and, for permanent partial disability for
6 injuries occurring on or after January 1, 2007, not more than \$393, resulting in a
7 maximum compensation rate of \$262. Between such limits the average weekly
8 earnings shall be determined as follows:

9 **SECTION 9.** 102.13 (2) (c) of the statutes is created to read:

10 102.13 **(2)** (c) If an injured employee has a period of temporary disability that
11 exceeds 3 weeks or a permanent disability or if the injured employee has undergone
12 surgery to treat his or her injury, other than surgery to correct a hernia, the
13 department may by rule require the insurer or self-insured employer to submit to
14 the department a final report of the employee's treating practitioner. A treating
15 practitioner may charge a reasonable fee for the completion of the final report, but
16 may not require prepayment of that fee. An insurer or self-insured employer that
17 disputes the reasonableness of a fee charged for the completion of a treatment
18 practitioner's final report may submit that dispute to the department for resolution
19 under s. 102.16 (2).

20 **SECTION 10.** 102.16 (1m) (b) of the statutes is amended to read:

21 102.16 **(1m)** (b) If an insurer or self-insured employer concedes by compromise
22 under sub. (1) or stipulation under s. 102.18 (1) (a) that the insurer or self-insured
23 employer is liable under this chapter for any treatment provided to an injured
24 employee by a health service provider, but disputes the necessity of the treatment,
25 the department may include in its order confirming the compromise or stipulation

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1 a determination as to the necessity of the treatment or the department may notify,
2 or direct the insurer or self-insured employer to notify, the health service provider
3 under sub. (2m) (b) that the necessity of the treatment is in dispute. The department
4 shall apply the standards promulgated under sub. (2m) (g) in determining necessity
5 of treatment under this paragraph. In cases in which no standards promulgated
6 under sub. (2m) (g) apply, the department shall find the facts regarding necessity of
7 treatment.

8 **SECTION 11.** 102.16 (2m) (c) of the statutes is amended to read:

9 102.16 **(2m)** (c) Before determining under this subsection the necessity of
10 treatment provided for an injured employee who claims benefits under this chapter,
11 the department shall obtain a written opinion on the necessity of the treatment in
12 dispute from an expert selected by the department. Before determining under sub.
13 (1m) (b) or s. 102.18 (1) (bg) 2. the necessity of treatment provided for an injured
14 employee who claims benefits under this chapter, the department may, but is not
15 required to, obtain such an expert opinion. To qualify as an expert, a person must
16 be licensed to practice the same health care profession as the individual health
17 service provider whose treatment is under review and must either be performing
18 services for an impartial health care services review organization or be a member of
19 an independent panel of experts established by the department under par. (f). The
20 standards promulgated under par. (g) shall be applied by an expert in rendering an
21 opinion as to necessity of treatment under this paragraph and by the department in
22 determining necessity of treatment under this paragraph. In cases in which no
23 standards promulgated under sub. (2m) (g) apply, the department shall find the facts
24 regarding necessity of treatment. The department shall adopt the written opinion
25 of the expert as the department's determination on the issues covered in the written

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1 opinion, unless the health service provider or the insurer or self-insured employer
2 present clear and convincing written evidence that the expert's opinion is in error.

3 **SECTION 12.** 102.16 (2m) (g) of the statutes is amended to read:

4 102.16 **(2m)** (g) The department shall promulgate rules establishing
5 procedures and requirements for the necessity of treatment dispute resolution
6 process under this subsection, including rules setting the fees under par. (f) and rules
7 establishing standards for determining the necessity of treatment provided to an
8 injured employee. The rules establishing those standards shall, to the greatest
9 extent possible, be consistent with Minnesota rules 5221.6010 to 5221.8900, as
10 amended to January 1, 2006. Before the department may amend the rules
11 establishing those standards, the department shall establish an advisory committee
12 under s. 227.13 composed of health care providers providing treatment under s.
13 102.42 to advise the department and the council on worker's compensation on
14 amending those rules.

15 **SECTION 13.** 102.17 (1) (d) 4. of the statutes is created to read:

16 102.17 **(1)** (d) 4. A report or record described in subd. 1., 2., or 3. that is admitted
17 or received into evidence by the department constitutes substantial evidence under
18 s. 102.23 (6) as to the matter contained in the report or record.

19 **SECTION 14.** 102.17 (1) (h) of the statutes is amended to read:

20 102.17 **(1)** (h) The contents of certified reports of investigation, made by
21 industrial safety specialists who are employed, contracted, or otherwise secured by
22 the department and available for cross-examination, served upon the parties 15
23 days prior to hearing, shall constitute prima facie evidence as to matter contained
24 in those reports. A report described in this paragraph that is admitted or received

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1 into evidence by the department constitutes substantial evidence under s. 102.23 (6)
2 as to the matter contained in the report.

3 **SECTION 15.** 102.17 (4) of the statutes is amended to read:

4 102.17 (4) The Except as provided in this subsection, the right of an employee,
5 the employee's legal representative, or a dependent to proceed under this section
6 shall not extend beyond 12 years from the date of the injury or death or from the date
7 that compensation, other than treatment or burial expenses, was last paid, or would
8 have been last payable if no advancement were made, whichever date is latest. In the
9 case of occupational disease;~~;~~ a traumatic injury resulting in the loss or total
10 impairment of a hand or any part of the rest of the arm proximal to the hand or of
11 a foot or any part of the rest of the leg proximal to the foot, any loss of vision, or any
12 permanent brain injury;~~;~~ or any a traumatic injury causing the need for an artificial
13 spinal disc or a total or partial knee or hip replacement, there shall be no statute of
14 limitations, except that benefits or treatment expense for an occupational disease
15 becoming due after 12 years from the date of injury or death or last payment of
16 compensation shall be paid from the work injury supplemental benefit fund under
17 s. 102.65 and in the manner provided in s. 102.66 and benefits or treatment expense
18 for a traumatic injury becoming due after 12 years from that date shall be paid by
19 the employer or insurer. Payment of wages by the employer during disability or
20 absence from work to obtain treatment shall be deemed payment of compensation for
21 the purpose of this section if the employer knew of the employee's condition and its
22 alleged relation to the employment.

23 **SECTION 16.** 102.18 (1) (bg) 2. of the statutes is amended to read:

24 102.18 (1) (bg) 2. If the department finds under par. (b) that an employer or
25 insurance carrier is liable under this chapter for any treatment provided to an

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1 injured employee by a health service provider, but that the necessity of the treatment
2 is in dispute, the department may include in its order under par. (b) a determination
3 as to the necessity of the treatment or the department may notify, or direct the
4 employer or insurance carrier to notify, the health service provider under s. 102.16
5 (2m) (b) that the necessity of the treatment is in dispute. The department shall apply
6 the standards promulgated under s. 102.16 (2m) (g) in determining necessity of
7 treatment under this paragraph. In cases in which no standards promulgated under
8 s. 102.16 (2m) (g) apply, the department shall find the facts regarding necessity of
9 treatment.

10 **SECTION 17.** 102.18 (1) (bp) of the statutes is amended to read:

11 102.18 (1) (bp) ~~The department may include a penalty in an award to an~~
12 ~~employee if it~~ If the department determines that the employer's or insurance
13 ~~carrier's suspension of, termination of or failure~~ employer or insurance carrier
14 suspended, terminated, or failed to make payments or failure failed to report an
15 injury resulted from as a result of malice or bad faith, the department may include
16 a penalty in an award to an employee for each event or occurrence of malice or bad
17 faith. This penalty is the exclusive remedy against an employer or insurance carrier
18 for malice or bad faith. If this penalty is imposed for an event or occurrence of malice
19 or bad faith that causes a payment that is due an injured employee to be delayed in
20 violation of s. 102.22 (1) or overdue in violation of s. 628.46 (1), the department may
21 not also order an increased payment under s. 102.22 (1) or the payment of interest
22 under s. 628.46 (1). The department may award an amount ~~which~~ that it considers
23 just, not to exceed the lesser of ~~200%~~ 200 percent of total compensation due or
24 ~~\$15,000~~ \$30,000 for each event or occurrence of malice or bad faith. The department
25 may assess the penalty against the employer, the insurance carrier or both. Neither

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1 the employer nor the insurance carrier is liable to reimburse the other for the penalty
2 amount. The department may, by rule, define actions which demonstrate malice or
3 bad faith.

4 **SECTION 18.** 102.23 (5) of the statutes is amended to read:

5 102.23 (5) ~~The commencement of~~ When an action for review shall not relieve
6 the employer from paying compensation as directed, when such action involves only
7 the question of liability as between the employer and one or more insurance
8 companies or as between several insurance companies, a party that has been ordered
9 by the department, the commission, or a court to pay compensation is not relieved
10 from paying compensation as ordered.

11 **SECTION 19.** 102.28 (8) of the statutes is amended to read:

12 102.28 (8) SELF-INSURED EMPLOYERS LIABILITY FUND. The moneys paid into the
13 state treasury under sub. (7), together with all accrued interest, shall constitute a
14 separate nonlapsible fund designated as the “self-insured employers liability fund”.
15 Moneys in the fund may be expended only as provided in s. 20.445 (1) (s) and may
16 not be used for an other purpose of the state.

17 **SECTION 20.** 102.29 (1) of the statutes is amended to read:

18 102.29 (1) The making of a claim for compensation against an employer or
19 compensation insurer for the injury or death of an employee shall not affect the right
20 of the employee, the employee’s personal representative, or other person entitled to
21 bring action, to make claim or maintain an action in tort against any other party for
22 such injury or death, hereinafter referred to as a 3rd party; nor shall the making of
23 a claim by any such person against a 3rd party for damages by reason of an injury
24 to which ss. 102.03 to 102.64 are applicable, or the adjustment of any such claim,
25 affect the right of the injured employee or the employee’s dependents to recover

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1 compensation. The employer or compensation insurer who shall have paid or is
2 obligated to pay a lawful claim under this chapter shall have the same right to make
3 claim or maintain an action in tort against any other party for such injury or death.
4 If the department pays or is obligated to pay a claim under s. 102.81 (1), the
5 department shall also have the right to maintain an action in tort against any other
6 party for the employee's injury or death. However, each shall give to the other
7 reasonable notice and opportunity to join in the making of such claim or the
8 instituting of an action and to be represented by counsel. If a party entitled to notice
9 cannot be found, the department shall become the agent of such party for the giving
10 of a notice as required in this subsection and the notice, when given to the
11 department, shall include an affidavit setting forth the facts, including the steps
12 taken to locate such party. Each shall have an equal voice in the prosecution of said
13 claim, and any disputes arising shall be passed upon by the court before whom the
14 case is pending, and if no action is pending, then by a court of record or by the
15 department. If notice is given as provided in this subsection, the liability of the
16 tort-feasor shall be determined as to all parties having a right to make claim, and
17 irrespective of whether or not all parties join in prosecuting such claim, the proceeds
18 of such claim shall be divided as follows: After deducting the reasonable cost of
19 collection, one-third of the remainder shall in any event be paid to the injured
20 employee or the employee's personal representative or other person entitled to bring
21 action. Out of the balance remaining, the employer, insurance carrier, or, if
22 applicable, uninsured employers fund shall be reimbursed for all payments made by
23 it, or which it may be obligated to make in the future, under this chapter, except that
24 it shall not be reimbursed for any payments of increased compensation made or to
25 be made under s. 102.18 (1) (bp), 102.22, 102.35 (3), 102.57, or 102.60. Any balance

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1 remaining shall be paid to the employee or the employee's personal representative
2 or other person entitled to bring action. If both the employee or the employee's
3 personal representative or other person entitled to bring action, and the employer,
4 compensation insurer, or department, join in the pressing of said claim and are
5 represented by counsel, the attorneys' fees allowed as a part of the costs of collection
6 shall be, unless otherwise agreed upon, divided between such attorneys as directed
7 by the court or by the department. A settlement of any 3rd party claim shall be void
8 unless said settlement and the distribution of the proceeds thereof is approved by the
9 court before whom the action is pending and if no action is pending, then by a court
10 of record or by the department.

11 **SECTION 21.** 102.31 (2m) of the statutes is created to read:

12 102.31 **(2m)** (a) A professional employer organization or employee leasing
13 organization that enters into an employee leasing agreement with a client shall
14 submit to the department, within 10 working days after the effective date of the
15 agreement, a report disclosing the identity of the client, the effective date of the
16 leasing agreement, and such other information as the department prescribes. The
17 notification shall be on a form prescribed by the department and shall include all of
18 the following information:

19 1. The name and mailing address of the professional employer organization or
20 employee leasing organization.

21 2. The name and mailing address of the worker's compensation insurance
22 carrier of the professional employer organization or employee leasing organization.

23 3. The names and mailing addresses of all clients of the professional employer
24 organization or employee leasing organization.

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1 (b) If a professional employer organization or employee leasing organization
2 and client intend to terminate an employee leasing agreement, the professional
3 employer organization or employee leasing organization shall notify the department
4 no later than 30 days prior to the termination date of the leasing agreement. The
5 notification to the department shall be on a form prescribed by the department.

6 (c) When an employee leasing agreement is terminated, termination of the
7 client's coverage under the worker's compensation insurance policy of the
8 professional employer organization or employee leasing organization is not effective
9 until 30 days after the professional employer organization or employee leasing
10 organization has given notice of the termination of the employee leasing agreement
11 to the department under par. (b), and coverage under that policy of the employees
12 providing services to the client under that agreement shall remain in effect until 30
13 days after the date of that notice.

14 **SECTION 22.** 102.31 (7) of the statutes is amended to read:

15 102.31 (7) If the department by one or more written orders specifically consents
16 to the issuance of one or more contracts covering only the liability incurred on a
17 construction project and if the construction project owner designates the insurance
18 carrier and pays for each such contract, the construction project owner shall
19 reimburse the department for all costs incurred by the department in issuing the
20 written orders and in ensuring minimum confusion and maximum safety on the
21 construction project. All moneys received under this subsection shall be deposited
22 in the worker's compensation operations fund and credited to the appropriation
23 account under s. 20.445 (1) (rb).

24 **SECTION 23.** 102.32 (6) (b) of the statutes is amended to read:

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1 102.32 **(6)** (b) Subject to par. (d), if the employer or the employer's insurer
2 concedes liability for an injury that results in permanent disability and if the extent
3 of the permanent disability can be determined based on a minimum permanent
4 disability rating promulgated by the department by rule, compensation for
5 permanent disability shall begin within 30 days after the end of the employee's
6 healing period or the date on which compensation for temporary disability ends due
7 to the employee's return to work, whichever is earlier.

8 **SECTION 24.** 102.32 (6m) of the statutes is amended to read:

9 102.32 **(6m)** The department may direct an advance on a payment of unaccrued
10 compensation for permanent disability or death benefits if the department
11 determines that the advance payment is in the best interest of the injured employee
12 or the employee's dependents. In directing the advance, the department shall give
13 the employer or the employer's insurer an interest credit against its liability. The
14 credit shall be computed at ~~7%~~ 7 percent. An injured employee or dependent may
15 receive no more than 3 advance payments per calendar year.

16 **SECTION 25.** 102.33 (2) (a) of the statutes is amended to read:

17 102.33 **(2)** (a) Except as provided in pars. (b) and (c), the records of the
18 department, and the records of the commission, related to the administration of this
19 chapter are subject to inspection and copying under s. 19.35 (1).

20 **SECTION 26.** 102.33 (2) (b) (intro.) of the statutes is amended to read:

21 102.33 **(2)** (b) (intro.) ~~Notwithstanding par. (a)~~ Except as provided in this
22 paragraph and par. (d), a record maintained by the department or by the commission
23 that reveals the identity of an employee who claims worker's compensation benefits,
24 the nature of the employee's claimed injury, the employee's past or present medical
25 condition, the extent of the employee's disability, or the amount, type, or duration of

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1 benefits paid to the employee ~~or~~ and a record maintained by the department that
2 reveals any financial information provided to the department by a self-insured
3 employer or by an applicant for exemption under s. 102.28 (2) (b) ~~is~~ are confidential
4 and not open to public inspection or copying under s. 19.35 (1). The department or
5 commission may deny a request made under s. 19.35 (1) or, subject to s. 102.17 (2m)
6 and (2s), refuse to honor a subpoena issued by an attorney of record in a civil or
7 criminal action or special proceeding to inspect and copy a record that is confidential
8 under this paragraph, unless one of the following applies:

9 **SECTION 27.** 102.33 (2) (b) 1. of the statutes is amended to read:

10 102.33 **(2)** (b) 1. The requester is the employee who is the subject of the record
11 or an attorney or authorized agent of that employee. An attorney or authorized agent
12 of an employee who is the subject of a record shall provide a written authorization
13 for inspection and copying from the employee if requested by the department or the
14 commission.

15 **SECTION 28.** 102.33 (2) (b) 2. of the statutes is amended to read:

16 102.33 **(2)** (b) 2. The record that is requested contains confidential information
17 concerning a worker's compensation claim and the requester is an insurance carrier
18 or employer that is a party to any worker's compensation claim involving the same
19 employee or an attorney or authorized agent of that insurance carrier or employer,
20 except that the department or the commission is not required to do a random search
21 of its records and may require the requester to provide the approximate date of the
22 injury and any other relevant information that would assist the department or the
23 commission in finding the record requested. An attorney or authorized agent of an
24 insurance carrier or employer that is a party to an employee's worker's compensation

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1 claim shall provide a written authorization for inspection and copying from the
2 insurance carrier or employer if requested by the department or the commission.

3 **SECTION 29.** 102.33 (2) (b) 4. of the statutes is amended to read:

4 102.33 (2) (b) 4. A court of competent jurisdiction in this state orders the
5 department or the commission to release the record.

6 **SECTION 30.** 102.33 (2) (c) of the statutes is amended to read:

7 102.33 (2) (c) ~~Notwithstanding par. (a), a~~ A record maintained by the
8 department or the commission that contains employer or insurer information
9 obtained from the Wisconsin compensation rating bureau under s. 102.31 (8) or
10 626.32 (1) (a) is confidential and not open to public inspection or copying under s.
11 19.35 (1) unless the Wisconsin compensation rating bureau authorizes public
12 inspection or copying of that information.

13 **SECTION 31.** 102.33 (2) (d) of the statutes is created to read:

14 102.33 (2) (d) 1. In this paragraph:

15 a. “Government unit” has the meaning given in s. 108.02 (17) and also includes
16 a corresponding unit in the government of another state or a unit of the federal
17 government.

18 b. “Institution of higher education” has the meaning given in s. 108.02 (18).

19 c. “Nonprofit research organization” means an organization that is exempt
20 from federal income tax under section 501 (a) of the Internal Revenue Code and
21 whose mission is to engage in research.

22 2. The department or the commission may release information that is
23 confidential under par. (b) to a government unit, an institution of higher education,
24 or a nonprofit research organization for purposes of research and may release
25 information that is confidential under par. (c) to those persons for that purpose if the

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1 Wisconsin compensation rating bureau authorizes that release. A government unit,
2 institution of higher education, or nonprofit research organization may not permit
3 inspection or disclosure of any information released to it under this subdivision that
4 is confidential under par. (b) unless the department or commission authorizes that
5 inspection or disclosure and may not permit inspection or disclosure of any
6 information released to it under this subdivision that is confidential under par. (c)
7 unless the department or commission, and the Wisconsin compensation rating
8 bureau, authorize the inspection or disclosure. A government unit, institution of
9 higher education, or nonprofit research organization that obtains any confidential
10 information under this subdivision for purposes of research shall provide the results
11 of that research free of charge to the person that released or authorized the release
12 of that information.

13 **SECTION 32.** 102.35 (1) of the statutes is amended to read:

14 102.35 (1) Every employer and every insurance company that fails to keep the
15 records or to make the reports required by this chapter or that knowingly falsifies
16 such records or makes false reports shall ~~forfeit~~ pay a work injury supplemental
17 benefit surcharge to the state of not less than \$10 nor more than \$100 for each
18 offense. The department may waive or reduce a ~~forfeiture~~ surcharge imposed under
19 this subsection if the employer or insurance company that violated this subsection
20 requests a waiver or reduction of the ~~forfeiture~~ surcharge within 45 days after the
21 date on which notice of the ~~forfeiture~~ surcharge is mailed to the employer or
22 insurance company and shows that the violation was due to mistake or an absence
23 of information. A surcharge imposed under this subsection is due within 90 days
24 after the date on which notice of the surcharge is mailed to the employer or insurance
25 company. Interest shall accrue on amounts that are not paid when due at the rate

SENATE BILL 474**SECTION 32**

1 of 1 percent per month. All surcharges and interest payments received under this
2 subsection shall be deposited in the fund established under s. 102.65.

3 **SECTION 33.** 102.42 (1m) (title) of the statutes is created to read:

4 102.42 **(1m)** (title) LIABILITY FOR UNNECESSARY TREATMENT.

5 **SECTION 34.** 102.42 (2) (b) of the statutes is amended to read:

6 102.42 **(2)** (b) The employer is liable for the expense of reasonable travel to
7 obtain treatment at the same rate as is provided for state officers and employees
8 under s. 20.916 (8). The employer is not liable for the expense of unreasonable travel
9 to obtain treatment.

10 **SECTION 35.** 102.425 of the statutes is created to read:

11 **102.425 Prescription and nonprescription drug treatment. (1)**

12 DEFINITIONS. In this section:

13 (a) “Dispense” has the meaning given in s. 450.01 (7).

14 (b) “Drug” has the meaning given in s. 450.01 (10).

15 (c) “Drug product equivalent” has the meaning given in s. 450.13 (1).

16 (d) “Nonprescription drug product” has the meaning given in s. 450.01 (13m).

17 (e) “Pharmacist” has the meaning given in s. 450.01 (15).

18 (f) “Practitioner” has the meaning given in s. 450.01 (17).

19 (g) “Prescription” has the meaning given in s. 450.01 (19).

20 (h) “Prescription drug” has the meaning given in s. 450.01 (20).

21 (i) “Prescription order” has the meaning given in s. 450.01 (21).

22 **(2)** SUBSTITUTION OF DRUG PRODUCT EQUIVALENTS. (a) Except as provided in pars.
23 (b) and (c), when a drug is prescribed to treat an injury for which an employer or
24 insurer is liable under this chapter, the pharmacist or practitioner dispensing the

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1 drug shall substitute a drug product equivalent in place of the prescribed drug if all
2 of the following apply:

3 1. In the professional judgment of the dispensing pharmacist or practitioner,
4 the drug product equivalent is therapeutically equivalent to the prescribed drug.

5 2. The charge for the drug product equivalent is less than the charge for the
6 prescribed drug.

7 (b) A pharmacist or practitioner may not substitute a drug product equivalent
8 under par. (a) in place of a prescribed drug if any of the following apply:

9 1. The prescribed drug is a single-source patented drug for which there is no
10 drug product equivalent.

11 2. The prescriber determines that the prescribed drug is medically necessary
12 and indicates that no substitution may be made for that prescribed drug by writing
13 on the face of the prescription order or, in the case of a prescription order that is
14 transmitted electronically, by designating in electronic format the phrase “No
15 substitutions” or “Dispense as written” or words of similar meaning or the initials
16 “N.S.” or “D.A.W.”

17 (c) Unless par. (b) applies, if an injured employee requests that a specific brand
18 name drug be used to treat the employee’s injury, the pharmacist or practitioner
19 dispensing the prescription shall dispense the specific brand name drug as
20 requested. If a specific brand name drug is dispensed under this paragraph, the
21 employer or insurer and the employee shall share the cost of the prescription as
22 follows:

23 1. The employer or insurer shall be liable in an amount equal to the average
24 wholesale price, as determined under sub. (3) (a) 1., of the lowest-priced drug
25 product equivalent that the pharmacist or practitioner has in stock on the day on

SENATE BILL 474**SECTION 35**

1 which the brand name drug is dispensed, plus the dispensing fee under sub. (3) (a)
2 2. and any applicable taxes under sub. (3) (a) 3. that would be payable for that drug
3 product equivalent.

4 2. The employee shall be liable in an amount equal to the difference between
5 the amount for which the employer or insurer is liable under subd. 1. and an amount
6 equal to the average wholesale price, as determined under sub. (3) (a) 1., of the brand
7 name drug on the day on which the brand name drug is dispensed, plus any
8 applicable taxes under sub. (3) (a) 3. that are payable for that brand name drug.

9 **(3) LIABILITY OF EMPLOYER OR INSURER.** (a) The liability of an employer or insurer
10 for the cost of a prescription drug dispensed under sub. (2) for outpatient use by an
11 injured employee is limited to the sum of all of the following:

12 1. The average wholesale price of the prescription drug as of the date on which
13 the prescription drug is dispensed, as quoted in the American Druggist Blue Book,
14 published by Hearst Corporation, Inc. or its successor, or in the Drug Topics Red
15 Book, published by Medical Economics Company, Inc. or its successor, whichever is
16 less.

17 2. A dispensing fee of \$3 per prescription order, which shall be payable for all
18 prescription drugs dispensed under sub. (2) regardless of the location from which the
19 prescription drug is dispensed, but which shall be payable only to a pharmacist who
20 dispenses the prescription drug.

21 3. Any state or federal taxes that may be applicable to the prescription drug
22 dispensed.

23 (b) In addition to the liability under par. (a), an employer or insurer is also liable
24 for reimbursement to an injured employee for all out-of-pocket expenses incurred
25 by the injured employee in obtaining the prescription drug dispensed.

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1 (c) A billing statement submitted to an employer or insurer for a prescription
2 drug dispensed under sub. (2) shall include the national drug code number of the
3 prescription as listed in the national drug code directory maintained by the federal
4 food and drug administration and shall state separately the price of the prescription
5 drug and the dispensing fee.

6 **(4) LIABILITY OF EMPLOYEE.** (a) Except as provided in par. (b), a pharmacist or
7 practitioner who dispenses a prescription drug under sub. (2) to an injured employee
8 may not collect, or bring an action to collect, from the injured employee any charge
9 that is in excess of the liability of the injured employee under sub. (2) (c) 2. or the
10 liability of the employer or insurer under sub. (3) (a).

11 (b) If an employer denies or disputes liability for the cost of a drug prescribed
12 to an injured employee under sub. (2), the pharmacist or practitioner who dispensed
13 the drug may collect, or bring an action to collect, from the injured employee the cost
14 of the prescription drug dispensed, subject to the limitations specified in sub. (3) (a).

15 **(5) NONPRESCRIPTION DRUG PRODUCTS.** The liability of an employer or insurer for
16 the cost of a nonprescription drug product used to treat an injured employee is
17 limited to the usual and customary charge to the general public for the
18 nonprescription drug product.

19 **SECTION 36.** 102.43 (9) of the statutes is created to read:

20 102.43 **(9)** Temporary disability, during which compensation shall be payable
21 for loss of earnings, shall include the period during which an employee could return
22 to a restricted type of work during the healing period, unless any of the following
23 apply:

24 (a) Suitable employment that is within the physical and mental limitations of
25 the employee is furnished to the employee by the employer or some other employer.

SENATE BILL 474**SECTION 36**

1 For purposes of this paragraph, if the employer or some other employer makes a good
2 faith offer of suitable employment that is within the physical and mental limitations
3 of the employee and if the employee refuses without reasonable cause to accept that
4 offer, the employee is considered to have returned to work as of the date of the offer
5 at the earnings that the employee would have received but for the refusal. In case
6 of a dispute as to the extent of an employee's physical or mental limitations or as to
7 what employment is suitable within those limitations, the employee may file an
8 application under s. 102.17 and ss. 102.17 to 102.26 shall apply.

9 (b) The employee's employment with the employer has been suspended or
10 terminated due to the employee's alleged commission of a crime, the circumstances
11 of which are substantially related to that employment, and the employee has been
12 charged with the commission of that crime. If the employee is not found guilty of the
13 crime, compensation for temporary disability shall be payable in full.

14 (c) The employee's employment with the employer has been suspended or
15 terminated due to the employee's violation of the employer's policy concerning
16 employee drug use during the period when the employee could return to a restricted
17 type of work during the healing period. Compensation for temporary disability may
18 be denied under this paragraph only if prior to the date of injury the employer's policy
19 concerning employee drug use was established in writing and regularly enforced by
20 the employer.

21 **SECTION 37.** 102.44 (1) (intro.) of the statutes is amended to read:

22 102.44 (1) (intro.) Notwithstanding any other provision of this chapter, every
23 employee who is receiving compensation under this chapter for permanent total
24 disability or continuous temporary total disability more than 24 months after the
25 date of injury resulting from an injury which occurred prior to ~~May 13, 1980~~ January

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1 1, 1985, shall receive supplemental benefits which shall be payable in the first
2 instance by the employer or the employer's insurance carrier, or in the case of
3 benefits payable to an employee under s. 102.66, shall be paid by the department out
4 of the fund created under s. 102.65. These supplemental benefits shall be paid only
5 for weeks of disability occurring after January 1, ~~1982~~ 1987, and shall continue
6 during the period of such total disability subsequent to that date.

7 **SECTION 38.** 102.44 (1) (intro.) of the statutes, as affected by 2005 Wisconsin
8 Act (this act), is amended to read:

9 102.44 **(1)** (intro.) Notwithstanding any other provision of this chapter, every
10 employee who is receiving compensation under this chapter for permanent total
11 disability or continuous temporary total disability more than 24 months after the
12 date of injury resulting from an injury which occurred prior to January 1, ~~1985~~ 1987,
13 shall receive supplemental benefits which shall be payable in the first instance by
14 the employer or the employer's insurance carrier, or in the case of benefits payable
15 to an employee under s. 102.66, shall be paid by the department out of the fund
16 created under s. 102.65. These supplemental benefits shall be paid only for weeks
17 of disability occurring after January 1, ~~1987~~ 1989, and shall continue during the
18 period of such total disability subsequent to that date.

19 **SECTION 39.** 102.44 (1) (a) of the statutes is amended to read:

20 102.44 **(1)** (a) If such employee is receiving the maximum weekly benefits in
21 effect at the time of the injury, the supplemental benefit for a week of disability
22 occurring after ~~March 30, 2004~~ the effective date of this paragraph [revisor inserts
23 date], shall be an amount which, when added to the regular benefit established for
24 the case, shall equal ~~\$233~~ \$321.

SENATE BILL 474**SECTION 40**

1 **SECTION 40.** 102.44 (1) (a) of the statutes, as affected by 2005 Wisconsin Act ...
2 (this act), is repealed and recreated to read:

3 102.44 (1) (a) If such employee is receiving the maximum weekly benefits in
4 effect at the time of the injury, the supplemental benefit for a week of disability
5 occurring after January 1, 2007, shall be an amount which, when added to the
6 regular benefit established for the case, shall equal \$338.

7 **SECTION 41.** 102.44 (1) (b) of the statutes is amended to read:

8 102.44 (1) (b) If such employee is receiving a weekly benefit which is less than
9 the maximum benefit which was in effect on the date of the injury, the supplemental
10 benefit for a week of disability occurring after ~~March 30, 2004~~ the effective date of
11 this paragraph ... [revisor inserts date], shall be an amount sufficient to bring the
12 total weekly benefits to the same proportion of ~~\$233~~ \$321 as the employee's weekly
13 benefit bears to the maximum in effect on the date of injury.

14 **SECTION 42.** 102.44 (1) (b) of the statutes, as affected by 2005 Wisconsin Act ...
15 (this act), is repealed and recreated to read:

16 102.44 (1) (b) If such employee is receiving a weekly benefit which is less than
17 the maximum benefit which was in effect on the date of the injury, the supplemental
18 benefit for a week of disability occurring after January 1, 2007, shall be an amount
19 sufficient to bring the total weekly benefits to the same proportion of \$338 as the
20 employee's weekly benefit bears to the maximum in effect on the date of injury.

21 **SECTION 43.** 102.49 (5) (a) of the statutes is amended to read:

22 102.49 (5) (a) In each case of injury resulting in death, the employer or insurer
23 shall pay into the state treasury the sum of ~~\$10,000~~ \$20,000.

24 **SECTION 44.** 102.49 (5) (e) of the statutes is amended to read:

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1 102.49 (5) (e) The adjustments in ~~compensation~~ liability provided in ss. 102.57,
2 102.58, and 102.60 do not apply to payments made under this section.

3 **SECTION 45.** 102.59 (2) of the statutes is amended to read:

4 102.59 (2) In the case of the loss or of the total impairment of a hand, arm, foot,
5 leg, or eye, the employer shall pay \$10,000 \$20,000 into the state treasury. The
6 payment shall be made in all such cases regardless of whether the employee or the
7 employee's dependent or personal representative commences action against a 3rd
8 party as provided in s. 102.29.

9 **SECTION 46.** 102.60 (title) of the statutes is amended to read:

10 **102.60 (title) Minor illegally employed, compensation.**

11 **SECTION 47.** 102.60 (intro.) of the statutes is renumbered 102.60 (1m) (intro.)
12 and amended to read:

13 102.60 (1m) (intro.) When the injury is sustained by a minor who is illegally
14 employed, the employer, in addition to paying compensation or wage loss under sub.
15 (6) to the minor and death benefits to the dependents of the minor, shall be as follows
16 pay the following amounts into the state treasury, for deposit in the fund established
17 under s. 102.65:

18 **SECTION 48.** 102.60 (1) of the statutes is renumbered 102.60 (1m) (a) and
19 amended to read:

20 102.60 (1m) (a) ~~Double~~ An amount equal to the amount otherwise recoverable
21 by the injured employee, but not to exceed \$7,500, if the injured employee is a minor
22 of permit age, and at the time of the injury is employed, required, suffered, or
23 permitted to work without a written permit issued pursuant to under ch. 103, except
24 as provided in ~~sub. (2)~~ pars. (b) to (d).

SENATE BILL 474**SECTION 49**

1 **SECTION 49.** 102.60 (2) of the statutes is renumbered 102.60 (1m) (b) and
2 amended to read:

3 102.60 **(1m)** (b) ~~Treble~~ An amount equal to double the amount ~~otherwise~~
4 recoverable by the injured employee, but not to exceed \$15,000, if the injured
5 employee is a minor of permit age, and at the time of the injury is employed, required,
6 suffered, or permitted to work without a permit in any place of employment or at any
7 employment in or for which the department acting under ~~authority of~~ ch. 103, has
8 adopted a written resolution providing that permits shall not be issued.

9 **SECTION 50.** 102.60 (3) of the statutes is renumbered 102.60 (1m) (c) and
10 amended to read:

11 102.60 **(1m)** (c) ~~Treble~~ An amount equal to double the amount ~~otherwise~~
12 recoverable by the injured employee, but not to exceed \$15,000, if the injured
13 employee is a minor of permit age, and at the time of the injury is employed, required,
14 suffered, or permitted to work at prohibited employment.

15 **SECTION 51.** 102.60 (4) of the statutes is renumbered 102.60 (1m) (d) and
16 amended to read:

17 102.60 **(1m)** (d) ~~Treble~~ An amount equal to double the amount ~~otherwise~~
18 recoverable by the injured employee, but not to exceed \$15,000, if the injured
19 employee is a minor under permit age and is illegally employed.

20 **SECTION 52.** 102.60 (5) (a) of the statutes is amended to read:

21 102.60 **(5)** (a) A permit or certificate of age that is unlawfully issued by an
22 officer specified in ch. 103, or that is unlawfully altered after issuance, without fraud
23 on the part of the employer, shall be deemed considered a permit ~~within the~~
24 ~~provisions~~ for purposes of this section.

25 **SECTION 53.** 102.60 (5) (b) of the statutes is amended to read:

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1 102.60 (5) (b) If the employer is misled in employing a minor illegally because
2 of fraudulent written evidence of age presented by the minor, the increased
3 compensation provided by this section shall not be paid to the employee, but shall be
4 paid into the fund established by s. 102.65 employer is not required to pay the
5 amounts specified in sub. (1m).

6 **SECTION 54.** 102.60 (6) of the statutes is amended to read:

7 102.60 (6) If the amount recoverable ~~under this section~~ by a minor employee
8 for temporary disability shall be is less than the actual loss of wage sustained by the
9 minor employee, then liability shall exist for such that loss of wage.

10 **SECTION 55.** 102.60 (7) of the statutes is amended to read:

11 102.60 (7) ~~Subsections (1) to (6) shall~~ This section does not apply to employees
12 an employee, as defined in s. 102.07 (6), if the agency or publisher shall establish
13 establishes by affirmative proof that at the time of the injury the employee was not
14 employed with the actual or constructive knowledge of such the agency or publisher.

15 **SECTION 56.** 102.60 (8) of the statutes is amended to read:

16 102.60 (8) This section shall does not apply to liability arising under s. 102.06
17 unless the employer sought to be charged knew or should have known that the minor
18 was illegally employed by the contractor or subcontractor.

19 **SECTION 57.** 102.60 (9) of the statutes is repealed.

20 **SECTION 58.** 102.61 (1) of the statutes is amended to read:

21 102.61 (1) Subject to subs. (1g) and (1m), an employee who is entitled to receive
22 and has received compensation under this chapter, and who is entitled to and is
23 receiving instructions under 29 USC 701 to 797b, as administered by the state in
24 which the employee resides or in which the employee resided at the time of becoming
25 physically disabled, shall, in addition to other indemnity, be paid the actual and

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1 necessary expenses of travel at the same rate as is provided for state officers and
2 employees under s. 20.916 (8) and, if the employee receives instructions elsewhere
3 than at the place of residence, the actual and necessary costs of maintenance, during
4 rehabilitation, subject to the conditions and limitations specified in sub. (1r).

5 **SECTION 59.** 102.61 (1m) (c) of the statutes is amended to read:

6 102.61 **(1m)** (c) The employer or insurance carrier shall pay the reasonable cost
7 of any services provided for an employee by a private rehabilitation counselor under
8 par. (a) and, subject to the conditions and limitations specified in sub. (1r) (a) to (c)
9 and by rule, if the private rehabilitation counselor determines that rehabilitative
10 training is necessary, the reasonable cost of the rehabilitative training program
11 recommended by that counselor, including the cost of tuition, fees, books, and
12 maintenance, and travel expenses at the same rate as is provided for state officers
13 and employees under s. 20.916 (8). Notwithstanding that the department may
14 authorize under s. 102.43 (5) a rehabilitative training program that lasts longer than
15 80 weeks, a rehabilitative training program that lasts 80 weeks or less is presumed
16 to be reasonable.

17 **SECTION 60.** 102.62 of the statutes is amended to read:

18 **102.62 Primary and secondary liability; unchangeable.** In case of
19 liability ~~for the increased compensation or increased death benefits provided for by~~
20 under s. 102.57, or included in s. or 102.60, the liability of the employer shall be
21 primary and the liability of the insurance carrier shall be secondary. ~~In case~~ If
22 proceedings are had before the department for the recovery of ~~such increased~~
23 ~~compensation or increased death benefits~~ that liability, the department shall set
24 forth in its award the amount and order of liability as herein provided in this section.
25 Execution shall not be issued against the insurance carrier to satisfy any judgment

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1 covering such increased compensation or increased death benefits that liability until
2 execution has first been issued against the employer and has been returned
3 unsatisfied as to any part thereof of that liability. Any provision in any insurance
4 policy undertaking to guarantee primary liability or to avoid secondary liability for
5 such increased compensation or increased death benefits shall be a liability under
6 s. 102.57 or 102.60 is void. ~~In case~~ If the employer shall have has been adjudged
7 bankrupt, or have has made an assignment for the benefit of creditors, or if the
8 employer, other than an individual, have has gone out of business or have has been
9 dissolved, or if the employer is a corporation, and its charter have has been forfeited
10 or revoked, the insurer shall be liable for the payment of ~~increased compensation and~~
11 ~~death benefits~~ that liability without judgment or execution against the employer, but
12 without altering the primary liability of the employer.

13 **SECTION 61.** 102.65 (1) of the statutes is amended to read:

14 102.65 (1) The moneys payable to the state treasury under ss. 102.35 (1),
15 102.47, 102.49 and, 102.59, and 102.60, together with all accrued interest on those
16 moneys, and all interest payments received under s. 102.75 (2), shall constitute a
17 fund to be known as the “Work Injury Supplemental Benefit Fund” separate
18 nonlapsible fund designated as the work injury supplemental benefit fund. Moneys
19 in the fund may be expended only as provided in s. 20.445 (1) (t) and may not be used
20 for any other purpose of the state.

21 **SECTION 62.** 102.66 (1) of the statutes is amended to read:

22 102.66 (1) In the event that there is an otherwise meritorious claim for
23 occupational disease, a traumatic injury resulting in the loss or total impairment of
24 a hand or any part of the rest of the arm proximal to the hand or of a foot or any part
25 of the rest of the leg proximal to the foot, any loss of vision, any permanent brain

SENATE BILL 474**SECTION 62**

1 ~~injury, or any injury causing the need for a total or partial knee or hip replacement,~~
2 and the claim is barred solely by the statute of limitations under s. 102.17 (4), the
3 department may, in lieu of worker's compensation benefits, direct payment from the
4 work injury supplemental benefit fund under s. 102.65 of such compensation and
5 such medical expenses as would otherwise be due, based on the date of injury, to or
6 on behalf of the injured employee. The benefits shall be supplemental, to the extent
7 of compensation liability, to any disability or medical benefits payable from any
8 group insurance policy whose premium is paid in whole or in part by any employer,
9 or under any federal insurance or benefit program providing disability or medical
10 benefits. Death benefits payable under any such group policy do not limit the
11 benefits payable under this section.

12 **SECTION 63.** 102.66 (2) of the statutes is amended to read:

13 102.66 (2) In the case of occupational disease, ~~a traumatic injury resulting in~~
14 ~~the loss or total impairment of a hand or any part of the rest of the arm proximal to~~
15 ~~the hand or of a foot or any part of the rest of the leg proximal to the foot, any loss~~
16 ~~of vision, any permanent brain injury, or any injury causing the need for a total or~~
17 ~~partial knee or hip replacement,~~ appropriate benefits may be awarded from the work
18 injury supplemental benefit fund when the status or existence of the employer or its
19 insurance carrier cannot be determined or when there is otherwise no adequate
20 remedy, subject to the limitations contained in sub. (1).

21 **SECTION 64.** 102.75 (1m) of the statutes is created to read:

22 102.75 (1m) The moneys collected under sub. (1) and under ss. 102.28 (2) and
23 102.31 (7), together with all accrued interest, shall constitute a separate nonlapsible
24 fund designated as the worker's compensation operations fund. Moneys in the fund

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1 may be expended only as provided in s. 20.445 (1) (ra), (rb), and (rp) and may not be
2 used for any other purpose of the state.

3 **SECTION 65.** 102.75 (2) of the statutes is amended to read:

4 102.75 (2) The department shall require that payments for costs and expenses
5 for each fiscal year shall be made on such dates as the department prescribes by each
6 licensed worker's compensation insurance carrier and employer exempted under s.
7 102.28 (2). Each such payment shall be a sum equal to a proportionate share of the
8 annual costs and expenses assessed upon each carrier and employer as estimated by
9 the department. Interest shall accrue on amounts not paid within 90 days after the
10 date prescribed by the department under this subsection at the rate of 1 percent per
11 month. All interest payments received under this subsection shall be deposited in
12 the fund established under s. 102.65.

13 **SECTION 66.** 102.75 (4) of the statutes is amended to read:

14 102.75 (4) From the appropriation under s. 20.445 (1) ~~(ha)~~ (ra), the department
15 shall allocate the amounts that it collects in application fees from employers
16 applying for exemption under s. 102.28 (2) and the annual amount that it collects
17 from employers that have been exempted under s. 102.28 (2) to fund the activities
18 of the department under s. 102.28 (2) (b) and (c).

19 **SECTION 67.** 102.80 (1m) of the statutes is created to read:

20 102.80 (1m) The moneys collected or received under sub. (1), together with all
21 accrued interest, shall constitute a separate nonlapsible fund designated as the
22 uninsured employers fund. Moneys in the fund may be expended only as provided
23 in s. 20.445 (1) (sm) and may not be used for any other purpose of the state.

24 **SECTION 68.** 102.81 (1) (a) of the statutes is amended to read:

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1 102.81 (1) (a) If an employee of an uninsured employer, other than an employee
2 who is eligible to receive alternative benefits under s. 102.28 (3), suffers an injury for
3 which the uninsured employer is liable under s. 102.03, the department or the
4 department's reinsurer shall pay to or on behalf of the injured employee or to the
5 employee's dependents an amount equal to the compensation owed them by the
6 uninsured employer under this chapter except penalties and interest due under ss.
7 102.16 (3), 102.18 (1) (b) and (bp), 102.22 (1), 102.35 (3), 102.57, and 102.60 (6).

8 **SECTION 69.** 102.81 (2) of the statutes is amended to read:

9 102.81 (2) The department may retain an insurance carrier or insurance
10 service organization to process, investigate and pay claims under this section and
11 may obtain excess or stop-loss reinsurance with an insurance carrier authorized to
12 do business in this state in an amount that the secretary determines is necessary for
13 the sound operation of the uninsured employers fund. In cases involving disputed
14 claims, the department may retain an attorney to represent the interests of the
15 uninsured employers fund and to make appearances on behalf of the uninsured
16 employers fund in proceedings under ss. 102.16 to 102.29. Section ~~20.918~~ 20.930 and
17 subch. IV of ch. 16 do not apply to an attorney hired under this subsection. The
18 charges for the services retained under this subsection shall be paid from the
19 appropriation under s. 20.445 (1) ~~(hp)~~ (rp). The cost of any reinsurance obtained
20 under this subsection shall be paid from the appropriation under s. 20.445 (1) (sm).

21 **SECTION 70.** 102.87 (4) of the statutes is amended to read:

22 102.87 (4) A defendant may make a stipulation of no contest by submitting a
23 deposit and a stipulation in the manner provided by sub. (3) before the court
24 appearance date. The signed stipulation is a plea of no contest and submission to a
25 forfeiture, plus the penalty assessment, jail assessment, crime laboratories and drug

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1 ~~law enforcement assessment, any applicable uninsured employers assessment and~~
2 ~~costs, fees, and surcharges imposed under ch. 814,~~ not to exceed the amount of the
3 deposit.

4 **SECTION 71.** 103.78 (4) of the statutes is amended to read:

5 103.78 (4) ~~Treble the amount of compensation otherwise recoverable as~~
6 ~~provided in s. 102.60 (4) and wage~~ Wage loss as provided in s. 102.60 (6) are is payable
7 to a minor injured during the course of the minor's employment or appearance in
8 violation of this section.

9 **SECTION 72.** 814.75 (24m) of the statutes is created to read:

10 814.75 (24m) The work injury supplemental benefit fund surcharge under s.
11 102.35 (1).

12 **SECTION 73. Nonstatutory provisions.**

13 (1) PERMANENT PARTIAL DISABILITY MAXIMUM COMPENSATION RATE.
14 Notwithstanding section 102.03 (4) of the statutes, the average weekly earnings for
15 permanent partial disability for injuries occurring on or after January 1, 2006, and
16 before the effective date of this subsection ... [revisor inserts date], shall be not more
17 than \$363, resulting in a maximum compensation rate of \$242. If the treatment of
18 section 102.11 (1) (intro.) of the statutes takes effect on January 1, 2006, this
19 subsection does not apply.

20 **SECTION 74. Initial applicability.**

21 (1) REPORTS CONSIDERED SUBSTANTIAL EVIDENCE. The treatment of section 102.17
22 (1) (d) 4. and (h) of the statutes first applies to a disputed claim in which a final
23 hearing is held on the effective date of this subsection.

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1 (2) **TRAUMATIC INJURIES.** The treatment of sections 102.17 (4) and 102.66 (1) and
2 (2) of the statutes first applies to benefits or treatment expenses that are payable on
3 the effective date of this subsection, regardless of the date of injury.

4 (3) **MALICE OR BAD FAITH.** The treatment of section 102.18 (1) (bp) of the statutes
5 first applies to events or occurrences of malice or bad faith that take place of the
6 effective date of this subsection.

7 (4) **COMPENSATION PENDING JUDICIAL REVIEW.** The treatment of section 102.23 (5)
8 of the statutes first applies to actions for judicial review that are commenced under
9 section 102.23 (1) of the statutes on the effective date of this subsection.

10 (5) **PROFESSIONAL EMPLOYER ORGANIZATIONS AND EMPLOYEE LEASING ORGANIZATION.**

11 (a) The treatment of section 102.31 (2m) (a) of the statutes first applies to an
12 employee leasing agreement whose effective date is 10 working days before the
13 effective date of this paragraph.

14 (b) The treatment of section 102.31 (2m) (b) and (c) of the statutes first applies
15 to an employee leasing agreement whose termination date is 30 days after the
16 effective date of this paragraph.

17 (6) **PERMANENT DISABILITY PAYMENTS.** The treatment of section 102.32 (6) (b) of
18 the statutes first applies to compensation for permanent disability that becomes due
19 on the effective date of this subsection.

20 (7) **WORK INJURY SUPPLEMENTAL BENEFITS FUND SURCHARGES AND ASSESSMENTS.**
21 The treatment of sections 102.35 (1) and 102.75 (2) of the statutes first applies to
22 surcharges and assessments imposed on the effective date of this subsection.

23 (8) **TRAVEL FOR TREATMENT OR REHABILITATION.** The treatment of sections 102.42
24 (2) (b) and 102.61 (1) and (1m) (c) of the statutes first applies to travel to obtain
25 treatment or rehabilitation that takes place on the effective date of this subsection.

