



State Workers Compensation Issues and Trends

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Workers Compensation Reforms

- Major multi-component system reforms took place in 2013
 - Oklahoma
 - Tennessee
 - Missouri
- Nothing significant in the works for 2014

Major Legislative Issues for 2014 and Beyond

- Medical issues
- Privatization of state funds
- State parochial issues
- Experience rating initiatives



Medical Issues

- Choice of physician
- Choice of pharmacy
- Regulation of pharmacy benefit managers
- Fee schedules
- Repackaged drugs
- Telemedicine
- Medical marijuana



State Funds

- Maryland –
 - Completing conversion of Chesapeake Employers
- Montana –
 - Restructuring of its competitive state fund and possible privatization
- Texas –
 - Possible renewed effort in 2015 session to further privatize Texas Mutual Insurance Co. and develop a residual market mechanism

State Parochial Issues

- Alabama –
 - Burial benefit increase from \$3,000 to \$6,500
- Connecticut –
 - Post-traumatic stress benefits for workers witnessing a maiming or death
- Illinois –
 - Business attempt to narrow definition of injury causation
- Massachusetts –
 - Further attempt to move to a loss cost rating system

State Parochial Issues

- New Mexico –
 - Prohibit benefits for those under the influence of alcohol or illegal drugs
- South Carolina –
 - Mental-mental benefits for police officers involved in the use of deadly force
- Washington –
 - Abolishment of the insurance commissioner's position replacing with a 10-member Board

Experience Rating Initiatives

- Kansas –
 - Increases experience rating eligibility, sets split-point value in statute, and prevents reporting of deductible losses to the rating organization

- Colorado –
 - Amends reporting of closed claims at lower values prior to normal valuation dates under experience rating plan

- Virginia –
 - Limits losses to be included in the calculation of experience modifications if loss results from employee injured or killed as a result of a not-at-fault motor vehicle accident.

Significant Cases

- Oklahoma -
 - First couple cases addressing SB 1062 – reform upheld as constitutional

- Florida –
 - Court cases that could impact the condition of the workers compensation system and add costs:
 - *Westphal v. City of St. Petersburg* (6/5/2014)
 - *Morales v. Zenith Insurance Company* (4/10/2014)
 - *Castellanos v. Next Door Company/Amerisure Insurance Co.*