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A bill to be entitled An act relating to workers' compensation; amending s. 440.02, F.S.; revising definitions; amending s. 440.06, F.S.; requiring employers to secure compensation; amending s. 440.09, F.S.; limiting compensation for certain impairments; requiring certain entities actively engaged in the construction industry to secure payment of compensation under chapter 440, F.S., after a certain date; amending s. 440.10, F.S.; specifying liability for compensation; creating s. 440.1025, F.S.; providing for consideration of a public employer workplace safety program in rate-setting; amending s. 440.11, F.S; providing for exclusiveness of liability; amending s. 440.13, F.S.; providing an additional criterion for determining certain value of nonprofessional attendant care provided by a family member; requiring carriers to allow employees to change physicians under certain circumstances; specifying payments for independent medical examinations; deleting selection of independent medical examiner criteria; specifying the number of medical opinions admissible into evidence; providing an exception to certain recourse for payment for services rendered; amending s. 440.134, F.S.; revising a definition; revising certain grievance procedures for workers' compensation managed care arrangements; amending s. 440.14,

F.S.; providing for determination of pay; amending s. 440.15, F.S.; revising criteria for payment of compensation for permanent total disability; revising criteria for payment of permanent impairment and wage-loss benefits; amending s. 440.151, F.S.; providing for compensation for occupational diseases; amending s. 440.185, F.S.; requiring additional information in a report of injury; amending s. 440.191, F.S.; including managed care arrangements under provisions relating to the Employee Assistance and Ombudsman Office; revising procedures for petitions for benefits under the office; amending s. 440.192, F.S.; revising procedures for resolving benefit disputes; transferring duties and responsibilities of the Division of Workers' Compensation to the Office of the Judges of Compensation Claims; amending s. 440.20, F.S.; specifying time for payment of compensation; prohibiting approval of settlement proposals providing for attorney's fees in excess of certain amounts; amending s. 440.25, F.S.; limiting continuances under procedures for mediation and hearings; providing for selections of mediators by the Chief Judge; providing for holding mediation conferences instead of mediation hearings under certain circumstances; providing for completion of pretrial stipulations; authorizing a judge of compensation claims to sanction certain parties

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1 under certain circumstances; requiring a judge 2 of compensation claims to order a pretrial 3 hearing for certain purposes under certain 4 circumstances; revising final hearing time 5 limitations and procedures; deleting a 6 requirement that judges of compensation claims 7 adopt and enforce certain uniform local rules; 8 specifying resolution of determination of pay 9 claims; requiring resolution of certain claims through an expedited dispute resolution 10 process; providing for dismissal of certain 11 12 petitions for lack of prosecution under certain circumstances; amending s. 440.29, F.S.; 13 14 providing for receipt into evidence of medical reports from independent medical examiners; 15 amending s. 440.34, F.S.; providing for limited 16 additional attorney's fees in medical-only 17 18 cases; prohibiting approval of attorney's fees 19 in excess of certain amounts; deleting criteria 20 for determining certain attorney's fees; 21 amending s. 440.345, F.S.; requiring a summary 22 report of attorney's fees to the Governor and the Legislature; amending s. 440.39, F.S.; 23 specifying duties of carriers with respect to 24 25 certain evidence; amending s. 440.4416, F.S.; 26 revising membership, member criteria, terms, 27 and meetings requirements of the Workers' 28 Compensation Oversight Board; deleting an 29 obsolete provision; providing additional reporting requirements for the board; amending 30 s. 627.0915, F.S.; deleting obsolete 31

provisions; providing that determinations under ss. 112.18, 112.181, 112.19, F.S., are not affected; repealing s. 440.45(3), F.S., relating to rotating docketing judges of compensation claims; providing severability; providing an effective date.

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Be It Enacted by the Legislature of the State of Florida:

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Section 1. Subsection (1), paragraph (b) of subsection (14), and subsection (37) of section 440.02, Florida Statutes, are amended to read:

440.02 Definitions.--When used in this chapter, unless the context clearly requires otherwise, the following terms shall have the following meanings:

"Accident" means only an unexpected or unusual event or result that happens suddenly. A mental or nervous injury due to stress, fright, or excitement only, or disability or death due to the accidental acceleration or aggravation of a venereal disease or of a disease due to the habitual use of alcohol or controlled substances or narcotic drugs, or a disease that manifests itself in the fear of or dislike for an individual because of the individual's race, color, religion, sex, national origin, age, or handicap is not an injury by accident arising out of the employment. If a preexisting disease or anomaly is accelerated or aggravated by an accident arising out of and in the course of employment, only acceleration of death or acceleration or aggravation of the preexisting condition reasonably attributable to the accident is compensable, with respect to death or permanent impairment. An injury or exposure caused by exposure to a

toxic substance is not an injury by accident arising out of the employment unless there is clear and convincing evidence establishing that exposure to the specific substance involved, at the levels to which the employee was exposed, can cause the injury or disease sustained by the employee.

(14)

- (b) "Employee" includes any person who is an officer of a corporation and who performs services for remuneration for such corporation within this state, whether or not such services are continuous.
- 1. Any officer of a corporation may elect to be exempt from this chapter by filing written notice of the election with the division as provided in s. 440.05.
- 2. As to officers of a corporation who are actively engaged in the construction industry, no more than three officers may elect to be exempt from this chapter by filing written notice of the election with the division as provided in s. 440.05, however;
- a. Such election is valid only with respect to an officer who is the president, vice president, secretary, or treasurer of the corporation.
- b. Such election is valid only with respect to an officer who owns not less than 10 percent of the stock of the corporation.
- 3. An officer of a corporation who elects to be exempt from this chapter by filing a written notice of the election with the division as provided in s. 440.05 is not an employee.

Services are presumed to have been rendered to the corporation if the officer is compensated by other than dividends upon shares of stock of the corporation which the officer owns.

(37) "Catastrophic injury" means a permanent 1 2 impairment constituted by: 3 Spinal cord injury involving severe paralysis of (a) 4 an arm, a leg, or the trunk; 5 (b) Amputation of an arm, a hand, a foot, or a leg 6 involving the effective loss of use of that appendage; 7 (c) Severe brain or closed-head injury as evidenced 8 by: 9 1. Severe sensory or motor disturbances; 2. Severe communication disturbances; 10 3. Severe complex integrated disturbances of cerebral 11 12 function; 13 Severe episodic neurological disorders; or 14 5. Other severe brain and closed-head injury 15 conditions at least as severe in nature as any condition 16 provided in subparagraphs 1.-4.; (d) Second-degree or third-degree burns of 25 percent 17 18 or more of the total body surface or third-degree burns of 5 19 percent or more to the face and hands; or 20 (e) Total or industrial blindness; or 21 (f) Any other injury that would otherwise qualify 22 under this chapter of a nature and severity that would qualify 23 an employee to receive disability income benefits under Title II or supplemental security income benefits under Title XVI of 24 25 the federal Social Security Act as the Social Security Act 26 existed on July 1, 1992, without regard to any time limitations provided under that act. 27 28 Section 2. Section 440.06, Florida Statutes, is 29 amended to read: 30 440.06 Failure to secure compensation; effect.--Every employer who fails to secure the payment of compensation, as 31

provided in s. 440.10, by failing to meet the requirements of under this chapter as provided in s. 440.38 may not, in any suit brought against him or her by an employee subject to this chapter to recover damages for injury or death, defend such a suit on the grounds that the injury was caused by the negligence of a fellow servant, that the employee assumed the risk of his or her employment, or that the injury was due to the comparative negligence of the employee.

Section 3. Subsection (1) of section 440.09, Florida Statutes, is amended, and subsection (9) is added to said section, to read:

440.09 Coverage.--

- (1) The employer shall pay compensation or furnish benefits required by this chapter if the employee suffers an accidental compensable injury or death arising out of work performed in the course and the scope of employment. The injury, its occupational cause, and any resulting manifestations or disability shall be established to a reasonable degree of medical certainty and by objective medical findings. Mental or nervous injuries occurring as a manifestation of an injury compensable under this section shall be demonstrated by clear and convincing evidence. In cases involving occupational disease or repetitive exposure, both causation and sufficient exposure to support causation shall be proven by clear and convincing evidence.
- (a) This chapter does not require any compensation or benefits for any subsequent injury the employee suffers as a result of an original injury arising out of and in the course of employment unless the original injury is the major contributing cause of the subsequent injury.

(b) If an injury arising out of and in the course of employment combines with a preexisting disease or condition to cause or prolong disability or need for treatment, the employer must pay compensation or benefits required by this chapter only to the extent that the injury arising out of and in the course of employment is and remains the major contributing cause of the disability or need for treatment.

- (c) Death resulting from an operation by a surgeon furnished by the employer for the cure of hernia as required in s. 440.15(6) shall for the purpose of this chapter be considered to be a death resulting from the accident causing the hernia.
- employed elsewhere than in this state, which would entitle the employee or his or her dependents to compensation if it had happened in this state, the employee or his or her dependents are entitled to compensation if the contract of employment was made in this state, or the employment was principally localized in this state. However, if an employee receives compensation or damages under the laws of any other state, the total compensation for the injury may not be greater than is provided in this chapter.
- (9) Notwithstanding any other provision of this chapter, effective January 1, 2004, all partners or sole proprietors actively engaged in the construction industry shall secure the payment of compensation under this chapter.
- Section 4. Paragraph (a) of subsection (1) of section 440.10, Florida Statutes, is amended to read:
 - 440.10 Liability for compensation. --
- (1)(a) Every employer coming within the provisions of this chapter, including any brought within the chapter by

waiver of exclusion or of exemption, shall be liable for, and shall secure, in accordance with s. 440.38, the payment to his or her employees, or any physician, surgeon, or pharmacist providing services under the provisions of s. 440.13, of the compensation payable under ss. 440.13, 440.15, and 440.16. Any contractor or subcontractor who engages in any public or private construction in the state shall secure and maintain compensation for his or her employees under this chapter as provided in s. 440.38.

Section 5. Section 440.1025, Florida Statutes, is created to read:

440.1025 Consideration of public employer workplace safety program in rate-setting; program requirements; rulemaking.—For a public employer to be eligible for receipt of specific identifiable consideration under s. 627.0915 for a workplace safety program in the setting of rates, the public employer must have a workplace safety program. At a minimum, the program must include a written safety policy and safety rules, and make provision for safety inspections, preventative maintenance, safety training, first-aid, accident investigation, and necessary record keeping. For purposes of this section, "public employer" means "any agency within state, county, or municipal government employing individuals for salary, wages, or other remuneration." The Division may promulgate rules for insurers to utilize in determining public employer compliance with the requirements of this section.

Section 6. Subsection (1) of section 440.11, Florida Statutes, is amended to read:

440.11 Exclusiveness of liability.--

(1) Except if an employer acts with the intent to cause injury or death, the liability of an employer prescribed

in s. 440.10 shall be exclusive and in place of all other liability, including any vicarious liability, of such employer to any third-party tortfeasor and to the employee, the legal representative thereof, husband or wife, parents, dependents, next of kin, and anyone otherwise entitled to recover damages from such employer at law or in admiralty on account of such injury or death, except that if an employer fails to secure payment of compensation in accordance with s. 440.38 as required by this chapter, an injured employee, or the legal representative thereof in case death results from the injury, may elect to claim compensation under this chapter or to maintain an action at law or in admiralty for damages on 12 account of such injury or death. In such action the defendant 14 may not plead as a defense that the injury was caused by negligence of a fellow employee, that the employee assumed the risk of the employment, or that the injury was due to the 16 17 comparative negligence of the employee. The same immunities 18 from liability enjoyed by an employer shall extend as well to each employee of the employer when such employee is acting in 20 furtherance of the employer's business and the injured 21 employee is entitled to receive benefits under this chapter. Such fellow-employee immunities shall not be applicable to an 22 employee who acts, with respect to a fellow employee, with 23 willful and wanton disregard or unprovoked physical aggression 24 or with gross negligence when such acts result in injury or 25 26 death or such acts proximately cause such injury or death, nor shall such immunities be applicable to employees of the same employer when each is operating in the furtherance of the employer's business but they are assigned primarily to unrelated works within private or public employment. The same immunity provisions enjoyed by an employer shall also apply to

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any sole proprietor, partner, corporate officer or director, supervisor, or other person who in the course and scope of his 2 3 or her duties acts in a managerial or policymaking capacity 4 and the conduct which caused the alleged injury arose within 5 the course and scope of said managerial or policymaking duties 6 and was not a violation of a law, whether or not a violation 7 was charged, for which the maximum penalty which may be 8 imposed does not exceed 60 days' imprisonment as set forth in 9 s. 775.082. The immunity from liability provided in this subsection extends to county governments with respect to 10 employees of county constitutional officers whose offices are 11 12 funded by the board of county commissioners. Intent, as used in this subsection, does not include actions of an employer 13 14 that are substantially certain to result in injury or death. 15 If an employee recovers damages from an employer either by judgment or settlement under this subsection, the workers' 16 17 compensation carrier for the employer or the employer, if self-insured, shall have an offset against any workers' 18 19 compensation benefits to which the employee would be entitled 20 under this chapter. Nothing in this subsection shall create 21 or result in vicarious liability on the part of the employer. Section 7. Paragraph (b) of subsection (2), paragraphs 22 23 (a), (b), (e), and (f) of subsection (5), paragraph (c) of subsection (9), and paragraph (b) of subsection (14) of 24 section 440.13, Florida Statutes, are amended, and paragraph 25 26 (f) is added to subsection (2) of said section, to read: 27 440.13 Medical services and supplies; penalty for violations; limitations.--28 29 (2) MEDICAL TREATMENT; DUTY OF EMPLOYER TO FURNISH. --(b) The employer shall provide appropriate 30

professional or nonprofessional attendant care performed only

at the direction and control of a physician when such care is medically necessary. The value of nonprofessional attendant care provided by a family member must be determined as follows:

- 1. If the family member is not employed, the per-hour value equals the federal minimum hourly wage.
- 2. If the family member is employed and elects to leave that employment to provide attendant or custodial care, the per-hour value of that care equals the per-hour value of the family member's former employment, not to exceed the per-hour value of such care available in the community at large.
- 3. If the family member remains employed while providing attendant or custodial care, the per-hour value of that care equals the per-hour value of the family member's employment, not to exceed the per-hour value of such care available in the community at large.
- $\underline{4.}$ A family member or a combination of family members providing nonprofessional attendant care under this paragraph may not be compensated for more than a total of 12 hours per day.
- (f) Upon the written request of the employee, the carrier shall give the employee the opportunity for one change of physician during the course of treatment for any one accident. The employee shall be entitled to select another physician from among not fewer than three carrier-authorized physicians who are not professionally affiliated.
 - (5) INDEPENDENT MEDICAL EXAMINATIONS. --
- (a) In any dispute concerning overutilization, medical benefits, compensability, or disability under this chapter, the carrier or the employee may select an independent medical

examiner. The examiner may be a health care provider treating or providing other care to the employee. An independent medical examiner may not render an opinion outside his or her area of expertise, as demonstrated by licensure and applicable practice parameters. Upon the written request of the employee, the carrier shall pay the cost of one independent medical examination per accident. The cost of any additional independent medical examination shall be borne by the party requesting the additional independent medical examination.

Only the costs of independent medical examinations expressly relied upon by the judge of compensation claims to award benefits in the final compensation order shall be taxable costs under s. 440.34(3).

- (b) Each party is bound by his or her selection of an independent medical examiner and is entitled to an alternate examiner only if:
- 1. The examiner is not qualified to render an opinion upon an aspect of the employee's illness or injury which is material to the claim or petition for benefits;
- 2. The examiner ceases to practice in the specialty relevant to the employee's condition;
- 3. The examiner is unavailable due to injury, death, or relocation outside a reasonably accessible geographic area; or
 - 4. The parties agree to an alternate examiner.

Any party may request, or a judge of compensation claims may require, designation of a division medical advisor as an independent medical examiner. The opinion of the advisors acting as examiners shall not be afforded the presumption set forth in paragraph (9)(c).

- (e) No medical opinion other than the opinion of a medical advisor appointed by the judge of compensation claims or division, an independent medical examiner, or an authorized treating provider is admissible in proceedings before the judges of compensation claims. The employee and the carrier may each submit into evidence, and the judge of compensation claims shall admit, the medical opinion of no more than one independent medical examiner per specialty. In cases involving occupational disease or repetitive trauma, no medical opinions are admissible unless based on reliable scientific principles sufficiently established to have gained general acceptance in the pertinent area of specialty.
- (f) Attorney's fees incurred by an injured employee in connection with delay of or opposition to an independent medical examination, including, but not limited to, motions for protective orders, are not recoverable under this chapter.
 - (9) EXPERT MEDICAL ADVISORS. --

(c) If there is disagreement in the opinions of the health care providers, if two health care providers disagree on medical evidence supporting the employee's complaints or the need for additional medical treatment, or if two health care providers disagree that the employee is able to return to work, the division may, and the judge of compensation claims may shall, upon his or her own motion or within 15 days after receipt of a written request by either the injured employee, the employer, or the carrier, order the injured employee to be evaluated by an expert medical advisor. The opinion of the expert medical advisor is presumed to be correct unless there is clear and convincing evidence to the contrary as determined by the judge of compensation claims. The expert medical advisor appointed to conduct the evaluation shall have free

and complete access to the medical records of the employee. An employee who fails to report to and cooperate with such evaluation forfeits entitlement to compensation during the period of failure to report or cooperate.

- (14) PAYMENT OF MEDICAL FEES. --
- (b) Fees charged for remedial treatment, care, and attendance may not exceed the applicable fee schedules adopted under this chapter, except as provided pursuant to a contract entered into between an employer or carrier and a certified health care provider or health care facility for the payment of medical services for covered expenses.

Section 8. Paragraph (d) of subsection (1), subsection (2), and paragraphs (c) and (d) of subsection (15) of section 440.134, Florida Statutes, are amended to read:

440.134 Workers' compensation managed care arrangement.--

- (1) As used in this section, the term:
- (d) "Grievance" means <u>a written complaint filed by an injured worker expressing</u> dissatisfaction with the <u>insurer's workers'</u> compensation managed care arrangement's refusal to <u>provide</u> medical care provided by an insurer's workers' compensation managed care arrangement health care providers, expressed in writing by an injured worker.
- (2)(a)(b) Effective January 1, 1997, The employer may shall, subject to the terms and limitations specified elsewhere in this section and chapter, furnish to the employee solely through managed care arrangements such medically necessary remedial treatment, care, and attendance for such period as the nature of the injury or the process of recovery requires.

(b) (a) The agency shall authorize an insurer to offer or utilize a workers' compensation managed care arrangement after the insurer files a completed application along with the payment of a \$1,000 application fee, and upon the agency's being satisfied that the applicant has the ability to provide quality of care consistent with the prevailing professional standards of care and the insurer and its workers' compensation managed care arrangement otherwise meets the requirements of this section. No insurer may offer or utilize a managed care arrangement without such authorization. The authorization, unless sooner suspended or revoked, shall automatically expire 2 years after the date of issuance unless renewed by the insurer. The authorization shall be renewed upon application for renewal and payment of a renewal fee of \$1,000, provided that the insurer is in compliance with the requirements of this section and any rules adopted hereunder. An application for renewal of the authorization shall be made 90 days prior to expiration of the authorization, on forms provided by the agency. The renewal application shall not require the resubmission of any documents previously filed with the agency if such documents have remained valid and unchanged since their original filing.

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(15)(c) At the time the workers' compensation managed care arrangement is implemented, the insurer must provide detailed information to workers and health care providers describing how a grievance may be registered with the insurer. Within 15 days after the date the request for medical care is received by the insurer or by the insurer's workers' compensation managed care arrangement, whichever date is earlier, the insurer shall grant or deny the request. If the insurer denies the request, the insurer shall notify the

injured worker in writing of his or her right to file a grievance.

(d) Grievances must be considered in a timely manner and must be transmitted to appropriate decisionmakers who have the authority to fully investigate the issue and take corrective action. If the insurer or the insurer's workers' compensation managed care arrangement fails to notify the injured worker of the outcome of the grievance in writing within 15 days after the date of receiving the grievance, the grievance shall be presumed to be resolved against the injured worker and the grievance procedures shall be presumed to be exhausted for purposes of s. 440.192(3).

Section 9. Paragraph (a) of subsection (1) of section 440.14, Florida Statutes, is amended to read:

440.14 Determination of pay.--

- (1) Except as otherwise provided in this chapter, the average weekly wages of the injured employee at the time of the injury shall be taken as the basis upon which to compute compensation and shall be determined, subject to the limitations of s. 440.12(2), as follows:
- (a) If the injured employee has worked in the employment in which she or he was working at the time of the injury, whether for the same or another employer, during substantially the whole of 13 weeks immediately preceding the injury, her or his average weekly wage shall be one-thirteenth of the total amount of wages earned in such employment during the 13 weeks. As used in this paragraph, the term "substantially the whole of 13 weeks" means an actual shall be deemed to mean and refer to a constructive period of 13 weeks as a whole, which shall be defined as the 13 complete weeks before the date of the accident, excluding the week the injury

occurs.a consecutive period of 91 days, and The term "during substantially the whole of 13 weeks" shall be deemed to mean during not less than 90 percent of the total customary full-time hours of employment within such period considered as a whole.

Section 10. Paragraphs (b) and (f) of subsection (1) and paragraph (a) of subsection (3) of section 440.15, Florida Statutes, are amended to read:

440.15 Compensation for disability.--Compensation for disability shall be paid to the employee, subject to the limits provided in s. 440.12(2), as follows:

(1) PERMANENT TOTAL DISABILITY. --

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- Any compensable injury eligible for permanent total benefits must be of a nature and severity that prevents the employee from being able to perform his or her previous work or any work available in substantial numbers within the national economy. If the employee is engaged in or is capable of being engaged in any gainful employment, he or she is not entitled to permanent total disability. The burden is on the employee to establish that he or she is unable to perform even part-time sedentary work if such work is available within a 50-mile radius of the employee's residence or such greater distance as the judge determines to be reasonable under the <u>circumstances</u>. In addition, Only a catastrophic injury as defined in s. 440.02 shall, in the absence of conclusive proof of a substantial earning capacity, constitute permanent total disability. Only claimants with catastrophic injuries are eligible for permanent total benefits. In no other case may permanent total disability benefits be awarded.
- (f)1. If permanent total disability results from injuries that occurred subsequent to June 30, 1955, and for

which the liability of the employer for compensation has not been discharged under s. 440.20(11), the injured employee shall receive additional weekly compensation benefits equal to 5 percent of her or his weekly compensation rate, as established pursuant to the law in effect on the date of her or his injury, multiplied by the number of calendar years since the date of injury. The weekly compensation payable and the additional benefits payable under this paragraph, when combined, may not exceed the maximum weekly compensation rate in effect at the time of payment as determined pursuant to s. 440.12(2). Entitlement to these supplemental payments shall cease at age 62 if the employee is eligible for social security benefits under 42 U.S.C. s.ss.402 or s.and 423, whether or not the employee has applied for such benefits. These supplemental benefits shall be paid by the division out of the Workers' Compensation Administration Trust Fund when the injury occurred subsequent to June 30, 1955, and before July 1, 1984. These supplemental benefits shall be paid by the employer when the injury occurred on or after July 1, 1984. Supplemental benefits are not payable for any period prior to October 1, 1974.

2.a. The division shall provide by rule for the periodic reporting to the division of all earnings of any nature and social security income by the injured employee entitled to or claiming additional compensation under subparagraph 1. Neither the division nor the employer or carrier shall make any payment of those additional benefits provided by subparagraph 1. for any period during which the employee willfully fails or refuses to report upon request by the division in the manner prescribed by such rules.

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- b. The division shall provide by rule for the periodic reporting to the employer or carrier of all earnings of any nature and social security income by the injured employee entitled to or claiming benefits for permanent total disability. The employer or carrier is not required to make any payment of benefits for permanent total disability for any period during which the employee willfully fails or refuses to report upon request by the employer or carrier in the manner prescribed by such rules or if any employee who is receiving permanent total disability benefits refuses to apply for or cooperate with the employer or carrier in applying for social security benefits.
- 3. When an injured employee receives a full or partial lump-sum advance of the employee's permanent total disability compensation benefits, the employee's benefits under this paragraph shall be computed on the employee's weekly compensation rate as reduced by the lump-sum advance.
 - (3) PERMANENT IMPAIRMENT AND WAGE-LOSS BENEFITS.--
 - (a) Impairment benefits.--

- 1. Once the employee has reached the date of maximum medical improvement, impairment benefits are due and payable within 20 days after the carrier has knowledge of the impairment.
- 2. The three-member panel, in cooperation with the division, shall establish and use a uniform permanent impairment rating schedule. This schedule must be based on medically or scientifically demonstrable findings as well as the systems and criteria set forth in the American Medical Association's Guides to the Evaluation of Permanent Impairment; the Snellen Charts, published by American Medical Association Committee for Eye Injuries; and the Minnesota

Department of Labor and Industry Disability Schedules. The schedule should be based upon objective findings. The schedule 2 3 shall be more comprehensive than the AMA Guides to the 4 Evaluation of Permanent Impairment and shall expand the areas 5 already addressed and address additional areas not currently 6 contained in the guides. On August 1, 1979, and pending the 7 adoption, by rule, of a permanent schedule, Guides to the Evaluation of Permanent Impairment, copyright 1977, 1971, 9 1988, by the American Medical Association, shall be the temporary schedule and shall be used for the purposes hereof. 10 For injuries after July 1, 1990, pending the adoption by 11 12 division rule of a uniform disability rating schedule, the Minnesota Department of Labor and Industry Disability Schedule 13 14 shall be used unless that schedule does not address an injury. In such case, the Guides to the Evaluation of Permanent 15 16 Impairment by the American Medical Association shall be used. 17 Determination of permanent impairment under this schedule must 18 be made by a physician licensed under chapter 458, a doctor of 19 osteopathic medicine licensed under chapters 458 and 459, a 20 chiropractic physician licensed under chapter 460, a podiatric physician licensed under chapter 461, an optometrist licensed 21 under chapter 463, or a dentist licensed under chapter 466, as 22 23 appropriate considering the nature of the injury. No other persons are authorized to render opinions regarding the 24 25 existence of or the extent of permanent impairment.

3. All impairment income benefits shall be based on an impairment rating using the impairment schedule referred to in subparagraph 2. Impairment income benefits are paid <u>biweekly</u> weekly at <u>a</u> the rate <u>equal to</u> of 50 percent of the employee's <u>compensation rate</u> average weekly temporary total disability benefit not to exceed the maximum weekly benefit under s.

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440.12. An employee's entitlement to impairment income benefits begins the day after the employee reaches maximum medical improvement or the expiration of temporary benefits, whichever occurs earlier, and continues until the earlier of:

- a. The expiration of a period computed at the rate of3 weeks for each percentage point of impairment; or
 - b. The death of the employee.

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4. After the employee has been certified by a doctor as having reached maximum medical improvement or 6 weeks before the expiration of temporary benefits, whichever occurs earlier, the certifying doctor shall evaluate the condition of the employee and assign an impairment rating, using the impairment schedule referred to in subparagraph 2. Compensation is not payable for the mental, psychological, or emotional injury arising out of depression from being out of work or from preexisting mental, psychological, or emotional conditions. If the certification and evaluation are performed by a doctor other than the employee's treating doctor, the certification and evaluation must be submitted to the treating doctor, and the treating doctor must indicate agreement or disagreement with the certification and evaluation. The certifying doctor shall issue a written report to the division, the employee, and the carrier certifying that maximum medical improvement has been reached, stating the impairment rating, and providing any other information required by the division. If the employee has not been certified as having reached maximum medical improvement before the expiration of 102 weeks after the date temporary total disability benefits begin to accrue, the carrier shall notify the treating doctor of the requirements of this section.

- 5. The carrier shall pay the employee impairment income benefits for a period based on the impairment rating.
- 6. The division may by rule specify forms and procedures governing the method of payment of wage loss and impairment benefits for dates of accidents before January 1, 1994, and for dates of accidents on or after January 1, 1994.

Section 11. Paragraph (e) of subsection (1) and subsection (2) of section 440.151, Florida Statutes, are amended to read:

440.151 Occupational diseases. --

(1)

- (e) No compensation shall be payable for disability or death resulting from tuberculosis arising out of and in the course of employment by the Department of Health at a state tuberculosis hospital, or aggravated by such employment, when the employee had suffered from said disease at any time prior to the commencement of such employment. Both causation and sufficient exposure to support causation shall be proven by clear and convincing evidence.
- "occupational disease" shall be construed to mean only a disease which is due to causes and conditions which are characteristic of and peculiar to a particular trade, occupation, process, or employment, and to exclude all ordinary diseases of life to which the general public is exposed, unless the incidence of the disease is substantially higher in the particular trade, occupation, process, or employment than for the general public. "Occupational disease" does not mean a disease for which there are no epidemiological studies showing that exposure to the specific substance involved, at the levels to which the employee was

exposed, can cause the precise disease sustained by the employee.

Section 12. Subsection (2) of section 440.185, Florida Statutes, is amended to read:

440.185 Notice of injury or death; reports; penalties for violations.--

- (2) Within 7 days after actual knowledge of injury or death, the employer shall report such injury or death to its carrier, in a format prescribed by the division, and shall provide a copy of such report to the employee or the employee's estate. The report of injury shall contain the following information:
 - (a) The name, address, and business of the employer;
- (b) The name, social security number, street, mailing address, telephone number, and occupation of the employee;
 - (c) The cause and nature of the injury or death;
- (d) The year, month, day, and hour when, and the particular locality where, the injury or death occurred; and
- (e) A record of the employee's earnings for the 13 weeks prior to the date of injury; and
- $\underline{\text{(f)}}_{\text{(e)}}$ Such other information as the division may require.

The carrier shall, within 14 days after the employer's receipt of the form reporting the injury, file the information required by this subsection with the division in Tallahassee. However, the division may by rule provide for a different reporting system for those types of injuries which it determines should be reported in a different manner and for those cases which involve minor injuries requiring

31 professional medical attention in which the employee does not

lose more than 7 days of work as a result of the injury and is able to return to the job immediately after treatment and resume regular work.

Section 13. Section 440.191, Florida Statutes, is amended to read:

440.191 Employee Assistance and Ombudsman Office. --

- (1)(a) In order to effect the self-executing features of the Workers' Compensation Law, this chapter shall be construed to permit injured employees and employers or the employer's carrier to resolve disagreements without undue expense, costly litigation, or delay in the provisions of benefits. It is the duty of all who participate in the workers' compensation system, including, but not limited to, carriers, service providers, health care providers, managed care arrangements, attorneys, employers, and employees, to attempt to resolve disagreements in good faith and to cooperate with the division's efforts to resolve disagreements between the parties. The division may by rule prescribe definitions that are necessary for the effective administration of this section.
- (b) An Employee Assistance and Ombudsman Office is created within the Division of Workers' Compensation to inform and assist injured workers, employers, carriers, and health care providers, and managed care arrangements in fulfilling their responsibilities under this chapter. The division may by rule specify forms and procedures for administering requests for assistance provided by this section.
- (c) The Employee Assistance and Ombudsman Office, Division of Workers' Compensation, shall be a resource available to all employees who participate in the workers' compensation system and shall take all steps necessary to

educate and disseminate information to employees and employers. Upon receiving a notice of injury or death, the Employee Assistance and Ombudsman Office is authorized to initiate contact with the injured employee or employee's representative to discuss rights and responsibilities of the employee under this chapter and the services available through the Employee Assistance and Ombudsman Office.

(2)(a) An employee may not file a petition requesting any benefit under this chapter unless the employee has exhausted the procedures for informal dispute resolution under this section.

(a)(b) If at any time the employer or its carrier fails to provide benefits to which the employee believes she or he is entitled, the employee shall contact the office to request assistance in resolving the dispute. The office may review petitions for benefits filed under s. 440.192 shall investigate the dispute and may shall attempt to facilitate an agreement between the employee and the employer or carrier. The employee, the employer, and the carrier shall cooperate with the office and shall timely provide the office with any documents or other information that it may require in connection with its efforts under this section.

(b)(c) The office may compel parties to attend conferences in person or by telephone in an attempt to resolve disputes quickly and in the most efficient manner possible. Settlement agreements resulting from such conferences must be submitted to the Office of the Judges of Compensation Claims for approval.

 $\underline{\text{(c)}}$ The Employee Assistance and Ombudsman Office may assign an ombudsman to assist the employee in resolving the dispute. If the dispute is not resolved within 30 days

after the employee contacts the office. The ombudsman may shall, at the employee's request, assist the employee in drafting a petition for benefits and explain the procedures for filing petitions. The division may by rule determine the method used to calculate the 30-day period. The Employee Assistance and Ombudsman Office may not represent employees before the judges of compensation claims. An employer or carrier may not pay any attorneys' fees on behalf of the employee for services rendered or costs incurred in connection with this section, unless expressly authorized elsewhere in this chapter.

Section 14. Subsections (1), (2), (5), (7), and (8) of section 440.192, Florida Statutes, are amended to read:

440.192 Procedure for resolving benefit disputes.--

- (1) Subject to s. 440.191, any employee who has not received a benefit to which the employee believes she or he is entitled under this chapter shall serve by certified mail upon the employer, the employer's carrier, and the Office of the Judges of Compensation Claims division in Tallahassee a petition for benefits meeting that meets the requirements of this section. The Chief Judge division shall refer the petition to the Office of the judges of compensation claims.
- (2) <u>Upon receipt of a petition</u>, the Office of the Judges of Compensation Claims shall review each petition and shall dismiss each petition <u>or any portion of the petition</u>, upon its own motion or upon the motion of any party, that does not on its face specifically identify or itemize the following:
- (a) Name, address, telephone number, and social security number of the employee.

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date or dates of accident.

- employer.

 (c) A detailed description of the injury and cause of the injury, including the location of the occurrence and the
- (d) A detailed description of the employee's job, work responsibilities, and work the employee was performing when the injury occurred.

(b) Name, address, and telephone number of the

- (e) The time period for which compensation was not timely provided and the specific classification of the compensation.
- (f) Date of maximum medical improvement, character of disability, and specific statement of all benefits or compensation that the employee is seeking.
- (g) The specific All travel costs to which the employee believes she or he is entitled, including dates of travel and purpose of travel, means of transportation, and mileage, including the date the request for mileage was filed with the carrier and a copy of the request for mileage filed with the carrier.
- (h) Specific listing of all medical charges alleged unpaid, including the name and address of the medical provider, the amounts due, and the specific dates of treatment.
- (i) The type or nature of treatment care or attendance sought and the justification for such treatment. <u>If the employee is under the care of a physician for the injury identified under paragraph (c), a copy of the physician's request, authorization, or recommendation for treatment, care, or attendance must accompany the petition.</u>

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- Specific explanation of any other disputed issue that a judge of compensation claims will be called to rule upon.
- (k) Any other information and documentation the Chief Judge may require by rule.
- The dismissal of any petition or portion of the petition under this section is without prejudice and does not require a hearing.
- (5) All motions to dismiss must state with particularity the basis for the motion. The judge of compensation claims shall enter an order upon such motions without hearing, unless good cause for hearing is shown. When any petition or portion of a petition is dismissed for lack of specificity under this subsection, the claimant must be allowed 20 days after the date of the order of dismissal in which to file an amended petition. Any grounds for dismissal for lack of specificity under this section not asserted within 45 30 days after receipt of the petition for benefits are thereby waived.
- (7) Notwithstanding the provisions of s. 440.34, a judge of compensation claims may not award attorney's fees payable by the carrier for services expended or costs incurred prior to the filing of a petition that does not meeting meet the requirements of this section.
- (8) Within 30 14 days after receipt of a petition for benefits by certified mail, the carrier must either pay the requested benefits without prejudice to its right to deny within 120 days from receipt of the petition or file a response to petition notice of denial with the Office of the Judges of Compensation Claims division. The carrier must list

all benefits requested but not paid and explain its justification for nonpayment in the <u>response to petition</u> notice of denial. A carrier that does not deny compensability in accordance with s. 440.20(4) is deemed to have accepted the employee's injuries as compensable, unless it can establish material facts relevant to the issue of compensability that could not have been discovered through reasonable investigation within the 120-day period. The carrier shall provide copies of the <u>response</u> notice to the filing party, employer, and claimant by certified mail.

Section 15. Subsections (4) and (11) of section 440.20, Florida Statutes, are amended to read:

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440.20 Time for payment of compensation; penalties for late payment.--

(4) If the carrier is uncertain of its obligation to provide benefits or compensation, it may initiate payment without prejudice and without admitting liability. The carrier shall immediately and in good faith commence investigation of the employee's entitlement to benefits under this chapter and shall admit or deny compensability within 120 days after the initial provision of compensation or benefits as required by subsection (2) or s. 440.192(8). Upon commencement of payment as required by subsection (2) or s. 440.192(8), the carrier shall provide written notice to the employee that it has elected to pay all or part of the claim pending further investigation, and that it will advise the employee of claim acceptance or denial within 120 days. A carrier that fails to deny compensability within 120 days after the initial provision of benefits or payment of compensation, as required by subsection (2) or s. 440.192(8), waives the right to deny compensability, unless the carrier can establish material

facts relevant to the issue of compensability that it could not have discovered through reasonable investigation within the 120-day period. The initial provision of compensation or benefits, for purposes of this subsection, shall mean the first installment of compensation or benefits to be paid by the carrier under subsection (2) or pursuant to a petition of benefits under s. 440.192(8).

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(11)(a) When a claimant is not represented by counsel, upon joint petition of all interested parties-a lump-sum payment in exchange for the employer's or carrier's release from liability for future medical expenses, as well as future payments of compensation expenses and any other benefits provided under this chapter, shall be allowed at any time in any case in which the employer or carrier has filed a written notice of denial within 120 days after the employer receives notice date of the injury, and the judge of compensation claims at a hearing to consider the settlement proposal finds a justiciable controversy as to legal or medical compensability of the claimed injury or the alleged accident. The employer or carrier may not pay any attorney's fees on behalf of the claimant for any settlement under this section unless expressly authorized elsewhere in this chapter. Upon the joint petition of all interested parties and after giving due consideration to the interests of all interested parties, the judge of compensation claims may enter a compensation order approving and authorizing the discharge of the liability of the employer for compensation and remedial treatment, care, and attendance, as well as rehabilitation expenses, by the payment of a lump sum. The judge of compensation claims shall not approve settlement proposals, including any stipulations or agreements between the parties or between a claimant and

his or her attorney related to a settlement, which provide for an attorney's fee in excess of the amount permitted in s.

440.34. Such a compensation order so entered upon joint petition of all interested parties is not subject to modification or review under s. 440.28. If the settlement proposal together with supporting evidence is not approved by the judge of compensation claims, it shall be considered void. Upon approval of a lump-sum settlement under this subsection, the judge of compensation claims shall send a report to the Chief Judge of the amount of the settlement and a statement of the nature of the controversy. The Chief Judge shall keep a record of all such reports filed by each judge of compensation claims and shall submit to the Legislature a summary of all such reports filed under this subsection annually by September 15.

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When a claimant is not represented by counsel, (b) upon joint petition of all interested parties, a lump-sum payment in exchange for the employer's or carrier's release from liability for future medical expenses, as well as future payments of compensation and rehabilitation expenses, and any other benefits provided under this chapter, may be allowed at any time in any case after the injured employee has attained maximum medical improvement. An employer or carrier may not pay any attorney's fees on behalf of the claimant for any settlement, unless expressly authorized elsewhere in this chapter. The judge of compensation claims shall not approve settlement proposals, including any stipulations or agreements between the parties or between a claimant and his or her attorney related to the settlement proposal, which provide for an attorney's fee in excess of the amount permitted in s. 440.34.A compensation order so entered upon joint petition of

all interested parties shall not be subject to modification or review under s. 440.28. However, a judge of compensation 2 3 claims is not required to approve any award for lump-sum 4 payment when it is determined by the judge of compensation 5 claims that the payment being made is in excess of the value of benefits the claimant would be entitled to under this 6 7 chapter. The judge of compensation claims shall make or cause 8 to be made such investigations as she or he considers 9 necessary, in each case in which the parties have stipulated that a proposed final settlement of liability of the employer 10 for compensation shall not be subject to modification or 11 review under s. 440.28, to determine whether such final 12 disposition will definitely aid the rehabilitation of the 13 14 injured worker or otherwise is clearly for the best interests 15 of the person entitled to compensation and, in her or his discretion, may have an investigation made by the 16 Rehabilitation Section of the Division of Workers' 17 Compensation. The joint petition and the report of any 18 19 investigation so made will be deemed a part of the proceeding. An employer shall have the right to appear at any hearing 20 pursuant to this subsection which relates to the discharge of 21 such employer's liability and to present testimony at such 22 23 hearing. The carrier shall provide reasonable notice to the employer of the time and date of any such hearing and inform 24 the employer of her or his rights to appear and testify. When 25 26 the claimant is represented by counsel or when the claimant 27 and carrier or employer are represented by counsel, final approval of the lump-sum settlement agreement, as provided for 28 29 in a joint petition and stipulation, shall be approved by entry of an order within 7 days after the filing of such joint 30 petition and stipulation without a hearing, unless the judge 31

of compensation claims determines, in her or his discretion, that additional testimony is needed before such settlement can be approved or disapproved and so notifies the parties. The probability of the death of the injured employee or other person entitled to compensation before the expiration of the period during which such person is entitled to compensation shall, in the absence of special circumstances making such course improper, be determined in accordance with the most recent United States Life Tables published by the National Office of Vital Statistics of the United States Department of Health and Human Services. The probability of the happening of any other contingency affecting the amount or duration of the compensation, except the possibility of the remarriage of a surviving spouse, shall be disregarded. As a condition of approving a lump-sum payment to a surviving spouse, the judge of compensation claims, in the judge of compensation claims' discretion, may require security which will ensure that, in the event of the remarriage of such surviving spouse, any unaccrued future payments so paid may be recovered or recouped by the employer or carrier. Such applications shall be considered and determined in accordance with s. 440.25.

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(c) Notwithstanding s. 440.21(2), when a claimant is represented by counsel, the claimant may waive all rights to all benefits under this chapter by entering into a settlement agreement releasing the employer and the carrier from liability for workers' compensation benefits in exchange for a lump-sum payment to the claimant. The settlement agreement requires approval by the judge of compensation claims only as to the attorney's fees paid to the claimant's attorney by the claimant. The parties need not submit any information or documentation in support of the settlement, except as needed

to justify the amount of the attorney's fees. Neither the employer nor the carrier is responsible for any attorney's fees relating to the settlement and release of claims under this section. Payment of the lump-sum settlement amount must be made within 14 days after the date the judge of compensation claims mails the order approving the attorney's fees. Any order entered by a judge of compensation claims approving the attorney's fees as set out in the settlement under this subsection is not considered to be an award and is not subject to modification or review. The judge of compensation claims shall report these settlements to the chief judge in accordance with the requirements set forth in paragraphs (a) and (b). Settlements entered into under this subsection are valid and apply to all dates of accident.

- (d) With respect to any lump-sum settlement under this subsection, a judge of compensation claims must consider whether the settlement provides for appropriate recovery of any child support arrearage. Neither the employer nor the carrier has a duty to investigate or collect information regarding child support arrearages.
- $\underline{\text{(e)}(c)}$ This section applies to all claims that the parties have not previously settled, regardless of the date of accident.

Section 16. Subsections (1), (3), and (4) of section 440.25, Florida Statutes, are amended to read:

440.25 Procedures for mediation and hearings.--

(1) Within $\underline{90}$ $\underline{21}$ days after a petition for benefits is filed under s. 440.192, a mediation conference concerning such petition shall be held. Within $\underline{40}$ 7 days after such petition is filed, the judge of compensation claims shall notify the interested parties \underline{by} order that a mediation conference

concerning such petition will be held unless the parties have notified the Office of the Judges of Compensation Claims that a mediation has been held. Such order must notice shall give the date by which, time, and location of the mediation conference must be held. Such order notice may be served personally upon the interested parties or may be sent to the interested parties by mail. Continuances may be granted only if the requesting party demonstrates to the judge of compensation claims that the reason for requesting the continuance arises from circumstances beyond the party's control. Any order granting a continuance must set forth the date of the rescheduled mediation conference. A mediation conference may not be used solely for the purpose of mediating attorney's fees.

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(3)(a) Such mediation conference shall be conducted informally and shall does not require the use of formal rules of evidence or procedure. Any information from the files, reports, case summaries, mediator's notes, or other communications or materials, oral or written, relating to a mediation conference under this section obtained by any person performing mediation duties is privileged and confidential and may not be disclosed without the written consent of all parties to the conference. Any research or evaluation effort directed at assessing the mediation program activities or performance must protect the confidentiality of such information. Each party to a mediation conference has a privilege during and after the conference to refuse to disclose and to prevent another from disclosing communications made during the conference whether or not the contested issues are successfully resolved. This subsection and paragraphs (4)(a) and (b) shall not be construed to prevent or inhibit

the discovery or admissibility of any information that is otherwise subject to discovery or that is admissible under applicable law or rule of procedure, except that any conduct or statements made during a mediation conference or in negotiations concerning the conference are inadmissible in any proceeding under this chapter.

(b)1. Unless the parties conduct a private mediation under subparagraph 2., mediation shall be conducted by a mediator selected by the Deputy Chief Judge from among mediators The Chief Judge shall select a mediator. The mediator shall be employed on a full-time basis by the Office of the Judges of Compensation Claims. A mediator must be a member of The Florida Bar for at least 5 years and must complete a mediation training program approved by the Chief Judge. Adjunct mediators may be employed by the Office of the Judges of Compensation Claims on an as-needed basis and shall be selected from a list prepared by the Chief Judge. An adjunct mediator must be independent of all parties participating in the mediation conference. An adjunct mediator must be a member of The Florida Bar for at least 5 years and must complete a mediation training program approved by the Chief Judge. An adjunct mediator shall have access to the office, equipment, and supplies of the judge of compensation claims in each district. This subparagraph is repealed January 1, 2003.

- 2.a. With respect to any mediation occurring on or after January 1, 2003; or
- b. If the parties agree or if no mediators under subparagraph 1. are available to conduct the required mediation within the period specified in this section,

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the parties shall hold a mediation conference at the carrier's expense within the 90-day period set for mediation. The mediation conference shall be conducted by a mediator certified under s. 44.106. If the parties do not agree upon a mediator within 10 days after the date of the order, the claimant shall notify the judge in writing and the judge shall appoint a mediator under this subparagraph within 7 days. In the event both parties agree, the results of the mediation conference shall be binding and neither party shall have a right to appeal the results. In the event either party refuses to agree to the results of the mediation conference, the results of the mediation conference as well as the testimony, witnesses, and evidence presented at the conference shall not be admissible at any subsequent proceeding on the claim. The mediator shall not be called in to testify or give deposition to resolve any claim for any hearing before the judge of compensation claims. The employer may be represented by an attorney at the mediation conference if the employee is also represented by an attorney at the mediation conference.

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(c) The parties shall complete the pretrial stipulations before the conclusion of the mediation conference if the claims, except for attorney's fees and costs, have not been settled and if any claims in any filed petition remain unresolved. The judge of compensation claims may sanction a party or both parties for failure to complete the pretrial stipulations before the conclusion of the mediation conference.

(4)(a) If the parties fail to agree upon written submission of pretrial stipulations at the mediation conference, on the 10th day following commencement of mediation, the questions in dispute have not been resolved,

the judge of compensation claims shall <u>order a pretrial</u> hearing to occur within 14 days after the date of mediation ordered by the judge of compensation claims hold a pretrial hearing. The judge of compensation claims shall give the interested parties at least 7 days' advance notice of the pretrial hearing by mail. At the pretrial hearing, the judge of compensation claims shall, subject to paragraph (b), set a date for the final hearing that allows the parties at least 30 days to conduct discovery unless the parties consent to an earlier hearing date.

- (b) The final hearing must be held and concluded within 90 45 days after the mediation conference is held pretrial hearing. Continuances may be granted only if the requesting party demonstrates to the judge of compensation claims that the reason for requesting the continuance arises from circumstances beyond the party's control. Any order granting a continuance must set forth the date and time of the rescheduled hearing. If a judge of compensation claims grants two or more continuances to a requesting party, the judge of compensation claims shall report such continuances to the Deputy Chief Judge.
- (c) The judge of compensation claims shall give the interested parties at least 7 days' advance notice of the final hearing, served upon the interested parties by mail.
- after receipt of the petition for benefits in the county where the injury occurred, if the injury occurred in this state, unless otherwise agreed to between the parties and authorized by the judge of compensation claims in the county where the injury occurred. If the injury occurred outside without the state and is one for which compensation is payable under this

chapter, then the final hearing above referred to may be held in the county of the employer's residence or place of business, or in any other county of the state that which will, in the discretion of the Chief Judge, be the most convenient for a hearing. The final hearing shall be conducted by a judge of compensation claims, who shall, within 30 14 days after final hearing or closure of the hearing record, unless otherwise agreed by the parties, enter a final order on the merits of the disputed issues determine the dispute in a summary manner. The judge of compensation claims may enter an abbreviated final order in cases when compensability is not disputed. Either party may request separate findings of fact and conclusions of law.At the final such hearing, the claimant and employer may each present evidence in respect of the claims presented by the petition for benefits such claim and may be represented by any attorney authorized in writing for such purpose. When there is a conflict in the medical evidence submitted at the hearing, the provisions of s. 440.13 shall apply. The report or testimony of the expert medical advisor shall be made a part of the record of the proceeding and shall be given the same consideration by the judge of compensation claims as is accorded other medical evidence submitted in the proceeding; and all costs incurred in connection with such examination and testimony may be assessed as costs in the proceeding, subject to the provisions of s. 440.13. No judge of compensation claims may make a finding of a degree of permanent impairment that is greater than the greatest permanent impairment rating given the claimant by any examining or treating physician, except upon stipulation of the parties.

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(e) The order making an award or rejecting the claim, referred to in this chapter as a "compensation order," shall set forth the findings of ultimate facts and the mandate; and the order need not include any other reason or justification for such mandate. The compensation order shall be filed in the office of the division at Tallahassee. A copy of such compensation order shall be sent by mail to the parties and attorneys of record at the last known address of each, with the date of mailing noted thereon.

- (f) Each judge of compensation claims is required to submit a special report to the Chief Judge in each contested workers' compensation case in which the case is not determined within 14 days of final hearing. Said form shall be provided by the Chief Judge and shall contain the names of the judge of compensation claims and of the attorneys involved and a brief explanation by the judge of compensation claims as to the reason for such a delay in issuing a final order. The Chief Judge shall compile these special reports into an annual public report to the Governor, the Secretary of Labor and Employment Security, the Legislature, The Florida Bar, and the appellate district judicial nominating commissions.
- (g) Judges of compensation claims shall adopt and enforce uniform local rules for workers' compensation.
- (g)(h) Notwithstanding any other provision of this section, the judge of compensation claims may require the appearance of the parties and counsel before her or him without written notice for an emergency conference where there is a bona fide emergency involving the health, safety, or welfare of an employee. An emergency conference under this section may result in the entry of an order or the rendering of an adjudication by the judge of compensation claims.

(h)(i) To expedite dispute resolution and to enhance the self-executing features of the Workers' Compensation Law, the Chief Judge shall make provision by rule or order for the resolution of appropriate motions by judges of compensation claims without oral hearing upon submission of brief written statements in support and opposition, and for expedited discovery and docketing. Unless the judge of compensation claims orders a hearing under paragraph (i), claims related to the determination of pay under s. 440.14 shall be resolved under this paragraph.

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(i)(j) To further expedite dispute resolution and to enhance the self-executing features of the system, those petitions filed in accordance with s. 440.192 that involve a claim for benefits of \$5,000 or less shall, in the absence of compelling evidence to the contrary, be presumed to be appropriate for expedited resolution under this paragraph; and any other claim filed in accordance with s. 440.192, upon the written agreement of both parties and application by either party, may similarly be resolved under this paragraph. Claims for medical-only benefits of \$5,000 or less, or medical mileage reimbursement shall, in the absence of compelling evidence to the contrary, be resolved through the expedited dispute resolution process under this paragraph. For purposes of expedited resolution pursuant to this paragraph, the Chief Judge shall make provision by rule or order for expedited and limited discovery and expedited docketing in such cases. At least 15 days prior to hearing, the parties shall exchange and file with the judge of compensation claims a pretrial outline of all issues, defenses, and witnesses on a form promulgated by the Chief Judge; provided, in no event shall such hearing be held without 15 days' written notice to all parties. No

pretrial hearing shall be held. The judge of compensation claims shall limit all argument and presentation of evidence at the hearing to a maximum of 30 minutes, and such hearings shall not exceed 30 minutes in length. Neither party shall be required to be represented by counsel. The employer or carrier may be represented by an adjuster or other qualified representative. The employer or carrier and any witness may appear at such hearing by telephone. The rules of evidence shall be liberally construed in favor of allowing introduction of evidence.

- (j) A judge of compensation claims, either upon the motion of a party or the judge's own motion, may dismiss a petition for lack of prosecution if no petitions, responses, motions, orders, requests for hearings, or notices of deposition have been filed for a period of 12 months, unless good cause is shown. Dismissals for lack of prosecution are without prejudice and do not require a hearing.
- (k) A judge of compensation claims may not award interest on unpaid medical bills, nor may the amount of such bills be used to calculate the amount of interest awarded.

Regardless of the date benefits were initially requested, attorney's fees do not attach under this subsection until 30 days from the date the carrier or employer, if self-insured, receives the petition.

Section 17. Subsection (4) of section 440.29, Florida Statutes, is amended to read:

- 440.29 Procedure before the judge of compensation claims.--
- (4) All medical reports of authorized treating health care providers or independent medical examiners, whose medical

opinion is submitted under s. 440.13(5)(e), relating to the claimant and subject accident shall be received into evidence by the judge of compensation claims upon proper motion. However, such records must be served on the opposing party at least 30 days before the final hearing. This section does not limit any right of further discovery, including, but not limited to, depositions.

Section 18. Subsections (1) and (3) of section 440.34, Florida Statutes, are amended to read:

440.34 Attorney's fees; costs.--

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(1) A fee, gratuity, or other consideration may not be paid for services rendered for a claimant in connection with any proceedings arising under this chapter, unless approved as reasonable by the judge of compensation claims or court having jurisdiction over such proceedings. Except as provided by this subsection, any attorney's fee approved by a judge of compensation claims for services rendered to a claimant must equal to 20 percent of the first \$5,000 of the amount of the benefits secured, 15 percent of the next \$5,000 of the amount of the benefits secured, 10 percent of the remaining amount of the benefits secured to be provided during the first 10 years after the date the claim is filed, and 5 percent of the benefits secured after 10 years. However, in medical-only petitions, the judge of compensation claims shall consider the following factors in each case and may approve an additional increase or decrease the attorney's fee, not to exceed \$1,000 per accident based on a reasonable hourly rate, if the judge of compensation claims expressly finds that the attorney's fee, based on benefits secured, fails to fairly compensate the attorney and, in her or his judgment, the circumstances of the particular case warrant such action. The judge of

compensation claims shall not approve a compensation order, a joint stipulation for lump-sum settlement, a stipulation or agreement between a claimant and his or her attorney, or any other agreement related to benefits under this chapter that provides for an attorney's fee in excess of the amount permitted by this section.÷

- (a) The time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly.
- (b) The fee customarily charged in the locality for similar legal services.
- (c) The amount involved in the controversy and the benefits resulting to the claimant.
- (d) The time limitation imposed by the claimant or the circumstances.
- (e) The experience, reputation, and ability of the lawyer or lawyers performing services.
 - (f) The contingency or certainty of a fee.
- (3) If the claimant should prevail in any proceedings before a judge of compensation claims or court, there shall be taxed against the employer the reasonable costs of such proceedings, not to include the attorney's fees of the claimant. A claimant shall be responsible for the payment of her or his own attorney's fees, except that a claimant shall be entitled to recover a reasonable attorney's fee from a carrier or employer:
- (a) Against whom she or he successfully asserts a petition claim for medical benefits only, if the claimant has not filed or is not entitled to file at such time a claim for disability, permanent impairment, wage-loss, or death benefits, arising out of the same accident; or

(b) In any case in which the employer or carrier files 1 2 a response to petition notice of denial with the Office of the 3 Judges of Compensation Claims division and the injured person has employed an attorney in the successful prosecution of the 4 5 claim; or (c) In a proceeding in which a carrier or employer 6 7 denies that an injury occurred for which compensation benefits 8 are payable, and the claimant prevails on the issue of 9 compensability; or 10 (d) In cases where the claimant successfully prevails in proceedings filed under s. 440.24 or s. 440.28. 11 12 13 Regardless of the date benefits were initially requested, 14 attorney's fees shall not attach under this subsection until 15 30 days from the date the carrier or employer, if 16 self-insured, receives the petition. In applying the factors 17 set forth in subsection (1) to cases arising under paragraphs

scope of paragraphs (a), (b), (c), and (d).

Section 19. Section 440.345, Florida Statutes, is
amended to read:

(a), (b), (c), and (d), the judge of compensation claims must

only consider only such benefits and the time reasonably spent

in obtaining them as were secured for the claimant within the

440.345 Reporting of attorney's fees.--All fees paid to attorneys for services rendered under this chapter shall be reported to the division as the division requires by rule. The division shall annually summarize the such data in a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives Workers' Compensation Oversight Board.

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Section 20. Subsection (8) is added to section 440.39, Florida Statutes, to read:

440.39 Compensation for injuries when third persons are liable.--

(8) This section does not impose on the carrier a duty to preserve evidence pertaining to the industrial accident or to injuries arising from such accident.

Section 21. Effective October 1, 2001, subsections (1) and (2) of section 440.4416, Florida Statutes, are amended to read:

440.4416 Workers' Compensation Oversight Board. --

- (1) There is created within the department of Labor and Employment Security the Workers' Compensation Oversight Board. The board shall be composed of the following members, each of whom has knowledge of, or experience with, the workers' compensation system:
- (a) Five Six members selected by the Governor, none of whom shall be a member of the Legislature at the time of appointment, consisting of the following:
- 1. <u>One representative</u> Two representatives of the workers' compensation insurance industry employers.
- 2. One representative Four representatives of workers' compensation health care providers employees, one of whom must be a representative of an employee's union whose members are covered by workers' compensation pursuant to this chapter.
- 3. One representative of workers' compensation claimant's attorneys.
- $\underline{\text{4. One representative of workers' compensation defense}}$ attorneys.
- 5. One representative who is either an employer or a nonsalaried and nonmanagement employee.

Two Three members selected by the President of the 1 2 Senate, none of whom shall be members of the Legislature at the time of appointment, consisting of: 3 4 1. A representative of employers who employs at least 5 10 employees in Florida for which workers' compensation coverage is provided pursuant to this chapter, and who is a 6 7 licensed general contractor actively engaged in the 8 construction industry in this state. 9 1.2. A representative of employers who employs fewer than 25 10 employees in Florida for which workers' 10 compensation coverage is provided pursuant to this chapter. 11 12 2.3. A representative of employees who is a 13 nonsalaried and nonmanagement employee of an employer 14 employing at least 25 persons. (c) Two Three members selected by the Speaker of the 15 House of Representatives, none of whom shall be members of the 16 17 Legislature at the time of appointment, consisting of: 18 1. A representative of employers who employs fewer 19 than 10 employees in Florida and who is a licensed general 20 contractor actively engaged in the construction industry in this state for which workers' compensation coverage is 21 22 provided pursuant to this chapter. 23 1.2. A representative of employers who employs at least 25 10 employees in Florida for which workers' 24 compensation coverage is provided pursuant to this chapter. 25 26 2.3. A representative of employees who is a nonsalaried and nonmanagement employee of an employer 27 28 employing fewer than 25 persons. 29 (d) Additionally, the Insurance Commissioner and the

secretary of the Department of Labor and Employment Security

shall be nonvoting ex officio members.

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expire December 31, 2001. New original appointments to the board shall be made on or before January 1, 2002 1994.

Vacancies in the membership of the board shall be filled in the same manner as the original appointments. Except as to exofficio members of the board, Three appointees of the Governor, one appointee two appointees of the President of the Senate, and one appointee two appointees of the Speaker of the House of Representatives shall serve for terms of 2 years, and the remaining appointees shall serve for terms of 4 years. Thereafter, all members shall serve for terms of 4 years; except that a vacancy shall be filled by appointment for the remainder of the term. The board shall have an organizational meeting on or before March 1, 1994, the time and place of such meeting to be determined by the Governor.

(e)(f) Each member is accountable to the Governor for proper performance of his or her duties as a member of the board. The Governor may remove from office any member for malfeasance, misfeasance, neglect of duty, drunkenness, incompetence, permanent inability to perform official duties, or for pleading guilty or nolo contendere to, or having been adjudicated guilty of, a first degree misdemeanor or a felony.

 $\underline{(f)(g)}$ A vacancy shall occur upon failure of a member to attend four consecutive meetings of the board or 50 percent of the meetings of the board during a 12-month period, unless the board by majority votes to excuse the absence of such member.

- (2) POWERS AND DUTIES; ORGANIZATION. --
- (a) The board shall have all the powers necessary and convenient to carry out and effectuate the purposes of this section, including, but not limited to, the power to:

1. Conduct public hearings.

- 2. Report to the Legislature by January 1, 1995, as to the feasibility of a return-to-work program that includes incentives for employers who encourage such a program and disincentives for employers who hinder such a program.
 - 2.3. Prescribe qualifications for board employees.
- 3.4. Appear on its own behalf before other boards, commissions, or agencies of the state or Federal Government.
- $\underline{4.5}$. Make and execute contracts to the extent that such contracts are consistent with duties and powers set forth in this section and elsewhere in the law of this state.
- (b) The board shall adopt bylaws, formulate workers' compensation legislation or amendments, review, advise, and appear before the Legislature in connection with legislation that impacts the workers' compensation system, advise the division on policy, administrative and legislative issues, and appear before other state or federal agencies in connection with matters impacting the workers' compensation system.
- (c) The Governor board shall select a chair from among the employer or employee members of the board. The member designated as chair who shall serve as chair for a term period of 2 years or and until a successor is elected and qualified, unless removed from the board by the Governor. The chair shall be the chief administrative officer of the board and shall have the authority to plan, direct, coordinate, and execute the powers and duties of the board.
- (d) The board shall hold <u>at least one regularly</u> scheduled meeting each quarter and other such meetings during the year as it deems necessary, except that the chair, a quorum of the board, or the division may call meetings. <u>The board shall hold at least two meetings a year outside Leon</u>

<u>County.</u> The board shall maintain transcripts of each meeting. Such transcripts shall be available to any interested person in accordance with chapter 119.

- (e) The board shall approve the bylaws or amendments thereto by unanimous vote. All other board actions or recommendations shall be approved by not less than a majority vote of the members present employee representatives and majority vote of employer representatives, unless the bylaws otherwise provide.
- (f) The board shall submit all formal reports and publications made by the board to the division at least 30 days prior to the release or publication of the information.

 The board shall include in all formal reports and publications any response from the division.

Section 22. Section 627.0915, Florida Statutes, is amended to read:

drug-free workplace, and safe employers.—The Department of Insurance shall approve rating plans for workers' compensation insurance that give specific identifiable consideration in the setting of rates to employers that either implement a drug-free workplace program pursuant to rules adopted by the Division of Workers' Compensation of the Department of Labor and Employment Security or implement a safety program <u>pursuant to provisions of the rating plan approved by the Division of Safety of the Department of Labor and Employment Security or implement both a drug-free workplace program and a safety program. The Division of Safety may by rule require that the client of a help supply services company comply with the essential requirements of a workplace safety program as a condition for</u>

receiving a premium credit. The plans must take effect January 1, 1994, must be actuarially sound, and must state the savings anticipated to result from such drug-testing and safety programs. Section 23. The amendments to ss. 440.02 and 440.15 in this act shall not be construed to affect any determination of disability under s. 112.18, 112.181, or s. 112.19, Florida Statutes. Section 24. Subsection (3) of section 440.45, Florida Statutes, is repealed. Section 25. If any provision of this act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared severable. Section 26. Except as otherwise provided herein, this act shall take effect January 1, 2002.

CODING: Words stricken are deletions; words underlined are additions.