



# NEWS RELEASE

GOVERNOR'S COMMUNICATIONS OFFICE

FOR IMMEDIATE RELEASE  
APRIL 20, 2004

CONTACT: LYDIA LENKER  
615.741.3763 (OFFICE)  
615.289.9375 (CELL)

## BREDESEN SUBMITS WORKERS' COMP REFORM PACKAGE REFORM NEEDED FOR JOBS

**NASHVILLE** - Governor Phil Bredesen today submitted to the General Assembly a 13-point strategy for achieving comprehensive reform of Tennessee's workers' compensation system. The plan represents a good-faith effort to balance the needs to protect Tennessee workers with the need to make the state more competitive in job creation.

The Governor, who called for workers' comp reform in January, said he's hopeful the legislation will pass in short order. "At the end of the day, this is not about big business versus labor," Bredesen said. "It's not about insurance companies versus trial lawyers. And it's not about Democrats versus Republicans. This is about jobs, pure and simple. If we're serious about staying competitive with our neighboring states, we need to at least be in the same ballpark when it comes to workers' comp."

### MAJOR COMPONENTS OF THE GOVERNOR'S WORKERS' COMP REFORM PACKAGE

- **Workplace Safety**  
The State will invest additional money in workplace safety programs by funding a series of grants to the Occupational Safety and Health Program.
- **Multiplier Change**  
Currently, state law provides for an employee who returns to work at the same wage to be compensated for injuries resulting in permanent partial disability (PPD) at a rate of up to 2½ times the medical impairment rating. Moving forward, the multiplier will be lowered to 1½, bringing Tennessee more in line with neighboring states.
- **Reconsideration**  
In the event an employee loses his job after returning to work, he will be able to more easily go back to court for "reconsideration" for a higher award.
- **Mandatory Benefit Review**  
The State will fund a new mediation system that will require an employee to participate with the employer in an impartial benefit-review conference before going to court to seek a judgment.

-MORE-

- **Medical Fee Schedule**  
The Department of Labor will develop a medical fee schedule to go into effect July 1, 2005, that will control medical fees at a reasonable level. Forty-one states currently have medical fee schedules.
- **Independent Medical Examiner**  
In the event an employer and employee disagree over the medical impairment rating, either party will have the right to request a review by an independent medical examiner.
- **Judicial Training**  
The Administrative Office of the Courts will conduct training for judges in an effort to address inconsistencies in judgments in workers' comp cases, and implement a system to monitor judgment levels between judicial districts.
- **Case Management**  
The State will make optional the current mandatory requirement for case management in workers' comp cases. The current requirement adds unnecessary costs to the system.
- **Maximum Benefit Increase**  
Currently, maximum temporary benefits for an employee are capped at 100% of the state's average weekly wage. Moving forward, the State will cap it at 105% in fiscal 2005, then 110% in all subsequent years.
- **Prompt Payment**  
An employer will be assessed a penalty equal to a percentage of the award if timely payment is not made following knowledge of disability.
- **Open Medical Expenses**  
Currently, employee medical expenses are settled in a lump sum payment. Moving forward in most cases, medical expenses will remain "open" for five years to ensure that injured workers can continue receiving medical treatment as needed. In cases of permanent total disability, expenses will remain "open" in perpetuity.
- **Self-Insured Oversight**  
Self-insured companies will be subject to additional oversight, including increased bonding requirements, to ensure that their workers' comp funds remain solvent.
- **Physician Choice**  
The State will enforce the existing requirement that employers give employees three doctors from which to choose for evaluation and treatment.

###