FIRST REGULAR SESSION

SENATE BILL NO. 667

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR HENDERSON.

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 287.200, 287.470, 287.610, 287.615, 287.812, 287.835, and 621.045, RSMo, and to enact in lieu thereof seven new sections relating to workers' compensation.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 287.200, 287.470, 287.610, 287.615,
287.812, 287.835, and 621.045, RSMo, are repealed and seven new
sections enacted in lieu thereof, to be known as sections
287.200, 287.470, 287.610, 287.615, 287.812, 287.835, and
621.045, to read as follows:

287.200. 1. Compensation for permanent total 2 disability shall be paid during the continuance of such 3 disability from the date of maximum medical improvement for 4 the lifetime of the employee at the weekly rate of 5 compensation in effect under this subsection on the date of 6 the injury for which compensation is being made. The word 7 "employee" as used in this section shall not include the 8 injured worker's dependents, estate, or other persons to 9 whom compensation may be payable as provided in subsection 1 10 of section 287.020. The amount of such compensation shall 11 be computed as follows:

(1) For all injuries occurring on or after September
28, 1983, but before September 28, 1986, the weekly
compensation shall be an amount equal to sixty-six and twothirds percent of the injured employee's average weekly
earnings during the year immediately preceding the injury,

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

2596S.01I

17 as of the date of the injury; provided that the weekly 18 compensation paid under this subdivision shall not exceed an 19 amount equal to seventy percent of the state average weekly 20 wage, as such wage is determined by the division of 21 employment security, as of the July first immediately 22 preceding the date of injury;

For all injuries occurring on or after September 23 (2)24 28, 1986, but before August 28, 1990, the weekly compensation shall be an amount equal to sixty-six and two-25 26 thirds percent of the injured employee's average weekly earnings during the year immediately preceding the injury, 27 as of the date of the injury; provided that the weekly 28 compensation paid under this subdivision shall not exceed an 29 amount equal to seventy-five percent of the state average 30 weekly wage, as such wage is determined by the division of 31 employment security, as of the July first immediately 32 preceding the date of injury; 33

34 (3) For all injuries occurring on or after August 28,
35 1990, but before August 28, 1991, the weekly compensation
36 shall be an amount equal to sixty-six and two-thirds percent
37 of the injured employee's average weekly earnings as of the
38 date of the injury; provided that the weekly compensation
39 paid under this subdivision shall not exceed an amount equal
40 to one hundred percent of the state average weekly wage;

41 (4) For all injuries occurring on or after August 28,
42 1991, the weekly compensation shall be an amount equal to
43 sixty-six and two-thirds percent of the injured employee's
44 average weekly earnings as of the date of the injury;
45 provided that the weekly compensation paid under this
46 subdivision shall not exceed an amount equal to one hundred
47 five percent of the state average weekly wage;

48 (5) For all injuries occurring on or after September
49 28, 1981, the weekly compensation shall in no event be less
50 than forty dollars per week.

51 Permanent total disability benefits that have 2. 52 accrued through the date of the injured employee's death are the only permanent total disability benefits that are to be 53 paid in accordance with section 287.230. The right to 54 55 unaccrued compensation for permanent total disability of an injured employee terminates on the date of the injured 56 57 employee's death in accordance with section 287.230, and does not survive to the injured employee's dependents, 58 estate, or other persons to whom compensation might 59 60 otherwise be payable.

61 3. (1) All claims for permanent total disability 62 shall be determined in accordance with the facts. [When an 63 injured employee receives an award for permanent total 64 disability but by the use of glasses, prosthetic appliances, or physical rehabilitation the employee is restored to his 65 66 or her regular work or its equivalent, the life payment mentioned in subsection 1 of this section shall be suspended 67 during the time in which the employee is restored to his or 68 her regular work or its equivalent.] The employer and the 69 70 division shall keep the file open in the case during the 71 lifetime of any injured employee who has received an award 72 of permanent total disability.

(2) When an injured employee receives an award for permanent total disability but by the use of glasses, prosthetic appliances, or physical rehabilitation the employee is restored to his or her regular work or its equivalent, the life payment mentioned in subsection 1 of this section shall be suspended during the time in which the employee is restored to his or her regular work or its

80 equivalent. In any case where the life payment is suspended 81 under this [subsection] subdivision, the commission may at 82 reasonable times review the case and either the employee or 83 the employer may request an informal conference with the 84 commission relative to the resumption of the employee's 85 weekly life payment in the case.

(3) Upon filing of a written agreement signed by the
claimant and his or her attorney, the commission shall
change the name, information, or fee arrangement of the
attorney or law firm associated with the claimant's case.

90 4. For all claims filed on or after January 1, 2014,
91 for occupational diseases due to toxic exposure which result
92 in a permanent total disability or death, benefits in this
93 chapter shall be provided as follows:

94 (1) Notwithstanding any provision of law to the 95 contrary, such amount as due to the employee during said 96 employee's life as provided for under this chapter for an 97 award of permanent total disability and death, except such 98 amount shall only be paid when benefits under subdivisions 99 (2) and (3) of this subsection have been exhausted;

100 (2) For occupational diseases due to toxic exposure, 101 but not including mesothelioma, an amount equal to two 102 hundred percent of the state's average weekly wage as of the 103 date of diagnosis for one hundred weeks paid by the 104 employer; and

105 (3) In cases where occupational diseases due to toxic106 exposure are diagnosed to be mesothelioma:

107 (a) For employers that have elected to accept
108 mesothelioma liability under this subsection, an additional
109 amount of three hundred percent of the state's average
110 weekly wage for two hundred twelve weeks shall be paid by
111 the employer or group of employers such employer is a member

112 of. Employers that elect to accept mesothelioma liability 113 under this subsection may do so by either insuring their 114 liability, by qualifying as a self-insurer, or by becoming a member of a group insurance pool. A group of employers may 115 enter into an agreement to pool their liabilities under this 116 117 subsection. If such group is joined, individual members 118 shall not be required to qualify as individual selfinsurers. Such group shall comply with section 287.223. 119 In 120 order for an employer to make such an election, the employer 121 shall provide the department with notice of such an election 122 in a manner established by the department. The provisions of this paragraph shall expire on December 31, 2038; or 123

(b) For employers who reject mesothelioma under this
subsection, then the exclusive remedy provisions under
section 287.120 shall not apply to such liability. The
provisions of this paragraph shall expire on December 31,
2038; and

(4) The provisions of subdivision (2) and paragraph
(a) of subdivision (3) of this subsection shall not be
subject to suspension of benefits as provided in subsection
3 of this section; and

(5) Notwithstanding any other provision of this 133 chapter to the contrary, should the employee die before the 134 135 additional benefits provided for in subdivision (2) and 136 paragraph (a) of subdivision (3) of this subsection are 137 paid, the additional benefits are payable to the employee's spouse or children, natural or adopted, legitimate or 138 illegitimate, in addition to benefits provided under section 139 140 287.240. If there is no surviving spouse or children and 141 the employee has received less than the additional benefits provided for in subdivision (2) and paragraph (a) of 142 subdivision (3) of this subsection the remainder of such 143

144 additional benefits shall be paid as a single payment to the 145 estate of the employee;

(6) The provisions of subdivision (1) of this
subsection shall not be construed to affect the employee's
ability to obtain medical treatment at the employer's
expense or any other benefits otherwise available under this
chapter.

5. Any employee who obtains benefits under subdivision
(2) of subsection 4 of this section for acquiring asbestosis
who later obtains an award for mesothelioma shall not
receive more benefits than such employee would receive
having only obtained benefits for mesothelioma under this
section.

287.470. 1. Upon its own motion or upon the 2 application of any party in interest on the ground of a 3 change in condition, the commission may at any time upon a 4 rehearing after due notice to the parties interested review any award and on such review may make an award ending, 5 6 diminishing or increasing the compensation previously awarded, subject to the maximum or minimum provided in this 7 8 chapter, and shall immediately send to the parties and the 9 employer's insurer a copy of the award. No such review 10 shall affect such award as regards any moneys paid.

11 2. Upon the filing of a written agreement signed by 12 the claimant and his or her attorney, the commission shall 13 change the name, information, or fee arrangement of the 14 attorney or law firm associated with the claimant's case.

287.610. 1. After August 28, 2005, the division may
appoint additional administrative law judges for a maximum
of forty authorized administrative law judges.
Appropriations shall be based upon necessity, measured by
the requirements and needs of each division office.

6 Administrative law judges shall be duly licensed lawyers 7 under the laws of this state. Administrative law judges 8 shall not practice law or do law business and shall devote their whole time to the duties of their office. 9 The 10 director of the division of workers' compensation shall publish and maintain on the division's website the 11 12 appointment dates or initial dates of service for all administrative law judges. 13

14 [The thirteen administrative law judges with the 2. 15 most years of service shall be subject to a retention vote on August 28, 2008. The next thirteen administrative law 16 17 judges with the most years of service in descending order 18 shall be subject to a retention vote on August 28, 2012. Administrative law judges appointed and not previously 19 referenced in this subsection shall be subject to a 20 retention vote on August 28, 2016. Subsequent retention 21 22 votes shall be held every twelve years. Any administrative 23 law judge who has received two or more votes of no 24 confidence under performance audits by the committee shall 25 not receive a vote of retention.

3. The administrative law judge review committee members shall not have any direct or indirect employment or financial connection with a workers' compensation insurance company, claims adjustment company, health care provider nor be a practicing workers' compensation attorney. All members of the committee shall have a working knowledge of workers' compensation.

4. The committee shall within thirty days of
completing each performance audit make a recommendation of
confidence or no confidence for each administrative law
judge.

37 5.1 The administrative law judges appointed by the division shall only have jurisdiction to hear and determine 38 39 claims upon original hearing and shall have no jurisdiction upon any review hearing, either in the way of an appeal from 40 an original hearing or by way of reopening any prior award, 41 42 except to correct a clerical error in an award or settlement if the correction is made by the administrative law judge 43 44 within twenty days of the original award or settlement. The labor and industrial relations commission may remand any 45 46 decision of an administrative law judge for a more complete finding of facts. The commission may also correct a 47 clerical error in awards or settlements within thirty days 48 49 of its final award. With respect to original hearings, the administrative law judges shall have such jurisdiction and 50 powers as are vested in the division of workers' 51 52 compensation under other sections of this chapter, and wherever in this chapter the word "commission", 53 "commissioners" or "division" is used in respect to any 54 55 original hearing, those terms shall mean the administrative law judges appointed under this section. When a hearing is 56 necessary upon any claim, the division shall assign an 57 administrative law judge to such hearing. Any 58 administrative law judge shall have power to approve 59 60 contracts of settlement, as provided by section 287.390, between the parties to any compensation claim or dispute 61 62 under this chapter pending before the division of workers' 63 compensation. Any award by an administrative law judge upon 64 an original hearing shall have the same force and effect, 65 shall be enforceable in the same manner as provided elsewhere in this chapter for awards by the labor and 66 industrial relations commission, and shall be subject to 67 review as provided by section 287.480. 68

69 [6.] 3. Any of the administrative law judges employed
70 pursuant to this section may be assigned on a temporary
71 basis to the branch offices as necessary in order to ensure
72 the proper administration of this chapter.

73 [7.] 4. All administrative law judges shall be required to participate in, on a continuing basis, specific 74 75 training that shall pertain to those elements of knowledge and procedure necessary for the efficient and competent 76 performance of the administrative law judges' required 77 78 duties and responsibilities. Such training requirements shall be established by the division subject to 79 appropriations and shall include training in medical 80 81 determinations and records, mediation and legal issues pertaining to workers' compensation adjudication. Such 82 training may be credited toward any continuing legal 83 84 education requirements.

85 **[**8. (1) The administrative law judge review committee shall conduct a performance audit of all administrative law 86 87 judges every two years. The audit results, stating the committee's recommendation of confidence or no confidence of 88 89 each administrative law judge shall be sent to the governor no later than the first week of each legislative session 90 immediately following such audit. Any administrative law 91 92 judge who has received three or more votes of no confidence 93 under two successive performance audits by the committee may 94 have their appointment immediately withdrawn.

95 (2) The review committee shall consist of one member
96 appointed by the president pro tem of the senate, one member
97 appointed by the minority leader of the senate, one member
98 appointed by the speaker of the house of representatives,
99 and one member appointed by the minority leader of the house
100 of representatives. The governor shall appoint to the

101 committee one member selected from the commission on 102 retirement, removal, and discipline of judges. This member 103 shall act as a member ex officio and shall not have a vote in the committee. The committee shall annually elect a 104 105 chairperson from its members for a term of one year. The 106 term of service for all members shall be two years. The 107 review committee members shall all serve without 108 compensation. Necessary expenses for review committee 109 members and all necessary support services to the review 110 committee shall be provided by the division.]

111 The director of the division may file a complaint 5. with the administrative hearing commission seeking to remove 112 113 an administrative law judge from office for one or any combination of causes stated in subsection 6 of this 114 115 section. Prior to the filing of the complaint, the director 116 shall notify the administrative law judge in writing of the 117 reasons for the complaint. The administrative law judge 118 shall have ninety days from the day the complaint was made 119 to remedy the complained of behavior if the reason for the 120 complaint is willful neglect of duty or incompetency.

121 6. If the reasons for the complaint are willful neglect of duty or incompetency and the reasons have not 122 123 been remedied after ninety days, the director may file the 124 complaint with the administrative hearing commission in the 125 same manner as is provided by chapter 621. The director may 126 cause a complaint to be filed with the administrative hearing commission as provided by chapter 621 against any 127 128 administrative law judge for any one or any combination of 129 the following causes: the administrative law judge has committed any felony, as defined in subdivision (26) of 130 131 section 556.061, or misdemeanor, as defined in subdivision 132 (33) of section 556.061, regardless of whether a criminal

133 charge has been filed; the administrative law judge has been 134 convicted, or has entered a plea of guilty or nolo 135 contendere in a criminal prosecution under the laws of any state, the United States, or of any country, regardless of 136 whether sentence is imposed or is guilty of misconduct; 137 138 habitual intoxication; willful neglect of duty; corruption in office; incompetency; or the administrative law judge has 139 140 committed any act that involves moral turpitude or 141 oppression in office.

After the director has filed a complaint before the
administrative hearing commission, the proceedings shall be
conducted in accordance with the provisions of chapter 621.
Upon a finding by the administrative hearing commission that:

146 (1) The grounds, as provided in subsection 6 of this 147 section, for disciplinary action are met, the director may, 148 singly or in combination, issue the following disciplinary 149 actions against the administrative law judge: removal from office, suspension from the performance of duties for a 150 period of time, or other discipline as determined by the 151 152 The director shall make a record of written director. 153 findings of fact and conclusions of law with respect to the issues and shall put a copy of such record in the 154 155 administrative law judge's permanent file; or

(2) There are no grounds for disciplinary action, the
 administrative law judge shall immediately resume duties and
 shall receive any attorney's fees due under section 536.087.

8. Notwithstanding any provision of this section to
the contrary, the following events or acts by an
administrative law judge are deemed to be an immediate
threat to the administration of the provisions of chapter
287 and shall be considered cause for suspension with pay of

164 the administrative law judge without notice, at the 165 discretion of the director:

(1) A crime for which the administrative law judge is
 being held without bond for a period of more than fourteen
 days;

169 (2) Suspension or revocation of a license to practice170 law; or

171 (3) A declaration of incapacity by a court of172 competent jurisdiction.

9. No rule or portion of a rule promulgated pursuant
to the authority of this section shall become effective
unless it has been promulgated pursuant to the provisions of
chapter 536.

287.615. 1. The division may appoint or employ such 2 persons as may be necessary to the proper administration of this chapter. All salaries to clerical employees shall be 3 4 fixed by the division and approved by the labor and industrial relations commission. Beginning January 1, 2006, 5 the annual salary of each administrative law judge[,] and 6 administrative law judge in charge[, and chief legal 7 counsel] shall be as follows: 8

9 (1) [For any chief legal counsel located at the 10 division office in Jefferson City, Missouri, compensation at 11 two thousand dollars above eighty percent of the rate at 12 which an associate circuit judge is compensated;

13 (2)] For each administrative law judge, compensation
14 at ninety percent of the rate at which an associate division
15 circuit judge is compensated;

[(3)] (2) For each administrative law judge in charge,
compensation at the same rate as an administrative law judge
plus five thousand dollars.

19 2. Administrative law judges' and chief administrative 20 law judges' compensation shall be determined solely by the 21 rate outlined in this section and shall not increase when 22 pay raises for executive employees are appropriated.

The salary of the director of the division of 23 3. 24 workers' compensation shall be set by the director of the 25 department of labor and industrial relations, but shall not 26 be less than the salary plus two thousand dollars of an administrative law judge in charge. The appointees in each 27 28 classification shall be selected as nearly as practicable in equal numbers from each of the two political parties casting 29 the highest and the next highest number of votes for 30 31 governor in the last preceding state election.

287.812. As used in sections 287.812 to 287.855,
unless the context clearly requires otherwise, the following
terms shall mean:

4 (1) "Administrative law judge", any person appointed
5 pursuant to section 287.610 or section 621.015, or any
6 person who hereafter may have by law all of the powers now
7 vested by law in administrative law judges appointed under
8 the provisions of the workers' compensation law;

9 "Beneficiary", a surviving spouse married to the (2) deceased administrative law judge or legal advisor of the 10 division of workers' compensation continuously for a period 11 of at least two years immediately preceding the 12 13 administrative law judge's or legal advisor's death and also 14 on the day of the last termination of such person's 15 employment as an administrative law judge or legal advisor for the division of workers' compensation, or if there is no 16 surviving spouse eligible to receive benefits, any minor 17 child of the deceased administrative law judge or legal 18 advisor, or any child of the deceased administrative law 19

judge or legal advisor who, regardless of age, is unable to support himself because of intellectual disability, disease or disability, or any physical handicap or disability, who shall share in the benefits on an equal basis with all other beneficiaries;

(3) "Benefit", a series of equal monthly payments
payable during the life of an administrative law judge or
legal advisor of the division of workers' compensation
retiring pursuant to the provisions of sections 287.812 to
287.855 or payable to a beneficiary as provided in sections
287.812 to 287.850;

31 (4) "Board", the board of trustees of the Missouri
32 state employees' retirement system;

33 (5) ["Chief legal counsel", any person appointed or 34 employed under section 287.615 to serve in the capacity of 35 legal counsel to the division;

36 (6)] "Division", the division of workers' compensation 37 of the state of Missouri;

38 [(7)] (6) "Legal advisor", any person appointed or 39 employed pursuant to section 287.600, 287.615, or 287.616 to 40 serve in the capacity as a legal advisor or an associate 41 administrative law judge and any person appointed pursuant 42 to section 286.010 or pursuant to section 295.030, and any 43 attorney or legal counsel appointed or employed pursuant to 44 section 286.070;

45 [(8)] (7) "Salary", the total annual compensation paid
46 for personal services as an administrative law judge or
47 legal advisor, or both, of the division of workers'
48 compensation by the state or any of its political
49 subdivisions.

287.835. [1. No benefits provided pursuant to2 sections 287.812 to 287.855 shall be paid to any person who

has been removed from office by impeachment or for
misconduct, nor to any person who has been disbarred from
the practice of law, nor to the beneficiary of any such
persons.

7 2.] The board of trustees of the Missouri state 8 employees' retirement system shall cease paying benefits to 9 any beneficiary of an administrative law judge or legal 10 advisor who is charged with the intentional killing of the administrative law judge or legal advisor without legal 11 12 excuse or justification. A beneficiary who is convicted of such charges shall no longer be entitled to receive 13 benefits. If the beneficiary is not convicted of such 14 15 charge, the board shall resume payment of benefits and shall pay the beneficiary any benefits that were suspended pending 16 17 resolution of such charge.

621.045. 1. The administrative hearing commission 2 shall conduct hearings and make findings of fact and 3 conclusions of law in those cases when, under the law, a 4 license issued by any of the following agencies may be 5 revoked or suspended or when the licensee may be placed on probation or when an agency refuses to permit an applicant 6 7 to be examined upon his or her qualifications or refuses to 8 issue or renew a license of an applicant who has passed an 9 examination for licensure or who possesses the 10 qualifications for licensure without examination:

- 11 Missouri State Board of Accountancy
- 12 Missouri State Board for Architects,
- 13 Professional Engineers, Professional Land
- 14 Surveyors and Landscape Architects
- 15 Board of Barber Examiners
- 16 Board of Cosmetology
- 17 Board of Chiropody and Podiatry

18 Board of Chiropractic Examiners Missouri Dental Board 19 20 Board of Embalmers and Funeral Directors Board of Registration for the Healing Arts 21 22 Board of Nursing 23 Board of Optometry 24 Board of Pharmacy 25 Missouri Real Estate Commission 26 Missouri Veterinary Medical Board 27 Supervisor of Liquor Control Department of Health and Senior Services 28 Department of Commerce and Insurance 29 30 Department of Mental Health Board of Private Investigator Examiners. 31 32 2. If in the future there are created by law any new or additional administrative agencies which have the power 33 to issue, revoke, suspend, or place on probation any 34 35 license, then those agencies are under the provisions of 36 this law. 37 3. The administrative hearing commission is authorized to conduct hearings and make findings of fact and 38

38 to conduct hearings and make findings of fact and 39 conclusions of law in those cases brought by the Missouri 40 state board for architects, professional engineers, 41 professional land surveyors and landscape architects against 42 unlicensed persons under section 327.076.

43 4. The administrative hearing commission is authorized 44 to conduct hearings and make findings of fact and 45 conclusions of law in those cases brought by the division of 46 workers' compensation of the department of labor and 47 industrial relations against administrative law judges under 48 section 287.610.

49 5. Notwithstanding any other provision of this section
50 to the contrary, after August 28, 1995, in order to
51 encourage settlement of disputes between any agency
52 described in subsection 1 or 2 of this section and its
53 licensees, any such agency shall:

(1) Provide the licensee with a written description of the specific conduct for which discipline is sought and a citation to the law and rules allegedly violated, together with copies of any documents which are the basis thereof and the agency's initial settlement offer, or file a contested case against the licensee;

60 (2) If no contested case has been filed against the 61 licensee, allow the licensee at least sixty days, from the 62 date of mailing, to consider the agency's initial settlement 63 offer and to contact the agency to discuss the terms of such 64 settlement offer;

(3) If no contested case has been filed against the 65 66 licensee, advise the licensee that the licensee may, either 67 at the time the settlement agreement is signed by all parties, or within fifteen days thereafter, submit the 68 agreement to the administrative hearing commission for 69 determination that the facts agreed to by the parties to the 70 settlement constitute grounds for denying or disciplining 71 72 the license of the licensee; and

(4) In any contact under this subsection by the agency
or its counsel with a licensee who is not represented by
counsel, advise the licensee that the licensee has the right
to consult an attorney at the licensee's own expense.

77 [5.] 6. If the licensee desires review by the 78 administrative hearing commission under subdivision (3) of 79 subsection [4] 5 of this section at any time prior to the 80 settlement becoming final, the licensee may rescind and

81 withdraw from the settlement and any admissions of fact or 82 law in the agreement shall be deemed withdrawn and not 83 admissible for any purposes under the law against the licensee. Any settlement submitted to the administrative 84 85 hearing commission shall not be effective and final unless and until findings of fact and conclusions of law are 86 87 entered by the administrative hearing commission that the 88 facts agreed to by the parties to the settlement constitute grounds for denying or disciplining the license of the 89 90 licensee.

18

[6.] 7. When a holder of a license, registration, 91 permit, or certificate of authority issued by the division 92 93 of professional registration or a board, commission, or committee of the division of professional registration 94 against whom an affirmative decision is sought has failed to 95 96 plead or otherwise respond in the contested case and 97 adequate notice has been given under sections 536.067 and 98 621.100 upon a properly pled writing filed to initiate the 99 contested case under this chapter or chapter 536, a default 100 decision shall be entered against the licensee without 101 further proceedings. The default decision shall grant such relief as requested by the division of professional 102 registration, board, committee, commission, or office in the 103 104 writing initiating the contested case as allowed by law. 105 Upon motion stating facts constituting a meritorious defense 106 and for good cause shown, a default decision may be set The motion shall be made within a reasonable time, 107 aside. not to exceed thirty days after entry of the default 108 decision. "Good cause" includes a mistake or conduct that 109 110 is not intentionally or recklessly designed to impede the 111 administrative process.

 \checkmark