



HOUSE BILL No. 5030

September 12, 1995, Introduced by Rep. Ciaramitaro and referred to the Committee on Human Resources and Labor.

A bill to amend sections 801 and 858 of Act No. 317 of the Public Acts of 1969, entitled as amended "Worker's disability compensation act of 1969," as amended by Act No. 271 of the Public Acts of 1994, being sections 418.801 and 418.858 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 801 and 858 of Act No. 317 of the
2 Public Acts of 1969, as amended by Act No. 271 of the Public Acts
3 of 1994, being sections 418.801 and 418.858 of the Michigan
4 Compiled Laws, are amended to read as follows:

5 Sec. 801. (1) Compensation shall be paid promptly and
6 directly to the person entitled thereto and shall become due and
7 payable on the fourteenth day after the employer has notice or
8 knowledge of the disability or death, on which date all
9 compensation then accrued shall be paid. Thereafter compensation

1 shall be paid in weekly installments. Every carrier shall keep a
2 record of all payments made under this act and of the time and
3 manner of making the payments and shall furnish reports, based
4 upon these records, to the bureau as the director may reasonably
5 require.

6 (2) If weekly compensation benefits or accrued weekly bene-
7 fits are not paid within 30 days after becoming due and payable,
8 in cases where there is not an ongoing dispute, \$50.00 per day
9 shall be added and paid to the worker for each day over 30 days
10 in which the benefits are not paid. Not more than \$1,500.00 in
11 total may be added pursuant to this subsection.

12 (3) If medical bills or travel allowance are not paid within
13 30 days after the carrier has received notice of nonpayment by
14 certified mail, in cases where there is no ongoing dispute,
15 \$50.00 or the amount of the bill due, whichever is less, shall be
16 added and paid to the worker for each day over 30 days in which
17 the medical bills or travel allowance are not paid. Not more
18 than \$1,500.00 in total may be added pursuant to this
19 subsection. AS USED IN THIS SUBSECTION, "MEDICAL BILLS" INCLUDES
20 THOSE ITEMS REQUIRED TO BE SUPPLIED BY AN EMPLOYER TO RELIEVE
21 FROM THE EFFECTS OF AN INJURY PURSUANT TO SECTION 315(1).

22 (4) For purposes of rate-making, daily charges paid under
23 subsection (2) shall not constitute elements of loss.

24 (5) An employer who has notice or knowledge of the disabil-
25 ity or death and fails to give notice to the carrier shall pay
26 the penalty provided for in subsection (2) for the period during
27 which the employer failed to notify the carrier.

1 (6) When weekly compensation OR A CLAIM FOR MEDICAL BILLS OR
2 ITEMS REQUIRED TO BE SUPPLIED PURSUANT TO SECTION 315(1) is paid
3 pursuant to an award of a worker's compensation magistrate, an
4 arbitrator, the board, the appellate commission, or a court,
5 interest on the compensation OR AMOUNT OF THE CLAIM AWARDED shall
6 be paid at the rate of 10% per annum from the date each payment
7 was due, until paid.

8 Sec. 858. (1) The cost of a hearing, including the cost of
9 taking stenographic notes of the testimony presented at the hear-
10 ing, not exceeding the taxable costs allowed in actions at law in
11 the circuit courts of this state, shall be fixed by the board of
12 magistrates and paid by the state as other expenses of the state
13 are paid. The payment of fees for all attorneys and physicians
14 for services under this act, INCLUDING A CLAIM SOLELY FOR MEDICAL
15 BENEFITS AND OTHER ITEMS REQUIRED TO BE SUPPLIED BY THE EMPLOYER
16 TO RELIEVE FROM THE EFFECTS OF THE INJURY PURSUANT TO SECTION
17 315(1), shall be subject to the approval of a worker's compensa-
18 tion magistrate. ~~In the event of~~ IF THERE IS disagreement as
19 to such fees, an interested party may apply to the bureau for a
20 hearing. After an order by the worker's compensation magistrate,
21 review may be had by the director if a request is filed within 15
22 days. Thereafter the director's order may be reviewed by the
23 appellate commission on request of an interested party, if a
24 request is filed within 15 days.

25 (2) The director, by rule, may prescribe maximum attorney
26 fees and the manner in which the amount may be determined or paid
27 by the employee; but the maximum attorney fees prescribed by the

1 director shall not be based upon a weekly benefit amount after
2 coordination which is higher than 2/3 of the state average weekly
3 wage at the time of the injury. For claims in which an applica-
4 tion under section 847 is filed after March 31, 1986, the maximum
5 attorney fee shall be based upon the coordinated worker's compen-
6 sation benefit amount according to a contingency fee schedule, as
7 provided for under rules promulgated pursuant to this act, but if
8 this would result in a fee of less than \$500.00, the claimant may
9 agree to pay a sum, as specified in a written agreement between
10 the claimant and the attorney prior to the filing of an applica-
11 tion for hearing, so that the total fee received by the attorney
12 would be not more than \$500.00. When fees are requested in
13 excess of that provided by rule, the director may award the fees
14 by special order. In the computation of attorney fees for a case
15 in which an application under section 847 is filed after
16 March 31, 1986 and decided by the worker's compensation appellate
17 commission, the fees shall be assessed on not more than 104 weeks
18 of the period the matter was pending before the commission. This
19 limitation on fees applies only to weekly compensation and does
20 not apply to the period of time the matter was pending review
21 before the court of appeals or supreme court.

22 (3) The director ~~is authorized to~~ MAY promulgate rules
23 calling for reductions in attorney fees in cases where applica-
24 tions for hearing have been dismissed, or where, in the discre-
25 tion of the worker's compensation magistrate, such action is
26 appropriate.