

HOUSE BILL No. 4024

January 8, 1997, Introduced by Rep. Ciaramitaro and referred to the Committee on Labor and Occupational Safety.

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending sections 801 and 858 (MCL 418.801 and 418.858), as amended by 1994 PA 271.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 801. (1) Compensation shall be paid promptly and
2 directly to the person entitled thereto and shall become due and
3 payable on the fourteenth day after the employer has notice or
4 knowledge of the disability or death, on which date all compensa-
5 tion then accrued shall be paid. Thereafter compensation shall
6 be paid in weekly installments. Every carrier shall keep a
7 record of all payments made under this act and of the time and
8 manner of making the payments and shall furnish reports, based
9 upon these records, to the bureau as the director may reasonably
10 require.

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

7 (3) If medical bills or travel allowance are not paid within
8 30 days after the carrier has received notice of nonpayment by
9 certified mail, in cases where there is no ongoing dispute,
10 \$50.00 or the amount of the bill due, whichever is less, shall be
11 added and paid to the worker for each day over 30 days in which
12 the medical bills or travel allowance are not paid. Not more
13 than \$1,500.00 in total may be added pursuant to this
14 subsection. AS USED IN THIS SUBSECTION, "MEDICAL BILLS" INCLUDES
15 THOSE ITEMS REQUIRED TO BE SUPPLIED BY AN EMPLOYER TO RELIEVE
16 FROM THE EFFECTS OF AN INJURY PURSUANT TO SECTION 315(1).

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

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

23 (6) When weekly compensation OR A CLAIM FOR MEDICAL BILLS OR
24 ITEMS REQUIRED TO BE SUPPLIED PURSUANT TO SECTION 315(1) is paid
25 pursuant to an award of a worker's compensation magistrate, an
26 arbitrator, the board, the appellate commission, or a court,
27 interest on the compensation OR AMOUNT OF THE CLAIM AWARDED shall

1 be paid at the rate of 10% per annum from the date each payment
2 was due, until paid.

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

20 (2) The director, by rule, may prescribe maximum attorney
21 fees and the manner in which the amount may be determined or paid
22 by the employee; but the maximum attorney fees prescribed by the
23 director shall not be based upon a weekly benefit amount after
24 coordination which is higher than 2/3 of the state average weekly
25 wage at the time of the injury. For claims in which an applica-
26 tion under section 847 is filed after March 31, 1986, the maximum
27 attorney fee shall be based upon the coordinated worker's

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

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