



HOUSE BILL No. 5697

September 13 1994 Introduced by Rep Ciaramitaro and referred to the Committee on 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 103 of the Public Acts of 1985, 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 103 of the Public Acts
3 of 1985, 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 hearing referee or worker's compensa-
4 tion magistrate, as applicable, an arbitrator, the board, the
5 appellate commission, or a court, interest on the compensation OR
6 AMOUNT OF THE CLAIM AWARDED shall be paid at the rate of 10% per
7 annum from the date each payment 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 director
12 and paid by the state as other expenses of the state are paid
13 The PAYMENT OF fees ~~and payment thereof of~~ FOR all attorneys
14 and physicians for services under this act, INCLUDING A CLAIM
15 SOLELY FOR MEDICAL BENEFITS AND OTHER ITEMS REQUIRED TO BE SUP-
16 PLIED BY THE EMPLOYER TO RELIEVE FROM THE EFFECTS OF THE INJURY
17 PURSUANT TO SECTION 315(1), shall be subject to the approval of a
18 ~~hearing referee or~~ worker s compensation magistrate ~~, as~~
19 ~~applicable in the event of~~ IF THERE IS disagreement as to such
20 fees, an interested party may apply to the bureau for a hearing
21 After an order by the hearing referee or worker's compensation
22 magistrate, as applicable, review may be had by the director if a
23 request is filed within 15 days Thereafter the director's order
24 may be reviewed by the appeal board or the appellate commission,
25 as applicable, on request of an interested party, if a request is
26 filed within 15 days

1 (2) The director, by rule, may prescribe maximum attorney
2 fees and the manner in which the amount may be determined or paid
3 by the employee but the maximum attorney fees prescribed by the
4 director shall not be based upon a weekly benefit amount after
5 coordination which is higher than 2/3 of the state average weekly
6 wage at the time of the injury For claims in which an applica-
7 tion under section 847 is filed after March 31, 1986, the maximum
8 attorney fee shall be based upon the coordinated worker's compen-
9 sation benefit amount according to a contingency fee schedule as
10 provided for under rules promulgated pursuant to this act but if
11 this would result in a fee of less than \$500 00 the claimant may
12 agree to pay a sum, as specified in a written agreement between
13 the claimant and the attorney prior to the filing of an applica-
14 tion for hearing, so that the total fee received by the attorney
15 would be not more than \$500 00 When fees are requested in
16 excess of that provided by rule the director may award the fees
17 by special order In the computation of attorney fees for a case
18 in which an application under section 847 is filed after
19 March 31, 1986 and decided by the worker s compensation appellate
20 commission, the fees shall be assessed on not more than 104 weeks
21 of the period the matter was pending before the commission This
22 limitation on fees applies only to weekly compensation and does
23 not apply to the period of time the matter was pending review
24 before the court of appeals or supreme court

25 (3) The director is authorized to promulgate rules calling
26 for reductions in attorney fees in cases where applications for
27 hearing have been dismissed, or where, in the discretion of the

1 ~~hearing referee or~~ worker's compensation magistrate, ~~as~~
2 ~~applicable,~~ such action is appropriate