



## What Tennessee's reformed workers' comp system means for your business

In July, the state will enact reformed legislation designed to improve Tennessee's worker's compensation system. The changes promise resolution of claims through a process that is fairer, faster and more efficient. Let's take a look at six significant changes you will see in 2014:

- 1.** A streamlined, dedicated system. The state is creating an autonomous Division of Workers' Compensation (DWC) that will handle all issues of temporary and permanent workers' compensation claims and benefits throughout the entire process. The new Court of Workers' Compensation Claims, whose judges, mediators and appeals board will be appointed by the DWC Administrator, will make decisions. The Tennessee Supreme Court will remain as the ultimate level of appeal.
- 2.** A more level playing field. Before reform, the statute was "re-medial," with close decisions typically favoring the injured worker. After July, the law will be applied impartially, favoring neither the employee nor employer.
- 3.** Greater employer access to medical information. Employers will be able to communicate with treating physicians and review medical records related to the treatment of the worker's compensation injury, without the currently required employee-signed waiver.

### About the Author



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4. Revised definition of injury. The definition will include an injury by accident, a mental injury, occupational disease or cumulative trauma condition arising “primarily” in the course and scope of employment when all other possible causes are considered. “Primarily” means that work must have contributed greater than 50% in causing the overall injury. The opinion of the treating physician shall be presumed correct on the issue of causation, but may be rebutted by a preponderance of evidence.
5. New method for determining Permanent Partial Disability (PPD) benefits. All impairments and injuries will be considered “body as a whole” injuries, and the maximum number of weeks increases from 400 to 450 weeks.
6. New ombudsman program. The new law mandates an ombudsman program to educate, assist and protect the rights of injured employees, their employers and others seeking to resolve claims-related disputes. This program will be available to individuals not represented by legal counsel.

While these changes are positive for both employers and employees and are expected to reduce costs, medical inflation is still on the rise, projected to increase 6% to 6.5% annually for the next decade. Employers must work with their work comp agent to make sure that they are taking every step possible to prevent losses and to aggressively manage any claims that do occur.

<sup>1</sup>Centers for Medicare and Medicaid Services (CMS)’s report: National Health Expenditure Projections 2012-2022, and PwC’s Health Research Institute (HRI)’s report: Factors Affecting 2014 Medical Cost Trend



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