

# Retroactive Program Oregon Administrative Rules Chapter 436, Division 075

Effective Jan. 1, 2018

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**NOTE**: Revisions are marked as follows: <u>new text</u> | <u>deleted text</u>.

Historical rules: https://wcd.oregon.gov/laws/Documents/Rule\_history/436\_history.pdf

## OREGON ADMINISTRATIVE RULES CHAPTER 436, DIVISION 075

## Summary of changes effective Jan. 1, 2018

- Repealed rule 0001 described the director's authority. The director's authority is established by Oregon statutes, and the rule is unnecessary.
- Repealed rule 0002 described the purpose of division 075. The purpose statement did not include information that is not available in the division and rule titles, and the rule is unnecessary.
- Amended rule 0003 now excludes the effective date of rules in division 075. Rule 0003 cannot determine the effective date of other rules. The effective date of each rule is set when it is filed with the Secretary of State, and the date is listed below the rule in the "Hist" (history) line.
- Amended rule 0005 incorporates the definitions in ORS chapter 656 by reference, unless a term is specifically defined in these rules or the context otherwise requires. Terms that are defined in chapter 656 or that are not used in division 075 have been deleted.
- Repealed rule 0006 stated that orders of the Performance Section are deemed orders of the director. The director's authority is established by Oregon statutes, and the director may delegate that authority within the Department of Consumer and Business Services without establishing administrative rules in each instance. The rule is unnecessary.
- Amended rule 0008 clarifies the processes for requesting hearings regarding certain orders or actions of the director.
- Amended rule 0010 clarifies the criteria for Retroactive Program eligibility.
- Amended rule 0020 clarifies the payment of death benefits under the Retroactive Program, including that statutory benefits will only be offset by a surviving spouse's Social Security benefits for claims with dates of injury between July 1, 1973, and April 1, 1974. Certain instructions about the calculation and payment of death benefits have been deleted because they are described elsewhere in division 075 or in OAR 436-060.
- Amended rule 0030 includes instructions for calculating benefits payable for a partial month.
- Amended rule 0040 clarifies payment procedures if a worker dies during a period of permanent total disability, including that statutory benefits will only be offset by a surviving spouse's Social Security benefits for claims with dates of injury between July 1, 1973, and April 1, 1974. Certain instructions about the calculation and payment of death benefits have been deleted because they are described elsewhere in division 075 or in OAR 436-060.
- Amended rule 0065 clarifies the effect of dispositions and settlements on Retroactive Program eligibility, to include that a disposition or claims settlement must be approved by the director before submission to the Workers' Compensation Board to be eligible for reimbursement from the Retroactive Program.

- Amended rule 0070 clarifies reimbursement procedures under the Retroactive Program, to include a reference to Form 3285, "Requests for Reimbursement from the Retroactive Program," and explanation that an equivalent form may be used to request reimbursement if it includes all of the data elements on Form 3285.
- Amended rule 0090 clarifies, through use of plainer wording, the effects of third party recoveries on Retroactive Program benefits.

## 436-075-0001 Authority for Rules (*Repealed*)

These rules are promulgated under the director's authority in ORS 656.726 and 656.506.

Statutory authority: ORS 656.506 and 656.726 Statutes implemented: ORS 656.506 Hist: Filed 12/22/89 as WCD Admin. Order 6-1989, eff. 1/1/1990 Amended 10/12/15 as WCD Admin. Order 15-063, eff. 1/1/16 Repealed 12/14/17 as WCD Admin. Order 17-063, eff. 1/1/18

## 436-075-0002 **Purpose** (*Repealed*)

The purpose of these rules is to establish guidelines for administering disbursements made from the Retroactive Program.

Statutory authority: ORS 656.506 Statutes implemented: ORS 656.506 Hist: Amended 12/4/97 as WCD Admin. Order 97-062, eff. 1/1/98 Repealed 12/14/17 as WCD Admin. Order 17-063, eff. 1/1/18

## 436-075-0003 Applicability of Rules

(1) These rules are effective January 1, 2016, and apply to all requests for reimbursement from the Retroactive Program involving benefits payable under:

- (a) ORS 656.204 Death;
- (b) ORS 656.206 Permanent Total Disability;
- (c) ORS 656.208 Death During Permanent Total Disability; and
- (d) ORS 656.210 Temporary Total Disability for injuries before April 1, 1974.

(2) The director may waive procedural rules as justice requires, unless otherwise obligated by statute.

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Statutory authority: ORS 656.209, 656.206, 656.208, 656.210, 656.236, 656.289 and 656.506, 656.726(4)

Statutes implemented: ORS 656.204[OL 2017, ch. 71], 656.206 [OL 2017, ch. 70], 656.208, 656.209, 656.210, 656.236, 656.276, 656.289_and 656.506

Hist: Amended 12/4/97 as WCD Admin. Order 97-062, eff. 1/1/98

Amended 10/12/15 as WCD Admin. Order 15-063, eff. 1/1/16

<u>Amended 12/14/17 as WCD Admin. Order 17-063, eff. 1/1/18</u>

See also the Index to Rule History: https://wcd.oregon.gov/laws/Documents/Rule_history/436_history.pdf.
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## 436-075-0005 Definitions

<u>Unless a term is specifically defined elsewhere in these rules or the context otherwise</u> requires, the definitions of ORS chapter 656 are hereby incorporated by reference and made a

<u>part of these rules.</u> Except where For the purposes of these rules, unless the context requires otherwise, these rules are governed by the following definitions:

(1) "Beneficiaries" are those persons as defined in ORS 656.005.

(21) "Child" is as defined in the laws <u>ORS chapter 656</u> applicable at the worker's date of injury.

(32) "Department" means the Department of Consumer and Business Services.

(43) "Director" means the director of the Department of Consumer and Business Services or the director's designee.

(5) "Disposition" or "claim disposition" means the written agreement executed by all parties in which a claimant agrees to release rights, or agrees to release an insurer or self-insured employer from obligations, under ORS 656.001 to 656.794, except for medical services, in an accepted claim.

(64) "Insurer" means the State Accident Insurance Fund Corporation, an insurer authorized under ORS Chapter 731 to transact workers' compensation insurance in this state, or an employer or employer group that has been certified as self-insured under ORS 656.430.

(7) "Performance Section" means the Performance Section of the Workers' Compensation Division of the Department of Consumer and Business Services.

(5) "Mailed" or "mailing date," unless otherwise specified, means:

(a) The date a document is postmarked;

(b) The date automatically produced by electronic transmission (e.g., email or facsimile);

(c) The date a hand-delivered document is stamped or punched in by the recipient; or

(d) The date of a phone, or in-person request, when allowed under these rules.

(86) "Retroactive Program benefit" means that the additional benefit amount paid to eligible claimants an eligible worker or beneficiaries beneficiary to bring when their benefits levels are lower than what is to a more currently paid for like injuries level.

(9) "Social Security offset" means a reduction of permanent total disability benefits or fatal benefits based on the amount of federal social security disability benefits received by a worker or surviving spouse.

(**107**) **"Spouse"** means the spouse of a worker. This definition includes cohabitants under ORS 656.226.

(118) "Statutory benefit" means any benefit payable to or on behalf of the injured worker under the law in effect at the time of the worker's injury, as modified by marital and dependency status changes.

(12) "Through" means inclusion of a specific date.

(13) "To" means until but not including a specific date.

Statutory authority: ORS 656.726(<u>4</u>) Statutes implemented: ORS 656.005, 656.726(<u>4</u>) Hist: Amended 12/4/97 as WCD Admin. Order 97-062, eff. 1/1/98

Amended 10/12/15 as WCD Admin. Order 15-063, eff. 1/1/16 Amended 12/14/17 as WCD Admin. Order 17-063, eff. 1/1/18 See also the *Index to Rule History*: https://wcd.oregon.gov/laws/Documents/Rule\_history/436\_history.pdf.

## 436-075-0006 Administration of Rules (*Repealed*)

In administering these rules, orders of the Performance Section are deemed orders of the director.

Statutory authority: ORS 656.726 Statutes implemented: ORS 656.726 Hist: Filed 12/22/89 as WCD Admin. Order 6-1989, eff. 1/1/90 Amended 10/12/15 as WCD Admin. Order 15-063, eff. 1/1/16 Repealed 12/14/17 as WCD Admin. Order 17-063, eff. 1/1/18

## 436-075-0008 Administrative Review

(1) Any party as defined by ORS 656.005 aggrieved by a proposed order or proposed assessment of civil penalty of the director or division issued under ORS 656.745 or 656.750 may request a hearing by the Hearings Division of the Workers' Compensation Board under ORS 656.740. To request a hearing the party, or assigned claims agent, must:

(a)The request for hearing must be sent in writing to the Administrator of the Workers' Compensation Division. No hearing will be granted unless the request specifies the grounds on which the person requesting the hearing contests the proposed order or assessment.

(a) Mail or deliver a written request for hearing to the Workers' Compensation Division within 60 days of the mailing date of the proposed order or assessment; and

(b)The request for hearing must be filed with the Administrator of the Workers' Compensation Division by the aggrieved person within 60 days after the mailing of the proposed order or assessment. No hearing will be granted unless the request is mailed or delivered to the administrator within 60 days after the mailing date of the proposed order or assessment.

(b) Specify the reasons why the party or assigned claims agent disagrees with the proposed order or assessment in the request.

(2) Under ORS 656.704(2), a<u>A</u>ny party that disagrees with an action or order of the director under these rules, other than as described in section (1) of this rule, may request a hearing by filing a request for hearing under OAR 436-001-0019 within 30 days of the mailing date of the order or notice of action. OAR 436-001 applies to the hearing.

Statutory authority: ORS <u>656.726(4)656.740, 656.745, 656.750</u> Statutes implemented: ORS 656.704, <u>OL 2005 ch 26, 656.740, 656.745, and 656.750</u> Hist: Amended 10/19/05 as WCD Admin. Order 05-065, eff. 1/2/06 Amended 10/12/15 as WCD Admin. Order 15-063, eff. 1/1/16 <u>Amended 12/14/17 as WCD Admin. Order 17-063, eff. 1/1/18</u> See also the *Index to Rule History*: https://wcd.oregon.gov/laws/Documents/Rule\_history/436\_history.pdf.

## 436-075-0010 Criteria for Eligibility

(1) The department will issue a bulletin to notify all insurers of changes in the Retroactive Program benefit levels whenever the director determines a change is necessary under ORS 656.506(7).

(2) Eligibility for Retroactive Program benefits is based on the worker's injury date as follows:

(a) Workers or beneficiaries eligible to receive either death or permanent total disability benefits become eligible for Retroactive Program benefit increases when the benefits granted under the Retroactive Program bulletin exceed the benefits provided by the statute in effect at the time of the injury.

(b) For wWorkers receiving temporary total disability benefits, are eligible for Retroactive Program benefit increases as follows:

(A) <u>Workers with the injuryies must have occurred occurring before July 1, 1973 are</u> eligible for Retroactive Program benefit increases;-

(B) Workers with injuries occurring between from July 1, 1973 and through April 1, 1974 may qualify be eligible for benefits according to the limits defined in the Retroactive Program bulletin: and-

(C) Workers <u>with injured injuries occurring</u> on or after April 1, 1974 are not <u>entitled</u> <u>eligible</u> to receive Retroactive Program increases to their temporary total disability benefit.

(3) A claim is not eligible for Retroactive Program benefits if all issues except compensable medical services are disposed of under ORS 656.236 or settled under ORS 656.289 before becoming eligible under section (2) of this rule.

(4) Costs for claims of subject workers of a noncomplying employer under ORS 656.052 are not eligible for reimbursement from the program, but remain a cost recoverable from the employer under ORS  $656.054(\underline{23})$ .

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Statutory authority: ORS 656.506, <u>656.726(4)</u>
Statutes implemented: ORS 656.236, <u>656.289</u>, <u>and</u> 656.506
Hist: Amended 12/4/97 as WCD Admin. Order 97-062, eff. 1/1/98
Amended 10/12/15 as WCD Admin. Order 15-063, eff. 1/1/16
<u>Amended 12/14/17 as WCD Admin. Order 17-063, eff. 1/1/18</u>
See also the Index to Rule History: <u>https://wcd.oregon.gov/laws/Documents/Rule_history/436_history.pdf</u>.
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## 436-075-0020 Death Benefit

(1) Death benefits must be paid to eligible beneficiaries under ORS 656.204, <u>OAR 436-060-0075</u>, and the <u>benefit schedules in the</u> Retroactive Program <u>benefit schedules bulletin</u>.

(2) Burial benefits must be paid under ORS 656.204 (1) and the Retroactive Program benefit schedules.

(32) The statutory death benefit for injuries occurring from July 1, 1973 to through April 1, 1974 will be reduced by the Social Security benefits received by the worker's surviving spouse, up to not to exceed the July 1, 1973 statutory benefit level. The amount of reduction to the statutory benefit is a Retroactive Program benefit. The insurer may request reimbursement only for the adjusted Retroactive Program benefit.

(4) Benefits payable for a partial month must be calculated by dividing the monthly benefit by the actual number of days in the month and multiplying that result by the number of days payable.

(5) Benefits for beneficiaries must be paid to the date of any status change.

(6) Remarriage allowance must be paid under ORS 656.204 and the Retroactive Program benefit schedules.

(73) At least once every two years, the insurer must verify that all beneficiaries receiving death benefits for which the insurer may request reimbursement from the Retroactive Program are alive and remain eligible for those benefits. Insurers' questions regarding beneficiaries' status must be reasonably pertinent to the continuing eligibility of those persons for benefits.

Statutory authority: ORS 656.506, <u>656.726(4)</u> Statutes implemented: ORS 656.204 <u>[OL 2017, ch. 71], 656.506</u> Hist: Amended 12/4/97 as WCD Admin. Order 97-062, eff. 1/1/98 Amended 10/12/15 as WCD Admin. Order 15-063, eff. 1/1/16 <u>Amended 12/14/17 as WCD Admin. Order 17-063, eff. 1/1/18</u> See also the *Index to Rule History*: <u>https://wcd.oregon.gov/laws/Documents/Rule\_history/436\_history.pdf</u>.

## 436-075-0030 Permanent Total Disability Benefit

(1) Permanent total disability benefits must be paid under ORS 656.206 and the benefit schedules in the Retroactive Program bulletin.

(2) <u>Benefits payable for a partial month must be calculated by dividing the monthly benefit</u> by the actual number of days in the month and multiplying that result by the number of days payable.

Benefit amounts payable for a partial month must be calculated under 436-075-0020(4).

(3) Benefits for beneficiaries must be paid to the date of any status change.

(4) Any Social Security offset determined under ORS 656.209 must first be applied against the statutory portion of the permanent total disability benefit. Any amount of the Social Security offset that exceeds the statutory benefit must be applied against the Retroactive Program benefit. The insurer may request reimbursement only for that portion of the Retroactive Program benefit that has not been offset.

(5) At least once every two years, the insurer must verify that all beneficiaries receiving benefits for which the insurer may request reimbursement from the Retroactive Program are alive and remain eligible for those benefits. Such "status checks" of beneficiaries may occur at the same time the insurer re-examines the permanent total disability claim under OAR 436-030-0065(1). Insurers' questions regarding beneficiaries' status must be reasonably pertinent to the continuing eligibility of those persons for benefits.

Statutory authority: ORS 656.506, <u>656.726(4)</u> Statutes implemented: ORS 656.206 [OL 2017, ch. 70], and 656.209, <u>656.506</u> Hist: Amended 12/4/97 as WCD Admin. Order 97-062, eff. 1/1/98 Amended 10/12/15 as WCD Admin. Order 15-063, eff. 1/1/16 <u>Amended 12/14/17 as WCD Admin. Order 17-063, eff. 1/1/18</u> See also the *Index to Rule History*: <u>https://wcd.oregon.gov/laws/Documents/Rule\_history/436\_history.pdf</u>.

## 436-075-0040 Death during Permanent Total Disability

(1) If the injured worker dies during the period of permanent total disability, death benefits must be paid to eligible beneficiaries under ORS 656.208, 656.204, <u>OAR 436-060-0075</u>, and the <u>benefit schedules in the</u> Retroactive Program <u>benefit schedules bulletin</u>.

(2) Permanent total disability benefits must be paid to the date of death, at which time death benefits will begin. Where death benefits are not due, permanent total disability benefits must be paid through the date of death.

(32) The statutory death benefit for injuries occurring from July 1, 1973 to April 1, 1974 will be reduced by the Social Security benefits received by the worker or the worker's surviving spouse, not to exceed the July 1, 1973 statutory benefit level. The amount of reduction to the statutory benefit is a Retroactive Program benefit. The insurer may request reimbursement only for the adjusted Retroactive Program benefit.

The Social Security benefit for injuries occurring between July 1, 1973 and April 1, 1974 must be applied under OAR 436-075-0020 (3).

(4) Benefit amounts payable for a partial month must be calculated under OAR 436-075-0020(4).

(5) Burial benefits must be paid under ORS 656.208 (1), 656.204 (1), and the Retroactive Program benefit schedules. However, if the injury date is before July 1, 1973, burial benefits are due only if death results from the accidental injury causing the permanent total disability.

(63) At least once every two years, the insurer must verify that all beneficiaries receiving death benefits for which the insurer may request reimbursement from the Retroactive Program are alive and remain eligible for those benefits. Insurers' questions regarding beneficiaries' status must be reasonably pertinent to the continuing eligibility of those persons for benefits.

Statutory authority: ORS 656.506<u>.656.726(4)</u> Statutes implemented: ORS 656.204<u>[OL 2017, ch. 71], and</u> 656.208<u>.656.506</u> Hist: Amended 12/4/97 as WCD Admin. Order 97-062, eff. 1/1/98 Amended 10/12/15 as WCD Admin. Order 15-063, eff. 1/1/16 <u>Amended 12/14/17 as WCD Admin. Order 17-063, eff. 1/1/18</u> See also the *Index to Rule History*: https://wcd.oregon.gov/laws/Documents/Rule\_history/436\_history.pdf.

## 436-075-0050 Temporary Total Disability

(1) Temporary total disability benefits must be paid under ORS 656.210, OAR 436-060-0150, and the benefit schedules in the Retroactive Program bulletin.

(2) The computation of benefits under these rules and the Retroactive Program bulletin may not reduce temporary total disability benefits currently being paid.

Statutory authority: ORS 656.506 Statutes implemented: ORS 656.210 Hist: Amended 12/4/97 as WCD Admin. Order 97-062, eff. 1/1/98 Amended 10/12/15 as WCD Admin. Order 15-063, eff. 1/1/16 See also the *Index to Rule History*: https://wcd.oregon.gov/laws/Documents/Rule\_history/436\_history.pdf.

## 436-075-0065 Dispositions

(1) <u>Any Disposition disposition</u> of the claim by the parties under ORS 656.236, or settlement of the claim under ORS 656.289, is not eligible for reimbursement from the Retroactive Program unless <u>it is approved by made with the director's prior written approvalbefore it is submitted to the Workers' Compensation Board.</u>

(2) Requests for written the director's approval of proposed dispositions must be made in writing, and must include:

(a) A copy of the proposed disposition that specifies the amount of the proposed contribution to be made from the Retroactive Program;

(b) A statement from the insurer indicating how the amount of the contribution was calculated; and

(c) Any other information required by the director.

(3) The director will not approve the disposition for reimbursement if:

(a) The ratio of the amount requested from the program to the total amount of the disposition exceeds the percentage of current benefits due the worker from the program; or

(b) The settlement exceeds a reasonable projection of future liability.

(4) The insurer must submit dispositions to the <u>Workers' Compensation dD</u>ivision in the format prescribed by the director.

Statutory authority: ORS 656.506, <u>656.726(4)</u> Statutes implemented: ORS 656.236,<u>-and</u>-656.289 Hist: Amended 12/4/97 as WCD Admin. Order 97-062, eff. 1/1/98 Amended 10/12/15 as WCD Admin. Order 15-063, eff. 1/1/16 <u>Amended 12/14/17 as WCD Admin. Order 17-063, eff. 1/1/18</u> See also the *Index to Rule History*: https://wcd.oregon.gov/laws/Documents/Rule\_history/436\_history.pdf.

## 436-075-0070 Reimbursement

(1) Reimbursement from the Retroactive Program will be authorized by the <u>Performance</u> <u>SectionWorkers' Compensation Division</u> on a quarterly basis.

(2) Requests for reimbursement must be mailed or delivered to the <u>Performance</u> <u>SectionWorkers' Compensation Division</u> within 30 days after the end of each <u>calendar</u> quarter to be processed in that quarterly disbursement.

(3) Requests for reimbursement mailed or delivered to the <u>Performance SectionWorkers'</u> <u>Compensation Division</u> more than 30 days after the end of the quarter will be -processed with the next quarterly disbursement.

(4) A separate request for reimbursement must be submitted for each insurer and -include a signed certification that the payments reported on the request have been made in the amounts reported.

(5) <u>The insurer must use Form 3285, "Requests for #Reimbursement from the Retroactive</u> <u>Program,"must be submitted in the format prescribed by the director or an equivalent form,</u> to request reimbursement from the Retroactive Program.

(a) If an equivalent form is used, it must include all of the data elements on Form 3285; and

(b) Each request must accurately reflect the marital and dependency status in effect and eligible for reimbursement in the period requested.

(6) The <u>Performance Section director</u> will not process any request that does not meet the requirements of section (4) <u>or and (5)</u> of this rule-<u>until such requirements are met</u>.

(7) The department will recover any overpayment made to an insurer as a result of an insurer reporting error in reporting, or incorrect information submitted, on a quarterly request form.

(8) If a denied claim is found to be compensable by an administrative law judge, the Workers' Compensation Board, or the Court of Appeals, and that decision is <u>subsequently</u> reversed by a higher level of appeal, the insurer will receive reimbursement for Retroactive Program benefit payments required to be made while the claim was in an accepted status.

Statutory authority: ORS 656.506, <u>656.726(4)</u> Statutes implemented: ORS 656.506 Hist: Amended 12/4/97 as WCD Admin. Order 97-062, eff. 1/1/98 Amended 10/12/15 as WCD Admin. Order 15-063, eff. 1/1/16 <u>Amended 12/14/17 as WCD Admin. Order 17-063, eff. 1/1/18</u> See also the *Index to Rule History*: <u>https://wcd.oregon.gov/laws/Documents/Rule\_history/436\_history.pdf</u>.

## 436-075-0090 Third Party Recovery

(1) In a third party recovery, previously reimbursed Retroactive Program benefits are a portion of the paying agency's lien.

(2) <u>Under ORS 656.593</u>, <u>w</u><u>W</u>hen the insurer learns of third-<u>party</u> settlement negotiations on any claim for which it has received reimbursement from the Retroactive Program, the insurer must notify the <u>Performance SectionWorkers' Compensation Division</u>.

(3) <u>The insurer must make Remittance remittance</u> on recovered Retroactive Program benefits must be made to the department in the quarter following the recovery in amounts determined under ORS 656.591 and 656.593.

Statutory authority: ORS 656.<del>506726(4)</del> Statutes implemented: ORS <u>656.506</u>, 656.591,<u>-and</u> 656.593 Hist: Amended 12/4/97 as WCD Admin. Order 97-062, eff. 1/1/98 Amended 10/12/15 as WCD Admin. Order 15-063, eff. 1/1/16 <u>Amended 12/14/17 as WCD Admin. Order 17-063</u>, eff. 1/1/18 See also the *Index to Rule History*: <u>https://wcd.oregon.gov/laws/Documents/Rule\_history/436\_history.pdf</u>.

## 436-075-0100 Assessment of Civil Penalties

Under ORS 656.745 the director may assess a civil penalty against an insurer for failure to comply with these rules. Penalty orders will be issued under ORS 656.447 and 656.704 and are subject to review under OAR 436-075-0008.

Statutory authority: ORS 656.745 Statutes implemented: ORS 656.204, 656.726, 656.745 and 656.447 Hist: Amended 11/29/90 as WCD Admin. Order 23-1990, eff. 12/26/90 Amended 10/12/15 as WCD Admin. Order 15-063, eff. 1/1/16 See also the *Index to Rule History*: https://wcd.oregon.gov/laws/Documents/Rule\_history/436\_history.pdf.