

State of Arizona
Senate
Fifty-third Legislature
First Regular Session
2017

SENATE BILL 1332

AN ACT

AMENDING SECTION 23-722.04, ARIZONA REVISED STATUTES; REPEALING SECTION 23-941.01, ARIZONA REVISED STATUTES; AMENDING TITLE 23, CHAPTER 6, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 23-941.01; AMENDING SECTION 23-1062, ARIZONA REVISED STATUTES; RELATING TO WORKERS' COMPENSATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 23-722.04, Arizona Revised Statutes, is amended
3 to read:

4 23-722.04. Unemployment insurance information: disclosure:
5 violation; classification

6 A. The department or the office of economic opportunity may
7 disclose unemployment insurance information to the following entities:

8 1. Any federal, state or local governmental agency in the
9 investigation of fraud relating to public programs or the misuse of public
10 monies.

11 2. Divisions of the department, including the employment and
12 rehabilitation services administrations, for program and research
13 purposes.

14 3. The workforce Arizona council for program performance, regional
15 planning and other program and research purposes.

16 4. The department of education to evaluate adult education program
17 performance and for other primary and adult education program and research
18 purposes.

19 5. The Arizona board of regents, universities under the
20 jurisdiction of the Arizona board of regents and community college
21 districts to evaluate program performance and for other program and
22 research purposes.

23 6. The United States department of labor, or its agents, or the
24 United States census bureau, or its agents, as required by law or in
25 connection with the requirements imposed as a result of receiving federal
26 funding.

27 7. Department contractors or subcontractors, or their agents, for
28 the sole purpose of providing for the processing, storage and transmission
29 of information. This disclosure must be consistent with this section.

30 8. THE INDUSTRIAL COMMISSION OF ARIZONA, DEPARTMENT OF INSURANCE OR
31 ATTORNEY GENERAL FOR USE BY THOSE AGENCIES, OR THEIR AGENTS OR
32 CONTRACTORS, IN THE PREVENTION, INVESTIGATION AND PROSECUTION OF WORKERS'
33 COMPENSATION FRAUD.

34 B. On the request of one of the entities ~~prescribed~~ SPECIFIED in
35 subsection A of this section to the department or the office of economic
36 opportunity, the department or the office of economic opportunity shall
37 disclose unemployment insurance information to the entity pursuant to
38 guidelines established by the workforce data task force established by
39 section 41-5404 and pursuant to a written data sharing agreement with the
40 requesting entity in a form determined by the workforce data task force
41 pursuant to the laws of this state and applicable federal regulations.
42 The department or the office of economic opportunity may disclose the
43 unemployment insurance information only after the requesting entity has
44 demonstrated that the information will be kept confidential, except for
45 those purposes for which the information was provided to the requesting

1 entity, and that the requesting entity has security safeguards in place to
2 prevent the unauthorized disclosure of the information.

3 C. Except as otherwise allowed by law or as otherwise authorized by
4 agreement between the department of economic security and the United
5 States department of labor, the department of economic security or the
6 office of economic opportunity may not use federal unemployment insurance
7 grant monies to pay for any costs incurred in processing and handling
8 requests for disclosure of unemployment insurance information. The
9 department OF ECONOMIC SECURITY and the office of economic opportunity, in
10 consultation with the workforce data task force, shall establish a rate
11 structure that complies with 20 Code of Federal Regulations section 603.8
12 for costs incurred in processing requests for disclosure of unemployment
13 insurance information.

14 D. The requesting entity may not make public any unemployment
15 insurance information that identifies an individual or the individual's
16 employer. Any unauthorized disclosure, including security breaches, shall
17 be reported to the department and the office of economic opportunity
18 immediately. Any person who knowingly discloses confidential unemployment
19 insurance information in violation of this section without prior written
20 authorization from the department or the office of economic opportunity or
21 authorization as otherwise provided by law is guilty of a class 3
22 misdemeanor.

23 E. The office of economic opportunity may use unemployment
24 insurance information to perform economic ~~analysis~~ ANALYSES, for the
25 development of labor market information and a state workforce evaluation
26 data system and for other program and research purposes.

27 F. This section does not prohibit disclosure that is required or
28 allowed by federal law.

29 Sec. 2. Repeal

30 Section 23-941.01, Arizona Revised Statutes, is repealed.

31 Sec. 3. Title 23, chapter 6, article 3, Arizona Revised Statutes,
32 is amended by adding a new section 23-941.01, to read:

33 23-941.01. Settlement of accepted claims; exception; definition

34 A. THE INTERESTED PARTIES TO A CLAIM MAY:

35 1. SETTLE AND RELEASE ALL OR ANY PART OF AN ACCEPTED CLAIM FOR
36 COMPENSATION, BENEFITS, PENALTIES OR INTEREST.

37 2. IF THE PERIOD OF DISABILITY IS TERMINATED BY THE CARRIER OR
38 SELF-INSURED EMPLOYER, NEGOTIATE A FULL AND FINAL SETTLEMENT.

39 B. ANY FULL AND FINAL SETTLEMENT SHALL:

40 1. BE IN WRITING.

41 2. BE SIGNED BY THE CARRIER OR SELF-INSURED EMPLOYER AND THE
42 EMPLOYEE OR THE EMPLOYEE'S AUTHORIZED REPRESENTATIVE.

43 3. INCLUDE THE FOLLOWING ATTESTATIONS:

1 (a) THE EMPLOYEE UNDERSTANDS THE RIGHTS SETTLED AND RELEASED BY THE
2 AGREEMENT AND WAS REPRESENTED BY COUNSEL CERTIFIED AS A SPECIALIST IN
3 WORKERS' COMPENSATION.

4 (b) THE EMPLOYEE HAS BEEN PROVIDED INFORMATION FROM THE CARRIER OR
5 SELF-INSURED EMPLOYER THAT OUTLINES ANY REASONABLE ANTICIPATED FUTURE
6 MEDICAL, SURGICAL AND HOSPITAL BENEFITS RELATING TO THE CLAIM AND THE
7 PROJECTED COST OF THOSE BENEFITS AND THAT PROVIDES AN EXPLANATION OF HOW
8 THOSE PROJECTED COSTS WERE DETERMINED.

9 (c) THE EMPLOYEE IS ABLE TO HANDLE THE MONIES RECEIVED IN THE
10 SETTLEMENT AND, IF APPROPRIATE, HAS AN INVESTMENT PLAN OR PLAN TO DEPOSIT
11 THE MONIES INTO A SEPARATELY ADMINISTERED ACCOUNT.

12 (d) THE PARTIES HAVE CONSIDERED AND TAKEN REASONABLE STEPS TO
13 PROTECT ANY INTERESTS OF MEDICARE, MEDICAID AND THE UNITED STATES
14 DEPARTMENT OF VETERANS AFFAIRS.

15 (e) THE PARTIES HAVE CONDUCTED A SEARCH FOR AND TAKEN REASONABLE
16 STEPS TO SATISFY ANY IDENTIFIED MEDICAL LIENS.

17 4. INCLUDE A DESCRIPTION OF THE EMPLOYEE'S MEDICAL CONDITIONS THAT
18 HAVE BEEN IDENTIFIED AND CONTEMPLATED AT THE TIME OF THE SETTLEMENT
19 AGREEMENT.

20 C. A FULL AND FINAL SETTLEMENT IS NOT VALID AND ENFORCEABLE UNLESS
21 THE FULL AND FINAL SETTLEMENT IS APPROVED BY THE COMMISSION. WHEN
22 DETERMINING WHETHER TO APPROVE A SETTLEMENT, THE COMMISSION SHALL CONSIDER
23 WHETHER THE SETTLEMENT IS IN THE BEST INTERESTS OF THE EMPLOYEE BASED ON
24 THE FOLLOWING CRITERIA:

- 25 1. WHETHER THE EMPLOYEE'S INJURIES ARE STABILIZED.
- 26 2. THE PERMANENCY OF THE EMPLOYEE'S INJURIES.

27 D. A LUMP SUM SETTLEMENT PAYMENT SHALL BE MADE TO THE EMPLOYEE
28 WITHIN FIFTEEN DAYS AFTER THE AWARD APPROVING THE SETTLEMENT BECOMES
29 FINAL.

30 E. THE CARRIER OR SELF-INSURED EMPLOYER SHALL NOTIFY THE ATTENDING
31 PHYSICIAN OF THE APPROVAL OF A FULL AND FINAL SETTLEMENT IF THE FULL AND
32 FINAL SETTLEMENT TERMINATES THE EMPLOYEE'S ENTITLEMENT TO MEDICAL
33 BENEFITS. UNLESS MEDICAL BENEFITS RENDERED BEFORE THE APPROVAL DATE OF
34 THE FULL AND FINAL SETTLEMENT ARE SUBJECT TO A DISPUTE OR PAYMENT FOR THE
35 TREATMENT WAS INCLUDED IN THE FULL AND FINAL SETTLEMENT AGREEMENT, THE
36 CARRIER OR SELF-INSURED EMPLOYER REMAINS RESPONSIBLE FOR PAYMENT FOR THE
37 TREATMENT NOT COVERED BY THE FULL AND FINAL SETTLEMENT AGREEMENT AS
38 PROVIDED BY THIS CHAPTER.

39 F. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, A FULL AND FINAL
40 SETTLEMENT MAY NOT BE NEGOTIATED TO SETTLE ISSUES RESULTING IN TOTAL AND
41 PERMANENT DISABILITY PURSUANT TO SECTION 23-1045, SUBSECTIONS C AND D.

42 G. A FULL AND FINAL SETTLEMENT AGREEMENT MAY NOT INCLUDE THE
43 SETTLEMENT OF CLAIMS UNRELATED TO THE CLAIM FOR COMPENSATION, BENEFITS,
44 PENALTIES AND INTEREST.

1 H. THIS SECTION DOES NOT APPLY TO THE SETTLEMENT OF CLAIMS THAT
2 HAVE BEEN DENIED.

3 I. FOR THE PURPOSES OF THIS SECTION, "FULL AND FINAL SETTLEMENT"
4 MEANS A SETTLEMENT IN WHICH THE INJURED EMPLOYEE OR, IF THE INJURED
5 EMPLOYEE IS DECEASED, THE EMPLOYEE'S ESTATE, SURVIVING SPOUSE OR DEPENDENT
6 WAIVES ANY FUTURE ENTITLEMENT TO BENEFITS ON THE CLAIM AND ANY FUTURE
7 RIGHT TO CHANGE THE CLAIM PURSUANT TO SECTION 23-1044, SUBSECTION F OR
8 REOPEN THE CLAIM PURSUANT TO SECTION 23-1061, SUBSECTION H.

9 Sec. 4. Section 23-1062, Arizona Revised Statutes, is amended to
10 read:

11 23-1062. Medical, surgical, hospital benefits; translation
12 services; travel expenses; commencement of
13 compensation; method of compensation

14 A. Promptly, on notice to the employer, every injured employee
15 shall receive medical, surgical and hospital benefits or other treatment,
16 nursing, medicine, surgical supplies, crutches and other apparatus,
17 including artificial members, reasonably required at the time of the
18 injury, and during the period of disability. Such benefits shall be
19 termed "medical, surgical and hospital benefits".~~---~~

20 B. Medical, surgical and hospital benefits include translation
21 services, if needed. A carrier, self-insurance pool or employer that does
22 not direct care pursuant to section 23-1070 may choose the translator if
23 the translator is certified by an outside agency and is not an employee of
24 the carrier, self-insurance pool or employer. If the carrier,
25 self-insurance pool or employer is unable to locate a certified translator
26 for the particular language or dialect needed, the parties may agree on a
27 translator who is not a certified translator.

28 C. COMPENSATION FOR MEDICAL, SURGICAL AND HOSPITAL BENEFITS SHALL
29 INCLUDE REIMBURSEMENT FOR REASONABLE TRAVEL EXPENSES IF THE EMPLOYEE MUST
30 TRAVEL MORE THAN TWENTY-FIVE MILES FROM THE EMPLOYEE'S PLACE OF RESIDENCE
31 TO OBTAIN MEDICAL CARE FOR THE INJURY.

32 ~~⊖~~ D. The first installment of compensation is to be paid no later
33 than the twenty-first day after written notification by the commission to
34 the carrier of the filing of a claim unless the right to compensation is
35 denied. Thereafter, compensation shall be paid at least once each two
36 weeks during the period of temporary total disability and at least monthly
37 thereafter. Compensation shall not be paid for the first seven days after
38 the injury. If the incapacity extends beyond the period of seven days,
39 compensation shall begin on the eighth day after the injury, but if the
40 disability continues for one week beyond such seven days, compensation
41 shall be computed from the date of the injury.

42 ~~⊖~~ E. Compensation shall be made by negotiable instrument, payable
43 immediately on demand or, at the election of the employee and if offered
44 by the employer or carrier, by another commonly accepted method for
45 transferring money by banking institutions, including electronic fund

1 transfers to the employee's account or a prepaid debit card account that
2 is established for the purpose of making direct electronic payment to the
3 employee.

4 Sec. 5. Industrial commission of Arizona: review of
5 authorization process; delayed repeal

6 A. On or before December 31, 2017, the industrial commission of
7 Arizona shall review and determine a process for streamlining the
8 authorization process for treatment that is within the evidence-based
9 medical treatment guidelines.

10 B. This section is repealed from and after June 30, 2018.