

HB 2802 A STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 4/10, 4/15

WHAT THE MEASURE DOES:

The measure requires an insurer to make a lump sum payment of permanent partial disability award if a worker waives reconsideration of the notice of closure or the award has become final by operation of law. Provides circumstances when a lump sum payment is not required. The measure clarifies that the lump sum payment is not required if the insurer or self-insured employer timely requests reconsideration *and* the reconsideration proceeding has not been completed.

REVENUE: No revenue impact

FISCAL: Has minimal fiscal impact

ISSUES DISCUSSED:

- Position of the Management-Labor Advisory Committee
- Process for awarding a lump sum payment

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Workers who are partially disabled as a result of their workers' compensation claim may receive a permanent partial disability award (PPD). PPD is awarded to the worker when the insurer issues a notice of closure at the end of a claim. If the worker does not appeal the notice of closure, the PPD award becomes final 60 days from the date of the closure. When paid out, the award may be paid in a lump sum or in installments.

ORS 656.230 provides that if a worker requests a lump sum, the insurer is required to make a lump sum payment unless an exception applies:

- The worker has not waived the right to appeal the adequacy of the award.
- The award has not become final by operation of law.
- Payment of compensation has been stayed pending a request for hearing or review under ORS 656.313.
- The worker is enrolled and actively engaged in vocational training.

Currently, when the worker waives their right to appeal the adequacy of the award, the insurer may deny the lump sum payment if the award is not final by operation of law. This means that even if the worker does not want to appeal the award, they may need to wait until the award becomes final (60 days after the notice of claim closure) to successfully request a lump sum. If the award is not paid in a lump sum, it is paid in installments.

House Bill 2802 A shifts the law from reasons why a lump sum payment may be denied, to stating the circumstances where a lump sum payment is required. HB 2802 A requires an insurer to make a lump sum payment of permanent partial disability award if the worker waives reconsideration of a notice of closure or the award has become final by operation of law.

HB 2802 A provides three circumstances where a lump sum payment is not required:

- The insurer or self-insured employer timely requests reconsideration of the Notice of Closure.
- Payment of compensation has been stayed pending a request for hearing or review.
- The worker is enrolled and actively engaged in vocational training.

This summary has not been adopted or officially endorsed by action of the committee.