## **EXHIBIT G-6**

1	INTERIM STUDY PROPOSAL 2011-097
2	State of Arkansas
3	88th General Assembly A Bill
4	Regular Session, 2011 HOUSE BILL 1840
5	
6	By: Representatives Rice, Perry, Sanders
7	By: Senators B. Pritchard, Holland
8	Filed with: Interim House Committee on Public Health, Welfare and Labor
9	pursuant to A.C.A. §10-3-217.
10	For An Act To Be Entitled
11	AN ACT TO AMEND THE ARKANSAS WORKERS' COMPENSATION
12	LAW ENACTED BY INITIATED ACT 4 OF 1948 TO RESTORE THE
13	STATUTORY INTENT OF THE 79TH GENERAL ASSEMBLY WHICH
14	HAS BEEN ERODED BY THE COMMISSION AND THE COURTS AND
15	TO SPECIFICALLY OVERTURN CASE LAW WHICH HAS
16	IMPERMISSIBLY DEVIATED FROM THE INTENT AND PLAIN
17	LANGUAGE OF ACT 796 OF 1993 CONTRARY TO SECTION 35 OF
18	SAID ACT; AND FOR OTHER PURPOSES.
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20	
21	Subtitle
22	AN ACT TO AMEND THE ARKANSAS WORKERS'
23	COMPENSATION LAW ENACTED BY INITIATED ACT
24	4 OF 1948 TO RESTORE THE STATUTORY INTENT
25	OF THE 79TH GENERAL ASSEMBLY.
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27	
28	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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30	SECTION 1. DO NOT CODIFY. (a) The Eighty-Eighth General Assembly
31	realizes that the Arkansas workers' compensation statutes must be revised and
32	amended from time to time. Unfortunately, many of the changes made by this
33	act have become necessary because administrative law judges, the Workers'
34	Compensation Commission, and the Arkansas courts have continually broadened
35	the scope and eroded the purpose of the workers' compensation statutes of
36	this state as amended by the Seventy-Ninth General Assembly by Act 796 of

1993 whose stated purpose was to increase workers' compensation benefits for 1 2 employees, to pay timely temporary and permanent disability benefits to all 3 legitimately injured workers who suffer an injury or disease arising out of and in the course of their employment, to pay reasonable and necessary 4 medical expenses resulting from an injury or disease arising out of and in 5 6 the course of their employment, to return the worker to the work force, to improve workplace safety, to improve the health care delivery, to encourage 7 the return to work of injured workers, to deter and punish frauds of agents, 8 9 brokers, solicitors, employers, and employees, to curtail the rise in medical 10 costs associated with the provisions of workers' compensation benefits, and 11 to emphasize that the workers' compensation system in this state must be returned to a state of economic viability. The Eighty-Eighth General 12 Assembly intends to restate that the major and controlling purpose of 13 workers' compensation is to pay timely temporary and permanent disability 14 15 benefits to all legitimately injured workers who suffer an injury or disease 16 arising out of and in the course of their employment, to pay reasonable and 17 necessary medical expenses resulting from an injury or disease arising out of and in the course of their employment, and then to return the workers to the 18 work force, to improve workplace safety, to improve the health care delivery, 19 20 to encourage the return to work of injured workers, to deter and punish 21 frauds of agents, brokers, solicitors, employers, and employees, to curtail 22 the rise in medical costs associated with the provisions of workers' 23 compensation benefits, and to emphasize that the workers' compensation system in this state must be returned to a state of economic viability. When, and if 24 the workers' compensation statutes of this state need to be changed, the 25 26 General Assembly acknowledges its responsibility to do so. (b) It is the specific intent of the Eighty-Eighth General Assembly to 27 repeal, annul, and hold for naught all prior opinions or decisions of any 28 29 administrative law judge, the Workers' Compensation Commission, or courts of 30 this state contrary to or in conflict with any provision in this act. In the future, if such things as the statute of limitations, the standard of review 31 by the Workers' Compensation Commission or courts, the extent to which any 32 physical condition, injury, or disease should be excluded from or added to 33 coverage by the law, or the scope of the workers' compensation statutes need 34 to be liberalized, expanded, broadened, or narrowed, those things shall be 35

1	addressed by the General Assembly and should not be done by administrative
2	law judges, the Workers' Compensation Commission, or the courts.
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4	SECTION 2. Arkansas Code § 11-9-102(4)(B)(iii), concerning exclusions
5	from the definition of "compensable injury" under the Workers' Compensation
6	Law, is amended to read as follows:
7	(iii)(a) Injury which that was inflicted upon the
8	employee at a time when employment services were not being performed or
9	before the employee was hired or after the employment relationship was
10	terminated.
11	(b) When an employee is on break, whether
12	mandatory or voluntary, scheduled or unscheduled, on the clock or off, or has
13	clocked out for the day and is exiting the premises, or when the employee has
14	not clocked in for the day and is entering the premises and sustains an
15	injury, a rebuttable presumption shall arise that the injury was inflicted
16	upon the employee at a time when employment services were not being
17	performed.
18	(c) A purpose of subdivision (4)(B)(ii)(b) of
19	this section is to specifically annul any case law inconsistent with this
20	subdivision (4)(B)(ii), including without limitation Wood v. Wendy's Old
21	Fashioned Hamburgers, 2010 Ark. App. 307, S.W.3d (2010); Barrett v. C.L.
22	Swanson Corp., 2010 Ark. App. 91, S.W.3d (2010); Dearman v. Deltic Timber
23	Corp., 2010 Ark. App. 87, S.W.3d (2010); and Jonesboro Care & Rehab Center v.
24	Woods, 2010 Ark. 482, S.W.3d (2010); or
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26	SECTION 3. Arkansas Code § 11-9-102(4)(D), concerning the burden of
27	proof under the definition of "compensable injury" under the Workers'
28	Compensation Law, is amended to read as follows:
29	(D) A compensable injury must be established by medical
30	evidence supported by of objective findings as defined in subdivision (16) of
31	this section.
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33	SECTION 4. Arkansas Code § 11-9-102(16)(A)(i), concerning the
34	definition of "objective findings" under the Workers' Compensation Law, is
35	amended to read as follows:

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(16)(A)(i)(a) "Objective findings" are those findings which that
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    cannot come under the voluntary control of the patient.
                                   (b) "Objective findings" shall be made
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    specifically by a licensed physician.
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                                  (c) "Objective findings" does not include a
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    prescription, without a specific finding.
                                   (d) A purpose of subdivisions (16)(A)(i)(b)
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     and (c) of this section is to specifically annul any case law inconsistent
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    with this subdivision (16)(A)(i), including without limitation Denning v.
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     Wal-Mart Associates, 2009 Ark. App. 842, S.W.3d (2009); Estridge v. Waste
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    Management, 343 Ark. 276, 33 S.W.3d 167 (2002); and Fred's, Inc. v.
     Jefferson, 361 Ark. 258, 206 S.W.3d 238 (2005).
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           SECTION 5. Arkansas Code § 11-9-410 is amended to read as follows:
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           11-9-410. Third-party liability.
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           (a) Liability Unaffected.
                 (1)(A) The making of a claim for compensation against any
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     employer or carrier for the injury or death of an employee shall not affect
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     the right of the employee, or his or her dependents, to make a claim or
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     maintain an action in court against any third party for the injury, but the
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     employer or the employer's carrier shall be entitled to reasonable notice and
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     opportunity to join in the action.
                       (B) If they, or either of them, join in the action, they
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     shall be entitled to a first lien upon two thirds (2/3) of the net proceeds
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     recovered in the action that remain after the payment of the reasonable costs
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     of collection, for the payment to them of the amount paid and to be paid by
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     them as compensation to the injured employee or his or her dependents.
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                 (2) The commencement of an action by an employee or his or her
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     dependents against a third party for damages by reason of an injury to which
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     this chapter is applicable, or the adjustment of any claim, shall not affect
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     the rights of the injured employee or his or her dependents to recover
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     compensation, but any amount recovered by the injured employee or his or her
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     dependents from a third party shall be applied as follows:
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                       (A) Reasonable costs of collection shall be deducted;
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                       (B) Then, in every case, one-third (1/3) of the remainder
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    shall belong to the injured employee or his or her dependents, as the case
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    may be-
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                       (C) The remainder, or so much as is necessary to discharge
     the actual amount of the liability of the employer and the earrier; and
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                       (D) Any excess shall belong to the injured employee or his
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    or her dependents.
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                 (1)(A) The making of a claim for compensation against any
     employer or carrier for the injury or death of an employee shall not affect
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     the right of the employee, or his or her dependents, to make a claim or
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     maintain an action in court against any third party for the injury.
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                       (B)(i) By the acceptance of compensation under this
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     chapter, the employee grants the employer or employer's insurance carrier an
     absolute first lien upon the proceeds of any settlement or judgment resulting
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     from the exercise of any rights of recovery of the employee against any third
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    party.
                             (ii) The employer or employer's carrier shall be
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     entitled to an absolute first lien upon the net proceeds recovered in the
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     action that remain after the payment of the reasonable cost of collection to
     discharge the actual amount of liability of the employer or carrier, with any
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     excess being paid to the employee and serving as a credit against any future
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     compensation payments to be paid to the employee or his or her dependents.
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           (b) Subrogation.
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                 (1) An employer or carrier liable for compensation under this
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     chapter for the injury or death of an employee shall have the right to
     maintain an action in tort against any third party responsible for the injury
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     or death. However, the employer or the carrier must notify the claimant in
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    writing that the claimant has the right to hire a private attorney to pursue
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     any benefits to which the claimant is entitled in addition to the subrogation
     interest against any third party responsible for the injury or death.
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                 (2) After reasonable notice and opportunity to be represented in
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     the action has been given to the compensation beneficiary, the liability of
     the third party to the compensation beneficiary shall be determined in the
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     action, as well as the third party's liability to the employer and carrier.
                 (3)(A) After recovery shall be had against the third party, by
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     suit or otherwise, the compensation beneficiary shall be entitled to any
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amount recovered over and above the amount that the employer and earrier have
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    paid or are liable for in compensation, after deducting reasonable costs of
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    collection.
                      (B) In no event shall the compensation-beneficiary be
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    entitled to less than one third (1/3) of the amount recovered from the third
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    party, after deducting the reasonable cost of collection.
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                (4) An employer or carrier who is liable for compensation under
    this chapter on account of injury or death of an employee shall be entitled
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    to maintain a third-party action against the employer's uninsured motorist
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    coverage or underinsured motorist coverage.
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                (5) The purpose and intent of this subsection is to prevent
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    double payment to the employee.
                (1)(A) If no action is brought by the employee, the employer or
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    employer's carrier liable for compensation under this chapter for the injury
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    or death of an employee shall have the right to initiate an action in tort
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    against any third party responsible for the injury or death of the employee.
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                      (B) The employee or his or her dependents shall be
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    entitled to reasonable notice of a claim against a third party.
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                      (C) The employer or employer's insurance carrier shall
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    notify the employee or his or her dependents in writing that the employee or
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    his or her dependents have the right to hire a private attorney to pursue any
    benefits to which the employee is entitled in addition to the subrogation
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     interest against any third-party responsible for the injury or death.
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                 (2) After reasonable notice and opportunity to be represented in
     the action has been given to the employee or his or her dependents, the
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     liability of the third-party to the employee or his or her dependents shall
     be determined in the action, as well as the third-party's liability to the
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     employer or employer's insurance carrier.
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                 (3) The employee or his or her dependents shall cooperate in the
     litigation or settlement of the claim against a third party.
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                 (4)(A) After payment of the reasonable cost of collection, the
     net proceeds or any settlement or judgment shall be paid to the employer or
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     carrier to the total amount of compensation paid.
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                      (B) Any balance remaining after payment of necessary
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     expenses and the satisfaction of the employer's or carrier's lien shall be
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1 paid to the employee and be applied as credit against any future compensation 2 benefits for the same injury. (c) Settlement of Claims. 3 4 (1) Settlement of claims under subsections (a) and (b) of this 5 section must have the approval of the court or of the commission, except that 6 the distribution of that portion of the settlement which represents the 7 compensation payable under this chapter must have the approval of the 8 commission. 9 (2) Where liability is admitted to the injured employee or his 10 or her dependents by the employer or carrier, the cost of collection may be 11 deducted from that portion of the settlement under subsections (a) or (b) of 12 this section representing compensation, upon direction and approval of the 13 commission. 14 (3) No party shall-settle a claim-under subsections (a) and (b) 15 of this section without first giving three (3) days' written notice to all parties with an interest in the claim of the intent to settle. 16 17 (4) Each party with an interest in a claim under subsections—(a) 18 and (b) shall cooperate with all other parties in litigation or settlement of 19 such claims. (c)(1) The purpose and intent of this section is to prevent double 20 21 recovery to the employee and to annul specifically any case law inconsistent with this subsection, including without limitation all case law interpreting 22 23 the previous § 11-9-410, and Travelers Ins. Co. v. McCluskey, 252 Ark. 1045, 483 S.W.2d 179 (1972); General Accident Ins. v. Jayne, 343 Ark. 143, 33 24 25 S.W.3d 161 (2001) and Phillip Morris USA v. James 79 Ark. App. 72, 835 S.W.3d 441 (2002). 26 (2) The common law Made-Whole Doctrine as espoused by the courts 27 28 in General Accident Ins. v. Jayne, 343 Ark. 143, 33 S.W.3d 161 (2001) and Phillip Morris USA v. James 79 Ark. App. 72, 835 S.W.3d 441 (2002) is 29 30 repealed. 31 (d) The subrogation right of an employer and its insurance carrier to recover from a third-party tortfeasor who has caused injury or death to an 32 employee of the employer is absolute and cannot be waived by the employer or 33 34 its insurance carrier unless the employer or its insurance carrier elects to do so in writing. 35

(e) Settlement of claims under this section shall be approved by the 1 2 commission. 3 SECTION 6. Arkansas Code § 11-9-508(a), concerning the liability of 4 employers for medical services and supplies under the Workers' Compensation 5 6 Law, is amended to read as follows: (a)(1) The employer shall promptly provide for an injured employee 7 such medical, surgical, hospital, chiropractic, optometric, podiatric, and 8 9 nursing services and medicine, crutches, ambulatory devices, artificial limbs, eyeglasses, contact lenses, hearing aids, and other apparatus as may 10 11 be reasonably necessary in connection with the injury received by the 12 employee. (2) The compensable injury must be the major cause of the need 13 14 for treatment. (3) The purpose of subdivision (a)(2) of this section is to 15 annul any case law inconsistent with subdivision (a)(2) of this section, 16 including without limitation Williams v. L & W Janitorial, 85 Ark. App. 1, 17 145 S.W.3d 383 (2004). 18 19 SECTION 7. Arkansas Code § 11-9-514(a)(3)(A)(ii) and (iii), concerning 20 changes of physicians under the Workers' Compensation Law, is amended to read 21 22 as follows: (ii) Where the employer has contracted with a 23 managed care organization certified by the commission, the claimant employee, 24 however, shall may be allowed to change physicians by petitioning the 25 commission one (1) time only for a change of physician and establishing by a 26 preponderance of the evidence that there is a compelling reason or 27 circumstance justifying the change to a physician who must either be 28 associated with the managed care entity chosen by the employer or be the 29 regular treating physician of the employee who maintains the employee's 30 medical records and with whom the employee has a bona fide doctor-patient 31 32 relationship demonstrated by a history of regular treatment prior to the onset of the compensable injury but only if the primary care physician agrees 33 to refer the employee to the managed care entity chosen by the employer for 34 any specialized treatment, including physical therapy, and only if the 35 36 primary care physician agrees to comply with all the rules, terms, and

1 conditions regarding services performed by the managed care entity chosen by 2 the employer. 3 (iii) Where the employer does not have a contract 4 with a managed care organization certified by the commission, the claimant 5 employee, however, shall may be allowed to change physicians by petitioning the commission one (1) time only for a change of physician and establishing 6 7 by a preponderance of the evidence that there is a compelling reason or circumstance justifying the change, to a physician who must either be 8 9 associated with any managed care entity certified by the commission or be the 10 regular treating physician of the employee who maintains the employee's medical records and with whom the employee has a bona fide doctor-patient 11 12 relationship demonstrated by a history of regular treatment prior to the 13 onset of the compensable injury, but only if the primary care physician 14 agrees to refer the employee to a physician associated with any managed care 15 entity certified by the commission for any specialized treatment, including physical therapy, and only if the primary care physician agrees to comply 16 17 with all the rules, terms, and conditions regarding services performed by any 18 managed care entity certified by the commission. 19 (iv) A purpose of the 2011 amendment to this 20 subdivision (a)(3)(A) of this section by this act is to specifically annul 21 any case law inconsistent with subdivision (a)(3)(A) of this section, including without limitation Collins v. Lennox Industries, Inc., 77 Ark. App. 22 23 303, 75 S.W.3d 204 (2002). 24 25 SECTION 8. Arkansas Code § 11-9-514(c)(1), concerning changes of physicians under the Workers' Compensation Law, is amended to read as 26 follows: 27 28 (c)(l)(A) After being notified of an injury, the employer or insurance carrier shall deliver to the employee, in person or by certified or 29 registered mail, return receipt requested, a copy of a notice, approved or 30

33 (B) The employee's signature on this document is deemed
34 sufficient notice for purposes of the 2011 amendment to this chapter by this
35 act.

responsibilities concerning change of physician.

prescribed by the commission, which that explains the employee's rights and

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SECTION 9. Arkansas Code § 11-9-519(c), concerning compensation for
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     disability under the Workers' Compensation Law, is amended to read as
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 3
     follows:
           (c) In all other cases, permanent total disability shall be include a
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     physical impairment rating and determined in accordance with the facts.
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           SECTION 10. Arkansas Code § 11-9-519 is amended to add an additional
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     subsection to read as follows:
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           (h) The purpose of the amendment to this section by this act is to
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     eliminate the discrepancy between permanent partial and permanent total
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     disability benefits and to specifically annul any case law inconsistent with
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     the amendment to this section by this act, including without limitation
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     Rutherford v. Mid-Delta Community Services, 102 Ark. App. 317, 285 S.W.3d 248
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     (2008).
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           SECTION 11. Arkansas Code § 11-9-521(a) concerning compensation for
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     disability under the Workers' Compensation Law, is amended to read as
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     follows:
           (a) An employee who sustains a permanent compensable injury scheduled
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     in this section shall receive, in addition to compensation for temporary
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     total and temporary partial benefits during the healing period or until the
     employee returns to work, whichever occurs first, weekly benefits in the
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     amount of the permanent partial disability rate attributable to the injury,
     for that period of time set out in the following schedule:
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                 (1) Arm amputated at the elbow, or between the elbow and
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     shoulder, two hundred forty-four (244) weeks;
                 (2) Arm amputated between the elbow and wrist, one hundred
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     eighty-three (183) weeks;
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                 (3) Leg amputated at the knee, or between the knee and the hip,
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     one hundred eighty-four (184) weeks;
                 (4) Leg amputated between the knee and the ankle, one hundred
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     thirty-one (131) weeks;
                 (5) Hand amputated, one hundred eighty-three (183) weeks;
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                      Thumb amputated, seventy-three (73) weeks;
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                 (6)
                 (7) First finger amputated, forty-three (43) weeks;
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                 (8) Second finger amputated, thirty-seven (37) weeks;
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1	(9) Third finger amputated, twenty-four (24) weeks;
2	(10) Fourth finger amputated, nineteen (19) weeks;
3	(11) Foot amputated, one hundred thirty-one (131) weeks;
4	(12) Great toe amputated, thirty-two (32) weeks;
5	(13) Toe other than great toe amputated, eleven (11) weeks;
6	(14) Eye enucleated, in which there was useful vision, one
7	hundred five (105) weeks;
8	(15) Loss of hearing of one ear, forty-two (42) weeks;
9	(16) Loss of hearing of both ears, one hundred fifty-eight (158
.0	weeks;
.1	(17) Loss of one testicle, fifty-three (53) weeks; loss of both
.2	testicles, one hundred fifty-eight (158) weeks.
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.4	SECTION 12. Arkansas Code § 11-9-521 is amended to add an additional
.5	subsection to read as follows:
.6	(i)(A) Temporary total disability benefits for
.7	scheduled injuries shall be awarded under the same standard as applied to
.8	injuries to the body as a whole.
.9	(B) The purpose of subdivision (i)(i) of this section is to
0.	specifically annul any case law inconsistent herewith, including without
!1	limitation Wheeler Construction v. Armstrong, 73 Ark. App. 146, 41 S.W.3d 82
22	(2001) and the line of cases relying on those cases.
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4	SECTION 13. Arkansas Code § 11-9-704(c)(1)(B), concerning proceedings
!5	on claims under the Workers' Compensation Law, is amended to read as follows
16	(B)(ii) Any determination of the existence or extent of
27	physical impairment shall be supported by established by and based upon
8.	objective and measurable physical or mental findings.
9	(ii) A purpose of subdivision (c)(l)(B) of this
30	section is to specifically annul any case law inconsistent with the 2011
31	amendment to subdivision (c)(1)(B) of this section, including without
32	limitation Singleton v. City of Pine Bluff, 97 Ark. App. 59, 244 S.W.3d 709
3	(2007); and Groom v. Nekoosa Papers, Inc., CA 06-406 (opinion issued 12-13-
34	2006 Not Designated for Publication).
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36	SECTION 14. Arkansas Code § 11-9-1001 is amended to read as follows:

1 11-9-1001. Legislative declaration. 2 The Seventy-Ninth Eighty-Eighth General Assembly realizes that the 3 Arkansas workers' compensation statutes must be revised and amended from time to time. Unfortunately, many of the changes made by this act were are 4 necessary because administrative law judges, the Workers' Compensation 5 6 Commission, and the Arkansas courts have continually broadened the scope and eroded the purpose of the workers' compensation statutes of this state Act 7 796 of 1993. The Seventy Ninth Eighty-Eighth General Assembly intends to 8 restate that the major and controlling purpose of workers' compensation is to 9 pay timely temporary and permanent disability benefits to all legitimately 10 11 injured workers that who suffer an injury or disease arising out of and in the course of their employment, to pay reasonable and necessary medical 12 13 expenses resulting therefrom, and then to return the worker to the work 14 force. When, and if, the workers' compensation statutes of this state need to be changed, the General Assembly acknowledges its responsibility to do so. It 15 16 is the specific intent of the Seventy Ninth Eighty-Eighth General Assembly to repeal, annul, and hold for naught all prior opinions or decisions of any 17 18 administrative law judge, the Workers' Compensation Commission, or courts of 19 this state contrary to or in conflict with any provision in this act. In the future, if such things as the statute of limitations, the standard of review 20 by the Workers' Compensation Commission or courts, the extent to which any 21 physical condition, injury, or disease should be excluded from or added to 22 coverage by the law, or the scope of the workers' compensation statutes need 23 to be liberalized, broadened, or narrowed, those things shall be addressed by 24 the General Assembly and should not be done by administrative law judges, the 25 Workers' Compensation Commission, or the courts. 26 27 28 Referred by the Arkansas House of Representatives Prepared by: MGF/VJF 29 30 31 32 33 34 35

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