

Conference Engrossed

FILED

MICHELE REAGAN
SECRETARY OF STATE

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

CHAPTER 287

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;
34 definitions

35 A. THE INTERESTED PARTIES TO A CLAIM MAY:

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

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

41 B. ANY FULL AND FINAL SETTLEMENT SHALL:

42 1. BE IN WRITING.

43 2. BE SIGNED BY THE CARRIER, SPECIAL FUND OR SELF-INSURED EMPLOYER
44 AND THE EMPLOYEE OR THE EMPLOYEE'S AUTHORIZED REPRESENTATIVE.

1 3. ACKNOWLEDGE THAT THE EMPLOYEE HAD THE OPPORTUNITY TO SEEK LEGAL
2 ADVICE AND BE REPRESENTED BY COUNSEL.

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

6 C. IF THE EMPLOYEE IS REPRESENTED BY COUNSEL, THE FULL AND FINAL
7 SETTLEMENT SHALL INCLUDE THE FOLLOWING ATTESTATIONS:

8 1. THE EMPLOYEE UNDERSTANDS THE RIGHTS SETTLED AND RELEASED BY THE
9 AGREEMENT AND WAS REPRESENTED BY COUNSEL.

10 2. THE EMPLOYEE HAS BEEN PROVIDED INFORMATION FROM THE CARRIER,
11 SPECIAL FUND OR SELF-INSURED EMPLOYER THAT OUTLINES ANY REASONABLE
12 ANTICIPATED FUTURE MEDICAL, SURGICAL AND HOSPITAL BENEFITS RELATING TO THE
13 CLAIM AND THE PROJECTED COST OF THOSE BENEFITS AND THAT PROVIDES AN
14 EXPLANATION OF HOW THOSE PROJECTED COSTS WERE DETERMINED.

15 3. THE EMPLOYEE UNDERSTANDS THAT MONIES RECEIVED FOR FUTURE MEDICAL
16 TREATMENT ASSOCIATED WITH THE INDUSTRIAL INJURY SHOULD BE SET ASIDE TO
17 ENSURE THAT THE COSTS OF SUCH TREATMENT WILL BE PAID.

18 4. THE PARTIES HAVE CONSIDERED AND TAKEN REASONABLE STEPS TO
19 PROTECT ANY INTERESTS OF MEDICARE, MEDICAID, THE INDIAN HEALTH SERVICE AND
20 THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS, INCLUDING ESTABLISHING A
21 MEDICARE SAVINGS ACCOUNT IF NECESSARY.

22 5. THE PARTIES HAVE CONDUCTED A SEARCH FOR AND TAKEN REASONABLE
23 STEPS TO SATISFY ANY IDENTIFIED MEDICAL LIENS.

24 D. IF THE EMPLOYEE IS NOT REPRESENTED BY COUNSEL, THE EMPLOYEE
25 SHALL APPEAR BEFORE AN ADMINISTRATIVE LAW JUDGE AND THE ADMINISTRATIVE LAW
26 JUDGE SHALL MAKE SPECIFIC FACTUAL FINDINGS REGARDING WHETHER THE
27 REQUIREMENTS OF SUBSECTION B AND SUBSECTION C, PARAGRAPHS 2, 3, 4 AND 5 OF
28 THIS SECTION ARE SATISFIED. THE ADMINISTRATIVE LAW JUDGE MAY NOT APPROVE
29 THE SETTLEMENT IF THE REQUIREMENTS OF SUBSECTION B OF THIS SECTION ARE NOT
30 MET OR IF THE SETTLEMENT IS NOT DEEMED FAIR AND REASONABLE TO THE
31 EMPLOYEE.

32 E. A FULL AND FINAL SETTLEMENT IS NOT VALID AND ENFORCEABLE UNLESS
33 THE FULL AND FINAL SETTLEMENT IS APPROVED BY THE COMMISSION. WHEN
34 DETERMINING WHETHER TO APPROVE A SETTLEMENT, THE COMMISSION SHALL CONSIDER
35 WHETHER THE SETTLEMENT IS IN THE BEST INTERESTS OF THE EMPLOYEE BASED ON
36 THE FOLLOWING CRITERIA:

37 1. WHETHER THE EMPLOYEE'S INJURIES ARE STABILIZED.

38 2. THE PERMANENCY OF THE EMPLOYEE'S INJURIES.

39 F. A LUMP SUM SETTLEMENT PAYMENT SHALL BE MADE TO THE EMPLOYEE
40 WITHIN FIFTEEN DAYS AFTER THE AWARD APPROVING THE SETTLEMENT BECOMES
41 FINAL.

42 G. THE CARRIER, SPECIAL FUND OR SELF-INSURED EMPLOYER SHALL NOTIFY
43 THE ATTENDING PHYSICIAN OF THE APPROVAL OF A FULL AND FINAL SETTLEMENT IF
44 THE FULL AND FINAL SETTLEMENT TERMINATES THE EMPLOYEE'S ENTITLEMENT TO
45 MEDICAL BENEFITS. UNLESS MEDICAL BENEFITS RENDERED BEFORE THE APPROVAL

1 DATE OF THE FULL AND FINAL SETTLEMENT ARE SUBJECT TO A DISPUTE OR PAYMENT
2 FOR THE TREATMENT WAS INCLUDED IN THE FULL AND FINAL SETTLEMENT AGREEMENT,
3 THE CARRIER, SPECIAL FUND OR SELF-INSURED EMPLOYER REMAINS RESPONSIBLE FOR
4 PAYMENT FOR THE TREATMENT NOT COVERED BY THE FULL AND FINAL SETTLEMENT
5 AGREEMENT AS PROVIDED BY THIS CHAPTER.

6 H. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, A FULL AND FINAL
7 SETTLEMENT MAY NOT BE NEGOTIATED TO SETTLE ISSUES RESULTING IN TOTAL AND
8 PERMANENT DISABILITY PURSUANT TO SECTION 23-1045, SUBSECTIONS C AND D.

9 I. A FULL AND FINAL SETTLEMENT AGREEMENT MAY NOT INCLUDE THE
10 SETTLEMENT OF CLAIMS UNRELATED TO THE CLAIM FOR COMPENSATION, BENEFITS,
11 PENALTIES AND INTEREST.

12 J. THIS SECTION DOES NOT APPLY TO THE SETTLEMENT OF CLAIMS THAT
13 HAVE BEEN DENIED.

14 K. FOR THE PURPOSES OF THIS SECTION:

15 1. "FULL AND FINAL SETTLEMENT" MEANS A SETTLEMENT IN WHICH THE
16 INJURED EMPLOYEE OR, IF THE INJURED EMPLOYEE IS DECEASED, THE EMPLOYEE'S
17 ESTATE, SURVIVING SPOUSE OR DEPENDENT WAIVES ANY FUTURE ENTITLEMENT TO
18 BENEFITS ON THE CLAIM AND ANY FUTURE RIGHT TO CHANGE THE CLAIM PURSUANT TO
19 SECTION 23-1044, SUBSECTION F OR REOPEN THE CLAIM PURSUANT TO SECTION
20 23-1061, SUBSECTION H.

21 2. "SPECIAL FUND" MEANS THE SPECIAL FUND ESTABLISHED BY SECTION
22 23-1065.

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

25 23-1062. Medical, surgical, hospital benefits; translation
26 services; travel expenses; commencement of
27 compensation; method of compensation

28 A. Promptly, on notice to the employer, every injured employee
29 shall receive medical, surgical and hospital benefits or other treatment,
30 nursing, medicine, surgical supplies, crutches and other apparatus,
31 including artificial members, reasonably required at the time of the
32 injury, and during the period of disability. Such benefits shall be
33 termed "medical, surgical and hospital benefits".

34 B. Medical, surgical and hospital benefits include translation
35 services, if needed. A carrier, self-insurance pool or employer that does
36 not direct care pursuant to section 23-1070 may choose the translator if
37 the translator is certified by an outside agency and is not an employee of
38 the carrier, self-insurance pool or employer. If the carrier,
39 self-insurance pool or employer is unable to locate a certified translator
40 for the particular language or dialect needed, the parties may agree on a
41 translator who is not a certified translator.

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

5 ~~C.~~ D. The first installment of compensation is to be paid no later
6 than the twenty-first day after written notification by the commission to
7 the carrier of the filing of a claim unless the right to compensation is
8 denied. Thereafter, compensation shall be paid at least once each two
9 weeks during the period of temporary total disability and at least monthly
10 thereafter. Compensation shall not be paid for the first seven days after
11 the injury. If the incapacity extends beyond the period of seven days,
12 compensation shall begin on the eighth day after the injury, but if the
13 disability continues for one week beyond such seven days, compensation
14 shall be computed from the date of the injury.

15 ~~D.~~ E. Compensation shall be made by negotiable instrument, payable
16 immediately on demand or, at the election of the employee and if offered
17 by the employer or carrier, by another commonly accepted method for
18 transferring money by banking institutions, including electronic fund
19 transfers to the employee's account or a prepaid debit card account that
20 is established for the purpose of making direct electronic payment to the
21 employee.

22 Sec. 5. Industrial commission of Arizona; review of
23 authorization process; delayed repeal

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

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

29 Sec. 6. Effective date

30 Section 23-941.01, as repealed by this act, and section 23-941.01,
31 as added by this act, are effective from and after October 31, 2017.

APPROVED BY THE GOVERNOR MAY 8, 2017.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 8, 2017.

Passed the House April 17, 20 17,

Passed the Senate February 23, 20 17,

by the following vote: 39 Ayes,

by the following vote: 30 Ayes,

19 Nays, 1 Not Voting
1 Vacant

0 Nays, 0 Not Voting

[Signature]
Speaker of the House
[Signature]
Chief Clerk of the House

[Signature]
President of the Senate
[Signature]
Secretary of the Senate

~~EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR~~

~~This Bill was received by the Governor this
_____ day of _____, 20____,
at _____ o'clock _____ M.

Secretary to the Governor~~

~~Approved this _____ day of
_____, 20____,
at _____ o'clock _____ M.

Governor of Arizona~~

~~EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE~~

~~This Bill was received by the Secretary of State
this _____ day of _____, 20____,
at _____ o'clock _____ M.

Secretary of State~~

S.B. 1332

HOUSE FINAL PASSAGE
as per Joint Conference

Passed the House May 4, 20 17,
by the following vote: 50 Ayes,

7 Nays, 3 Not Voting

[Signature]
Speaker of the House
Pro Tempore

[Signature]
Chief Clerk of the House

SENATE FINAL PASSAGE
as per Joint Conference

Passed the Senate April 27, 20 17,
by the following vote: 27 Ayes,

0 Nays, 3 Not Voting

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor
this 4th day of May, 20 17,

at 2:50 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 8th day of
May, 20 17,

at 4:29 o'clock P. M.

[Signature]
Governor of Arizona

S.B. 1332

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this 8 day of May, 20 17,

at 5:58 o'clock P. M.

[Signature]
Secretary of State