Workers Compensation Benefit Overview – Michigan

Major Developments: Last major legislation in 2004 (SB899), affected indemnity rates, disability rating, medical treatment, medical-legal disputes, penalties, and apportionment. 2007 legislation affects caps on TD and post-surgical treatments.

Indemnity Issues

Temporary Total Benefits	Average Weekly Wage calculated by taking the highest 39 weeks of the 52 weeks proceeding the date of injury. If less than 39 weeks, use all weeks actually worked. Compensation rate is determined by using the AWW, tax filing status and # of dependents. Calculation program is available at Agency website. The Agency no longer prints physical copies of the rate schedule. Min: No Min. Max: $ 752.00 (2009) = 90% SAWW – changes yearly Waiting period: 7 day waiting period, benefits due on the 14th day. Unlimited benefits Checks cannot be sent to Employer, must be sent to IW. Checks sent weekly.
Temporary Partial Benefits	TP is owed when there is a difference between AWW at the time of the injury and current weekly wage. To calculate use original Comp Rate (no max applied) minus the new Comp Rate. New rate is calculated utilizing current week wages and current year calculation program. Min: No Min. Max: Original Comp Rate
Permanent Partial Benefits	Scheduled ratings for specific loss. No rating in the State of Michigan
Permanent Total Benefits	If TP, there is a conclusive presumption that you receive benefits for 800 weeks. Thereafter, the question of permanent disability is a question of fact.
Fatality Benefits	500 weeks to the widow plus any additional weeks until the youngest child reaches the age of 18. If the child is physically or mentally handicapped benefits may be awarded past age 18. Benefits stop to the widow if she remarries during the 500 weeks. Burial Expenses: $6,000
Vocational Rehabilitation	**Is it required?** Yes – If not voluntarily offered, the director on his or her own motion or upon application of the employee, carrier, or employer may order the services. **What are the benefits?** Retraining and job placement, as may be reasonably necessary to restore him or her to useful employment. Will not exceed more than 52 weeks unless by special order of the director and not to exceed an additional 52 weeks.

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Settlement Allowed	Settlement allowed for both Indemnity and medical. Must be approved by a Magistrate.
Cap on benefits, exceptions	None

Medical Issues

Initial Choice of Provider	Employer for the first 10 days. Employee choice after 10 days.
Change of Provider	IW is to notify us of their intent to change treating physicians.
Medical Fee Schedule	Yes
Managed Care	No
Utilization Review	Not a UR state but we follow the Travelers UR principles and most provider cooperate to ensure payment. The WC Act authorizes treatment.
Treatment Guidelines	**Does the state mandate the use of evidence based guidelines?** No Requirement **If so, which one?** However, we use IntraCorp optimal treatment guidelines as well as Travelers internal evidence based position papers.
Medical Mileage Reimbursement Rate	.55/ mile (2009), adjusted usually yearly by the Agency. Current mileage rates are available on the Agency Website
Ability to Terminate Medical Treatment	Ability to dispute medical that is not reasonable or necessary. Notice of dispute would need to be filed with the bureau. More formal process needed for cases which have an open award by the bureau.
Settlement Allowed	Yes
Cap on benefits, exceptions	Fee Schedule Rates

Other Issues

Staff Counsel	Law Offices of Cathy A. GoFrank, 1441 W Long Lake Road, Suite 305, Troy, Michigan 48098 (248) 312-7910
Hearings require attorney or claim handler participation	Attorney involvement required at formal hearings. Claim Rep participation may be required at mediation – many done telephonically. Claim rep may be required to participate in magistrate facilitation. This is usually required by most magistrates before a case actually proceeds to trial.
Occupational Diseases	Recognized under Chapter 4 of the WC Act which shall include a disease or disability which is due to causes and conditions which are characteristic of and peculiar to the business of the employer and which arise out of and in

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	the course of employment. No apportionment in Michigan. Last employment of exposure. Cumulative trauma also recognized and applied to last day work as injury date.
Second Injury Fund availability	If an employee has a previous permanent disability ("Specific Loss") in the form of the loss of a hand, arm, foot, leg or eye and subsequently has an injury arising out of and in the course of employment which results in another permanent disability in the form of the loss of a hand, arm, foot, leg or eye, the employee is conclusively presumed to be "Permanently and Totally Disabled" and is entitled to a minimum of 800 weeks of compensation. At the conclusion of weekly payments made for the 2nd specific loss, the Second Injury Fund shall reimburse the carrier for ongoing weekly payments up to a minimum of 800 weeks, and to continue if the employee is disabled in fact.
Other Offset Opportunities	i.e. apportionment, contribution, etc.

State workers compensation website link: http://www.michigan.gov/wca

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