



Karyn Burns

VP, Government Relations & Communications



New York State Budget Passes, Albany Agrees and Passes Much Needed Reform in Workers' Compensation

In early April, Albany leaders finally agreed on a final New York State budget for Fiscal 2018. Upon completion, MACNY released the following statement in response to the final budget negotiation and details:

“An area of specific concern where we see significant movement in the right direction was workers’ compensation. After final negotiation, Albany passed reform measures that will hopefully begin the process of breaking down the high cost, burdens, and overall pains that come with the current and costly workers’ compensation system in New York State.”

Below are bullet summaries from the final budget detailing the reform in workers’ compensation that was voted and passed as part of the budget for Fiscal 2018:

- Establishes a 130 week general rule for reaching maximum medical improvement (MMI) for the purpose of classifying for permanent partial disability (PPD) awards, and provides a safety valve for injured workers who have not reached MMI within 130 weeks.
- Removes the requirement that injured workers remain attached to the workforce after being classified with a permanent disability.
- Expands the safety net threshold from above 80% to above 75% impairment, to allow the most seriously injured workers to petition to continue receiving benefits after the PPD caps have been met.
- Moves the responsibility for annual safety net reporting from the Department of Labor to the Workers’ Compensation Board.

- Provides for a statutory mechanism to require release and implementation of updated impairment guidelines reflective of advances in modern medicine.
- Provides for a comprehensive prescription drug formulary.
- Authorizes the Workers’ Compensation Board to implement administrative efficiencies related to billing and periodic reporting.
- Authorizes the Workers’ Compensation Board to execute assumption of liability policies for the special disability fund and the reopened cases fund.
- Requires a study of independent medical examinations be conducted by the Workers’ Compensation Board and that a report be submitted to the Legislature and the Governor.
- Prohibits the Workers’ Compensation Board from disallowing certain claims by police or firefighters that are related to job stress.
- Provides for a reduction in the maximum fund balance from 10 to 5 percent that can be retained by the Workers’ Compensation Board from the Section 151 assessments and creates a fiduciary fund to transfer such excess fund balance into for the purpose of rate stabilization.

MACNY will be hosting a Government Relations Issue Series session in May on the workers’ compensation changes and its impact on businesses. Check the Events page of our website for detail and registration information.