

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

S

2

SENATE BILL 434
Manufacturing and Labor Committee Substitute Adopted 5/6/91

Short Title: Workers' Comp. Act Tech. Amendments.

(Public)

Sponsors:

Referred to:

April 1, 1991

A BILL TO BE ENTITLED

AN ACT TO MAKE CERTAIN TECHNICAL AMENDMENTS TO THE WORKERS' COMPENSATION ACT AND TO INCREASE ASSESSMENTS BY THE INDUSTRIAL COMMISSION FOR THE SECOND INJURY FUND.

The General Assembly of North Carolina enacts:

Section 1. G.S. 97-2 is amended by adding a new subdivision to read:

"(19) Medical Compensation. – The term 'medical compensation' means medical, surgical, hospital, nursing, and rehabilitative services, and medicines, sick travel, and other treatment, including medical and surgical supplies, as may reasonably be required to effect a cure or give relief and for such additional time as, in the judgment of the Commission, will tend to lessen the period of disability; and any original artificial members as may reasonably be necessary at the end of the healing period."

Sec. 2. G.S. 97-10.2(f) reads as rewritten:

"(f) (1) If the employer has filed a written admission of liability for benefits under this Chapter with, or if an award final in nature in favor of the employee has been entered by the Industrial Commission, then any amount obtained by any person by settlement with, judgment against, or otherwise from the third party by reason of such injury or death shall be disbursed by order of the Industrial Commission for the following purposes and in the following order of priority:

- 1 a. First to the payment of actual court costs taxed by judgment.
- 2 b. Second to the payment of the fee of the attorney representing
- 3 the person making settlement or obtaining judgment, and except
- 4 for the fee on the subrogation interest of the employer such fee
- 5 shall not be subject to the provisions of ~~§ 90 of this Chapter~~ G.S.
- 6 97-90, but shall not exceed one third of the amount obtained or
- 7 recovered of the third party.
- 8 c. Third to the reimbursement of the employer for all benefits by
- 9 way of compensation or medical ~~treatment~~ compensation
- 10 expense paid or to be paid by the employer under award of the
- 11 Industrial Commission.
- 12 d. Fourth to the payment of any amount remaining to the
- 13 employee or his personal representative.

- 14 (2) The attorney fee paid under (f)(1) shall be paid by the employee and
- 15 the employer in direct proportion to the amount each shall receive
- 16 under (f)(1)c and (f)(1)d hereof and shall be deducted from such
- 17 payments when distribution is made."

18 Sec. 3. G.S. 97-25 reads as rewritten:

19 **"§ 97-25. Medical treatment and supplies.**

20 ~~Medical, surgical, hospital, nursing services, medicines, sick travel, rehabilitation~~
21 ~~services, and other treatment including medical and surgical supplies as may reasonably~~
22 ~~be required to effect a cure or give relief and for such additional time as in the judgment~~
23 ~~of the Commission will tend to lessen the period of disability, and in addition thereto~~
24 ~~such original artificial members as may be reasonably necessary at the end of the~~
25 ~~healing period~~ Medical compensation shall be provided by the employer. In case of a
26 controversy arising between the employer and employee relative to the continuance of
27 medical, surgical, hospital, or other treatment, the Industrial Commission may order
28 such further treatments as may in the discretion of the Commission be necessary.

29 The Commission may at any time upon the request of an employee order a change of
30 treatment and designate other treatment suggested by the injured employee subject to
31 the approval of the Commission, and in such a case the expense thereof shall be borne
32 by the employer upon the same terms and conditions as hereinbefore provided in this
33 section for medical and surgical treatment and attendance.

34 The refusal of the employee to accept any medical, hospital, surgical or other
35 treatment or rehabilitative procedure when ordered by the Industrial Commission shall
36 bar said employee from further compensation until such refusal ceases, and no
37 compensation shall at any time be paid for the period of suspension unless in the
38 opinion of the Industrial Commission the circumstances justified the refusal, in which
39 case, the Industrial Commission may order a change in the medical or hospital service.

40 If in an emergency on account of the employer's failure to provide the medical or
41 other care as herein specified a physician other than provided by the employer is called
42 to treat the injured employee, the reasonable cost of such service shall be paid by the
43 employer if so ordered by the Industrial Commission.

1 Provided, however, if he so desires, an injured employee may select a physician of
2 his own choosing to attend, prescribe and assume the care and charge of his case,
3 subject to the approval of the Industrial Commission."

4 Sec. 4. G.S. 97-29 reads as rewritten:

5 **"§ 97-29. Compensation rates for total incapacity.**

6 Except as hereinafter otherwise provided, where the incapacity for work resulting
7 from the injury is total, the employer shall pay or cause to be paid, as hereinafter
8 provided, to the injured employee during such total disability a weekly compensation
9 equal to sixty-six and two-thirds percent (66 2/3%) of his average weekly wages, but
10 not more than the amount established annually to be effective October 1 as provided
11 herein, nor less than thirty dollars (\$30.00) per week.

12 In cases of total and permanent disability, compensation, including ~~reasonable and~~
13 ~~necessary nursing services, medicines, sick travel, medical, hospital, and other treatment~~
14 ~~or care of rehabilitative services~~ medical compensation, shall be paid for by the
15 employer during the lifetime of the injured employee. If death results from the injury
16 then the employer shall pay compensation in accordance with the provisions of G.S. 97-
17 38.

18 The weekly compensation payment for members of the North Carolina national
19 guard and the North Carolina State guard shall be the maximum amount established
20 annually in accordance with the last paragraph of this section per week as fixed herein.
21 The weekly compensation payment for deputy sheriffs, or those acting in the capacity of
22 deputy sheriffs, who serve upon a fee basis, shall be thirty dollars (\$30.00) a week as
23 fixed herein.

24 An officer or member of the State Highway Patrol shall not be awarded any weekly
25 compensation under the provisions of this section for the first two years of any
26 incapacity resulting from an injury by accident arising out of and in the course of the
27 performance by him of his official duties if, during such incapacity, he continues to be
28 an officer or member of the State Highway Patrol, but he shall be awarded any other
29 benefits to which he may be entitled under the provisions of this Article.

30 Notwithstanding any other provision of this Article, ~~beginning August 1, 1975, and on~~
31 ~~July 1 of each year thereafter, year,~~ a maximum weekly benefit amount shall be
32 computed. The amount of this maximum weekly benefit shall be derived by obtaining
33 the average weekly insured wage in accordance with G.S. 96-8(22), by multiplying such
34 average weekly insured wage by 1.10, and by rounding such figure to its nearest
35 multiple of two dollars (\$2.00), and this said maximum weekly benefit shall be
36 applicable to all injuries and claims arising on and after January 1 following such
37 computation. Such maximum weekly benefit shall apply to all provisions of this
38 Chapter ~~effective August 1, 1975,~~ and shall be adjusted July 1 and effective January 1 of
39 each year ~~thereafter~~ as herein provided."

40 Sec. 5. G.S. 97-59 reads as rewritten:

41 **"§ 97-59. Employer to pay for treatment.**

42 ~~Medical, surgical, hospital, nursing services, medicine, sick travel, rehabilitation~~
43 ~~services and other treatment as may reasonably be required to tend to lessen the period~~
44 ~~of disability or provide needed relief~~ Medical compensation shall be paid by the

1 employer in cases in which awards are made for disability or damage to organs as a
2 result of an occupational disease after bills for same have been approved by the
3 Industrial Commission.

4 In case of a controversy arising between the employer and employee relative to the
5 continuance of medical, surgical, hospital or other treatment, the Industrial Commission
6 may order such further treatments as may in the discretion of the Commission be
7 necessary."

8 Sec. 6. G.S. 97-90(a) reads as rewritten:

9 "(a) Fees for attorneys and physicians and charges of hospitals for ~~services and~~
10 ~~charges for nursing services, medicines and sick travel~~ medical compensation under this
11 Article shall be subject to the approval of the Commission; but no physician or hospital
12 or other medical facilities shall be entitled to collect fees from an employer or insurance
13 carrier until he has made the reports required by the Industrial Commission in
14 connection with the case. Unless otherwise provided by the rules, schedules, or orders
15 of the Commission, a request for a specific prior approval to charge shall be submitted
16 to the Commission for each such fee or charge."

17 Sec. 7. G.S. 97-19 reads as rewritten:

18 **"§ 97-19. Liability of principal contractors; certificate that subcontractor has**
19 **complied with law; right to recover compensation of those who would**
20 **have been liable; order of liability.**

21 Any principal contractor, intermediate contractor, or subcontractor who shall sublet
22 any contract for the performance of any work without requiring from such subcontractor
23 or obtaining from the Industrial Commission a certificate, issued by ~~the Industrial~~
24 ~~Commission, a workers' compensation insurance carrier, or a certificate of compliance~~
25 issued by the Department of Insurance to a self-insured subcontractor, stating that such
26 subcontractor has complied with G.S. 97-93 hereof, shall be liable, irrespective of
27 whether such subcontractor has regularly in service less than four employees in the
28 same business within this State, to the same extent as such subcontractor would be if he
29 were subject to the provisions of this Article for the payment of compensation and other
30 benefits under this Article on account of the injury or death of any such subcontractor,
31 any principal or partner of such subcontractor or any employee of such subcontractor
32 due to an accident arising out of and in the course of the performance of the work
33 covered by such subcontract. If the principal contractor, intermediate contractor or
34 subcontractor shall obtain such certificate at the time of subletting such contract to
35 subcontractor, he shall not thereafter be held liable to any such subcontractor, any
36 principal or partner of such subcontractor, or any employee of such subcontractor for
37 compensation or other benefits under this Article. If the subcontractor has no
38 employees and waives in writing his right to coverage under this section, the principal
39 contractor, intermediate contractor, or subcontractor subletting the contract shall not
40 thereafter be held liable for compensation or other benefits under this Article to said
41 subcontractor. Subcontractors who have no employees are not required to comply with
42 G.S. 97-93. ~~The Industrial Commission, upon demand shall furnish such certificate, and may~~
43 ~~charge therefor the cost thereof, not to exceed twenty-five cents (25¢).~~

1 Any principal contractor, intermediate contractor, or subcontractor paying
2 compensation or other benefits under this Article, under the foregoing provisions of this
3 section, may recover the amount so paid from any person, persons, or corporation who
4 independently of such provision, would have been liable for the payment thereof.

5 Every claim filed with the Industrial Commission under this section shall be
6 instituted against all parties liable for payment, and said Commission, in its award, shall
7 fix the order in which said parties shall be exhausted, beginning with the immediate
8 employer.

9 The principal or owner may insure any or all of his contractors and their employees
10 in a blanket policy, and when so insured such contractor's employees will be entitled to
11 compensation benefits regardless of whether the relationship of employer and employee
12 exists between the principal and the contractor."

13 Sec. 8. G.S. 97-24(b) reads as rewritten:

14 "(b) If any claim for compensation is hereafter made upon the theory that such
15 claim or the injury upon which said claim is based is within the jurisdiction of the
16 Industrial Commission under the provisions of this Article, and if the Commission, or
17 the ~~Supreme Court~~ appellate courts on appeal, shall adjudge that such claim is not within
18 the Article, the claimant, or if he dies, his personal representative, shall have one year
19 after the rendition of a final judgment in the case within which to commence an action
20 at law."

21 Sec. 9. G.S. 97-92 is amended by adding a new subsection to read:

22 "(f) Any bill, report, application, and document of every nature and kind, which is
23 required or permitted by Commission rules to be transmitted to the Commission by
24 electronic media or is recorded among the Commission records on computer disk,
25 optical disk, microfilm, or similar media and which is produced or reproduced in written
26 form in the normal course of business or is certified as a true and accurate copy of the
27 data recorded at the Commission in the normal course of its business shall be treated as
28 a signed original in all uses before the Commission and as a duplicate within the
29 meaning of Rule 1003 of the North Carolina Rules of Evidence."

30 Sec. 10. G.S. 97-53 reads as rewritten:

31 "**§ 97-53. Occupational diseases enumerated; when due to exposure to chemicals.**

32 The following diseases and conditions only shall be deemed to be occupational
33 diseases within the meaning of this Article:

- 34 (1) Anthrax.
- 35 (2) Arsenic poisoning.
- 36 (3) Brass poisoning.
- 37 (4) Zinc poisoning.
- 38 (5) Manganese poisoning.
- 39 (6) Lead poisoning. Provided the employee shall have been exposed to
40 the hazard of lead poisoning for at least 30 days in the preceding 12
41 months' period; and, provided further, only the employer in whose
42 employment such employee was last injuriously exposed shall be
43 liable.
- 44 (7) Mercury poisoning.

- 1 (8) Phosphorus poisoning.
- 2 (9) Poisoning by carbon bisulphide, menthanol, naphtha or volatile
3 halogenated hydrocarbons.
- 4 (10) Chrome ulceration.
- 5 (11) Compressed-air illness.
- 6 (12) Poisoning by benzol, or by nitro and amido derivatives of benzol
7 (dinitrolbenzol, anilin, and others).
- 8 (13) Any disease, other than hearing loss covered in another subdivision
9 of this section, which is proven to be due to causes and conditions
10 which are characteristic of and peculiar to a particular trade,
11 occupation or employment, but excluding all ordinary diseases of
12 life to which the general public is equally exposed outside of the
13 employment.
- 14 (14) Epitheliomatous cancer or ulceration of the skin or of the corneal
15 surface of the eye due to tar, pitch, bitumen, mineral oil, or paraffin,
16 or any compound, product, or residue of any of these substances.
- 17 (15) Radium poisoning or disability or death due to radioactive properties
18 of substances or to roentgen rays, X rays or exposure to any other
19 source of radiation; provided, however, that the disease under this
20 subdivision shall be deemed to have occurred on the date that
21 disability or death shall occur by reason of such disease.
- 22 (16) Blisters due to use of tools or appliances in the employment.
- 23 (17) Bursitis due to intermittent pressure in the employment.
- 24 (18) Miner's nystagmus.
- 25 (19) Bone felon due to constant or intermittent pressure in employment.
- 26 (20) Synovitis, caused by trauma in employment.
- 27 (21) Tenosynovitis, caused by trauma in employment.
- 28 (22) Carbon monoxide poisoning.
- 29 (23) Poisoning by sulphuric, hydrochloric or hydrofluoric acid.
- 30 (24) Asbestosis.
- 31 (25) Silicosis.
- 32 (26) Psittacosis.
- 33 (27) Undulant fever.
- 34 (28) Loss of hearing caused by harmful noise in the employment. The
35 following rules shall be applicable in determining eligibility for
36 compensation and the period during which compensation shall be
37 payable:
- 38 a. The term 'harmful noise' means sound in employment capable
39 of producing occupational loss of hearing as hereinafter
40 defined. Sound of an intensity of less than 90 decibels, A scale,
41 shall be deemed incapable of producing occupational loss of
42 hearing as defined in this section.
- 43 b. 'Occupational loss of hearing' shall mean a permanent
44 sensorineural loss of hearing in both ears caused by prolonged

1 exposure to harmful noise in employment. Except in instances
2 of preexisting loss of hearing due to disease, trauma, or
3 congenital deafness in one ear, no compensation shall be
4 payable under this subdivision unless prolonged exposure to
5 harmful noise in employment has caused loss of hearing in both
6 ears as hereinafter provided.

7 c. No compensation benefits shall be payable for temporary total
8 or temporary partial disability under this subdivision and there
9 shall be no award for tinnitus or a psychogenic hearing loss.

10 d. An employer shall become liable for the entire occupational
11 hearing loss to which his employment has contributed, but if
12 previous deafness is established by a hearing test or other
13 competent evidence, whether or not the employee was exposed
14 to harmful noise within six months preceding such test, the
15 employer shall not be liable for previous loss so established, nor
16 shall he be liable for any loss for which compensation has
17 previously been paid or awarded and the employer shall be
18 liable only for the difference between the percent of
19 occupational hearing loss determined as of the date of disability
20 as herein defined and the percentage of loss established by the
21 preemployment and audiometric examination excluding, in any
22 event, hearing losses arising from nonoccupational causes.

23 e. In the evaluation of occupational hearing loss, only the hearing
24 levels at the frequencies of 500, 1,000, 2,000, and 3,000 cycles
25 per second shall be considered. Hearing losses for frequencies
26 below 500 and above 3,000 cycles per second are not to be
27 considered as constituting compensable hearing disability.

28 f. The employer liable for the compensation in this section shall
29 be the employer in whose employment the employee was last
30 exposed to harmful noise in North Carolina during a period of
31 90 working days or parts thereof, and an exposure during a
32 period of less than 90 working days or parts thereof shall be
33 held not to be an injurious exposure; provided, however, that in
34 the event an insurance carrier has been on the risk for a period
35 of time during which an employee has been injuriously exposed
36 to harmful noise, and if after insurance carrier goes off the risk
37 said employee has been further exposed to harmful noise,
38 although not exposed for 90 working days or parts thereof so as
39 to constitute an injurious exposure, such carrier shall,
40 nevertheless, be liable.

41 g. The percentage of hearing loss shall be calculated as the
42 average, in decibels, of the thresholds of hearing for the
43 frequencies of 500, 1,000, 2,000, and 3,000 cycles per second.
44 Pure tone air conduction audiometric instruments, properly

1 calibrated according to accepted national standards such as
2 American Standards Association, Inc., (ASA), International
3 Standards Organization (ISO), or American National Standards
4 Institute, Inc., (ANSI), shall be used for measuring hearing loss.
5 If more than one audiogram is taken, the audiogram having the
6 lowest threshold will be used to calculate occupational hearing
7 loss. If the losses of hearing average 15 decibels (26 db if
8 ANSI or ISO) or less in the ~~three-four~~ frequencies, such losses
9 of hearing shall not constitute any compensable hearing
10 disability. If the losses of hearing average 82 decibels (93 db if
11 ANSI or ISO) or more in the ~~three-four~~ frequencies, then the
12 same shall constitute and be total or one hundred percent
13 (100%) compensable hearing loss. In measuring hearing
14 impairment, the lowest measured losses in each of the ~~three-four~~
15 frequencies shall be added together and divided by ~~three-four~~ to
16 determine the average decibel loss. For each decibel of loss
17 exceeding 15 decibels (26 db if ANSI or ISO) an allowance of
18 one and one-half percent (1 1/2%) shall be made up to the
19 maximum of one hundred percent (100%) which is reached at
20 82 decibels (93 db if ANSI or ISO). In determining the binaural
21 percentage of loss, the percentage of impairment in the better
22 ear shall be multiplied by five. The resulting figure shall be
23 added to the percentage of impairment in the poorer ear, and the
24 sum of the two divided by six. The final percentage shall
25 represent the binaural hearing impairment.

- 26 h. There shall be payable for total occupational loss of hearing in
27 both ears 150 weeks of compensation, and for partial
28 occupational loss of hearing in both ears such proportion of
29 these periods of payment as such partial loss bears to total loss.
- 30 i. No claim for compensation for occupational hearing loss shall
31 be filed until after six months have elapsed since exposure to
32 harmful noise with the last employer. The last day of such
33 exposure shall be the date of disability. The regular use of
34 employer-provided protective devices capable of preventing
35 loss of hearing from the particular harmful noise where the
36 employee works shall constitute removal from exposure to such
37 particular harmful noise.
- 38 j. No consideration shall be given to the question of whether or
39 not the ability of an employee to understand speech is improved
40 by the use of a hearing aid. The North Carolina Industrial
41 Commission may order the employer to provide the employee
42 with an original hearing aid if it will materially improve the
43 employee's ability to hear.

- 1 k. No compensation benefits shall be payable for the loss of
2 hearing caused by harmful noise after October 1, 1971, if
3 employee fails to regularly utilize employer-provided protection
4 device or devices, capable of preventing loss of hearing from
5 the particular harmful noise where the employee works.

6 Occupational diseases caused by chemicals shall be deemed to be due to exposure of
7 an employee to the chemicals herein mentioned only when as a part of the employment
8 such employee is exposed to such chemicals in such form and quantity, and used with
9 such frequency as to cause the occupational disease mentioned in connection with such
10 chemicals.”

11 Sec. 11. G.S. 97-40.1(a) reads as rewritten:

12 "(a) There is hereby created a fund to be known as the 'Second Injury Fund,' to be
13 held and disbursed by the Industrial Commission as hereinafter provided.

14 For the purpose of providing money for said fund the Industrial Commission may
15 assess against the employer or its insurance carrier the payment of not to exceed ~~fifty~~
16 ~~dollars (\$50.00)~~ one hundred dollars (\$100.00) for the loss, or loss of use, of each minor
17 member in every case of a permanent partial disability where there is such loss, and
18 shall assess not to exceed ~~two hundred dollars (\$200.00)~~ five hundred dollars (\$500.00)
19 for fifty percent (50%) or more loss or loss of use of each major member, defined as
20 back, foot, leg, hand, arm, eye, or hearing.

21 In addition to the assessments hereinabove provided for, the Commission shall also
22 deposit in said fund all moneys received by it for the Second Injury Fund under the
23 provisions of G.S. 97-40."

24 Sec. 12. This act is effective upon ratification.