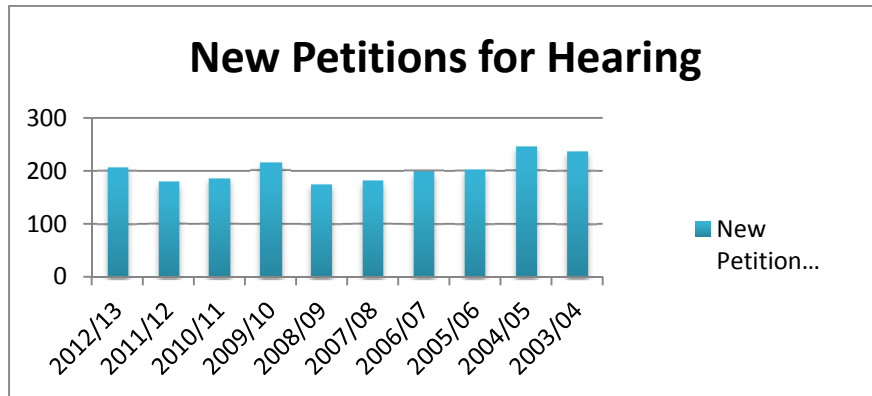
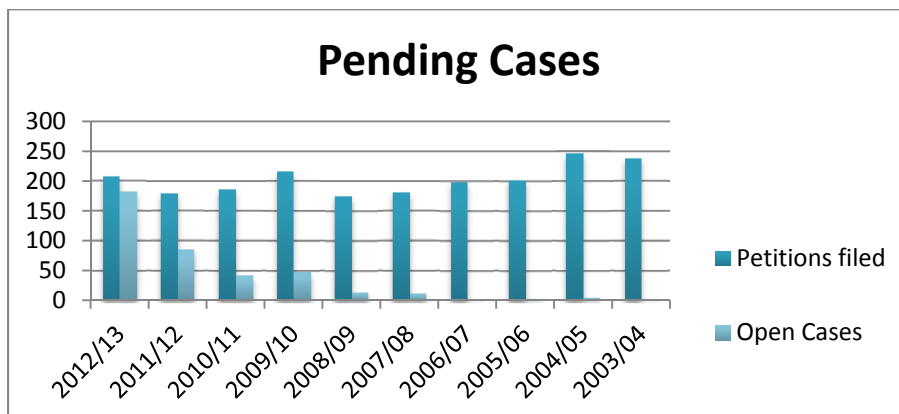


Department of Labor and Regulation
Division of Labor & Management
2012/2013 Workers' Compensation ALJ Report

The Department of Labor and Regulation is staffed with three Administrative Law Judges (ALJs) who report to the Director of Labor and Management. On average, just over 200 new petitions for hearing are processed each year.



The ALJ's establish discovery deadlines conduct status conferences, prehearing conferences, and hearings, handle various motions and issue orders as the cases move forward to resolution. In 2012/13, the Department issued 55 Decisions and 540 Orders, held 252 telephonic conferences, conducted 23 hearings, and approved 252 compromise and settlement agreements¹. The ALJ's currently manage about 400 active cases. The following illustrates the active cases that remain pending before the Department.

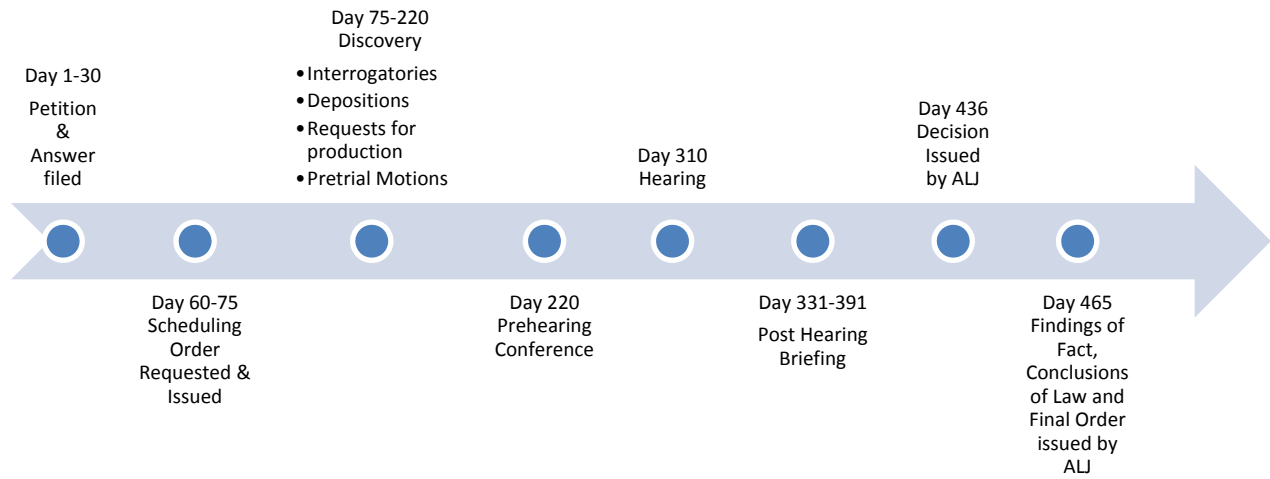


¹ This reflects both state files where no petition for hearing has been filed and hearing files which result in dismissal of a pending claim for benefits.

Multiple factors impact the length of time a particular cases remains under the Department's jurisdiction.

- **Discovery & pretrial motions**
 - Workers' compensation often includes complex medical issues which require expert medical testimony and expert vocational testimony
 - Multiple motions filed can increase the time it takes to bring a case to hearing
- **Issues**
 - The number and type of disputed issues can significantly impact the amount of discovery required and preparation. Typical issues in workers' compensation issues include causation, compensability, medical expenses, notice, nature and extent of disability.
- **Claimant still receiving treatment**
 - In many cases, claimant files a petition for benefits prior to reaching maximum medical improvement (MMI). These cases can remain active for an extended period of time while claimant continues to receive medical treatment and temporary benefits. Once a Claimant reaches MMI the issue of continued entitlement to benefits is ripe for determination.
- **CMS approval**
 - Approval of Medicare set aside accounts from CMS is required prior to the Department being able to sign off on some settlement agreement.
- **Bifurcation**
 - Threshold issues are often bifurcated; this can result in cases remaining subject to Department jurisdiction after an initial determination has been made on a threshold issue such as notice or causation.
- **Alternative Resolution**
 - As the cost of litigation continues to rise, the trend has been toward settlement talks, private mediations, Department of Labor mediations and more cases are submitted to the ALJ's on brief or through motions for summary judgment.
- **Review**
 - In cases where a Claimant has been deemed eligible for benefits, either party can petition the Department for review if their condition worsens or improves.

The following illustration represents a timeline for a typical case from petition to hearing. ²



² This timeline assumes no delays, extensions or scheduling conflicts. In practice there are often reasonable delays that can account for cases remaining active for a longer period of time.