

1 **SENATE FLOOR VERSION**

2 February 27, 2025

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1076

By: Murdock of the Senate

and

Newton of the House

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8
9 An Act relating to the Administrative Workers'
10 Compensation Act; amending 85A O.S. 2021, Section 2,
11 which relates to definitions; modifying definitions;
12 updating statutory language; updating statutory
13 references; and providing an effective date.

14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. AMENDATORY 85A O.S. 2021, Section 2, is
16 amended to read as follows:

17 Section 2. As used in the Administrative Workers' Compensation
18 Act:

19 1. "Actually dependent" means a surviving spouse, a child or
20 any other person who receives one-half (1/2) or more of his or her
21 support from the employee;

22 2. "Carrier" means any stock company, mutual company, or
23 reciprocal or interinsurance exchange authorized to write or carry
24 on the business of workers' compensation insurance in this state.

1 Whenever required by the context, the term "~~carrier~~ carrier" shall
2 be deemed to include duly qualified self-insureds or self-insured
3 groups;

4 3. "Case management" means the ongoing coordination, by a case
5 manager, of health care services provided to an injured or disabled
6 worker, including but not limited to systematically monitoring the
7 treatment rendered and the medical progress of the injured or
8 disabled worker; ensuring that any treatment plan follows all
9 appropriate treatment protocols, utilization controls and practice
10 parameters; assessing whether alternative health care services are
11 appropriate and delivered in a cost-effective manner based upon
12 acceptable medical standards; and ensuring that the injured or
13 disabled worker is following the prescribed health care plan;

14 4. "Case manager" means a person who is a registered nurse with
15 a current, active unencumbered license from the Oklahoma Board of
16 Nursing, or possesses one or more of the following certifications
17 which indicate the individual has a minimum number of years of case
18 management experience, has passed a national competency test and
19 regularly obtains continuing education hours to maintain
20 certification:

- 21 a. Certified Disability Management Specialist (CDMS),
- 22 b. Certified Case Manager (CCM),
- 23 c. Certified Rehabilitation Registered Nurse (CRRN),
- 24 d. Case Manager - Certified (CMC),

1 e. Certified Occupational Health Nurse (COHN), or

2 f. Certified Occupational Health Nurse Specialist (COHN-
3 S);

4 5. "Certified workplace medical plan" means an organization of
5 health care providers or any other entity, certified by the State
6 Commissioner of Health, that is authorized to enter into a
7 contractual agreement with an employer, a group self-insurance
8 association plan, an employer's workers' compensation insurance
9 carrier, a third-party administrator or an insured to provide
10 medical care under the Administrative Workers' Compensation Act.
11 Certified plans shall only include plans which provide medical
12 services and payment for services on a fee-for-service basis to
13 medical providers;

14 6. "Child" means a natural or adopted son or daughter of the
15 employee under eighteen (18) years of age; or a natural or adopted
16 son or daughter of an employee eighteen (18) years of age or over
17 who is physically or mentally incapable of self-support; or any
18 natural or adopted son or daughter of an employee eighteen (18)
19 years of age or over who is actually dependent; or any natural or
20 adopted son or daughter of an employee between eighteen (18) and
21 twenty-three (23) years of age who is enrolled as a full-time
22 student in any accredited educational institution. The term "~~child~~"
23 child includes a posthumous child, a child legally adopted or one
24 for whom adoption proceedings are pending at the time of death, an

1 actually dependent stepchild or an actually dependent acknowledged
2 child born out of wedlock;

3 7. "Claimant" means a person who claims benefits for an injury
4 or occupational disease pursuant to the provisions of the
5 Administrative Workers' Compensation Act;

6 8. "Commission" means the Oklahoma Workers' Compensation
7 Commission;

8 9. a. "Compensable injury" means damage or harm to the
9 physical structure of the body, or damage or harm to
10 prosthetic appliances, including eyeglasses, contact
11 lenses, or hearing aids, of which the major cause is
12 either an accident, cumulative trauma or occupational
13 disease arising out of the course and scope of
14 employment. An "accident" means an event involving
15 factors external to the employee that:

16 (1) was unintended, unanticipated, unforeseen,
17 unplanned and unexpected,

18 (2) occurred at a specifically identifiable time and
19 place,

20 (3) occurred by chance or from unknown causes, or

21 (4) was independent of sickness, mental incapacity,
22 bodily infirmity or any other cause.

23 b. ~~"Compensable injury"~~ Compensable injury does not
24 include:

- 1 (1) injury to any active participant in assaults or
2 combats which, although they may occur in the
3 workplace, are the result of non-employment-
4 related hostility or animus of one, both, or all
5 of the combatants and which assault or combat
6 amounts to a deviation from customary duties;
7 provided, however, injuries caused by horseplay
8 shall not be considered to be compensable
9 injuries, except for innocent victims,
- 10 (2) injury incurred while engaging in or performing
11 or as the result of engaging in or performing any
12 recreational or social activities for the
13 employee's personal pleasure,
- 14 (3) injury which was inflicted on the employee at a
15 time when employment services were not being
16 performed or before the employee was hired or
17 after the employment relationship was terminated,
- 18 (4) injury if the accident was caused by the use of
19 alcohol, illegal drugs, or prescription drugs
20 used in contravention of physician's orders. If
21 a biological specimen is collected within twenty-
22 four (24) hours of the employee being injured or
23 reporting an injury, or if at any time after the
24 injury a biological specimen is collected by the

1 ~~Oklahoma~~ Office of the Chief Medical Examiner if
2 the injured employee does not survive for at
3 least twenty-four (24) hours after the injury and
4 the employee tests positive for intoxication, an
5 illegal controlled substance, or a legal
6 controlled substance used in contravention to a
7 treating physician's orders, or refuses to
8 undergo the drug and alcohol testing, there shall
9 be a rebuttable presumption that the injury was
10 caused by the use of alcohol, illegal drugs, or
11 prescription drugs used in contravention of
12 physician's orders. This presumption may only be
13 overcome if the employee proves by clear and
14 convincing evidence that his or her state of
15 intoxication had no causal relationship to the
16 injury,

- 17 (5) any strain, degeneration, damage or harm to, or
18 disease or condition of, the eye or
19 musculoskeletal structure or other body part
20 resulting from the natural results of aging,
21 osteoarthritis, arthritis, or degenerative
22 process including, but not limited to,
23 degenerative joint disease, degenerative disc
24 disease, degenerative

1 spondylosis/spondylolisthesis and spinal
2 stenosis, or

3 (6) any preexisting condition except when the
4 treating physician clearly confirms an
5 identifiable and significant aggravation incurred
6 in the course and scope of employment.

7 c. A compensable injury shall be established by medical
8 evidence supported by objective findings as defined in
9 paragraph 31 of this section.

10 d. The injured employee shall prove by a preponderance of
11 the evidence that he or she has suffered a compensable
12 injury.

13 e. Benefits shall not be payable for a condition which
14 results from a non-work-related independent
15 intervening cause following a compensable injury which
16 causes or prolongs disability, or aggravation, or
17 requires treatment. A non-work-related independent
18 intervening cause does not require negligence or
19 recklessness on the part of a claimant.

20 f. An employee who suffers a compensable injury shall be
21 entitled to receive compensation as prescribed in ~~this~~
22 act the Administrative Workers' Compensation Act.

23 Notwithstanding other provisions of law, if it is
24 determined that a compensable injury did not occur,

1 the employee shall not be entitled to compensation
2 under ~~this act~~ the Administrative Workers'
3 Compensation Act;

4 10. "Compensation" means the money allowance payable to the
5 employee or to his or her dependents and includes the medical
6 services and supplies provided for in Section 50 of this title and
7 funeral expenses;

8 11. "Consequential injury" means injury or harm to a part of
9 the body that is a direct result of the injury or medical treatment
10 to the part of the body originally injured in the claim. The
11 Commission shall not make a finding of a consequential injury unless
12 it is established by objective medical evidence that medical
13 treatment for such part of the body is required;

14 12. "Continuing medical maintenance" means medical treatment
15 that is reasonable and necessary to maintain a claimant's condition
16 resulting from the compensable injury or illness after reaching
17 maximum medical improvement. Continuing medical maintenance shall
18 not include diagnostic tests, surgery, injections, counseling,
19 physical therapy, or pain management devices or equipment;

20 13. "Course and scope of employment" means an activity of any
21 kind or character for which the employee was hired and that relates
22 to and derives from the work, business, trade or profession of an
23 employer, and is performed by an employee in the furtherance of the
24 affairs or business of an employer. The term includes activities

1 conducted on the premises of an employer or at other locations
2 designated by an employer and travel by an employee in furtherance
3 of the affairs of an employer that is specifically directed by the
4 employer. This term does not include:

5 a. an employee's transportation to and from his or her
6 place of employment,

7 b. travel by an employee in furtherance of the affairs of
8 an employer if the travel is also in furtherance of
9 personal or private affairs of the employee,

10 c. any injury occurring in a parking lot or other common
11 area adjacent to an employer's place of business
12 before the employee clocks in or otherwise begins work
13 for the employer or after the employee clocks out or
14 otherwise stops work for the employer unless the
15 employer owns or maintains exclusive control over the
16 area, or

17 d. any injury occurring while an employee is on a work
18 break, unless the injury occurs while the employee is
19 on a work break inside the employer's facility or in
20 an area owned by or exclusively controlled by the
21 employer and the work break is authorized by the
22 employee's supervisor;

23 14. "Cumulative trauma" means an injury to an employee that is
24 caused by the combined effect of repetitive physical activities

1 extending over a period of time in the course and scope of
2 employment. Cumulative trauma shall not mean fatigue, soreness or
3 general aches and pain that may have been caused, aggravated,
4 exacerbated or accelerated by the employee's course and scope of
5 employment. Cumulative trauma shall have resulted directly and
6 independently of all other causes;

7 15. "Death" means only death resulting from compensable injury
8 as defined in paragraph 9 of this section;

9 16. "Disability" means incapacity because of compensable injury
10 to earn, in the same or any other employment, substantially the same
11 amount of wages the employee was receiving at the time of the
12 compensable injury;

13 17. "Drive-away operations" includes every person engaged in
14 the business of transporting and delivering new or used vehicles by
15 driving, either singly or by towbar, saddle-mount or full-mount
16 method, or any combination thereof, with or without towing a
17 privately owned vehicle;

18 18. a. "Employee" means any person, including a minor, in the
19 service of an employer under any contract of hire or
20 apprenticeship, written or oral, expressed or implied,
21 but excluding one whose employment is casual and not
22 in the course of the trade, business, profession, or
23 occupation of his or her employer and excluding one
24 who is required to perform work for a municipality or

1 county or the state or federal government on having
2 been convicted of a criminal offense or while
3 incarcerated. ~~"Employee"~~ Employee shall also include
4 a member of the Oklahoma National Guard while in the
5 performance of duties only while in response to state
6 orders and any authorized voluntary or uncompensated
7 worker, rendering services as a firefighter, law
8 enforcement officer or emergency management worker.
9 Travel by a police officer, fireman, or a member of a
10 first aid or rescue squad, in responding to and
11 returning from an emergency, shall be deemed to be in
12 the course of employment.

13 b. The term ~~"employee"~~ employee shall not include:

- 14 (1) any person for whom an employer is liable under
15 any Act of Congress for providing compensation to
16 employees for injuries, disease or death arising
17 out of and in the course of employment including,
18 but not limited to, the Federal Employees'
19 Compensation Act, the Federal Employers'
20 Liability Act, the Longshore and Harbor Workers'
21 Compensation Act and the Jones Act, to the extent
22 his or her employees are subject to such acts,
23 (2) any person who is employed in agriculture,
24 ranching, or horticulture by an employer who had

1 a gross annual payroll in the preceding calendar
2 year of less than ~~One Hundred Thousand Dollars~~
3 ~~(\$100,000.00)~~ One Hundred Thirty-five Thousand
4 Dollars (\$135,000.00) wages for agricultural,
5 ranching or horticultural workers, or any person
6 who is employed in agriculture, ranching or
7 horticulture who is not engaged in operation of
8 motorized machines. This exemption applies to
9 any period of time for which such employment
10 exists, irrespective of whether or not the person
11 is employed in other activities for which the
12 exemption does not apply. If the person is
13 employed for part of a year in exempt activities
14 and for part of a year in nonexempt activities,
15 the employer shall be responsible for providing
16 workers' compensation only for the period of time
17 for which the person is employed in nonexempt
18 activities,

19 (3) any person who is a licensed real estate sales
20 associate or broker, paid on a commission basis,

21 (4) any person employed by an employer with five or
22 fewer total employees, all of whom are related
23 within the second degree by blood or marriage to
24 the employer, all of whom are dependents living

1 in the household of the employer, or all of whom
2 are a combination of such relatives and
3 dependents. If the employer is not a natural
4 person such relative shall be related within the
5 second degree by blood or marriage to a person
6 who owns fifty percent (50%) or more of the
7 employer, or such dependent shall be in the
8 household of a person who owns fifty percent
9 (50%) or more of the employer,

10 (5) any person employed by an employer which is a
11 youth sports league which qualifies for exemption
12 from federal income taxation pursuant to federal
13 law,

14 (6) sole proprietors, members of a partnership,
15 individuals who are party to a franchise
16 agreement as set out by the Federal Trade
17 Commission franchise disclosure rule, 16 CFR
18 436.1 through 436.11, members of a limited
19 liability company who own at least ten percent
20 (10%) of the capital of the limited liability
21 company or any stockholder-employees of a
22 corporation who own ten percent (10%) or more
23 stock in the corporation, unless they elect to be
24 covered by a policy of insurance covering

1 benefits under the Administrative Workers'
2 Compensation Act,

3 (7) any person providing or performing voluntary
4 service who receives no wages for the services
5 other than meals, drug or alcohol rehabilitative
6 therapy, transportation, lodging or reimbursement
7 for incidental expenses except for volunteers
8 specifically provided for in subparagraph a of
9 this paragraph,

10 (8) a person, commonly referred to as an owner-
11 operator, who owns or leases a truck-tractor or
12 truck for hire, if the owner-operator actually
13 operates the truck-tractor or truck and if the
14 person contracting with the owner-operator is not
15 the lessor of the truck-tractor or truck.

16 Provided, however, an owner-operator shall not be
17 precluded from workers' compensation coverage
18 under the Administrative Workers' Compensation
19 Act if the owner-operator elects to participate
20 as a sole proprietor,

21 (9) a person referred to as a drive-away owner-
22 operator who privately owns and utilizes a tow
23 vehicle in drive-away operations and operates
24 independently for hire, if the drive-away owner-

1 operator actually utilizes the tow vehicle and if
2 the person contracting with the drive-away owner-
3 operator is not the lessor of the tow vehicle.

4 Provided, however, a drive-away owner-operator
5 shall not be precluded from workers' compensation
6 coverage under the Administrative Workers'

7 Compensation Act if the drive-away owner-operator
8 elects to participate as a sole proprietor, ~~and~~

9 (10) any person who is employed as a domestic servant
10 or as a casual worker in and about a private home
11 or household, which private home or household had
12 a gross annual payroll in the preceding calendar
13 year of less than Fifty Thousand Dollars
14 (\$50,000.00) for such workers, and

15 (11) any person who is a dependent child of an owner
16 of a farm, ranch, livestock market, or other
17 agricultural business and the dependent child is
18 employed by such;

19 19. "Employer" means a natural person, partnership,
20 association, limited liability company, corporation, and the legal
21 representatives of a deceased employer, or the receiver or trustee
22 of a person, partnership, association, corporation, or limited
23 liability company, departments, instrumentalities and institutions
24 of this state and divisions thereof, counties and divisions thereof,

1 public trusts, boards of education and incorporated cities or towns
2 and divisions thereof, employing a person included within the term
3 ~~“employee”~~ employee as defined in this section. Employer may also
4 mean the employer’s workers’ compensation insurance carrier, if
5 applicable. Except as provided otherwise, ~~this act~~ the
6 Administrative Workers’ Compensation Act applies to all public and
7 private entities and institutions;

8 20. “Employment” includes work or labor in a trade, business,
9 occupation or activity carried on by an employer or any authorized
10 voluntary or uncompensated worker rendering services as a
11 firefighter, peace officer or emergency management worker;

12 21. “Evidence-based” means expert-based, literature-supported
13 and outcomes validated by well-designed randomized trials when such
14 information is available and which uses the best available evidence
15 to support medical decision making;

16 22. “Gainful employment” means the capacity to perform
17 employment for wages for a period of time that is not part-time,
18 occasional or sporadic;

19 23. “Impaired self-insurer” means a private self-insurer or
20 group self-insurance association that fails to pay its workers’
21 compensation obligations, or is financially unable to do so and is
22 the subject of any proceeding under the Federal Bankruptcy Reform
23 Act of 1978, and any subsequent amendments or is the subject of any
24 proceeding in which a receiver, custodian, liquidator,

1 rehabilitator, trustee or similar officer has been appointed by a
2 court of competent jurisdiction to act in lieu of or on behalf of
3 the self-insurer;

4 24. "Incapacity" means inadequate strength or ability to
5 perform a work-related task;

6 25. "Insurance Commissioner" means the Insurance Commissioner
7 of ~~the State of Oklahoma~~ this state;

8 26. "Insurance Department" means the Insurance Department of
9 ~~the State of Oklahoma~~ this state;

10 27. "Major cause" means more than fifty percent (50%) of the
11 resulting injury, disease or illness. A finding of major cause
12 shall be established by a preponderance of the evidence. A finding
13 that the workplace was not a major cause of the injury, disease or
14 illness shall not adversely affect the exclusive remedy provisions
15 of ~~this act~~ the Administrative Workers' Compensation Act and shall
16 not create a separate cause of action outside ~~this act~~ the
17 Administrative Workers' Compensation Act;

18 28. "Maximum medical improvement" means that no further
19 material improvement would reasonably be expected from medical
20 treatment or the passage of time;

21 29. "Medical services" means those services specified in
22 Section 50 of this title;

23 30. "Misconduct" shall include the following:

24 a. unexplained absenteeism or tardiness,

- b. willful or wanton indifference to or neglect of the duties required,
- c. willful or wanton breach of any duty required by the employer,
- d. the mismanagement of a position of employment by action or inaction,
- e. actions or omissions that place in jeopardy the health, life, or property of self or others,
- f. dishonesty,
- g. wrongdoing,
- h. violation of a law, or
- i. a violation of a policy or rule adopted to ensure orderly work or the safety of self or others;

31. a. (1) "Objective findings" are those findings which cannot come under the voluntary control of the patient.

(2) (a) When determining permanent disability, a physician, any other medical provider, an administrative law judge, the Commission or the courts shall not consider complaints of pain.

(b) For the purpose of making permanent disability ratings to the spine, physicians shall use criteria established by the Sixth

1 Edition of the American Medical Association
2 "Guides to the Evaluation of Permanent
3 Impairment".

4 (3) (a) Objective evidence necessary to prove
5 permanent disability in occupational hearing
6 loss cases may be established by medically
7 recognized and accepted clinical diagnostic
8 methodologies, including, but not limited
9 to, audiological tests that measure air and
10 bone conduction thresholds and speech
11 discrimination ability.

12 (b) Any difference in the baseline hearing
13 levels shall be confirmed by subsequent
14 testing; provided, however, such test shall
15 be given within four (4) weeks of the
16 initial baseline hearing level test but not
17 before five (5) days after being adjusted
18 for presbycusis.

19 b. Medical opinions addressing compensability and
20 permanent disability shall be stated within a
21 reasonable degree of medical certainty;

22 32. "Official Disability Guidelines" or "ODG" means the current
23 edition of the Official Disability Guidelines and the ODG Treatment
24 in Workers' Comp as published by the Work Loss Data Institute;

1 33. "Permanent disability" means the extent, expressed as a
2 percentage, of the loss of a portion of the total physiological
3 capabilities of the human body as established by competent medical
4 evidence and based on the Sixth Edition of the American Medical
5 Association "Guides to the Evaluation of Permanent Impairment", if
6 the impairment is contained therein;

7 34. "Permanent partial disability" means a permanent disability
8 or loss of use after maximum medical improvement has been reached
9 which prevents the injured employee, who has been released to return
10 to work by the treating physician, from returning to his or her pre-
11 injury or equivalent job. All evaluations of permanent partial
12 disability must be supported by objective findings;

13 35. "Permanent total disability" means, based on objective
14 findings, incapacity, based upon accidental injury or occupational
15 disease, to earn wages in any employment for which the employee may
16 become physically suited and reasonably fitted by education,
17 training, experience or vocational rehabilitation provided under
18 ~~this act~~ the Administrative Workers' Compensation Act. Loss of both
19 hands, both feet, both legs, or both eyes, or any two thereof, shall
20 constitute permanent total disability;

21 36. "Preexisting condition" means any illness, injury, disease,
22 or other physical or mental condition, whether or not work-related,
23 for which medical advice, diagnosis, care or treatment was
24 recommended or received preceding the date of injury;

1 37. "Pre-injury or equivalent job" means the job that the
2 claimant was working for the employer at the time the injury
3 occurred or any other employment offered by the claimant's employer
4 that pays at least one hundred percent (100%) of the employee's
5 average weekly wage;

6 38. "Private self-insurer" means a private employer that has
7 been authorized to self-insure its workers' compensation obligations
8 pursuant to ~~this act~~ the Administrative Workers' Compensation Act,
9 but does not include group self-insurance associations authorized by
10 ~~this act~~ the Administrative Workers' Compensation Act, or any public
11 employer that self-insures pursuant to ~~this act~~ the Administrative
12 Workers' Compensation Act;

13 39. "Prosthetic" means an artificial device used to replace a
14 part or joint of the body that is lost or injured in an accident or
15 illness covered by ~~this act~~ the Administrative Workers' Compensation
16 Act;

17 40. "Scheduled member" or "member" means hands, fingers, arms,
18 legs, feet, toes, and eyes. In addition, for purposes of the
19 Multiple Injury Trust Fund only, ~~"scheduled member"~~ scheduled member
20 means hearing impairment;

21 41. "Scientifically based" involves the application of
22 rigorous, systematic, and objective procedures to obtain reliable
23 and valid knowledge relevant to medical testing, diagnoses and
24 treatment; is adequate to justify the general conclusions drawn; and

1 has been accepted by a peer-review journal or approved by a panel of
2 independent experts through a comparably rigorous, objective, and
3 scientific review;

4 42. "State average weekly wage" means the state average weekly
5 wage determined by the Oklahoma Employment Security Commission in
6 the preceding calendar year. If such determination is not
7 available, the Commission shall determine the wage annually after
8 reasonable investigation;

9 43. "Subcontractor" means a person, firm, corporation or other
10 legal entity hired by the general or prime contractor to perform a
11 specific task for the completion of a work-related activity;

12 44. "Surgery" does not include an injection, or the forcing of
13 fluids beneath the skin, for treatment or diagnosis;

14 45. "Surviving spouse" means the employee's spouse by reason of
15 a legal marriage recognized by ~~the State of Oklahoma~~ this state or
16 under the requirements of a common law marriage in this state, as
17 determined by the Oklahoma Workers' Compensation Commission;

18 46. "Temporary partial disability" means an injured employee
19 who is temporarily unable to perform his or her job, but may perform
20 alternative work offered by the employer;

21 47. "Time of accident" or "date of accident" means the time or
22 date of the occurrence of the accidental incident from which
23 compensable injury, disability, or death results; and

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48. "Wages" means money compensation received for employment at the time of the accident, including the reasonable value of board, rent, housing, lodging, or similar advantage received from the employer and includes the amount of tips required to be reported by the employer under Section 6053 of the Internal Revenue Code and the regulations promulgated pursuant thereto or the amount of actual tips reported, whichever amount is greater.

SECTION 2. This act shall become effective November 1, 2025.

COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND INSURANCE
February 27, 2025 - DO PASS AS AMENDED BY CS