SENATE
STATE OF MINNESOTA
SECOND SPECIAL SESSION

S.F. No. 16

1.1   A bill for an act

1.2   relating to workers' compensation insurance; establishing a mechanism for
1.3   providing reimbursement for certain COVID-19 workers' compensation costs;
1.4   requiring a report; appropriating money.

1.5   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6   Section 1. **WORKERS' COMPENSATION COVID-19 REIMBURSEMENT.**

1.7   Subdivision 1. **Fund created.** The workers' compensation COVID-19 reimbursement

1.8   fund is created in the state treasury to reimburse workers' compensation providers for

1.9   COVID-19 workers' compensation costs paid with respect to employees in job classifications

1.10 entitled to the presumption established by Laws 2020, chapter 72, section 1. The fund shall

1.11 be managed by the Minnesota State Board of Investment. Reimbursements shall be made

1.12 from the fund to eligible workers' compensation providers by the commissioner of labor

1.13 and industry.

1.14   Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this

1.15 subdivision have the meanings given.

1.16   (b) "Commissioner" means the commissioner of labor and industry.

1.17   (c) "Employee" has the meaning given in Minnesota Statutes, section 176.011, subdivision

1.18 9.

1.19   (d) "Employer" has the meaning given in Minnesota Statutes, section 176.011, subdivision

1.20 10.

1.21   (e) "Fund" means the workers' compensation COVID-19 reimbursement fund created

1.22 in subdivision 1.

2.1 (f) "Local government" means a statutory or home rule charter city, a county, a school

2.2 district, a town, or an instrumentality of any of the foregoing.

2.3 (g) "Presumptive classes" means the employee occupations specified in the presumption

2.4 established in Laws 2020, chapter 72, section 1.

2.5 (h) "Workers' compensation costs" means the actual loss amount that a workers'

2.6 compensation provider is obligated to pay and that is paid by the provider for workers'

2.7 compensation benefits payable under Minnesota Statutes, chapter 176.

2.8 (i) "Workers' compensation provider" means an employer or other entity providing

2.9 workers' compensation coverage to employees that are included in the presumptive classes

2.10 and that is: (1) a self-insured local government entity; (2) a local government self-insurance

2.11 pool created pursuant to Minnesota Statutes, section 471.981; (3) a self-insurer authorized

2.12 under Minnesota Statutes, section 176.181; or (4) an insurance carrier authorized to insure

2.13 workers' compensation in this state.

2.14 Subd. 3. **Reimbursement eligibility threshold amounts.** (a) A workers' compensation

2.15 provider shall be eligible for reimbursement for COVID-19 workers' compensation costs

2.16 for presumptive classes in excess of the deductible amounts listed as provided in paragraphs

2.17 (b) and (c).

2.18 (b) A workers' compensation provider that is a self-insured local government entity,

2.19 local government self-insurance pool, or a self-insurer having an annual premium of less

2.20 than $5,000,000 is eligible for reimbursement from the fund when the workers' compensation

2.21 provider has paid total COVID-19-related workers' compensation costs of $100,000 for

2.22 claims arising from an employee or employees in a presumptive class.

2.23 (c) A workers' compensation provider other than a workers' compensation provider

2.24 described in paragraph (b) is eligible for reimbursement from the fund when the workers'

2.25 compensation provider has paid total COVID-19-related workers' compensation costs of

2.26 $1,000,000 for claims arising from an employee or employees in a presumptive class.

2.27 Subd. 4. **Submission for reimbursement.** A workers' compensation provider shall

2.28 submit to the commissioner, in a format prescribed by the commissioner, information

2.29 regarding the amounts in excess of the deductible provided in subdivision 3 to be reimbursed

2.30 from the fund. The commissioner shall make reimbursements to workers' compensation

2.31 providers on a first-come, first-served basis. No funds may be reimbursed after December

2.32 30, 2020.

3.1 Subd. 5. **Amounts from other insurance.** Reimbursement from the fund to a workers'

3.2 compensation provider under this section shall be reduced by any amounts received from

3.3 the Workers' Compensation Reinsurance Association created under Minnesota Statutes,

3.4 section 79.34, or other third-party sources and made to the workers' compensation provider

3.5 as a result of a COVID-19-related workers' compensation claim arising from an employee

3.6 or employees in a presumptive class.

3.7 Subd. 6. **Aggregation of claims.** Claims paid to employees within presumptive classes

3.8 may be aggregated and count toward the deductible amounts specified in subdivision 3,

3.9 paragraphs (b) and (c).

3.10 Subd. 7. **Report to legislature.** By September 1, 2020, November 1, 2020, and January

3.11 15, 2021, the commissioner shall report to the legislature regarding reimbursements paid

3.12 to workers' compensation providers under this section.

3.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.14 Sec. 2. **APPROPRIATION; WORKERS' COMPENSATION COVID-19**

3.15 **REIMBURSEMENTS.**

3.16 $375,000,000 in fiscal year 2021 is appropriated from the coronavirus relief account in

3.17 the federal fund to the commissioner of management and budget for deposit in the workers'

3.18 compensation COVID-19 reimbursement fund to provide reimbursements as specified in

3.19 section 1. This is a onetime appropriation. No money in this appropriation may be spent

3.20 until the commissioner of management and budget determines that the appropriation in this

3.21 paragraph is an eligible use of the coronavirus relief account in the federal fund. Funds are

3.22 available until December 30, 2020.

3.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.