

*Date:* November 11, 2021

*To:* Worker's Compensation Advisory Council

*From:* Steve Peters, Administrator, Worker's Compensation Division

*Cc:* Wisconsin Insurance Alliance, Wisconsin Association for Justice, Wisconsin Defense Counsel

*Subject:* Memorandum of Understanding between DWD Worker's Compensation Division and DOA Division of Hearings & Appeals

The Department of Workforce Development, Worker's Compensation Division (WCD) and Department of Administration, Division of Hearings and Appeals (DHA) are pleased to announce that they have reached agreement on the handling of contested worker's compensation hearings in Wisconsin. The agreement is the culmination of more than five years of effort to implement 2015 Wisconsin Act 55 (2015-2016 Biennial Budget Bill), which transferred worker's compensation adjudicatory functions from WCD to DHA.

In order to maintain the high standard of service expected of Wisconsin's 110-year-old, nationally renowned worker's compensation system, the two agencies in charge of overseeing disputes entered into a Memorandum of Understanding Tuesday, November 9th, that takes into account feedback from users, stakeholders, and members of the Worker's Compensation Advisory Council.

Under Act 55, DHA has authority over worker's compensation adjudicatory functions, but WCD retains administrative functions. However, the Act did not clearly delineate or define those functions. WCD and DHA were able to reach an agreement that crafts a clear line of jurisdiction between those adjudicative and administrative functions assigned to the respective agencies.

The MOU provides clarity as to what agency will be responsible for which tasks and at what point in time for a pending case. In particular, WCD retains jurisdiction over a case, including approving compromised agreements, until 120 days after the answer is received by DHA or WCD verifies a certification of readiness (COR), whichever is earlier. Thereafter, DHA shall have jurisdiction over the case until no later than 21 days after the mailing of the findings and order resolving a case. WCD will continue the administrative task of entering the appropriate case status in the case management system.

Additionally, this MOU sets in motion a plan to develop a truly integrated case and document management system allowing both agencies real-time access to all case files. This integrated system, developed without using stakeholder resources, will reduce confusion for the users of the WC system and allow for greater transparency for all users of the system.

The agencies agree that the MOU meets the purpose to define their respective shared roles and responsibilities while recognizing the importance of the agencies working collaboratively to provide excellent customer service to the worker's compensation program's stakeholders.

Further, both agencies look forward to building on the success of this negotiation to enhance the services they provide to injured workers, employers, insurers, and all others who interact with Wisconsin's worker's compensation system. To ensure a cohesive and efficient system going forward, WCD and DHA will meet quarterly to discuss the efficacy of the MOU and, at least annually, whether modifications to the MOU are warranted.