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December 12, 1984

Honorable Ralph J. Gerson  
Chairperson, Governor's Cabinet Council  
on Jobs and Economic Development  
The Capitol  
Lansing, Michigan 48903

Dear Mr. Gerson:

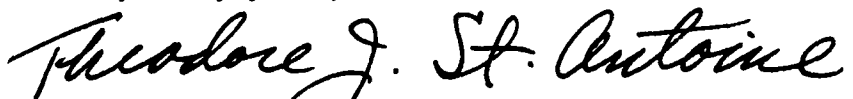
I have the honor to send you and the Cabinet Council on Jobs and Economic Development my attached report as the Governor's Special Counselor on Workers' Compensation, in accordance with the charge given me by Governor James J. Blanchard on September 14, 1983. I understand the Cabinet Council will review my findings and conclusions, and ultimately report its recommendations to Governor Blanchard, mindful of the Governor's desire to ensure a workers' compensation system that is "just, humane, and equitable for all parties."

As discussed more fully in the Introduction of my report, I am most grateful to you and many others throughout the State, both in and out of government, who gave so unstintingly of their time and effort to assist me in this study.

My conclusions are encouraging. Legislative changes of the past few years, specifically, the provision for open competition in insurance and the tightening up of benefit eligibility in the workers' compensation law, appear to have saved the business community well over a half billion dollars in the last two years, while at the same time the maximum weekly benefits for many disabled workers have been increased substantially.

Since the workers' compensation amendments of 1980 and 1981 have not yet been definitively interpreted, and the long-range effects of competition in insurance are still unknown, I urge caution in pursuing further major substantive legal changes at this time. The case backlog at the Workers' Compensation Appeal Board has become staggering, however, and I do recommend significant modifications in the decision-making process. Finally, I propose the creation of a new, permanent workers' compensation labor-management advisory council to engage in an ongoing review of the system and to recommend appropriate changes to the Governor and the Legislature.

Very truly yours,



Theodore J. St. Antoine  
Governor's Special Counselor  
on Workers' Compensation

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**TABLE OF CONTENTS**

I. Introduction..... 1

II. Historical Background..... 4

III. Costs and Benefits..... 6

    A. Workers' Compensation Costs: Interstate Comparisons  
        and Michigan Trends..... 7

    B. Benefits: Interstate Comparisons and Evaluation of  
        Adequacy..... 17

    C. General Observations..... 21

IV. Disability and Occupational Diseases..... 23

    A. Disability and the Effects of Subsequent Employment... 23

    B. Occupational Diseases..... 35

    C. "Sunset" Provisions..... 44

V. Medical and Vocational Rehabilitation..... 47

    A. Medical Care Cost Containment..... 47

    B. Vocational Rehabilitation..... 51

VI. Special Problems..... 56

    A. Exclusivity and Third-Party Actions..... 56

    B. Compromises or "Redemptions"..... 58

    C. Retirees..... 60

    D. Insurance and the Accident Fund..... 62

    E. Legal Representation and Attorneys' Fees..... 64

VII.	Administrative Procedures.....	67
	A. Decisions and Appeals.....	67
	B. Miscellaneous.....	78
VIII.	Bureau Administration.....	82
	A. In General.....	82
	B. Public Information and Consultants.....	83
IX.	Advisory Council.....	84
X.	Summary.....	86