

X. SUMMARY

1. Preliminary figures indicate that open competition in insurance for workers' compensation in Michigan may be saving the State's employers about 30 percent a year in net costs.

2. Restrictions on eligibility for workers' compensation resulting from the 1980 and 1981 amendments may have reduced employer payouts approximately 6.2 percent, even though maximum weekly benefits for many disabled workers have been substantially increased.

3. The combination of open competition and reduced compensation payments appears to have saved Michigan business well over a half billion dollars in the past two years.

4. The 1980 and 1981 amendments to the workers compensation law dealing with the definition of "disability," liability for occupational diseases, the eligibility of retired persons for benefits, etc., have not yet been definitively interpreted. But a dramatic drop in claims filings, especially by retirees, attests to the likely impact of the recent changes. It is premature to consider further major substantive revisions in the statute at this time. Technical amendments are needed, however, to clarify ambiguities in the existing legislation.

5. Much more emphasis should be placed on medical and vocational rehabilitation to get injured workers back on the job. At the same time strong measures must be adopted to contain medical care costs.

6. The backlog of cases at the Workers Compensation Appeal Board has reached almost 7,000, about a five-year caseload. Fundamental procedural changes are necessary. Short-form findings of fact and conclusions of law should be made at the trial stage; duplicative "de novo" review of the facts should be eliminated at the appeal level; and the Appeal Board should be streamlined by a reduction in size to a more manageable five or seven members.

7. Bureau administration should be automated and otherwise improved.

8. A permanent workers compensation labor-management advisory council should be established to engage in an ongoing review of the system and to recommend appropriate statutory and administrative changes to the Governor, the Legislature, and the Bureau.