

HCS HB 123 -- WORKERS' COMPENSATION

SPONSOR: Veit

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Judiciary by a vote of 9 to 0. Voted "Do Pass" by the Standing Committee on Rules-Legislative by a vote of 8 to 0.

The following is a summary of the House Committee Substitute for HB 123.

Currently, a retention vote is required to be taken by the Administrative Law Judge Review Committee with respect to each Workers' Compensation Administrative Law Judge (ALJ). Additionally, the Committee is required to conduct performance audits periodically and make recommendations of confidence or no confidence with respect to each ALJ. This bill repeals these requirements and instead creates new provisions for filing complaints against and removing ALJs.

Prior to filing a complaint, the Director must notify the ALJ in writing of the reasons for the complaint. Special provisions are included if the reason for the complaint is willful neglect of duty or incompetency.

Upon a finding by the Administrative Hearing Commission (AHC) that the grounds for disciplinary action are met, the Director may, singly or in combination, issue the disciplinary actions against the ALJ, as specified in the bill, including removal or suspension from office. If there are no grounds for disciplinary action, the ALJ will immediately resume duties and will receive any attorneys' fees due under current law.

The bill repeals a requirement that the Committee members not have any direct or indirect employment or financial connection with a workers' compensation insurance company, claims adjustment company, health care provider nor be a practicing Workers' Compensation attorney. The bill additionally repeals a requirement that all members of the Committee have a working knowledge of Workers' Compensation.

The bill provides that the compensation for Administrative Law Judges and chief administrative law judges will be determined solely by the rate outlined in law and will not increase when pay raises for executive employees are appropriated.

The bill furthermore repeals reference to the position of Chief Legal Counsel.

The bill repeals a prohibition on the payment of any retirement benefits under Workers' Compensation law to any Administrative Law Judge who has been removed from office by impeachment or for misconduct, or to any person who has been disbarred from the practice of law, or to the beneficiary of any such persons.

This bill is similar to SCS HCS HB 2064 (2024).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that this is a standalone bill dealing with the administrative law judges (ALJs) and the mechanisms by which they can be removed. They are not at-will employees, and we do not want them to be. If they were, they could be replaced constantly and there would be no consistency.

Testifying in person for the bill were Representative Veit; National Federation of Independent Business; Associated Industries of Missouri; Steven Marion, Department of Labor and Industrial Relations; Missouri Chamber of Commerce and Industry; Missouri Retailers Association.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say there is a concern about the provision in the bill that allows removal of an ALJ for a criminal offense without there being criminal charges filed because this could be used for political motivation against an ALJ.

Testifying in person on the bill was Active and Retired Missouri State Employees (ARMSE).

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.