

2024 Regulatory and Legislative Trends Report



TABLE OF CONTENTS

Introduction	1
Overview of 2024 Legislative and Regulatory Activity	
Mental Injury-Related Legislation	
Presumptions Unrelated to Mental Injury	2
Hallucinogens and Psychedelics	3
Marijuana Legalization	3
Marijuana Reimbursement	
Independent Contractors/Gig Economy	
Single-Payer Health Insurance	
States By Zone	
Midwestern Zone	
Highlights from the Midwestern Zone	
Northeastern Zone	8
Highlights from the Northeastern Zone	8
Southeastern Zone	10
Highlights from the Southeastern Zone	10
Western Zone	11
Highlights from the Western Zone	11
2024 Legislative Sessions	13
2024 Presumptions Unrelated to Mental Injury	14
2024 Marijuana Legalization Status	
Interactive Dashboards	
Legislative Activity Online Resource	
Legislative Activity Online Resources–State Example	
Appendix	20



INTRODUCTION

The **2024 Regulatory and Legislative Trends Report (Report)** highlights some of the state legislative activity that shaped the workers compensation landscape this year. This comprehensive resource includes the latest developments on certain topics of interest including workers compensation for workplace-related mental injuries, marijuana legalization and reimbursement, independent contractors/gig economy, and single-payer health insurance. This information aligns with the legislative cycle to include the latest countrywide, regional, and individual state actions and trends as of July 31, 2024.

The **Report** includes links to the **Enacted Legislation Interactive Dashboard**, **Loss Cost/Rate Filing Interactive Dashboard** and Legislative Activity Online Resource on pages 16, 17, and 18. These pages also include information about the dashboards' functionality.

For easy access to all of the information in the **Report**, the Table of Contents contains links that navigate directly to the applicable content page.

Overview of 2024 Legislative and Regulatory Activity

As of July 31, 2024, NCCI tracked **911** state and federal bills that could impact workers compensation stakeholders, including **470** bills in states where NCCI provides ratemaking services. To date, **108** bills have been enacted across all jurisdictions.

NCCI also monitored **267** proposed workers compensation-related regulations. As of July 31, 2024, **103** of those proposed regulations were adopted. As in prior years, medical cost containment was the top theme of the regulations adopted, including fee schedules and treatment guidelines. Several of the adopted regulations addressed claims reporting requirements and court hearing rules and procedures. This year's legislative workers compensation trends were similar to those in recent years.

To view the **2024 Legislative Sessions** map, <u>click here</u>.



Mental Injury-Related Legislation

NCCI monitored **64** bills related to workers compensation and mental injuries including **52** bills addressing compensability for workplace-related mental injuries. Of these bills, **51** relate to post-traumatic stress disorder (PTSD).

While several states considered legislation to establish workers compensation coverage or create a presumption of compensability for PTSD or other psychological injuries, only **three** states enacted legislation. **Alaska** (SB 147) creates a presumption of compensability for PTSD in certain first responders, while **Arizona** (SB 1677) and **Oklahoma** (SB 1457) provide PTSD coverage for certain first responders.

Several states considered legislation to expand coverage for mental injuries to additional workers including **Florida** (HB 993/SB 1490), **Iowa** (HF 2065), **Missouri** (HB 2817), **Virginia** (HB 68), **Washington** (HB 2031), and **Wisconsin** (AB 1074/SB 992). Legislation expanding coverage to all employees with extraordinary work-related stress is still pending in **New York** (A 5745/S 6635). **Vermont** (HB 55) enacted a bill that expands PTSD coverage to include certain state employees.

Presumptions Unrelated to Mental Injury



Several states proposed legislation to create presumptions in workers compensation unrelated to mental injuries, primarily applicable to certain first responders as to whether an injury or disease is work-related or compensable. The topics of these presumptions included hearing loss, hypertension, cardiovascular or cerebrovascular injury or death, long COVID, infertility, heat-related injuries, and certain types of cancer.

Specific to cancer, **six** states considered bills relating to cancer contracted by certain first responders: **Arizona** (HB 2117), **Maryland** (HB 584/SB 476), **Missouri** (HB 2817), **South Dakota** (SB 114), **West Virginia** (HB 4537, SB 170, SB 220), and **Wyoming** (HB 66). Of these, **three** states enacted legislation: **Maryland** (thyroid, colon, or ovarian cancer), **West Virginia** (bladder cancer, mesothelioma, and testicular cancer), and **Wyoming** (cancer screenings).

Additional presumptions that were enacted in 2024 include **Louisiana** HB 326 which provides a presumption of compensability for hearing loss in state police and **New Jersey** A 5909 that creates a presumption for cardiovascular or cerebrovascular injury or death in emergency medical technicians and paramedics.

To view the **2024 Presumptions Unrelated to Mental Injury** map, click here.



Hallucinogens and Psychedelics



This year, NCCI continues to monitor a trend arising in some states regarding the legalization of certain substances, including lysergic acid diethylamide (LSD), mescaline, psilocybin, peyote, and certain natural plant or fungus-based hallucinogens. **Colorado** and **Oregon** have legalized psilocybin in recent years.

Arizona enacted SB 1677 which requires workers compensation coverage for midomafetamine (MDMA) therapy for certain first responders diagnosed with PTSD under certain conditions, including approval from the US Food and Drug Administration before implementation. **Arizona** SB 1570 would have required the

Arizona Department of Health Services to begin the licensing of psychedelic-assisted therapy centers, however, the governor vetoed the bill.

While certain states introduced bills to legalize psychedelics for certain medical conditions (Missouri HB 1830, New Hampshire HB 1693, New Jersey S 2283 and New York A 10375) or legalize adult possession (Rhode Island H 7047), other states considered bills to study or provide a framework for psychedelic-assisted therapy (California AB 941, Hawaii HB 2630/SB 3019, and Maine LD 1914). The Missouri, Hawaii, and Maine bills failed to pass, however the bills in the other states are still pending.

While most of the legislation in this area to date has not been directly related to workers compensation, NCCI is monitoring these proposals for any potential impacts.

Marijuana Legalization



Marijuana is still illegal at the federal level, but states continue to consider legalization in various forms.

These states considered, but did not pass, proposals to legalize recreational marijuana: **Hawaii** (HB 2600/SB 3335), **Kentucky** (HB 90, HB 420/SB 382), and **New Hampshire** (HB 544, HB 1633). Legislation is pending in **Pennsylvania** (HB 2210), and **Florida** will vote on a ballot measure in November.

These states considered, but did not pass, proposals to legalize medical marijuana: **Kansas** (SB 555, SB 558), **South Carolina** (S 423), and **Wisconsin** (AB 1040). Legislation is pending in **North Carolina** (HB 563).

On the **Federal** side, S 4226 was introduced in May 2024 and proposed to decriminalize marijuana at the federal level by removing it from the list of scheduled drugs under the federal Controlled Substances Act. On May 16, 2024, the **US Department of Justice** published a notice of rulemaking to announce the Drug Enforcement Administration's intention to move marijuana from a Schedule I drug to a Schedule III drug under the federal Controlled Substances Act. This move does not fully legalize marijuana but regulates it in a similar manner to substances including ketamine and Tylenol with codeine. The proposal must go through a formal rulemaking process before it is final.

To view the **2024 Marijuana Legalization Status** map, <u>click here</u>.



Marijuana Reimbursement



State legislatures continue to debate the issue of reimbursement for marijuana as a workers compensation treatment.

- Most of the state proposals to legalize marijuana contain provisions that reimbursement for workers compensation is NOT required including Kansas (SB 555), Missouri (HB 2135), and South Carolina (S 423). Similar legislation is pending in North Carolina (HB 563) and Pennsylvania (HB 2210).
- Missouri considered and did not pass several bills (HB 1990, HB 2135, and SB 935) which would reduce workers compensation benefits for injuries sustained in conjunction with marijuana use. **Kentucky** (HB 351) excluded certain levels of delta-9-tetrahydrocannabinol in the blood from being the cause of an injury. This bill also did not pass.
- Some states are considering allowing reimbursement. Legislation is pending in **Massachusetts** (H 1949) and **New Jersey** (A 4371/S 1943) that would allow reimbursement for medical marijuana in workers compensation, with certain exceptions. **New York** is considering legislation (A 4713/S 2568) that would deem medical marijuana a prescription drug for workers compensation purposes.

Independent Contractors/Gig Economy



States continue to consider legislative proposals to provide criteria for determining whether a worker is classified as an employee of a company or as an independent contractor. **California** (AB 1928) repeals the state's "ABC test" for determining whether a worker is an employee or an independent contractor. States including **New York** (A 2085/S 2052), **Pennsylvania** (HB 2411), **Rhode Island** (H 7788/S 2470), and **West Virginia** (HB 4759) introduced legislation addressing criteria for determining whether a worker is an employee or an independent contractor.

Gig workers, including transportation network company (TNC) drivers who work for Uber and Lyft, as well as other marketplace contractors, continued to be the focus of legislation in several states during the 2024 legislative session. **Washington** enacted HB 2382 extending survivor death benefits to dependents of TNC drivers. **Massachusetts** (H 4256, H 4257, H 4258, H 4259, H 4260) would establish that app-based drivers are not employees and network companies are not employers if certain conditions are met. These bills are still pending. **Minnesota** introduced and did not pass several bills including SF 3413, which establishes protections for TNC drivers and creates insurance requirements for TNCs. **Virginia** HB 734 contained provisions for determining when an app-based delivery driver is an independent contractor and established

certain insurance requirements for such app-based drivers. This bill did not pass. **Wisconsin** introduced and did not pass AB 477/SB 559 which provides that delivery network company (DNC), and TNC drivers are not employees under certain circumstances.

The US Department of Labor (USDOL) published a final rule for determining whether a worker is an employee or an independent contractor under the Fair Labor Standards Act with an effective date of March 11, 2024. According to the USDOL, the rule does not establish a three-part "ABC" test, but instead relies on the long-standing multifactor "economic reality" test used by courts to determine whether a worker is an employee or independent contractor. This test applies six factors to determine worker status and relies on the totality of the circumstances with no single factor determinative.

Single-Payer Health Insurance



The concept of a single-payer health insurance system has been discussed at both federal and state levels for years. To date, no state has fully implemented such an approach; however, several jurisdictions are studying the issue. Of particular interest are bills that include a reference to workers compensation. Most of these bills contain similar language directing the board of the single-payer healthcare program to develop a proposal addressing healthcare items and services currently covered under the workers compensation system, including whether and how to:

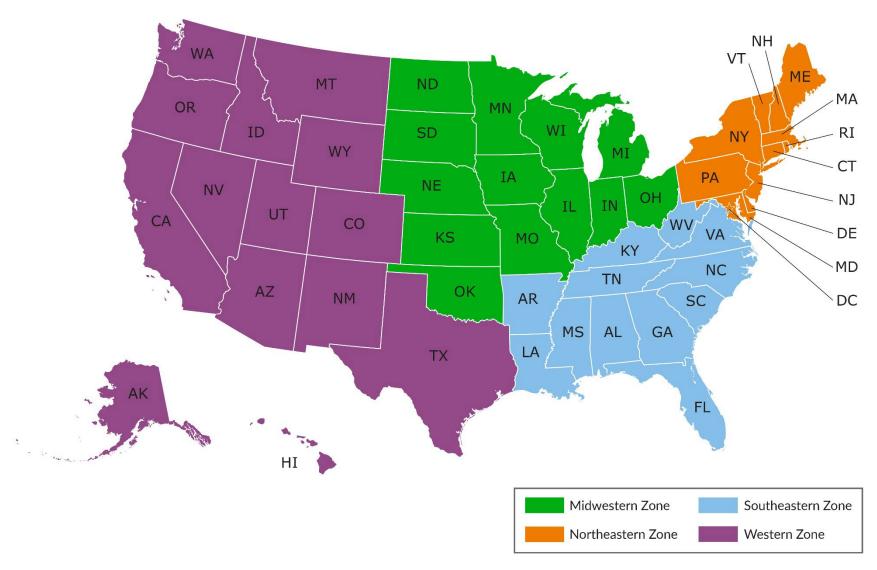
- continue funding for those healthcare services currently covered by the workers compensation system, and
- incorporate an element of experience rating.

In 2024, **four** states (**California** AB 2200, **Maryland** HB 184, **New York** A 7897/S 7590, and **Rhode Island** H 8242, S 2628) considered legislation to establish a single-payer health insurance system. These bills include a workers compensation component. The **California** and **New York** bills are still pending.

NCCI also continues to monitor **federal** activity. **Two** bills were introduced in this Congress (HR 3421 and S 1655) to establish a Medicare for All national health insurance program. These bills reference workers compensation and are similar to legislation introduced in past Congressional sessions. The State-Based Universal Health Care Act of 2023 (HR 6270) seeks to amend the Affordable Care Act to authorize the establishment of, and provide support for, State-based universal healthcare systems that provide comprehensive health benefits to State residents. The bill does not reference workers compensation.



STATES BY ZONE



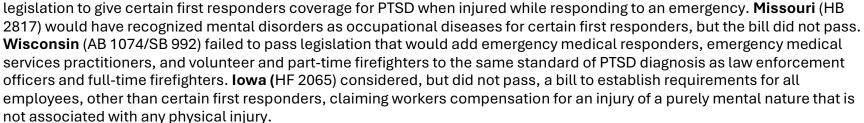


MIDWESTERN ZONE

The Midwestern Zone includes these states: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, and Wisconsin.

Highlights from the Midwestern Zone

Workers compensation for workplace-related mental injuries was a topic of interest in the Midwestern Zone this year. **Oklahoma** (SB 1457) enacted



Missouri (HB 2817) considered a bill to allow certain first responders to receive workers compensation benefits for diseases of the heart or cardiovascular system, infectious diseases, diseases of the body systems or organs from carcinomas, and diseases of the lungs or respiratory tract. **South Dakota** (SB 114) considered a bill to create a workers compensation presumption for occupational cancer in firefighters. These bills did not pass.

Missouri (HB 1830) considered a bill that would have allowed psilocybin for therapeutic use while **Kansas** (SB 555, SB 558) and **Wisconsin** (AB 1040) considered proposals to legalize medical marijuana under certain conditions. **Missouri** considered several bills (HB 1990, HB 2135, and SB 935) which would reduce workers compensation benefits for injuries sustained in conjunction with certain marijuana use. Both **Kansas** (SB 555) and **Missouri** (HB 1990, HB 2135) considered bills that contain provisions that marijuana reimbursement for workers compensation is not required. These bills did not pass.

lowa (HF 2371) and **Minnesota** (HF 4444/SF 4483) considered proposals to prohibit the misclassification of employees as independent contractors. **Minnesota** (HF 4447/SF 4513) also considered proposals to require delivery network companies to create portable benefits accounts for app-based drivers and other bills (HF 4746/SF 4780/ SF 3413) relating to insurance requirements for drivers of transportation network companies. **Wisconsin** introduced (AB 477/SB 559) which provides that delivery network couriers and TNC drivers are not employees under certain circumstances. These bills did not pass.



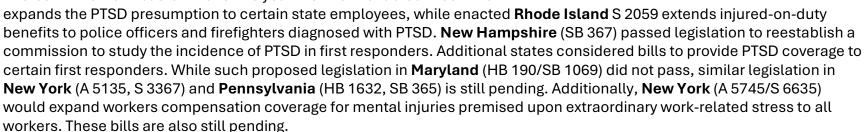


NORTHEASTERN ZONE

The Northeastern Zone includes these jurisdictions: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Highlights from the Northeastern Zone

Workers compensation for workplace-related mental injuries was also a topic of interest in the Northeastern Zone this year. **Vermont** enacted H 55 which



Maryland (HB 584/SB 476) enacted legislation to provide that certain firefighters who have thyroid, colon, or ovarian cancer are presumed, under certain circumstances, to have an occupational disease that was suffered in the line of duty; while enacted New Jersey (A 5909) creates a presumption for cardiovascular or cerebrovascular injury or death in emergency medical technicians and paramedics. Maryland also considered, but did not pass, HB 1145/SB 844, which proposed a presumption for hypertension in firefighters and (SB 431) to establish a presumption for long COVID, under certain circumstances, for governmental essential workers. New York (A 1499/S 4030) presumes that the death of an injured worker from an opioid overdose, where that injured worker was prescribed opioids as a result of their workplace injury, is compensable. This legislation is still pending.

States in the Northeastern zone also considered bills that would have legalized psychedelics for certain medical conditions (New Hampshire HB 1693, New Jersey S 2283, New York A 10375) or legalize adult possession of psychedelics (Massachusetts H 1754, S 1009, Rhode Island H 7047). Additionally, Maine (LD 1914) considered, but did not pass, a bill to provide a framework for psychedelic-assisted therapy. Legislation is pending in Massachusetts, New Jersey, and New York.





New Hampshire (HB 544, HB 1633) considered, but did not pass, proposals to legalize recreational marijuana while similar legislation is pending in **Pennsylvania** (HB 2210). This bill would also not require reimbursement for medical marijuana. **Massachusetts** (H 1949) and **New Jersey** (A 4371/S 1943) would allow reimbursement for medical marijuana in workers compensation. **New York** is considering legislation (A 4713/S 2568) that would deem medical marijuana a prescription drug for workers compensation purposes.

Five states in the Northeastern Zone considered legislation addressing the classification of workers as employees or independent contractors. Enacted **New Jersey** S 723 concerns the employment rights of domestic workers and amends and supplements various parts of the statutory law. **New Jersey** (S 558) introduced a bill that classifies golf caddies as independent contractors for purposes of state employment laws. States including **New York** (A 2085/S 2052), **Pennsylvania** (HB 2411), and **Rhode Island** (H 7788/S 2470) introduced legislation addressing criteria for determining whether a worker is an employee or an independent contractor. **Massachusetts** (H 4256, H 4257, H 4258, H 4259, H 4260) would establish that app-based drivers are not employees and network companies are not employers if certain conditions are met.

Three of the **four** states that introduced legislation to establish a single-payer health insurance system are in the Northeastern Zone (**Maryland** HB 184, **New York** A 7897/S 7590, and **Rhode Island** H 8242/S 2628). The bills include a workers compensation component. Only **New York** is still pending.



SOUTHEASTERN ZONE

The Southeastern Zone includes these states: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

Highlights from the Southeastern Zone

Several states in the Southeastern Zone considered, but did not pass, workplace-related mental injury legislation this year. **Florida** (HB 993/SB 1490) provided that



PTSD suffered by crime scene investigators would be considered a compensable occupational disease under certain circumstances, while **Virginia** (HB 68) would have provided PTSD coverage to certain dispatchers. **Kentucky** (HB 568) would have clarified the definition of "injury" to include psychological injuries experienced by educators. **Kentucky** (HB 363) and **South Carolina** (HB 4992) both considered bills to establish when psychological injuries unaccompanied by a physical injury occurred for certain first responders, while **South Carolina** (S 251) would have provided benefits to first responders diagnosed with PTSD. **Virginia** (HB 1226, SB 593) would modify the maximum number of weeks that PTSD related benefits are provided to law-enforcement officers and firefighters acting in the line of duty.

Louisiana enacted HB 326 which provides a presumption for hearing loss in state police while **West Virginia** enacted SB 170 which creates a presumption for bladder cancer, mesothelioma, and testicular cancer in firefighters. **Virginia** considered, but did not pass, presumptions for infertility in firefighters (HB 274), repetitive injuries or physical stressors in employees (HB 1300), and unexplained falls in employees (HB 974).

Kentucky (HB 90, HB 420, SB 382) considered, but did not pass, proposals to legalize recreational marijuana and **Florida** will vote on a ballot measure to legalize recreational marijuana in November. **South Carolina** (S 423) considered, but did not pass, a proposal to legalize medical marijuana including language not requiring reimbursement for medical marijuana. A similar bill is still pending in **North Carolina** (HB 563). **Kentucky** (HB 351) would have excluded certain levels of delta-9-tetrahydrocannabinol in the blood from the presumption that it caused an injury.

West Virginia (HB 4759) passed the House but did not enact legislation addressing criteria for determining whether a worker is an employee or an independent contractor. **Virginia** (HB 734) introduced legislation for determining when an app-based delivery driver is an independent contractor and established certain insurance requirements for such app-based drivers.



WESTERN ZONE

The Western Zone includes these states: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah, Washington, and Wyoming.

Highlights from the Western Zone

Several states in the Western Zone enacted legislation addressing workers compensation for work-related mental injuries. **Alaska** (SB 147) creates a presumption of compensability for PTSD in certain first responders. **Arizona** (SB 1677) provides certain coverage for firefighters and peace officers for treatment of PTSD with a conditional enactment date. Additionally, **Washington** (SB 5950) funds a study that assesses PTSD in workers compensation policies and claims that is intended to inform the department of labor on policy and best practices that improve outcomes for law enforcement officers, firefighters, and nurses.

California (AB 597) would have expanded PTSD coverage to additional first responders and extended such coverage for additional years. **Washington** (HB 2031) would have expanded PTSD as an occupational disease to county coroners and medical examiner personnel. **Colorado** (HB 24-1140) considered, but did not pass, provisions related to eligibility for workers compensation benefits for workers diagnosed with PTSD as the result of complex trauma.

Wyoming (HB 66) enacted a bill to provide firefighters with cancer screenings as it is presumed that firefighters are exposed to cancer causing agents due to the nature of their employment. **Arizona** (HB 2117) considered, but did not pass, a presumption for recurrent cancer in certain firefighters while **Utah** (HB 368) considered and did not pass a rebuttable presumption for injury in law enforcement officers. **California** (SB 1299) is still considering a bill that creates a disputable presumption for heat-related injury in agricultural workers. This bill passed the Senate and is pending in the Assembly.

Arizona enacted SB 1677 which authorizes workers compensation coverage for midomafetamine (MDMA) treatment for certain first responders diagnosed with PTSD, with several conditions including approval of the drug from the US Food and Drug Administration before implementation. Arizona (SB 1570) would have required the Department of Health Services to begin the licensing of psychedelic-assisted therapy centers, however, the governor vetoed the bill. California (AB 941) proposes to convene a workgroup to study and make recommendations on the establishment of a framework governing psychedelic-assisted therapy, and makes, contingent upon the Legislature enacting a framework governing psychedelic-assisted therapy, the use of hallucinogenic/psychedelic substances for psychedelic-assisted therapy lawful. Additionally,



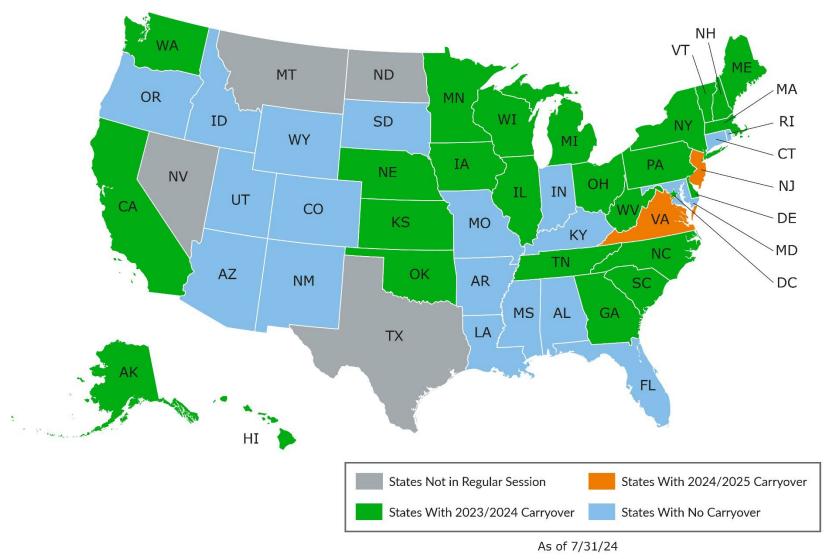
California is considering (SB 1012) to enact the Psychedelic-Assisted Therapy Act. **Hawaii** (HB 2630/SB 3019) would have established a regulatory framework for the administration of psilocybin for therapeutic use.

Washington enacted (HB 2382) extending survivor death benefits to dependents of transportation network company (TNC) drivers. **California** (AB 1928) would repeal the state's "ABC test" for determining whether a worker is an employee or an independent contractor, if it is passed. **Alaska** (HB 376) would have established that a delivery network company is not an employer of TNC drivers or delivery network company couriers, and that a delivery network company courier is an independent contractor.

California (AB 2200) is **one** of the **four** states and the only state located in the Western Zone that introduced legislation to establish a single-payer health care system. The bill includes a workers compensation component and is still pending in the Assembly.



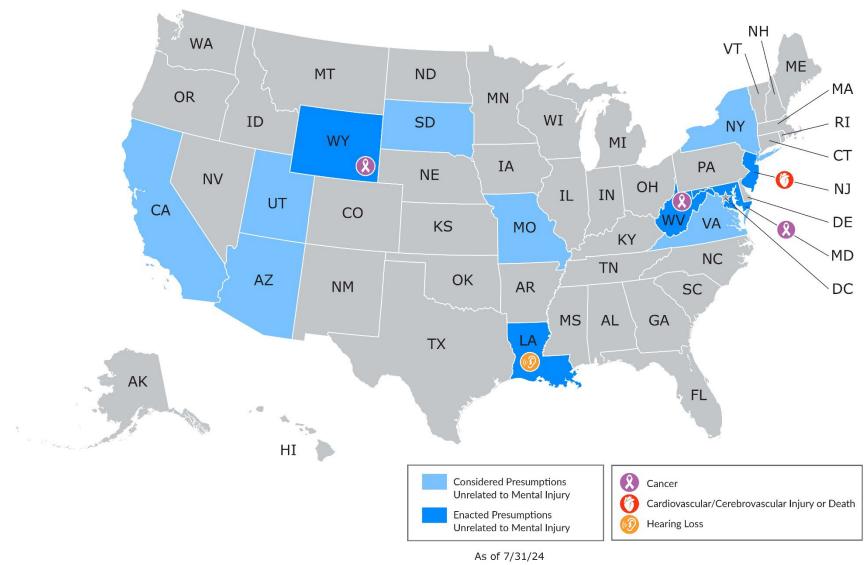
2024 Legislative Sessions



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2024 Presumptions Unrelated to Mental Injury

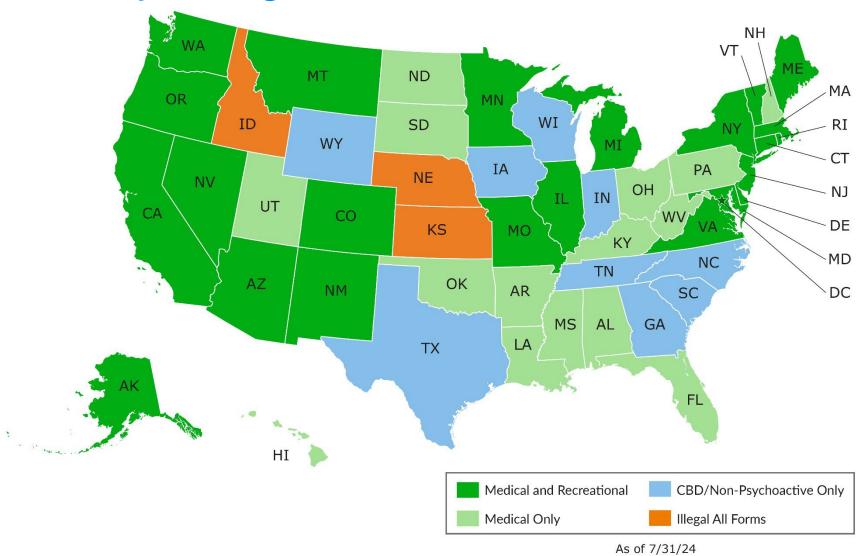


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Page 14 of 20



2024 Marijuana Legalization Status



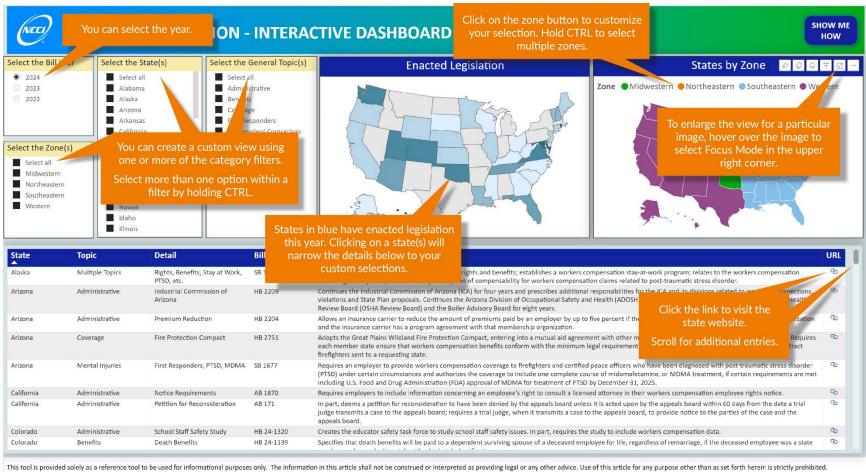
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INTERACTIVE DASHBOARDS

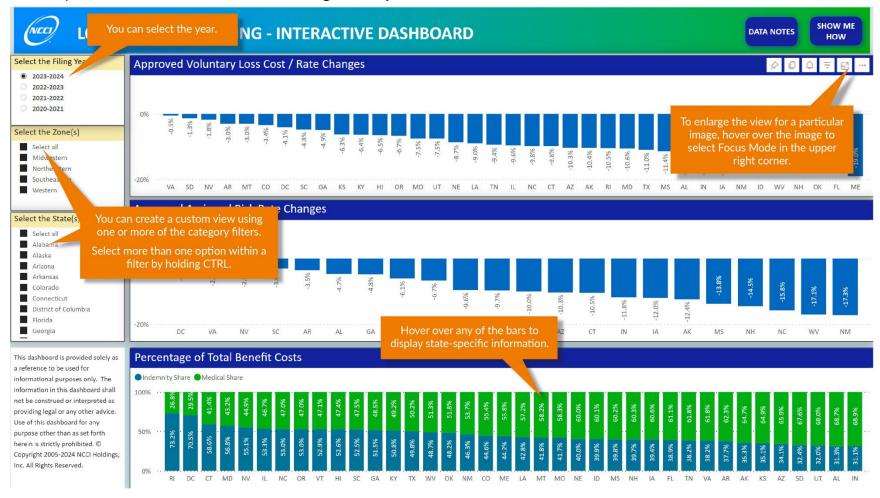
The 2024 Regulatory and Legislative Trends page offers two interactive dashboards:

Enacted Legislation—Interactive Dashboard provides interactive navigation for a countrywide view of enacted workers compensation-related legislation. You can easily sort information by year, state, zone, and topic of interest.



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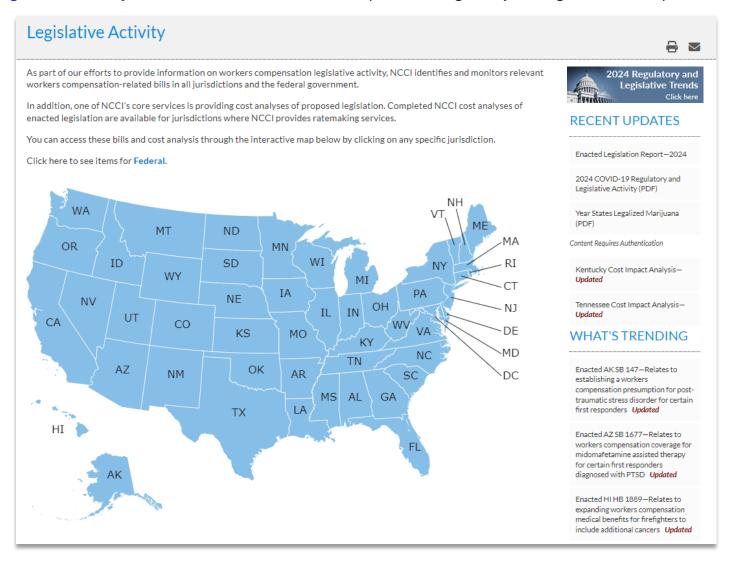
Loss Cost/Rate Filing—Interactive Dashboard allows you to navigate Loss Cost/Rate data and interact with workers compensation information in new and insightful ways.





LEGISLATIVE ACTIVITY ONLINE RESOURCE

Visit the Legislative Activity Online Resource for continuous updates on regulatory and legislative developments.





LEGISLATIVE ACTIVITY ONLINE RESOURCES-STATE EXAMPLE





APPENDIX

These links provide related resources on **ncci.com**.

- Legislative Activity Online Resource
- COVID-19 and Workers Compensation Resource Center
- Court Case Insights
- State Advisory Resources
- State Insight*
- Frequency and Severity Results by State

- Voluntary Loss Cost/Rate Filing Information by State*
- Underwriting Results by State
- Residual Market Management Summary 2023
- Residual Market State Activity Reports
- Circulars*

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