DEPARTMENT OF LABOR AND INDUSTRY

Legislative and Rule Updates

Bretta Hines | Office of General Counsel

DLI Rehab Update – September 14, 2026

Workers' Compensation Legislation

- Workers' Compensation Advisory Council (WCAC)
  - Council comprised of representatives from business and labor in Minnesota.
  - Hears concerns and legislative proposals related to Minnesota workers' compensation from interested stakeholders.
  - Approves a legislative package to go before the legislature where it is voted on and if approved, presented to the governor for signature.
- 2026 WCAC Bill was 14 sections and signed by Governor Walz on May 18th.

2026 legislation - Chapters 79 & 175A

- Minn. Stat. § 79 was amended to update the Workers' Compensation Reinsurance Association's governing statutes and processes for excess surplus distributions and deficiency assessments.
  - Became effective May 19, 2026.
  - Minn. Stat. §§ 79.34, subd. 2a, 79.361, and 79.363 were repealed.
- Minn. Stat. § 175A.05 was amended to authorize the Workers' Compensation Court of Appeals (WCCA) to use compensation judges from the Court of Administrative Hearings (CAH) when there are not enough active and reserve WCCA judges to fill a panel for a matter pending before the WCCA.
  - Became effective May 19, 2026.

2026 legislation – Chapter 176

- Minn. Stat. § 176.011, subd. 15(d) was amended to add psychiatric mental health nurse practitioners to the list of providers that can diagnose post-traumatic stress disorder (PTSD) for purposes of workers' compensation.
  - Currently only licensed psychiatrists and psychologists can diagnose PTSD for workers' compensation purposes.
  - Effective for dates of injury on or after October 1, 2026.
- Minn. Stat. § 176.081, subd. 9 covers retainer agreements and was updated consistent with previous changes to the maximum fees allowed for legal services.
  - Effective for dates of injury on or after October 1, 2024.

2026 legislation – Chapter 176, continued

- Minn. Stat. § 176.101, subd. 2a was amended to increase the dollar amount multipliers for permanent partial disability impairment ratings (PPD).
  - When PPD is paid, the PPD rating is multiplied by the applicable dollar amount to determine the total amount of PPD owed.
  - The increase was applied evenly across the multipliers and should result in a roughly $11 million increase in PPD benefits.
  - Effective for dates of injury on or after October 1, 2026.

2026 legislation – Chapter 176, continued

- Minn. Stat. § 176.155, subd. 1 was amended to clarify the description of witness for an independent medical examination (IME).
  - Previously the statute allowed a personal physician or witness to attend an IME with the employee.
  - Effective May 19, 2026, a witness attending an IME with the employee must be an unpaid witness.
  - Costs the witness may incur to attend (mileage, etc.) are to be defrayed the same as they are for a personal physician.

2026 legislation – Chapter 176, continued

- Minn. Stat. § 176.221, subd. 1 was amended to allow employers or insurers more time (90 days) to amend their primary liability determination after accepting a claim.
  - Employers/insurers must make a primary liability determination to accept or deny a claim within 14 days of notice of an injury.
  - If liability is accepted but the employer/insurer determine the claim is not compensable, they can deny the claim by amending the Notice of Primary Liability Determination (NOPLD).
  - Previously they only had 60 days to amend the NOPLD and after that period expired could only discontinue compensation by filing a Notice of Intent to Discontinue (NOID) or Petition for Discontinuance.
  - This is effective for dates of injury on or after October 1, 2026.

2026 legislation – Chapter 176, continued

- Minn. Stat. § 176.322 was amended to make a technical change to the authority of the department or CAH to issue decisions based on stipulated facts.
  - Effective May 19, 2026.

Workers' compensation rulemaking

- State agencies may pursue rulemaking to clarify the law the agency enforces or administers or to govern the agency's organization or procedure.
- Rules related to the Department of Labor and Industry's (DLI) enforcement and administration of workers' compensation law, including vocational rehabilitation are found primarily in chapter 5220.
- In 2024, DLI adopted proposed rules related to the registration of rehabilitation providers which impacted 5220.0100 - 5220.1900.
- Changes were made in an effort to make the rules more user-friendly and to clarify the requirements for QRC interns, QRCs, QRC firms, and rehabilitation vendors.

2024 rule amendments

- 5220.0100
  - Definitions were added for qualified rehabilitation consultant intern and qualified rehabilitation consultant intern supervisor; and
  - Definitions were amended for qualified rehabilitation consultant, qualified rehabilitation consultant firm, rehabilitation vendor, and rehabilitation provider.
- 5220.0105
  - Limits the documents incorporated by reference only to the extent referenced in chapter 5220 to the Dictionary of Occupational Titles, fourth edition, 1991.

2024 rule amendments, continued

- 5220.0107, subp. 2
  - Removes the option to file with the state by facsimile and all references to facsimile filing.
- 5220.0410
  - Subp. 1 - Clarifies that an authoritative reference describing standardized occupational names and duties to support job placement activities is the Dictionary of Occupational Titles.
  - Subp. 2(B) - Removes the requirement for a rehabilitation plan to list the code from the Dictionary of Occupational Titles.
  - Subp. 9 – Clarifies details about the National Commission on Accreditation of Rehabilitation Facilities (CARF)

2024 rule amendments, continued

- 5220.0510 & 5220.0850 - updated to reflect changes mentioned earlier.
- 5220.1250
  - Clarifies that the services a rehabilitation vendor can provide include vocational testing, job seeking skills, labor market survey, postplacement follow-up, and transferrable skills analysis.
  - Confirms the commissioner's authority to review the professional activities and services of rehabilitation providers to determine whether they comply with the standards of performance and professional conduct.

2024 rule amendments, continued

- 5220.1410
  - Replaces 5220.1400.
  - Details the requirements for applying for and becoming a qualified rehabilitation consultant intern.
  - Details internship requirements and requirements for intern supervisors.
- 5220.1510
  - Replaces 5220.1500
  - Details requirements to become and register as a qualified rehabilitation consultant.
  - Addresses renewals of and gaps in registration.

2024 rule amendments, continued

- 5220.1610
  - Replaces 5220.1600.
  - Clarifies requirements for qualified rehabilitation firms and registration of a qualified rehabilitation firm.
- 5220.1710
  - Replaces 5220.1700.
  - Clarifies requirements for qualified rehabilitation vendors and registration as a vendor.

2024 rule amendments, continued

- 5220.1750 - clarifies that the Department of Labor and Industry's vocational rehabilitation unit (VRU) and its employees are exempt from registration fees.
- 5220.1801, 5220.1802, and 5220.1900 - updated to incorporate other rule changes.
- 5220.1400, 5220.1500, 5220.1600, and 5220.1700 were repealed.

Current rulemaking

- Annual updates to the medical benefit fee schedule; specifically, the relative value fee schedule conversion factors.
- Medical Services Review Board is considering changes to:
  - Treatment parameters for injections and
  - Treatment parameters for post-traumatic stress disorder.

PTSD claims in Minnesota's workers' compensation system

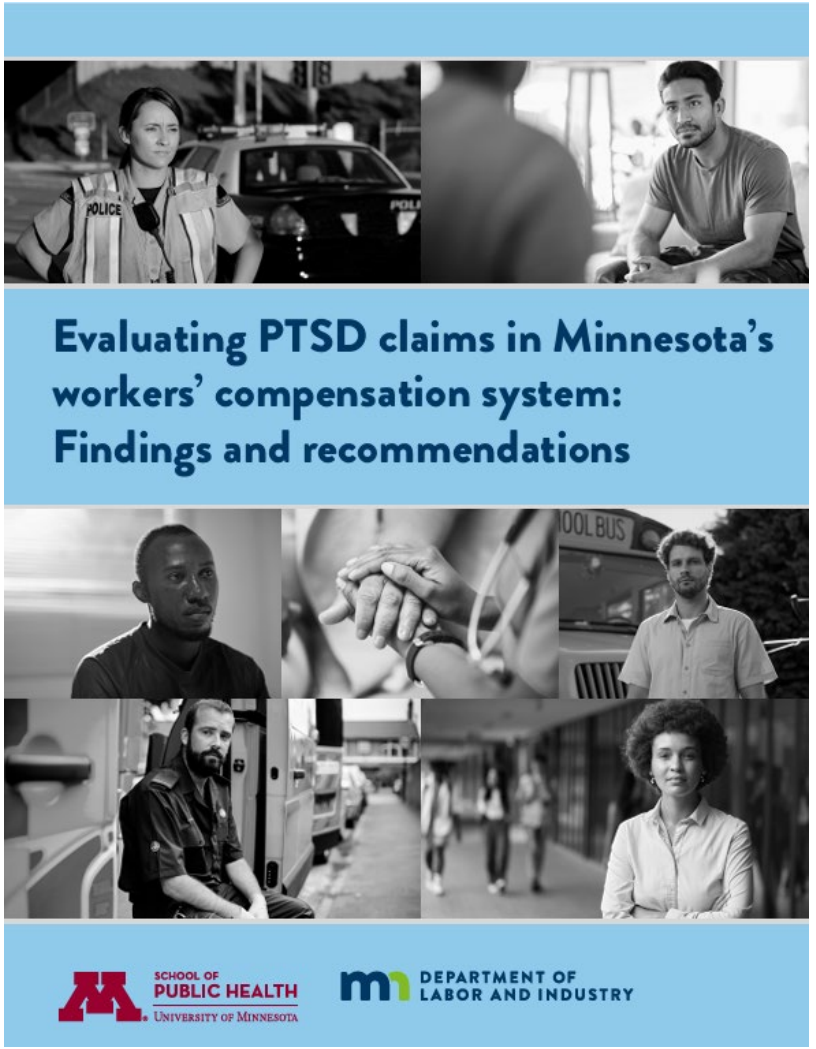
Nichole Sorenson & Ethan Landy

DLI Rehab Update – September 14, 2026

DEPARTMENT OF LABOR AND INDUSTRY

Overview

- Review purpose of the study, objectives, and scope
- Essential findings
- Recommendation summary
- Limitations and future directions
- Updates



Study Team

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PTSD Study objectives

To identify systemic or regulatory changes to improve the experience and outcomes of employees with work-related PTSD.

- Review the current legal framework of work-related PTSD in Minnesota and compare with other jurisdictions
- Consider occupations subject to Minnesota's rebuttable presumption and compare with other jurisdictions
- Review and analyze PTSD claims in Minnesota workers' compensation system

PTSD Study objectives, cont.

- Get input from interested stakeholders
- Review evidence-based approaches and best practices for PTSD screening, diagnosis and treatment
- Identify programs with effective prevention and programs with high return-to-work outcomes

Minnesota's legal framework for PTSD in workers' compensation

Prior to 2013

- Psychological injuries compensable only if causally connected to physical injury

2013 PTSD Compensable

- Arose out of and in course of employment
- Diagnosed by licensed psychologist or psychiatrist as described in the most recently published edition of the DSM
- Did not result from disciplinary or other work-related action

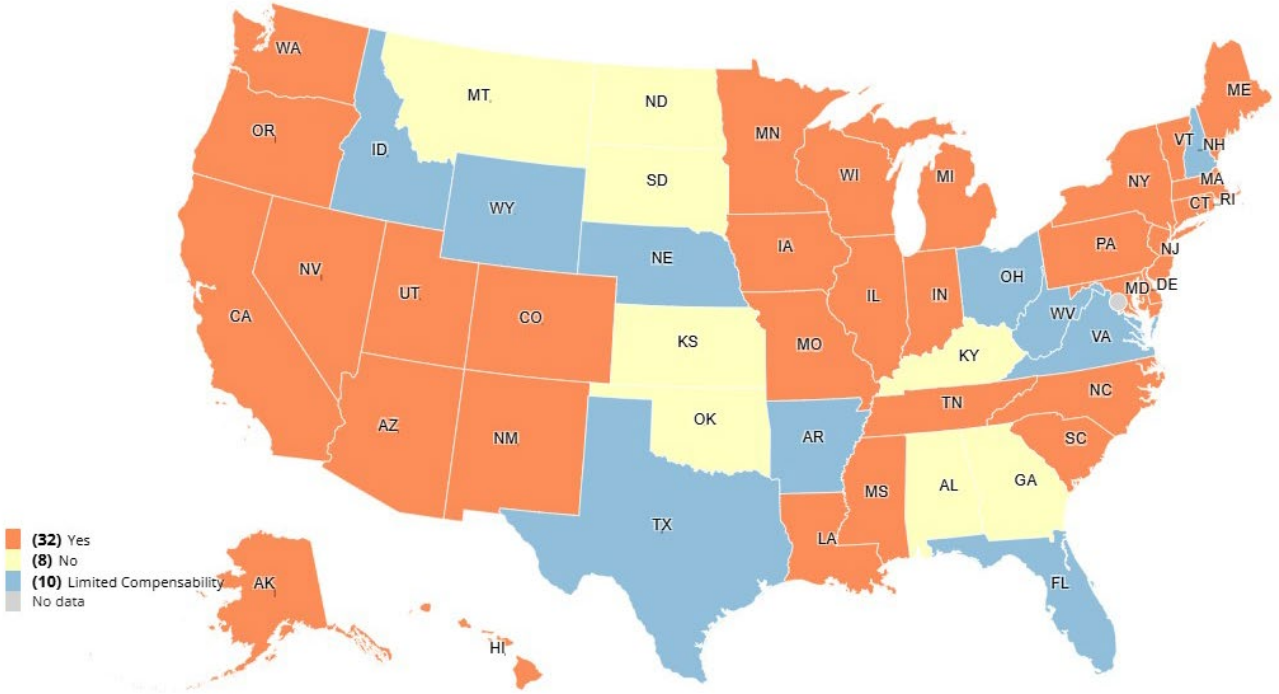
Minnesota's legal framework for PTSD in workers' compensation

2019 Rebuttable presumption

- Presumed work-related, reduces burden of proof
- Police officer
- Firefighter
- Paramedic and EMT
- Nurse providing emergency medical services outside of a medical facility
- Public safety dispatcher
- Correctional officer or security counselor
- Sheriff or full-time deputy sheriff
- Minnesota State Patrol

Comparing Minnesota's legal framework for PTSD in workers' compensation to other jurisdictions

Figure 3.1 States where PTSD is compensable without a physical injury



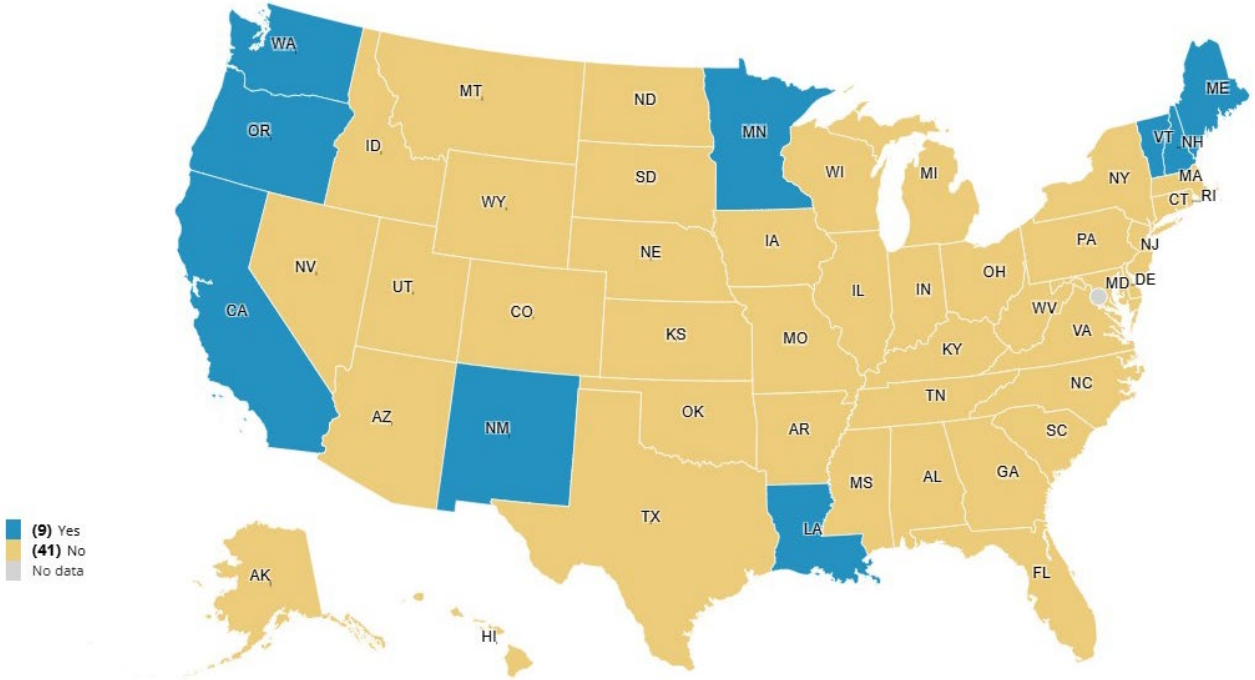
Comparing Minnesota's legal framework for PTSD in workers' compensation to other jurisdictions

PTSD is compensable as a standalone work injury in 42 states

- In most states where PTSD is compensable, workers in any profession are eligible to make a claim; in 10 states, compensability is limited based on occupation or limited to specific situations only
- Minnesota's definition of PTSD and diagnostic criteria are similar to other states; however, 9 states have an expanded list of practitioners qualified to diagnose PTSD
  - See figure 3.3 of the report for diagnostic terms and criteria in other states
- 16 states require a worker to witness or experience a qualifying event or unusual stress, unlike Minnesota; requiring a PTSD diagnosis for compensability provides more flexibility for employees than requiring a specific event for PTSD compensability
  - See figure 3.4 in the report

Comparing Minnesota's legal framework for PTSD in workers' compensation to other jurisdictions

Figure 3.2. States with a rebuttable presumption for PTSD



Comparing Minnesota’s legal framework for PTSD in workers’ compensation to other jurisdictions

Rebuttable presumption

Minnesota is one of 9 states with a rebuttable presumption for PTSD work injury

- There are 4 rebuttal standards used by PTSD presumption states: 1) other evidence; 2) preponderance of the evidence; 3) clear and convincing evidence; and 4) substantial factors
- Minnesota's standard for rebuttal is "**substantial factors**"

Comparing Minnesota's legal framework for PTSD in workers' compensation, cont.

Rebuttable presumption

- The occupations covered in Minnesota are similar to most states (**moderately inclusive**)
  - Most similar to **Maine** and **Oregon** due to inclusion of **911 dispatchers** and all **corrections officers**
- Occupations subject to the presumption established primarily through advocacy
  - Limited scientific evidence for designations
  - Similar to other states

Summary

- In comparison to other state's Minnesota's approach to PTSD appears to be measured and reasonable.
- The statutory definition of PTSD and occupations covered by the rebuttable presumption are consistent with many other jurisdictions.
- As workers' compensation PTSD laws expand and updated in other states, however, further consideration and refinement of Minnesota's current PTSD law may be warranted.

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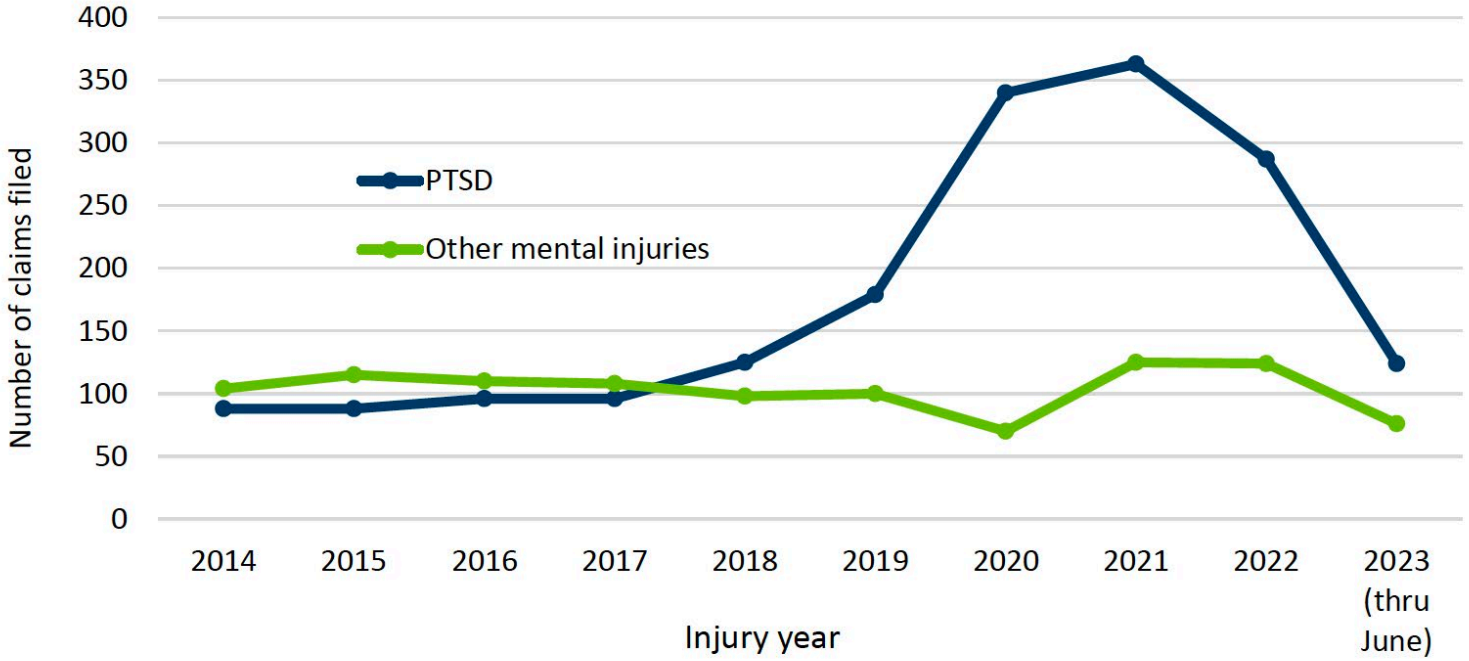
PTSD Claim Trends in Minnesota

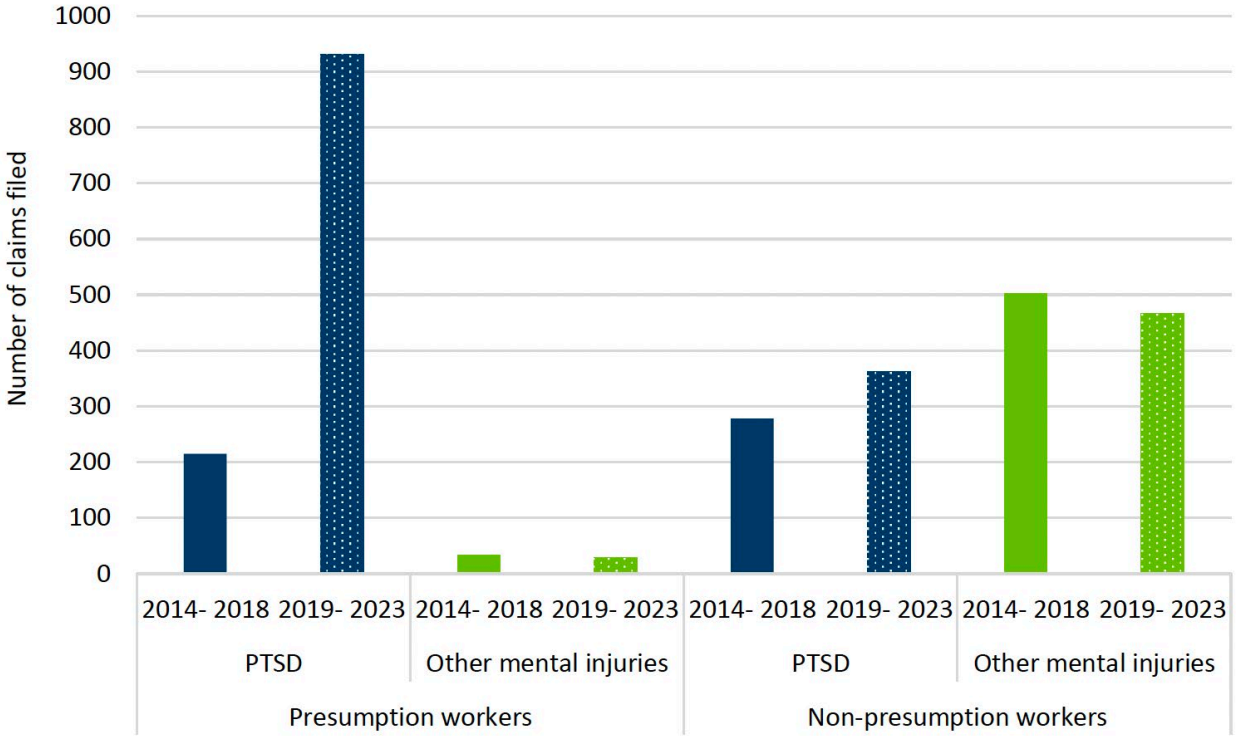
PTSD and Other Mental Injury Claims

Figure 4.2. Number of mental injury claims filed (PTSD and other) by injury year

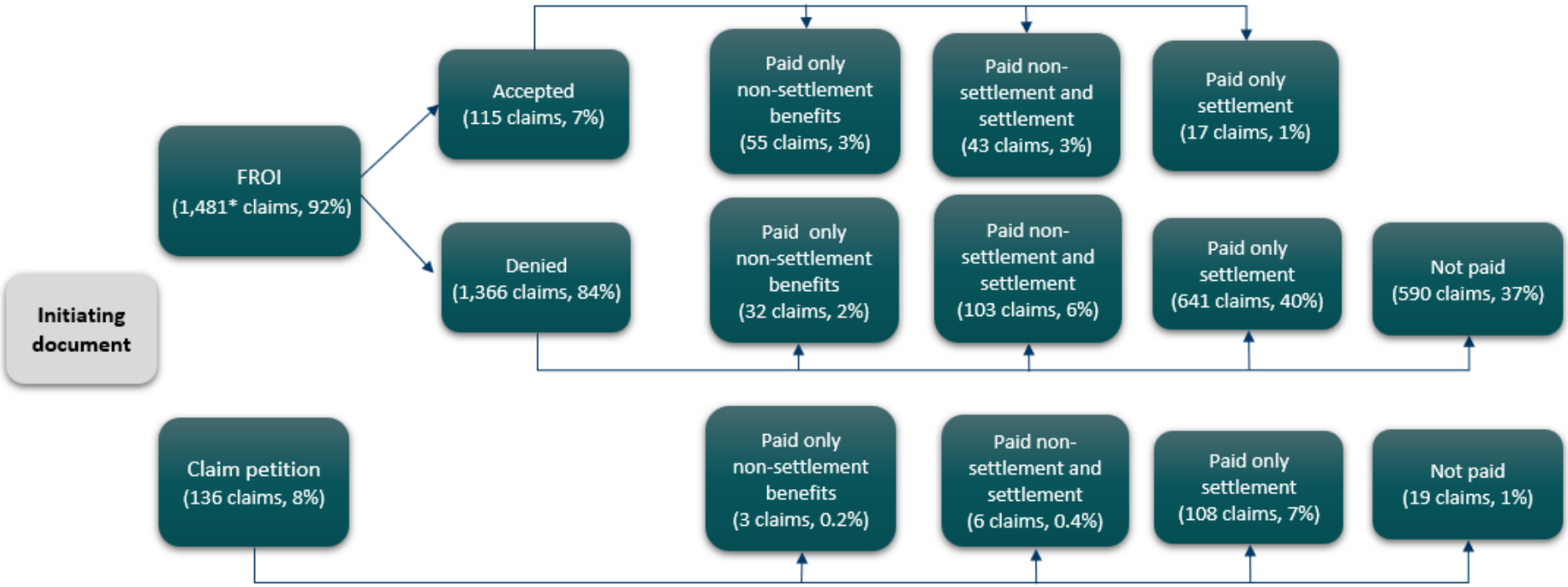


Large increase in PTSD claims in presumption occupations

Figure 4.3. Number of mental injury claims filed (PTSD and other) by presumption group and presumption period



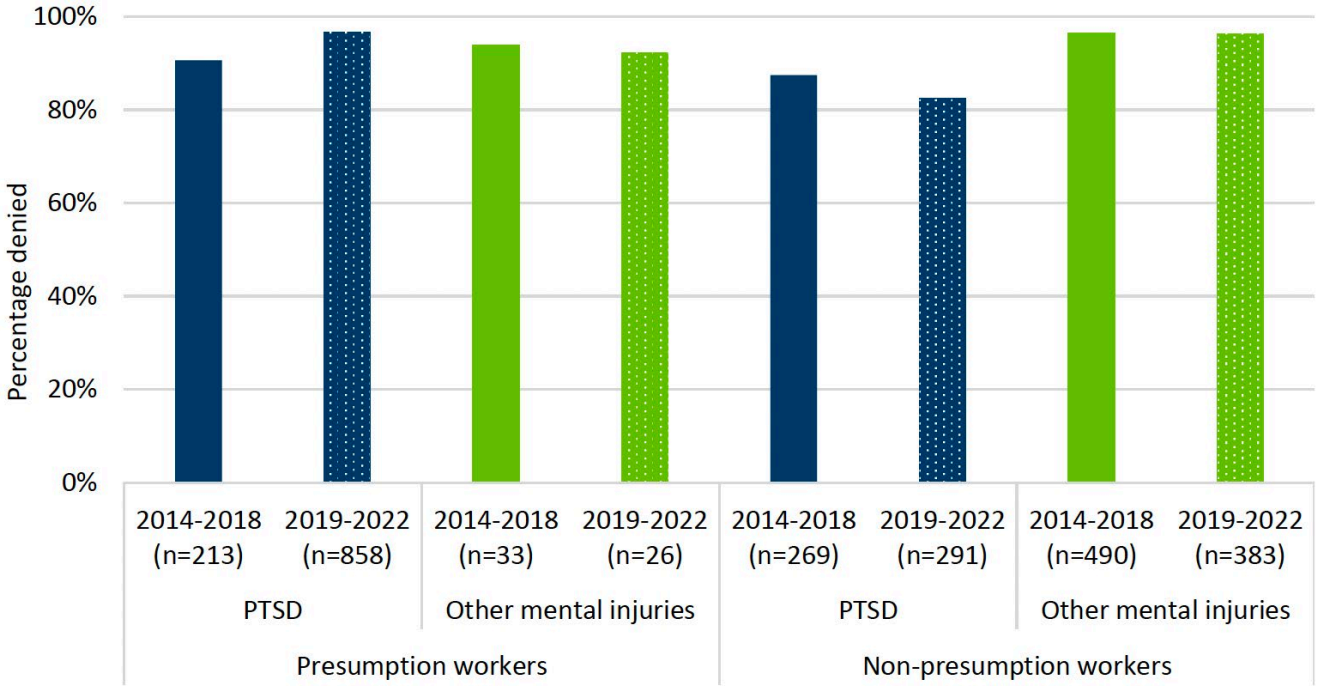
Claim pathways among closed PTSD claims



*Excludes 14 closed PTSD claims with no information available after the first report of injury

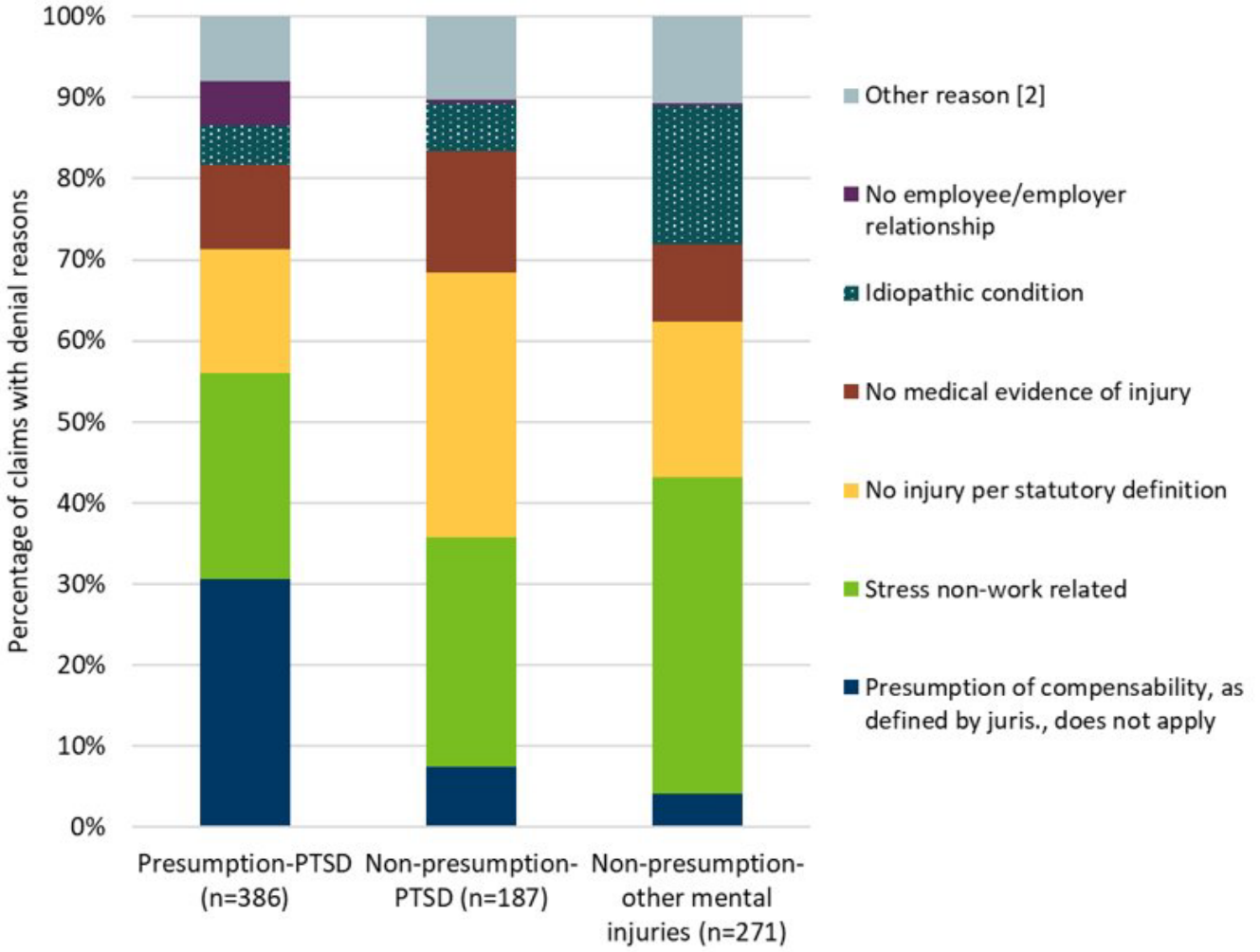
Initial denial rates high for PTSD claims for presumption and non-presumption occupations

Figure 4.11. Initial denial rates among closed mental injury claims by claim type, presumption group and presumption period



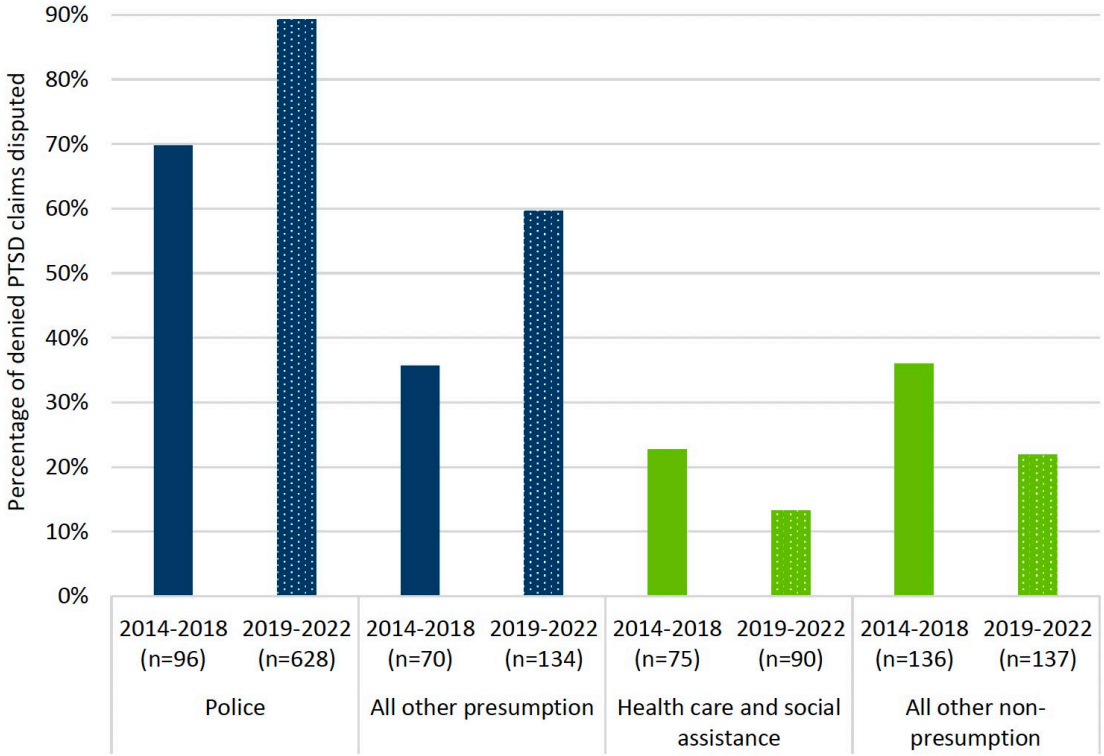
Denial reasons by claim type and presumption group

Injury years 2021 to 2023



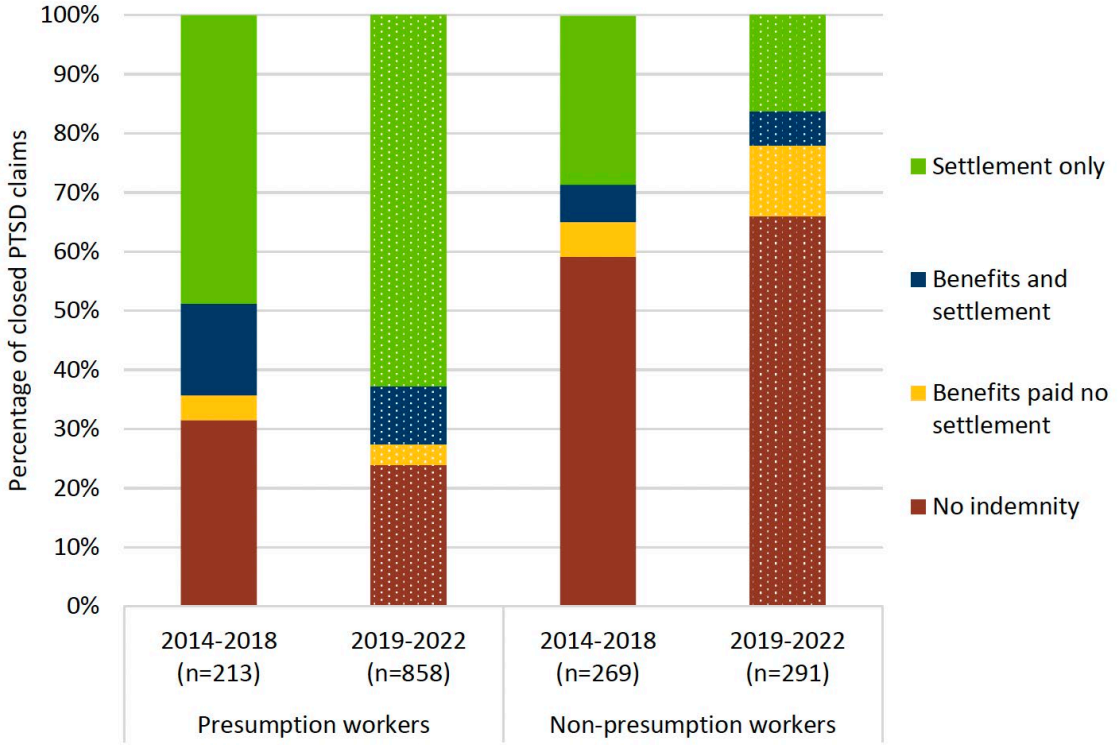
Denial rates result in high rates of contested claims, particularly in presumption occupations

Figure 4.13. Percentage contesting denials after first report of injury by worker group and presumption period, closed PTSD claims

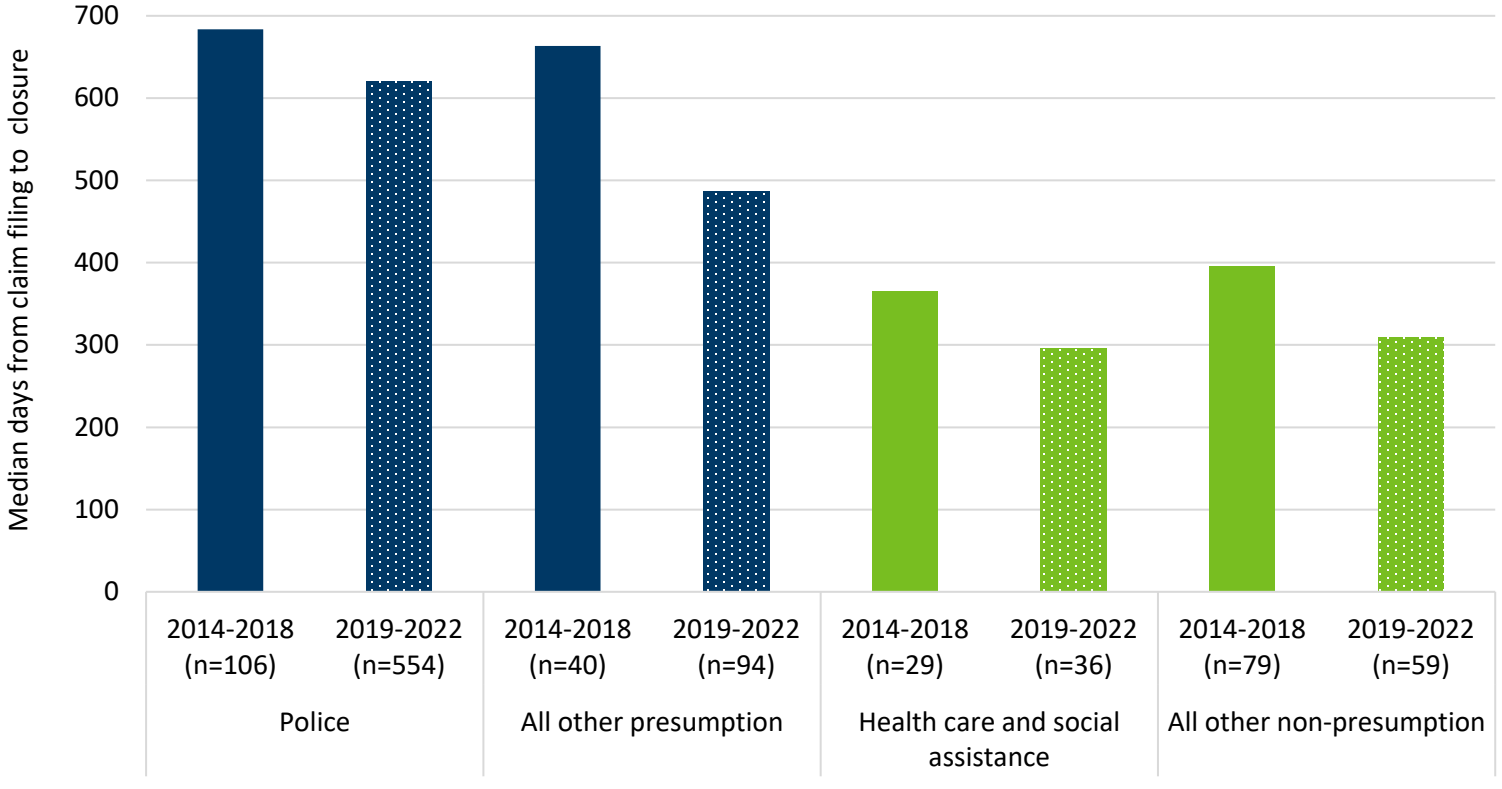


Most claims in presumption occupations ultimately have some payout. Lower rates in non-presumption

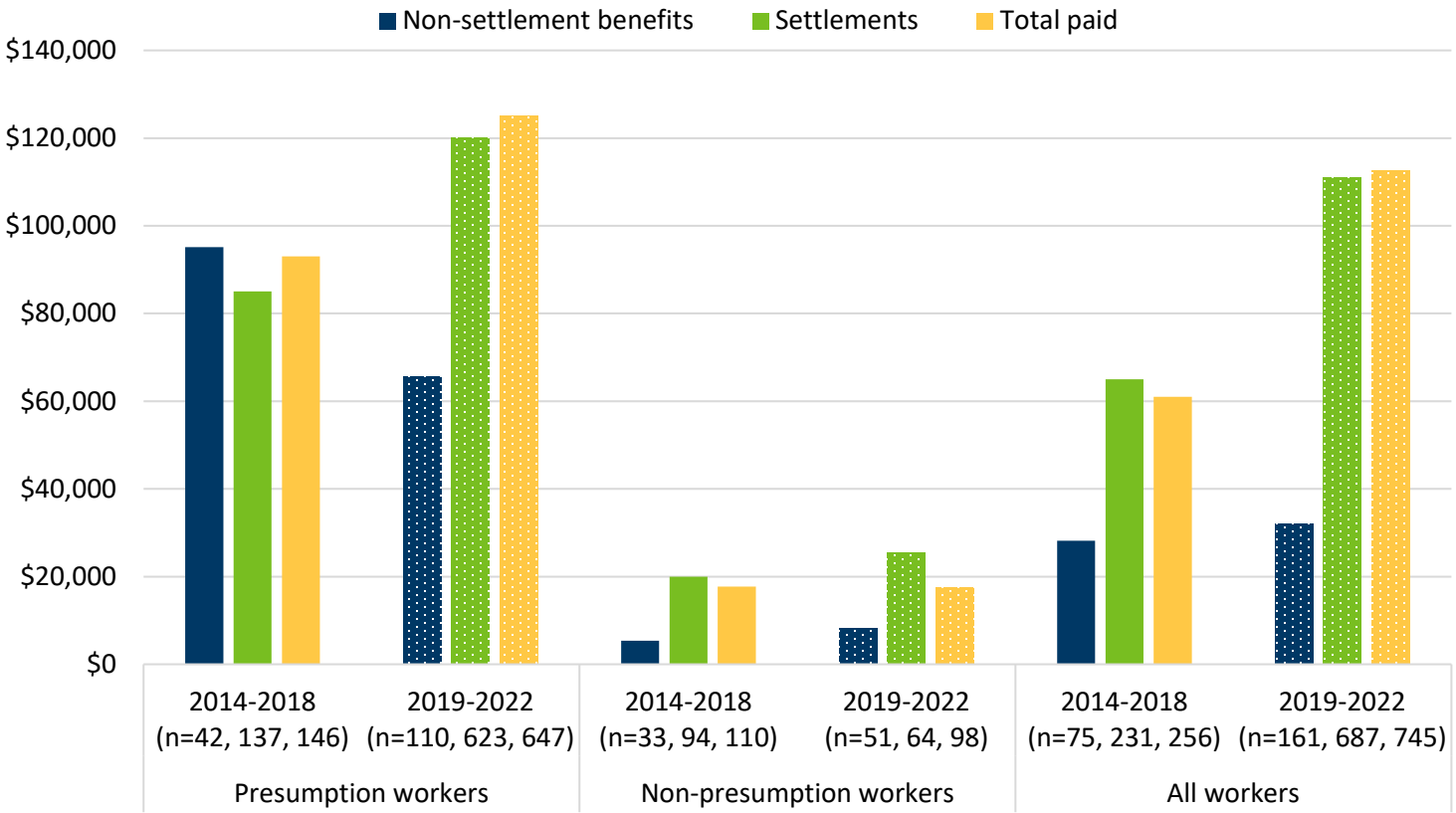
Figure 4.16. Type of indemnity benefits paid by presumption group and presumption period among closed PTSD claims



Median claim duration decreased but is still longer for presumption than non-presumption workers

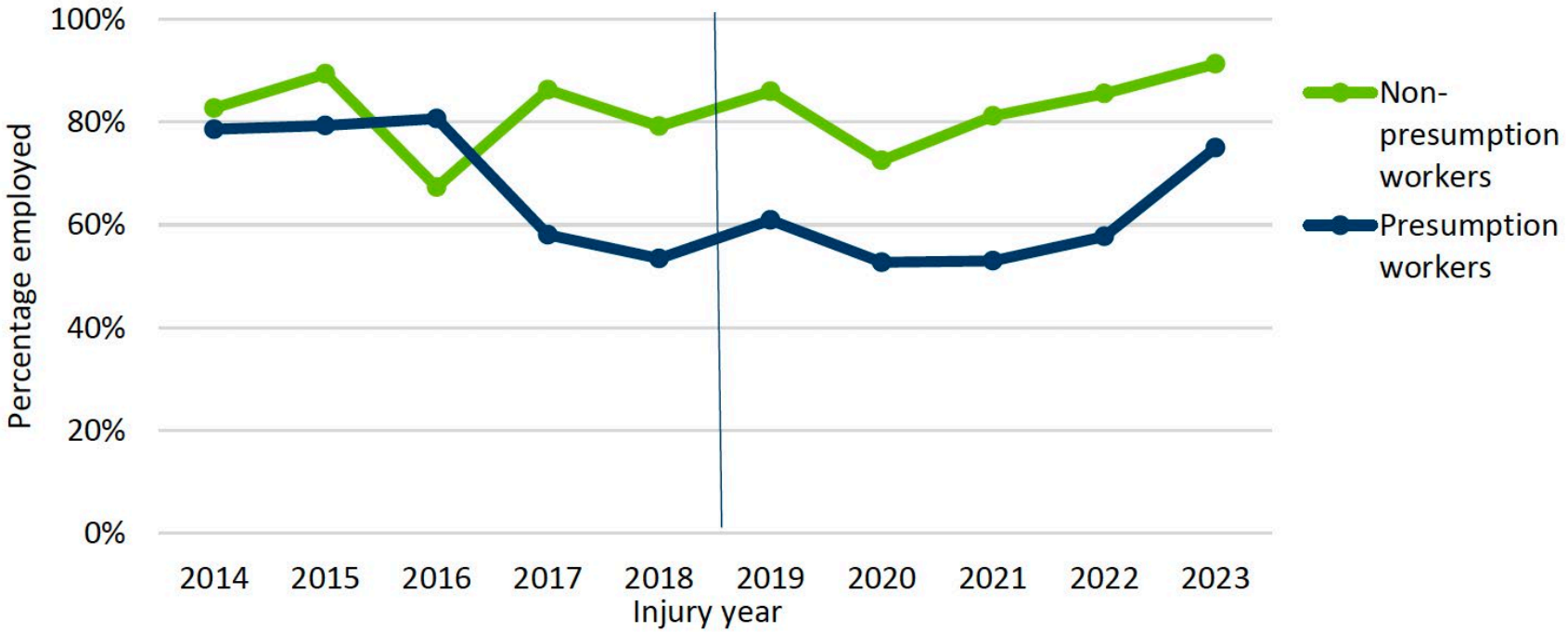


Median benefit payments per PTSD claim increased after presumption



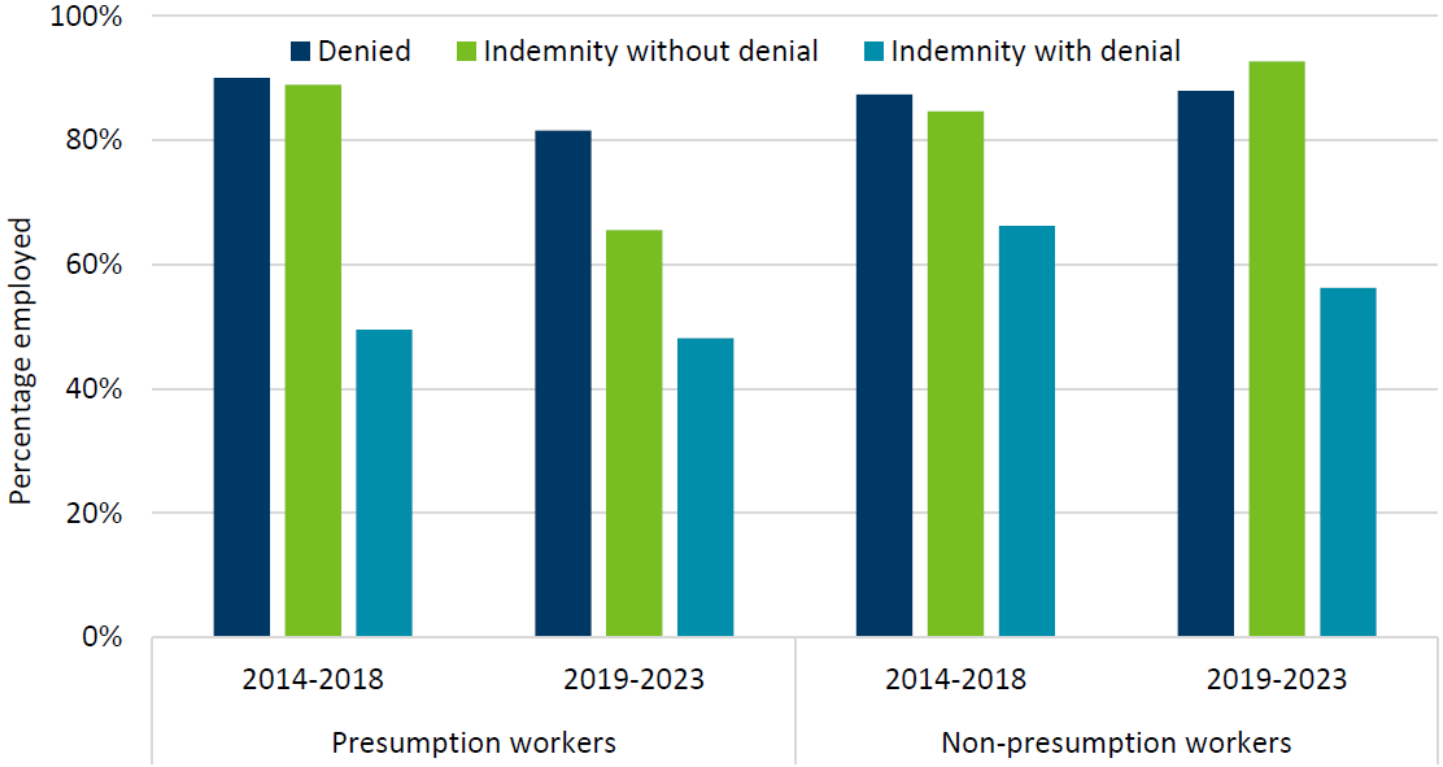
Presumption workers less likely to return to work

Figure 4.30b. Return-to-work rates among PTSD claims by presumption group by injury year



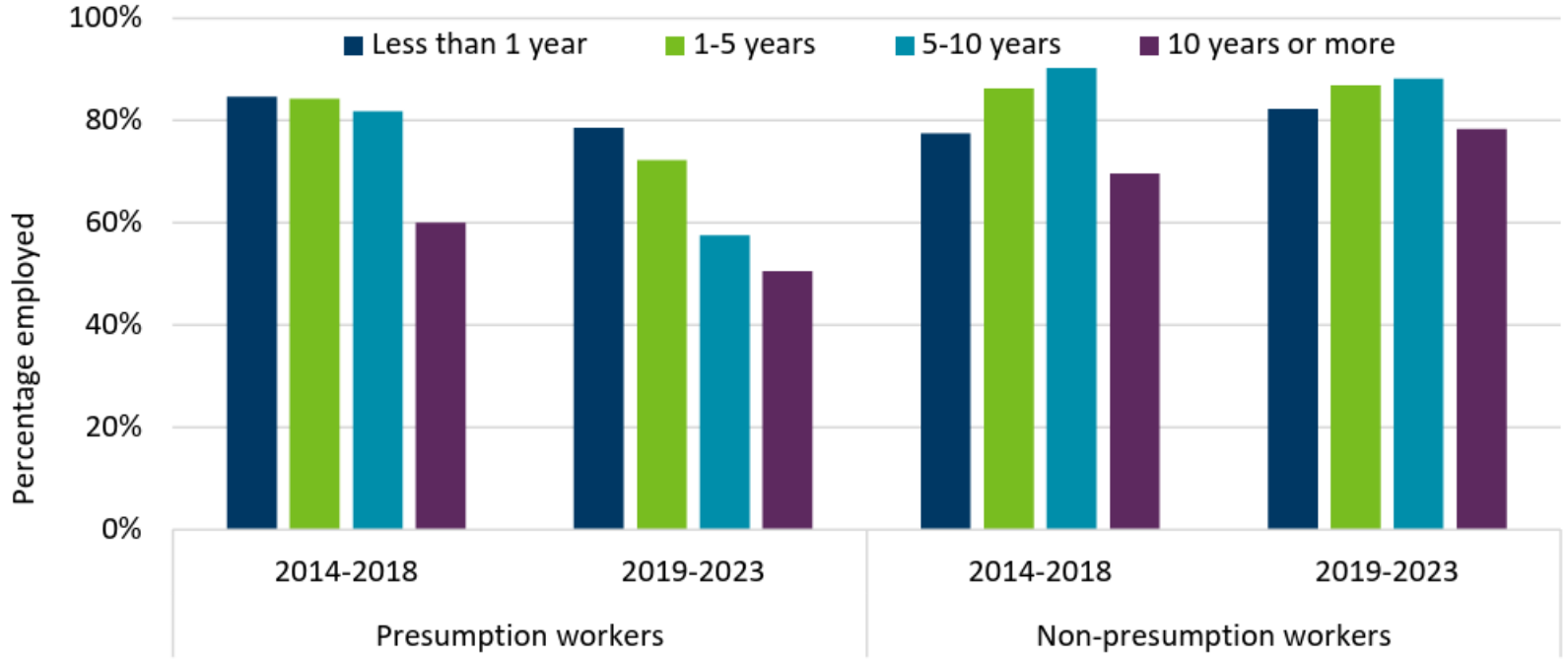
Return to work less likely in indemnity with denial claims

Figure 4.33a. Return-to-work rates among PTSD claims by presumption group, presumption period and claims handling decision



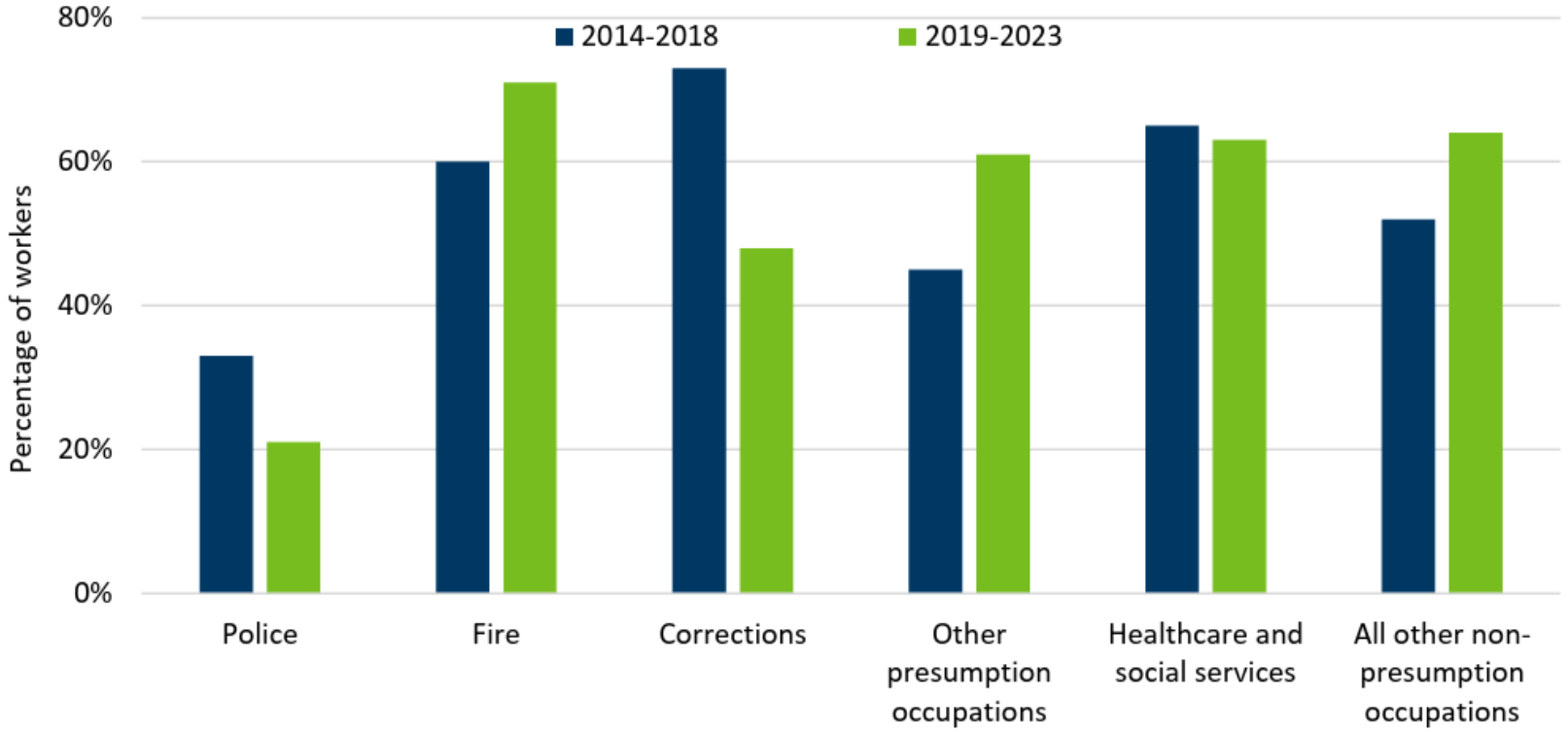
Return to work is lowest for presumption workers with 10+ years of job tenure

Figure 4.35. Return-to-work rates among PTSD claims by presumption group, presumption period and job tenure



Same industry return to work is lowest for Police

Figure 4.38. Rates of return to work in the same industry among PTSD claims by occupation and presumption period



Summary

- There was a **large increase in PTSD claims** from presumption occupations after enactment of the presumption law, but they are subsiding
- PTSD claims are **denied at a higher rate** than other claims (>90% vs~20%)
  - Denials lead to contested claims that are often paid, **most often via settlement**
- Presumption occupations are **more likely to contest** and **receive payment**
  - Presumption occupations **are less likely** to return to work in same industry
- Identifying and tracking PTSD and mental injury claims is extremely challenging due to **limits in MN's workers' compensation data**

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Stakeholder Input

Stakeholder Survey

- Invited anyone interested (not representative of all workers)
  - Electronic anonymous response
  - **751 respondents** (78% in healthcare)
- Summarized concerns of the respondents
  - Majority of respondents pointed to the **complexity of the workers' compensation system**
  - Responses guided development of the questions for the stakeholder interviews

Stakeholder Interviews and Panel Discussions

- Stakeholder Interviews and Panel Discussions included
  - Presumption covered workers
  - Non-presumption workers
  - Employers
  - Insurers
  - Mental health care professionals
  - Legal professionals
  - Advocacy groups

Stakeholder Feedback: Crosscutting Themes

- Stakeholders did not believe the system was working as it should
- **Lack of accessible data and information** about PTSD workers' compensation claims
- **Inadequate communication** regarding claim status
  - Reasons for denials and claim timeline
- Disconnect between **procedural and clinical timelines**
  - Workers' compensation timelines do not account for length of time for PTSD assessment and diagnosis

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Screening, Treatment, and Diagnosis Best Practices

Screening Best Practices

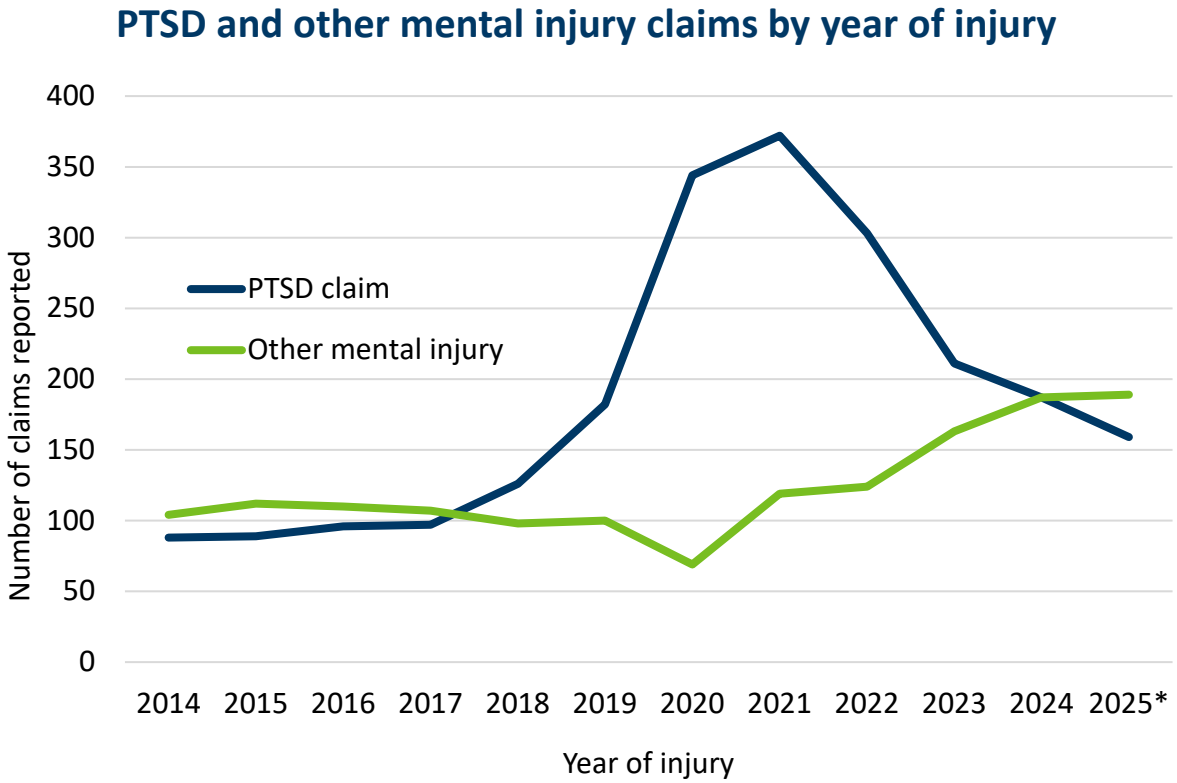
- PTSD screening tools are available and useful
  - May aid in **early detection**
- Careful consideration needed when implementing screening in workplaces
  - Reducing **stigma** about mental health
  - Employers need guidance on managing positive results

Treatment and Diagnosis Best Practices

- **PTSD is treatable** in most cases with appropriate care
- **Evidence supporting covered treatments** in Minnesota's treatment parameters
- Access to care is a challenge
  - **Limited provider categories** approved for workers' compensation, particularly problematic in rural areas
  - Overcoming **stigma**
- Treatment is **evolving,** requiring regular review and updating of covered protocols

Data Updates

July 2023 through 2025

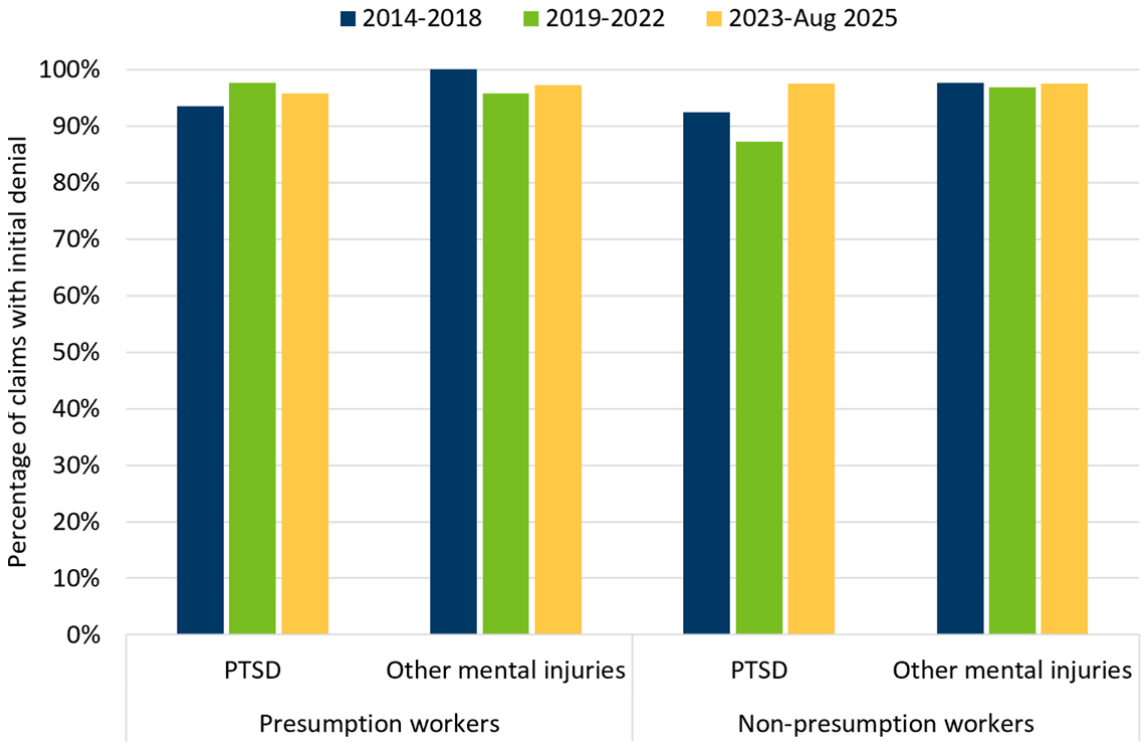


*2025 is a full year estimate based on claims through August.

Data Updates

July 2023 through 2025

Initial denial rates of PTSD and mental injury claims remain high



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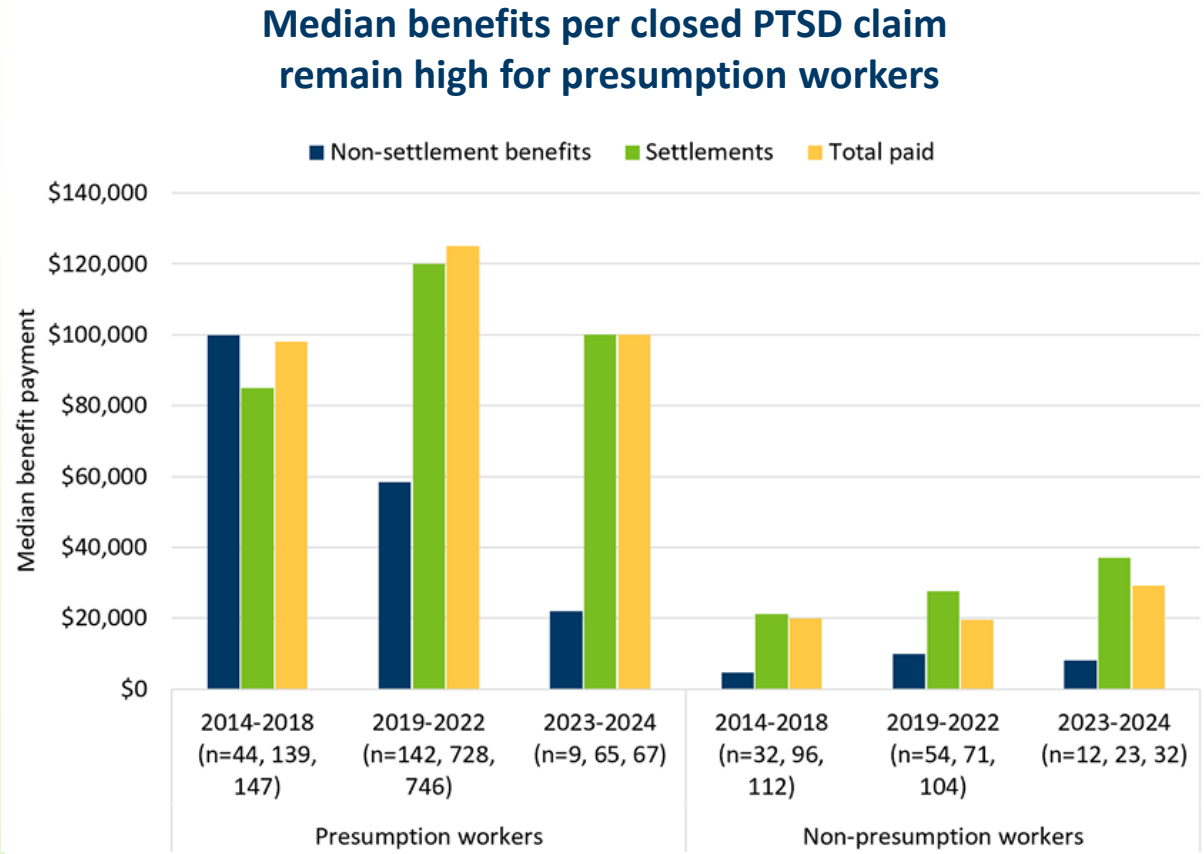

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Recommendations

Improving the administrative processing of claims

- **Improve data quality on the First Report of Injury (FROI) for mental injury claims**
  - Standard coding and use of terms
  - Initial DLI outreach and education to promote voluntary compliance
  - Additional penalty authority for inaccurate or insufficient claim data via legislative amendment
- **Standardize the date of injury definition for PTSD**
  - Align with date of diagnosis by qualified provider via legislative amendment

Improving the administrative processing of claims

- **Align early claim timelines to the PTSD diagnosis date and provide education around statutory requirements**
  - Education and outreach to all stakeholders about the PTSD claim process to improve understanding of current early claim timelines and reduce friction points
  - Legislatively amend early claim timelines for PTSD claims
    - Notification by employee of injury within a certain number of days of receiving a diagnosis of PTSD
    - Acceptance or denial by insurer within a certain number of days of receiving notice of a PTSD diagnosis
    - These timelines would be different than those for physical injuries

Improving the administrative processing of claims

- **Increase education and enforcement around PTSD denial narratives**
  - Lack of detail leads to confusion and may result in unnecessary litigation
  - Current legal authority applies to frivolous and nonspecific denials and penalty amount is low
  - Increased and targeted enforcement in this area may require additional staffing and/or penalty authority, which would require an appropriation and/or legislative change
- **Continue collection and analysis of detailed claims data to inform future policy decisions regarding the PTSD presumption**
  - Need additional evidence to evaluate effectiveness of the presumption

Expanding access to PTSD diagnosis and treatment and vocational rehabilitation services

- **Expand the list of qualified diagnosing providers to include:**
  - Licensed Independent Clinical Social Workers (LICSW)
  - Licensed Marriage and Family Therapists (LMFT)
  - Licensed Professional Clinical Counselors (LPCC)
  - Psychiatric Mental Health Nurse Practitioners (PMHNP)
  - Requires legislative amendment
- **Expansion is consistent with state licensing standards**
  - Could facilitate more timely recognition of PTSD and processing of claims
  - Addresses shortages in rural and underserved communities

Expanding access to PTSD diagnosis and treatment and vocational rehabilitation services

- **Regularly update best practices for diagnosis and treatment**
  - Ideally, have MSRB review PTSD treatment rules every 2-3 years to assess new treatments and remove ineffective treatments
- **Target outreach regarding vocational rehabilitation services available from DLI's Vocational Rehabilitation unit (VRU) for denied PTSD claims**

Report limitations

When considering the overall results of the study, it is important to keep the following limitations in mind:

- **Variability in data sources** may limit comparisons of PTSD framework across jurisdictions
- **Longitudinal follow-up** is not possible
- **Available data do not capture** all work-related PTSD; may be underreporting due to stigma or fear of job loss
- **Inconsistent application of diagnostic criteria** may impact acceptance rates
- **Management of claims differ** by employer type (Self-insurer v. insurer)

Current status of report recommendations

- Legislative addition of “psychiatric mental health nurse practitioner” to list of diagnosing providers
  - Effective for dates of injury on or after Oct. 1, 2026.
  - Adds approximately 1,600 diagnosing providers to previous list that required diagnosis by a licensed psychologist or psychiatrist
- Outreach and education, including:
  - PTSD “landing page” on DLI website, featuring an updated plain language information sheet on the PTSD process.
  - Additional information on PTSD claims on DLI’s Employee’s Guide, sent to all injured workers when a FROI is filed, and mandatory workplace posters.

Current status of report recommendations, cont.

- Additional outreach and education:
  - Data improvements, including collaborating with Minnesota Workers' Compensation Insurers Association (MWCIA) to develop better guidance and standardization on coding PTSD claims and working with Workers Compensation Insurance Organizations (WCIO) to recommend PTSD-specific coding for the FROI.
  - Completed analysis and process improvement effort of DLI's current audit and penalty assessment processes.
  - New PTSD flyer from DLI's vocational rehabilitation unit (VRU) for targeted outreach to nonprofits that support first responders and their families
  - Updates to PTSD treatment parameter rules, in consultation with Medical Services Review Board.

DEPARTMENT OF LABOR AND INDUSTRY

Thank you!
We welcome your questions!

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