

J U S T I C E

M I N N E S O T A A S S O C I A T I O N F O R J U S T I C E

IME Process Still Used To Delay Claim Resolution Despite Chapter 51 (2023)

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What Chapter 51 Got Right

- Progress made, but **IME timeline is being worked around**
- 120-day IME deadline already existed; Minn. Stat. 176.155, Chapter 51 **tightened extensions**
- Extension request must be made **within 120 days**
- Late requests allowed only for **4 defined exceptions**

- Claim petition → hearing often takes **12–18 months**
- Delay causes claims to **expand** (treatment, body parts, theories, issues)
- IME delay increases complexity and cost across the system

- Increase in **early denials** “without medical support”
- Denial becomes a **business decision**, later justified via IME
- IME used to **manufacture post-hoc support** for denial

Practical effect: injured worker bears delay and loss of benefits while record is built

- Payment of benefits **does not waive defenses**
- Statutory policy: **pay first, investigate, deny later if supported**
- Current pattern described: **deny first, IME later, use time as leverage**
- **(176.221, subd. 1)**

- “Good cause” still **vague / largely unverifiable** in practice
- Exam-to-report gap: 14 days from “issuance,” but **issuance not defined**
- Supplemental IME/rebuttal reports: **no deadlines** → repeated cycles

Hearing Delay + Uncovered Dispute Types

- Hearing dates far out remove urgency; the “paper medicine” cycle continues
- 120-day rule applies to claim petitions; many disputes lack parallel structure:
 - medical requests
 - rehab requests
 - objections/petitions to discontinue

Cost Dimension (System Effects)

- Multiple supplemental reports drive medical-legal and defense costs
- WCRI 2025 CompScope (MN) cited:
 - benefit delivery expenses **+19% (2023)**
 - medical-legal **~+14%**, medical cost containment **+9%**, defense attorney payments **~+8%**

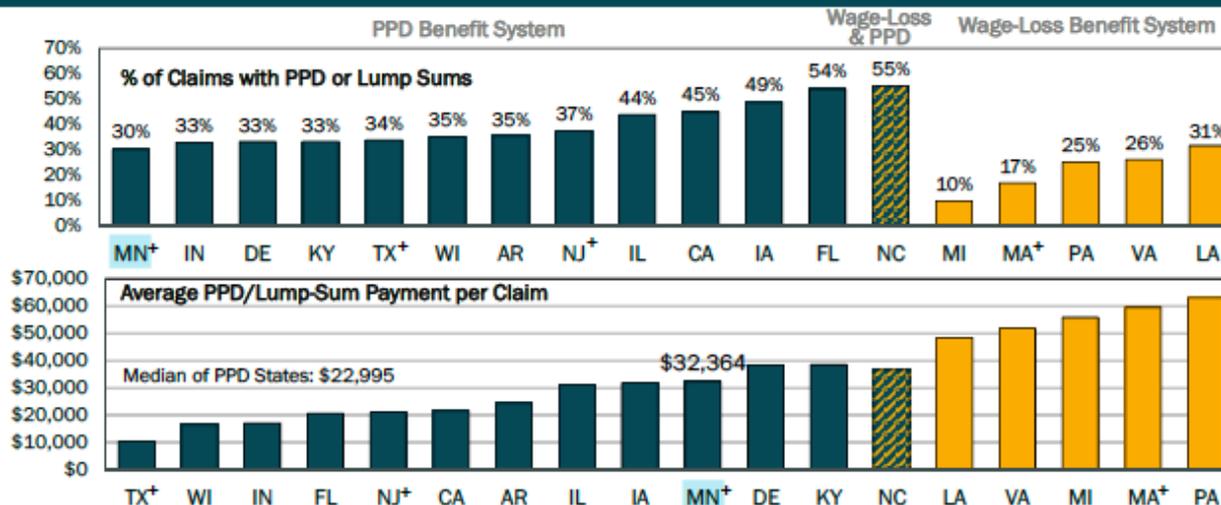
IME Cost Examples

IME Expenses

2024-07-10	EXAM WORKS LLC	EXPENSE -	Incl Med Exam	EXPENSE	ACH07102024	Invoice No: 240-3151723	\$0.00	\$0.00	\$11,875.00	7/2/2024	7/2/2024
2024-12-11	EXAM WORKS LLC	EXPENSE -	Incl Med Exam	EXPENSE	ACH12112024	IME INV. 240-3252933	\$0.00	\$0.00	\$12,150.00	12/3/2024	12/3/2024
2024-10-29	WOODLAKE	EXPENSE -	Incl Med Exam	EXPENSE	ACH10292024	INV. 00100867	\$0.00	\$0.00	\$4,952.50	10/25/2024	10/25/2024

\$28,9775

Minnesota Had the Lowest Percentage of Claims with PPD or Lump-Sum Settlements, While Payments per Claim Higher



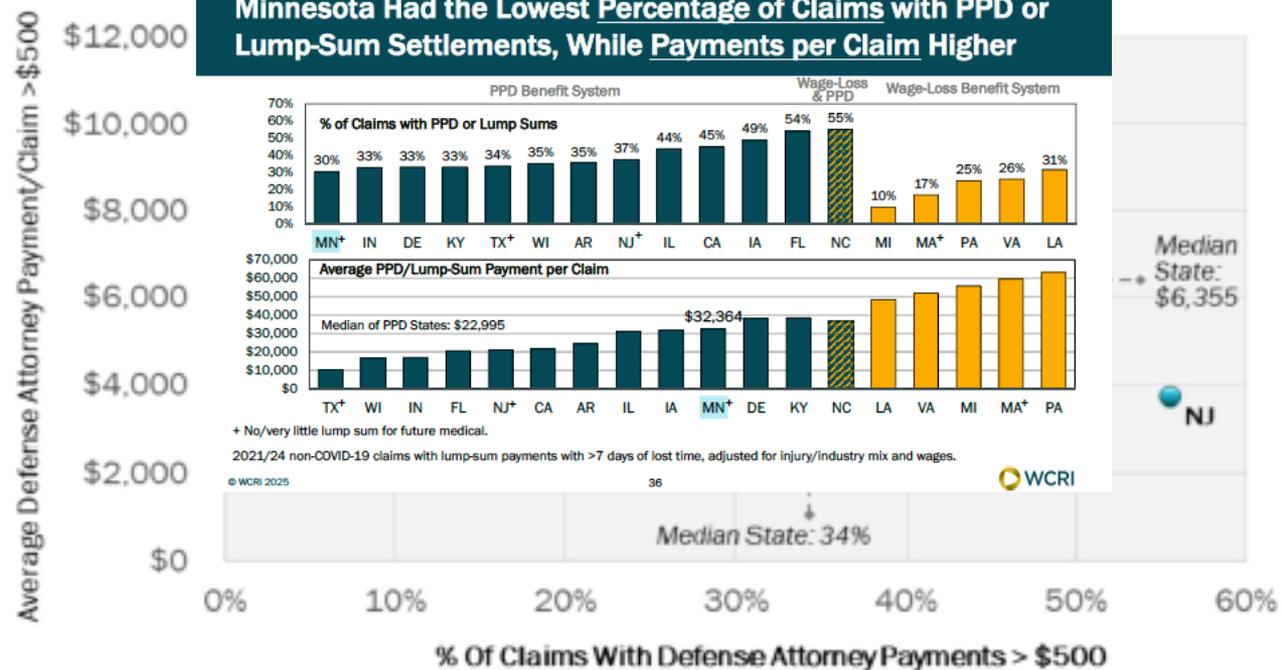
+ No/very little lump sum for future medical.

2021/24 non-COVID-19 claims with lump-sum payments with >7 days of lost time, adjusted for injury/industry mix and wages.

Cost Dimension (System Effects)

MN Lower Defense Attorney Involvement But Higher Payments Per Claim May Reflect System Features

Minnesota Had the Lowest Percentage of Claims with PPD or Lump-Sum Settlements, While Payments per Claim Higher



2019/22 Claims With > 7 Days Of Lost Time With Defense Attorney Payments > \$500 (indexed), Adjusted For Injury/Industry Mix
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Cost Dimension (System Effects)

Higher Litigation Expenses per Claim in Minnesota Partly Offset Lower Medical Cost Containment Expenses

	Measure	MN	Median State	% or PPT Difference	MN Compared with Median State
<u>Medical Cost Containment</u>	% of claims	91%	93%	-2 ppt	Lower
	Payments per claim	\$1,710	\$3,447	-50%	Lowest
<u>Litigation Expenses</u>	% of claims	55%	55%	-1 ppt	Typical
	Payments per claim	\$7,178	\$6,373	13%	Higher
<u>Defense Attorney (payments > \$500)</u>	% of claims	25%	33%	-8 ppt	Lower
	Payments per claim	\$9,386	\$6,553	43%	Higher
<u>Medical-Legal</u>	% of claims	23%	27%	-4 ppt	Lower
	Payments per claim	\$4,057	\$2,924	39%	Higher

2021/24 non-COVID-19 claims with >7 days of lost time and expenses, adjusted for injury/industry mix. The column "% or PPT Difference" was calculated using numbers before rounding.

Proposed Fixes

- Tiered IME deadlines: **60 days (primary liability denied) / 90 days (liability admitted)**
- Hard report deadline: **final report within 30 days of exam**
- Supplemental/rebuttal deadlines: **30 days (or 60 days if new exam)**
- Verified good-cause extensions (sworn detail + multiple physician contacts)
- Extend structure to all disputes; consider **fast-track primary liability hearings** (per 2013 DLI survey)

Faster Path To A Decision

- Legislative intent: **quick, efficient delivery** at reasonable cost (176.001)
- Delay undermines the “Grand Bargain”
- Ask Council to “finish the job”:
 - tiered deadlines
 - close exam-to-report gap
 - limits on supplemental cycle
 - consider fast-track primary liability hearings

Questions?