

Pennsylvania Workers' Compensation Office of Adjudication

The Pennsylvania Department of Labor and Industry's Workers' Compensation Office of Adjudication (WCOA) is responsible for the resolution of disputed workers' compensation matters under the Pennsylvania Workers' Compensation Act (WC Act) and the Occupational Disease Act (OD Act). WCOA is funded by the Workers' Compensation Administration Fund, a special fund that is funded by assessments on self-insured employers and premium surcharges on insured employers' workers' compensation policies. By law, the Fund alone finances the operating and administrative expenses of the Department in the direct administration of the WC and OD Acts.

Currently, there are 83 Workers' Compensation Judges (WCJs), four judge managers, four administrative officers and 22 field offices with support staff that comprise the Office of Adjudication. Under the WC Act, the Director of Adjudication is responsible for assigning WCJs to matters which may require the utilization of a WCJ. In calendar year 2015, there were over 45,000 new matters assigned to the WCJs.

Pursuant to the WC Act, WCJs are Civil Service employees, hired and removed in accordance with the Pennsylvania Civil Service Act. In recognition of the specialization required to adjudicate workers' compensation disputes, the Legislature in 1996 passed Act 57, which requires each WCJ to be an attorney in good standing before the Pennsylvania Supreme Court, and to have five years of workers' compensation practice before administrative agencies or equivalent experience. Additionally, each WCJ must complete a course of training and an examination prior to assuming office. Thereafter, each WCJ must annually complete 20 hours of professional development courses related to workers' compensation or similar subjects, such as medical conditions or evidentiary issues. Act 57 also created a code of ethics for the WCJs.

Pursuant to the WC Act and long-standing precedent, WCJs are the final fact finders in disputed workers' compensation matters. WCJs conduct hearings, issue rulings and render decisions based on the evidence and testimony presented and made part of the record. WCJs routinely address procedural and evidentiary issues under the WC Act and the Special Rules of Administrative Practice and Procedure before Workers' Compensation Judges, procedural rules which by regulation have supplanted the General Rules of Administrative Practice and Procedure. Each WCJ's decision must contain findings of fact, conclusions of law and an order. WCJs apply the WC Act and applicable case law to the facts. Additionally the WC Act requires WCJs to issue "reasoned decisions", clearly and concisely stating and explaining the basis for their decisions so the parties can determine why and how the result was reached.

WCJs must have extensive familiarity with medical conditions, including diagnosis and treatment. They are called upon to make decisions as to whether the medical diagnoses and treatments are causally related to a work injury and also whether challenged treatments are reasonable and necessary treatment for the work injury. They routinely are required to review and understand depositions and reports of medical doctors and other medical professionals in order to make those determinations.

WCJ's have strict time guidelines, and many times very short or expedited time frames, within which they must schedule hearings and issue decisions. The requisite time frames may vary depending on the nature of the dispute, thus requiring WCJ's to possess in-depth and special knowledge of the WC Act, regulations and caselaw. Additionally, a federal consent decree mandates WCJ's to issue a final decision within ninety days of the close of the record in each dispute, if there is no statutory requirement to do so even more quickly, e.g. the WC Act requires the WCJ to issue a decision on a compromise and release agreement within thirty days, to schedule a hearing within twenty days for a challenge, etc.

Prompt adjudication of disputed matters ultimately results in reduced costs to the workers' compensation system: Injured workers timely receive wage replacement payments and prompt medical treatment; medical providers receive timely payments; workers recover, return to function and return to work more quickly; and employers' and insurers' claims, litigation costs and costs for lost productivity are reduced. WCJ's reduced the average length of time to adjudicate workers' compensation disputes from about 12.3 months in the mid 1990's to about 6.5 months currently; during the same time frame, workers' compensation premium costs also were reduced significantly (other factors such as increase safety initiatives contributed as well).

WCJ decisions are appealed directly to the Workers' Compensation Appeal Board (WCAB), whose scope of review is limited to the determination of whether there was an error of law or abuse of discretion committed by the WCJ and whether the WCJ's findings of fact are based upon substantial evidence. The WCJ has exclusive power over questions of credibility and may accept or reject testimony of any witness, including medical witnesses, in whole or in part. Less than five percent of WCJ decisions are appealed to the WCAB. Adjudications and an adjudication process by those who do not possess the breadth and depth of knowledge that WCJ's possess will likely result in more appeals and increased costs to the workers' compensation system.

Amendments to the WC Act in 2006 introduced mandatory mediation to the workers' compensation dispute resolution process. WCJs are required to issue scheduling orders at the first hearing in each disputed matter, and must schedule a mandatory mediation, unless the WCJ determines that mediation is futile. Act 57 requires that WCJs conduct mandatory mediations. WCJs also provide voluntary mediation services, when requested by both parties. WCJs are trained in conducting mediations.

WCJs must also be familiar with other federal and state statutes as they impact workers' compensation disputes. These include the Medicare Secondary Payer Act, Social Security Disability offset requirements, the Heart and Lung Act, Act 632/534 and third-party liability provisions of the Public Welfare Code and associated regulations.

In conclusion, the adjudication and mediation of workers' compensation disputes requires specialized knowledge of workers' compensation, and related laws, regulations, case law, practice and procedure. Workers' compensation disputes and their associated legal and factual issues can be complex, and thus, require WCJs to possess extensive and specialized knowledge to competently and timely resolve.