

Lump-Sum Settlement Agreements of Workers' Compensation Claims

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In New York State (NYS), workers' compensation claimants, including WTC Health Program members, may settle their workers' compensation cases by accepting a lump-sum payment for any or all issues in their case. The NYS Workers' Compensation Board (WCB) calls such settlements Section 32 (waiver agreements) awards. Section 32 agreements must be approved by the NYS WCB.

When a WTC Health Program member accepts a lump-sum settlement agreement for a workers' compensation claim relating to conditions for which treatment is provided by the WTC Health Program, and that agreement releases an employer or insurer from responsibility for future medical expenses, the WTC Health Program requires that all parties to the agreement protect the Program's interests so it does not pay for treatment for which the member has already been paid. To avoid such duplicate payments, the WTC Health Program will review all proposed Section 32 settlement agreements to ensure that the Program's interests in future medical payments has been adequately accounted for. Once a Section 32 agreement is approved, the WTC Health Program will seek to recoup its costs of providing health care either from the member or from the individual or entity designated to administer any set-aside established to pay future medical expenses.

Prior to December 2015, the policy of the WTC Health Program was to require any Section 32 settlement agreement to protect the Program's interest through September 2016. On December 18, 2015, Congress reauthorized the WTC Health Program through 2090. As a result, any Section 32 settlement agreement submitted to the WTC Health Program after December 2015, must ensure that the WTC Health Program's interests are protected either for the claimant's life or for the expected duration of the claimant's work-related illnesses and injuries. The WTC Health Program is in the process of revising its *Policy and Procedure for Recoupment: Lump-Sum Workers' Compensation Settlements* (<http://www.cdc.gov/wtc/policies.html>) and will announce an updated Policy on the WTC Health Program website (<http://www.cdc.gov/wtc>).

Until then, the WTC Health Program will evaluate for approval only proposed Section 32 settlement agreements that factor into consideration the WTC Health Program's interests either for the claimant's life or for the expected duration of the claimant's work-related illnesses and injuries.

If you have any questions about lump-sum Section 32 settlement agreements of workers' compensation claims, please contact the WTC Health Program at wthcp.recoup@cdc.gov.

Thank you.

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