

Permanent Partial Disability (PPD) in the Oregon Workers' Compensation System

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General Process

Worker declared **medically stationary** by attending physician or preponderance of evidence

Attending physician concludes there is no impairment, or they complete, or agree with, a **closing exam** that makes findings of impairment

Insurer or self-insured employer determines permanent partial disability (identifies impairment using methods set by administrative rule)

Notice of Closure issues, and permanent partial disability payments begin within 30 days

“Old” Permanent Partial Disability

- Before 2005, Oregon permanent disability benefits were awarded by a schedule according to the injured body part.
- MLAC studied the benefit structure between 2001 and 2003, and recommended a new methodology.
- The legislature approved the change, which took effect Jan. 1, 2005.

Permanent Partial Disability Since 2005

- Oregon's permanent partial disability benefit is currently based on the whole person.
- Permanent partial disability can have two parts:
 - Impairment
 - Work disability

Impairment Benefit

- Impairment benefits are to account for loss of use or function of a body part or system expressed as a percentage of the whole person.
- ORS 656.214 sets limits on percentages awarded for a few specific items, such as loss of arm, leg, hearing, vision.

Impairment Benefit

- The attending physician or a consulting physician conducts a closing exam and describes the physical findings.
- The insurer translates the findings into a rating, using standards set by administrative rule (OAR 436-035).

Impairment Benefit

$$100 \times \text{Impairment value} \times \text{State average weekly wage}$$

Work Disability

- Awarded to a worker that has not been released to regular work or cannot return to his or her job at injury.
- Benefit is in addition to an impairment award.

Work Disability Benefit

$$150 \times \left(\begin{array}{c} \text{Permanent impairment} \\ + \\ \text{Social-vocational} \\ \text{factor} \end{array} \right) \times \text{Worker's weekly wage}^*$$

* Worker's weekly wage has statutory limits: minimum of 50 percent of state average weekly wage (SAWW) and maximum of 133 percent of SAWW.



Questions?



Thank you!