EMPLOYMENT LAWSCENE ALERT: WHAT DOES PRESIDENT BIDEN'S EXECUTIVE ORDER ON NON-COMPETES MEAN FOR WISCONSIN EMPLOYERS?

On Friday, July 9, 2021, President Biden signed an Executive Order that, among other things, instructed the Federal Trade Commission ("FTC") to ban or limit non-compete agreements and other clauses or agreements that "unfairly limit worker mobility." This is not a federal ban on non-compete agreements and does not change any current law. It is important to note, however, that the FTC and the U.S. Department of Justice Antitrust Division, through civil and criminal enforcement actions, have already been looking at no-poach agreements between employers and other competitive restrictions through the lens of antitrust and consumer protection laws and have begun to indict those employers who have entered into anti-competitive agreements that adversely affect America's labor market. To comply with President Biden's Executive Order, the FTC will likely go through a notice and comment period and eventually issue regulations governing the enforceability of restrictive covenants. Although a full federal ban on restrictive covenants is unlikely and any FTC rule would be subject to legal challenges, there may be limitations for certain workers (e.g., those in lower wage positions) or those in certain industries (e.g., retail, hospitality). Therefore, employers will need to stay informed on the progress of these regulations.

This is also a good reminder for Wisconsin employers to review their employee restrictive covenants, including non-disclosure, non-solicitation, and non-compete agreements. Regardless of any potential updates to federal law, Wisconsin has its own state statute regulating restrictive covenants – Wis. Stat. § 103.465. Wisconsin's statute imposes certain requirements for a restrictive covenant to be valid, including reasonable time and geographic limitations. Given the new focus on non-competes by the federal government, it is worthwhile for employers to have their restrictive covenants reviewed to evaluate enforceability and ensure that they're being appropriately used to protect those legitimate business interests recognized by law. As always, O'Neil Cannon is here for you. We encourage you to reach out to our labor and employment law team with any questions, concerns, or legal issues you may have, including those regarding restrictive covenants and related issues.

ATTORNEY GRANT KILLORAN PUBLISHED IN

THE WISCONSIN LAWYER

Grant Killoran authored an article in the June, 2021 edition of the *Wisconsin Lawyer* magazine, entitled “The Legal Treatment of Vaccine Injury Claim.” Their article analyzes how claims for vaccine injury, including claims related to the newly-developed COVID-19 vaccines, are handled under existing law, including the statutory processes applicable to such claims.

Read the full article here.

ATTORNEY GRANT KILLORAN FEATURED IN THE ABA JOURNAL

Grant Killoran is featured in the June/July edition of the *ABA Journal* along with the other nominees for the American Bar Association’s Board of Governors. Grant is the nominee for the District 9 seat on the ABA Board of Governors, which includes the states of Wisconsin, Minnesota, and Missouri. The election for the ABA Board of Governors will take place at the ABA’s Annual Meeting in Chicago in August, 2021.

You can read the full article here.

TAX AND WEALTH ADVISOR ALERT: REMINDER–DEADLINE FOR Q2 ESTIMATED TAX PAYMENTS IS JUNE 15

The U.S. Internal Revenue Service has issued a reminder to taxpayers who pay estimated taxes that they have until June 15 to pay their estimated tax payment for the second quarter of tax year 2021 without incurring a penalty.

Estimated tax is the method used to pay tax on income that isn’t subject to withholding, including income from self-employment, interest, dividends, rent, gains from the sale of assets, prizes, and awards. Taxpayers may also have to pay estimated tax if the amount of income tax withheld from a salary, pension, or from other income isn’t sufficient to cover their entire tax liability.

Additional information regarding who needs to make Federal and Wisconsin estimated tax payments and how to make such payments can be found here.

For questions or further information relating to estimated tax payments, please contact Attorney Britany E. Morrison.

ATTORNEY STEVE SLAWINSKI TO PRESENT AT THE UPCOMING STATE BAR OF WISCONSIN ANNUAL MEETING AND CONFERENCE

Attorney Steve Slawinski will be presenting at the State Bar of Wisconsin Annual Meeting and Conference on Thursday, June 10. The session will focus on establishing, proving up, and collecting damages incurred by prime and subcontractors in an array of scenarios, including unforeseen site conditions, changes in scope of work, delays resulting from utility conflicts, and more.

The 2021 Annual Meeting and Conference lineup includes outstanding educational sessions, with topics that cover every practice area and experience level. If you would like to register for this virtual event click here.

A RECENT SUPREME COURT DECISION NARROWS THE SCOPE OF TRESPASSER IMMUNITY

A recent decision delivered by the Wisconsin Supreme Court has demonstrated that even a simple bar fight can have a drastic impact on Wisconsin's legal precedent. Such decision occurred in the case of *Stroede v. Society Insurance and Railroad Station, LLC*, where the court ruled that the off-duty employee who escorted a drunk patron out of a bar does not have immunity from the negligence lawsuit that followed when the patron fell down a flight of stairs and suffered injuries. *Stroede* sheds light upon the scope of immunity granted to "possessor[s] of real property" under Wis. Stat. § 895.529 against legal claims brought by injured trespassers.

The main facts of the case are as follows: David Stroede was drinking at a bar in Saukville, Wisconsin in 2014. Stroede became severely intoxicated and punched another bar patron. Initially, Stroede was removed from the bar by one of its on-duty employees. Jacob Tetting, an off-duty employee, was also in the bar that night having dinner with his family and witnessed Stroede attempt to re-enter the bar shortly after he was removed. Tetting grabbed Stroede by the shoulders and began to walk him out of the bar yet again. While escorting Stroede out, Tetting released Stroede near the bar's stairwell and Stroede tumbled down the stairs suffering serious injuries. Stroede, thereafter, filed suit against Tetting, the bar, and the bar's insurer.

Tetting argued that he was entitled to immunity under Wis. Stat. § 895.529, which states that "a lawful occupant of real property" has no duty of care to trespassers and because Mr. Stroede was a trespasser at the bar after he was initially removed for starting a fight, Tetting owed him no duty of care. However, the Court's decision hung on the determination of whether Tetting was an "other lawful occupant"[1] of the bar under the immunity statute. Ultimately, the Court found that because Tetting was simply a bar patron at the time Stroede was injured and he was not acting as an on-duty employee, he was not entitled to immunity.

Based on this ruling, off-duty employees are not entitled to immunity should they happen to injure a party trespassing at their place of employment. The application of *Stroede* is likely to be especially important in the future for employees of bars and restaurants. Thus, should a similar incident occur while you are enjoying a meal or a pint at your place of employment, let the on-duty employees handle the incident.

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[1] Specifically, under Wis. Stat. § 895.529(1)-(2), an "owner, lessee, tenant, or other lawful occupant of real property" does not owe a duty of care to a trespasser of real property.

HEALTH CARE LAW ADVISOR ALERT: DON'T BE CAUGHT OFF GUARD BY FEDERAL "SURPRISE BILLING" LEGISLATION

The federal No Surprises Act was signed into law in December 2020 and becomes effective

on January 1, 2022. Although similar state laws exist elsewhere, Wisconsin does not currently have a “surprise billing” law. As a result, many Wisconsin health care providers will need to take steps to ensure they are complying with the requirements of this new federal law, which will impact their billing and revenue cycle practices.

The Act’s primary goal is to protect patients from surprise medical bills, including unexpected charges for out-of-network services. The Act protects patients in two important ways that providers should understand.

First, for emergency services, the law prohibits out-of-network providers from balance billing for amounts beyond what the patient would have been required to pay if the services had been delivered in-network.

Second, for certain non-emergency services, the law similarly prohibits out-of-network providers from balance billing beyond the patient’s in-network obligations, but with an exception that allows some providers to balance bill if they give the patient written notice at least 72 hours before services are provided and obtain the patient’s consent.

The 72-hour notice must comply with specific requirements. For example, it must disclose to the patient that the provider is out-of-network, give the patient a good-faith estimate of the out-of-network charges that will be incurred, and identify alternative providers who are available to the patient. But this 72-hour notice exception does not apply for certain types of out-of-network services provided at in-network facilities, including ancillary services (such as anesthesia), diagnostic services (such as radiology and lab), or any other services that the Secretary of Health and Human Services (HHS) may identify. Providers who violate the law’s balance billing prohibitions face penalties from HHS of up to $10,000 per violation.

Beyond protecting patients, the Act also provides a framework for resolving certain billing disputes between out-of-network providers and health plans. Under the new federal law, within 30 days of being billed, private health plans that cover emergency services must pay at least a portion of an out-of-network provider’s charges for covered emergency services, regardless of whether prior authorization was obtained. The same is true for out-of-network charges for covered non-emergency services rendered at in-network hospitals and facilities. The specific amounts that health plans must pay to out-of-network providers within this 30-day period will generally be determined based on the health plan’s median in-network payment for the same or similar services. If the health plan’s language excludes or otherwise does not cover the services being provided, then rather than make this partial payment, the health plan may issue a benefit denial within 30 days of being billed for the services.

Upon receiving the health plan’s partial payment or denial letter, an out-of-network provider and health plan have 30 days to try to negotiate a resolution of any dispute. If the dispute is not resolved within this timeframe, the provider then has a tight window—four calendar days

from the end of the 30-day negotiation period—to initiate an appeal using an Independent Dispute Resolution (IDR) process established under the new federal law.

The IDR process creates an independent review and expedited arbitration process. Within three days of initiating the IDR process, the parties must select a certified IDR entity to decide their dispute. Then, within 10 days of selecting the IDR entity, both the provider and the health plan must submit "final offers" to the IDR entity, together with any supporting materials that the IDR entity requires and any other information either party believes is pertinent to their dispute. The IDR entity will then select one of the two offers. The party whose offer is not selected must pay the costs of the IDR, which are expected to range from approximately $500 to $2,000 in most cases. Once an IDR entity makes its decision, the balance due must be paid within 30 days.

When deciding which "final offer" to accept, the IDR entity must consider a benchmark known as the "qualifying payment amount" (QPA) for the services at issue. As of January 1, 2022, the QPAs for various services are expected to be set at amounts that represent the median of the contracted (in-network) rates that the health plan paid for such services in the relevant market as of January 31, 2019, with an upward adjustment based on the consumer price index for urban consumers (CPIU). For 2023 and subsequent years, the QPAs for existing health plans will continue to be adjusted upward based on the CPIU. For new health plans formed after January 31, 2019, the QPAs may be calculated based on a different methodology approved by HHS, or pursuant to a database that HHS may set up in accordance with the Act.

The law mandates that an IDR entity consider the QPA when evaluating and deciding which of the competing "final offers" to approve. But there are other factors that IDR entities are also directed to consider, including the provider's training, experience and outcome measurements; the complexity of the case; the provider's teaching status; and any contracting rate history between the parties over the prior four years.

Finally, the Act requires that, effective January 1, 2022, providers must have processes in place to ensure they are regularly supplying updated provider information to health plans for use in directories that are made available to help patients identify in-network providers.

For additional information about the requirements of the federal No Surprises Act, please contact Doug Dehler by phone at (414) 276-5000 or by email at doug.dehler@wilaw.com.

EMPLOYMENT LAWSCENE ALERT: WHAT DOES THE CDC'S NEW MASK GUIDANCE MEAN FOR EMPLOYERS?

On May 13, 2021, the CDC announced that it had updated its guidance for individuals who have been fully vaccinated against the COVID-19 virus (i.e., individuals who received their final shot more than two weeks ago). The updated guidance states that individuals who have been fully vaccinated against COVID-19 are not required to wear masks or follow social distancing guidelines in most settings. Masks are still required for those who have not reached full vaccination. Masks are also still required for all individuals in certain places, including on public transportation, in transportation hubs, and at high-risk workplaces, such as healthcare, correctional facilities, and homeless shelters. Although this guidance was issued for individuals, the CDC has promised updated guidance for businesses and employers shortly, and some companies have already lifted their mask mandates for customers.

So, while this means that employers may soon be able to relax their mask rules for employees, there are a number of important considerations for employers.

Can an employer ask its employees if they have been vaccinated?

Yes. According to the EEOC, requesting proof of COVID-19 vaccination is not likely to elicit information about a disability, and therefore is not a disability-related inquiry under the ADA, which would otherwise need to be job-related and consistent with business necessity, and does not elicit genetic information protected by the Genetic Information Nondiscrimination Act. Additionally, HIPAA does not apply to employee health information collected or maintained by an employer in its role as an employee's employer. However, medical information regarding employees should be kept confidential and separate from an employee's general personnel file.

Does my company still have to comply with local mask ordinances?

Yes. The CDC guidance specifically says that individuals are still required to wear masks when required by federal, state, local, tribal, or territorial laws, rules, and regulations, including local business and workplace guidance. Therefore, companies located in areas where there are currently mask ordinances in place must continue to follow such local or state laws.

What about OSHA and other safety concerns?

On January 29, 2021, OSHA published guidance that required all individuals to wear masks when in public and around other people and provided that employers should not distinguish

between workers who are vaccinated and those who are not. However, OSHA has now stated that it is reviewing the CDC guidance, will update its guidance in the near future, and to "refer to the CDC guidance for information on measures appropriate to protect fully vaccinated workers." Therefore, employers should be able to rely on the CDC guidance related to mask mandates and social distancing for fully vaccinated employees. However, employers must remember that, consistent with the obligations under the OSH Act's general duty clause, they will need to continue to provide a safe workplace. Therefore, an employer that abandons all COVID-related safety protocols or permits all employees, regardless of vaccination status, to stop wearing masks may still be at risk of an OSHA complaint.

In summary, employers must continue to comply with local mask ordinances and should monitor OSHA and other guidelines to make sure that they are ensuring the safety of their employees. If an employer decides to allow fully vaccinated individuals to stop wearing masks, it should clearly communicate its policy, including how it will verify vaccination status, to its employees. As always, O'Neil Cannon is here for you. We encourage you to reach out to our labor and employment law team with any questions, concerns, or legal issues you may have, including those regarding COVID-19 and related issues.

TAX AND WEALTH ADVISOR ALERT: REMINDER–MAY 17 IS THE DEADLINE FOR MORE THAN JUST INDIVIDUAL RETURNS

The IRS extended the deadline for individual taxpayers to file and pay taxes to May 17, 2021 in Notice 2021-21. However, Monday, May 17 is the deadline for more than just individual returns. Here is a list of some other May 17 deadline items that IRS has noted:

- Individual return extension requests. Taxpayers can extend the deadline beyond May 17, 2021 by filing Form 4868, *Application for Automatic Extension of Time To File U.S. Individual Income Tax Return.* Filing an extension moves the filing deadline from May 17, 2021 to October 15, 2021. You can also get an extension by paying all or part of your estimated income tax due with Direct Pay, the Electronic Federal Tax Payment System (EFTPS), or a credit or debit card.
- Contributions to IRAs and health savings accounts. Taxpayers only have until May 17, 2021 to make 2020 contributions to individual retirement arrangements (IRAs), Roth IRAs, health savings accounts, Archer medical savings accounts, and Coverdell education savings accounts –even if they file for an extension.
- Self-employed persons retirement plan contributions. Self-employed persons have the opportunity to fund SEP and SIMPLE IRAs as well as solo 401(k) plans through the deadline for a timely filed extension.

- Withdrawals of any 2020 contributions to an IRA. Withdrawals of any 2020 contributions to an IRA, including excess 2020 contributions (if you didn't request a filing extension) are due May 17, 2021. Notably, this rule does not apply to the following retirement plans: 401(k), 403(b), SARSEP and SIMPLE IRA plans. That deadline was April 15, 2021.
- Retirement plan distributions. Notice 2021-21 also automatically postponed to May 17, 2021 the time for reporting and payment of the 10% additional tax on amounts includible in gross income from 2020 distributions from IRAs or workplace-based retirement plans.
- Payroll taxes for household employees. Form 1040, Schedule H (Household Employment Taxes) is due even if you are not required to file Form 1040 itself.
- 2017 unclaimed refunds. The law provides a three-year window to claim a refund. To get any unclaimed refund from 2017, a taxpayer must properly address and mail the tax return, postmarked by May 17, 2021. If a taxpayer does not file a return within three years, the money becomes property of the U.S. Treasury.
- Returns for calendar year tax-exempt organizations. Also due May 17, 2021 are forms in the 990 series, including Form 990-T, *Exempt Organization Business Income Tax Return*.
- Foreign trusts and estates. Foreign trusts and estates with federal income tax filing or payment obligations that file Form 1040-NR also have until May 17, 2021 to file or make payment.
- State individual income tax returns for most states. States issue separate guidance regarding any potential due date changes and do not always conform with federal updates. However, many states have announced that they will extend their tax deadlines to May 17, 2021 as well. For instance, Wisconsin announced the postponement of the 2020 personal income tax filing and payment due date to May 17, 2021. Interest and late-filing fees will apply beginning May 18, 2021. Nevertheless, if you need more time to file, Wisconsin offers an extension. Wisconsin does not have its own separate extension application, however, if taxpayers have an approved federal tax extension (Form 4868), they will automatically receive a Wisconsin tax extension. Filing a federal extension moves the Wisconsin filing deadline from May 17, 2021 to October 15, 2021.

O'Neil Cannon will continue to monitor federal and state law tax changes. For questions or further information relating to the tax filing deadlines, please contact Attorney Britany E. Morrison.

THE WILAW QUARTERLY NEWSLETTER

Newsletter Article Highlights:

- Is Your Commercial Property Tax Assessment Too High?
- FEMA Launches COVID-19 Funeral Assistance Program

- $7.5 Million Debt Limitation for Small Business Debtors Extended
- IRS Says Restaurant Entertainment Expenses Fully Deductible
- American Rescue Plan Extends Tax Credits for COVID-Related Leave
- Corporate Practice of Medicine and Fee Splitting–Considerations for Telehealth Ventures

Firm News:

- Firm Elects Kelly M. Spott and Trevor Lippman as Shareholders
- Attorneys Christa Wittenberg and Dean Laing Published in the *Wisconsin Lawyer*
- Attorney Gumina's Article on Employer Covid-19 Vaccination Policies was Featured by *ABC of Wisconsin*
- Attorneys Marguerite Hammes and Grant Killoran Published in the *Wisconsin Lawyer*

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