

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0601-01
Bill No.: SB 182
Subject: Employees - Employers; Health Care; Health Care Professionals; Labor and Management; Insurance - Medical; Physicians; Workers Compensation
Type: Original
Date: March 5, 2007

Bill Summary: This proposal amends requirements for workers' compensation and benefit payments.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Workers' Compensation Fund	(\$30,407 up to \$100,000)	(\$36,763 up to \$100,000)	(\$37,866 up to \$100,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$30,407 up to \$100,000)	(\$36,763 up to \$100,000)	(\$37,866 up to \$100,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Department of Labor & Industrial Relations	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Labor and Industrial Relations** assumes it will need one Work Comp Tech II, computer equipment for the one FTE and supply expenses. The Division assumes it will also incur increased postage costs, although the Division cannot determine how much of an increase. The Division also assumes it will incur costs to reprogram its computer system to collect the required data to comply with the proposed legislation.

The Division assumes that total costs associated with this legislation are unknown but will be less than \$100,000.

Officials at the **Department of Economic Development, Department of Insurance, Financial Institutions & Professional Registration** and the **Office of Administration** assume that there is no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
WORKERS' COMPENSATION FUND			
<u>Cost - Workers' Compensation Fund</u>			
Personal Service	(\$20,332)	(\$25,131)	(\$25,885)
Fringe Benefits	(\$9,202)	(\$11,374)	(\$11,716)
Equipment & Expenses	<u>(\$873)</u>	<u>(\$258)</u>	<u>(\$265)</u>
<u>Total Costs - Workers' Comp Fund</u>	<u>(\$30,407)</u>	<u>(\$36,763)</u>	<u>(\$37,866)</u>
FTE Change	1 FTE	1 FTE	1 FTE
 <u>Cost - Workers' Compensation Fund</u>			
Postage and computer programming	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>
 ESTIMATED NET EFFECT ON WORKERS' COMPENSATION FUND			
	<u>(\$30,407 up to \$100,000)</u>	<u>(\$36,763 up to \$100,000)</u>	<u>(\$37,866 up to \$100,000)</u>
 Estimated Net FTE Change on Workers' Compensation Fund	 1 FTE	 1 FTE	 1 FTE

FISCAL IMPACT - Local Government

FY 2008
(10 Mo.)

FY 2009

FY 2010

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

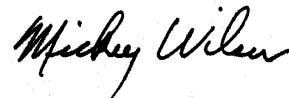
FISCAL DESCRIPTION

This act requires that the reduction in compensation or death benefit, in a workers' compensation claim, be made first from the total death and disability compensation. If any reduction is made in the form of a reduction of payments to any health care provider, the health care provider may pursue the employee to collect any unpaid fees or charges when a determination of a reduction is made. Upon a determination that a reduction in compensation shall be made, the division shall notify the health care provider who rendered services of the reduction, within ten days of the determination.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations
Department of Economic Development
Department of Insurance, Financial Institutions & Professional Registration
Office of Administration



Mickey Wilson, CPA
Director
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