

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6262-01
Bill No.: SB 969
Subject: Employees-Employers; Labor and Industrial Relations Department; Workers Compensation
Type: Original
Date: March 31, 2014

Bill Summary: This proposal would change current provisions regarding disputed medical charges in workers' compensation cases, and subrogation rights in toxic exposure cases.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Total Estimated Net Effect on General Revenue Fund	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

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 2015	FY 2016	FY 2017
Local Government	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Office of the Attorney General** assume that any potential costs arising from this proposal could be absorbed with existing resources.

Officials from the **Office of Administration - Division of General Services** assume the provision removing the prohibition on subrogation rights for employers could result in potential savings to the state's workers' compensation program.

Officials from the **Joint Committee on Administrative Rules**, the **Department of Conservation**, the **Department of Labor and Industrial Relations**, the **Department of Transportation**, **Linn State Technical College**, **Missouri State University**, **Missouri Western State University**, the **University of Central Missouri**, the **University of Missouri**, **St. Louis County**, the **City of Kansas City**, the **Board of Police Commissioners of Kansas City, Missouri**, and the **St. Louis County Directors of Elections** assume this proposal would have no fiscal impact on their organizations.

Oversight assumes the provisions in this proposal have the potential to reduce employer costs in workers' compensation cases and will indicate a savings of \$0 to Unknown to the General Revenue Fund and to local governments.

Not responding

Officials from the following counties: Andrew, Audrain, Barry, Bates, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, St. Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to our request for information.

Officials from the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to our request for information.

Officials from the following school districts: Blue Springs, Branson, Charleston R-I, Cole R-I, Columbia, Fair Grove, Francis Howell, Fulton, Harrison R-IX, Independence, Jefferson City, Johnson County R-7, Kansas City, Kirksville, Kirbyville R-V, Lee's Summit, Malden R-I, Malta Bend, Mexico, Monroe City R-I, Nixa, Parkway, Pattonville, Raymore-Peculiar R-III, Raytown, Riverview Gardens, Sedalia, Sikeston, Silex, Special School District of St. Louis County, Spickard, St Joseph, St Louis, St. Charles, Sullivan, Warren County R-III, and Waynesville did not respond to our request for information.

Officials from the following colleges: Crowder, East Central Community College, Harris-Stowe, Jefferson College, Kansas City Metro Community College, Lincoln University, Moberly Area Community College, Missouri Southern State University, Northwest Missouri State University, Southeast Missouri State University, State Fair Community College, St. Charles Community College, St. Louis Community College, Three Rivers Community College, and Truman State University did not respond to our request for information.

FISCAL IMPACT - State Government FY 2015 FY 2016 FY 2017
(10 Mo.)

GENERAL REVENUE FUND

Savings - OA

Reduction in workers' compensation costs
Sections 287.140 and 287.150 \$0 to Unknown \$0 to Unknown \$0 to Unknown

**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND** **\$0 to Unknown** **\$0 to Unknown** **\$0 to Unknown**

FISCAL IMPACT - Local Government FY 2015 FY 2016 FY 2017
(10 Mo.)

LOCAL GOVERNMENT

Savings - Local governments

Reduction in workers' compensation
costs \$0 to Unknown \$0 to Unknown \$0 to Unknown
Sections 287.140 and 287.150

**ESTIMATED NET EFFECT ON
LOCAL GOVERNMENT** **\$0 to Unknown** **\$0 to Unknown** **\$0 to Unknown**

FISCAL IMPACT - Small Business

This proposal could result in savings on workers' compensation cases for small businesses.

FISCAL DESCRIPTION

This proposal would provide a deadline for notifying medical care providers of disputed costs, and would remove the prohibition on employer subrogation rights in toxic exposure cases.

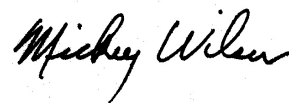
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Office of the Attorney General
Joint Committee on Administrative Rules
Office of Administration
 Division of General Services
Department of Conservation
Department of Transportation
Linn State Technical College
Missouri State University
Missouri Western State University
University of Central Missouri
University of Missouri
St. Louis County
City of Kansas City
Board of Police Commissioners of Kansas City, Missouri
St. Louis County Directors of Elections

Not responding:

Department of Labor and Industrial Relations



Mickey Wilson, CPA
Director
March 31, 2014

Ross Strobe
Assistant Director
March 31, 2014