

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 2994-01
BILL NO. SB 641
SUBJECT: Workers' Compensation: Second Injury Fund
TYPE: Original
DATE: January 18, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Labor and Industrial Relations, Department of Transportation** and the **Department of Insurance** assume this proposal would not fiscally impact their agencies.

Officials of the **Office of the Attorney General (AGO)** estimated they would request additional staff (i.e., 5 assistant attorney generals, 1 paralegal and 2 secretaries). The AGO assumes that the proposal would mainly affect partial disability claims filed against the Second Injury Fund (SIF). If SIF cases were allowed to be submitted on medical reports cases previously settled or dismissed would be taken to hearing, resulting in an additional 800 to 1,200 cases. Along with this increase appeals would increase. In order to adequately defend these cases, SIF attorneys would have to cross-examine the claimant's doctor. Costs are estimated at \$381,415 in FY01; \$384,752 in FY02; and \$394,867 in FY03.

The Attorney General's Office also estimated a loss to the Second Injury Fund of \$5.0 million annually, due to an increase in claims.

Based on an Oversight Subcommittee decision on March 30, 1998, the financial impact of this proposal is assumed to be zero.

<u>FISCAL IMPACT - State Government</u>	FY 2000 (10 Mo.)	FY 2001	FY 2002
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2000 (10 Mo.)	FY 2001	FY 2002
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

PMM:LR:OD:005 (9-94)

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The proposal would require an injured employee to submit to a reasonable medical examination at the request of the state if the claim is a second injury fund claim. The proposal would also allow certain medical reports into evidence in second injury fund cases. The current subsection 7 of Section 287.210, RSMo, allows testimony by a treating or examining physician, introduction of medical reports, physician interrogatories and other records. The second injury fund is currently excluded from the applicability of subsection 7.

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 Insurance
Department of Transportation
Office of Attorney General



Jeanne Jarrett, CPA
Director
January 18, 2000