

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1258-01
Bill No.: SB 347
Subject: Business and Commerce; Employees - Employers; Labor and Management;
Workers' Compensation
Type: Original
Date: February 4, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	Unknown	Unknown	Unknown
Total Estimated Net Effect on General Revenue Fund	Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Various	Unknown	Unknown	Unknown
Total Estimated Net Effect on Other State Funds	Unknown	Unknown	Unknown

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from **Jackson County, St. Charles County, Greene County, Boone County, City of St. Louis, City of Jefferson City, City of Independence** and **Southwest Missouri State University** did not respond to our fiscal impact request.

Officials from the **Department of Conservation, Office of the State Courts Administrator, Central Missouri State University** and **Truman State University** assume the proposal would have no fiscal impact on their agencies.

Officials from the **City of Springfield (COS)** assume the proposal would not affect revenues, costs, or losses. COS assumes the proposal would result in savings although they do not have the data to accurately project the amount of savings. COS noted, for particular cases, the savings could be substantial.

Officials from the **University of Missouri** assume the proposal may have a positive impact; however, the extent would be difficult to measure without an extensive in-depth review of a claim by claim review.

ASSUMPTION (continued)

Officials from the **Department of Transportation (DHT)** assume the proposal would reduce Workers' Compensation payments, therefore resulting in a positive fiscal impact. DHT notes they are unable to determine the amount of reduction in the Workers' Compensation payments and assume the fiscal impact is unknown.

Officials from the **Office of Administration – Division of General Services** assume the proposal will result in potential cost savings to Workers' Compensation which cannot be determined at this time.

Officials from **St. Louis County** assume if mental illness or anguish is considered to be an occupational peril, such actions would have significant impact on the cost of Workers' Compensation but it would be nearly impossible to predict in terms of cost.

Oversight assumes the proposal does not indicate mental illness or anguish to be an occupational disease and therefore shows no cost to Workers' Compensation.

Officials from the **Department of Labor and Industrial Relations (DOL)** assume the proposal would have an impact on the current services provided to various stakeholders by the Division of Workers' Compensation (Division). DOL states the proposed revisions to Chapter 287, RSMo, would require a revision to the Division's existing forms, probable rule revisions and a change in the current procedure of handling claims. DOL assumes the information specialists and Mediator who respond to employee calls and provide information regarding the employee's rights, benefits and obligations would need adequate training to perform their jobs. DOL notes the Division also maintains an 888 toll free number to respond to inquiries from the employer community and assumes information specialists would need additional training to answer questions relating to this proposal. DOL notes the proposal grants the employer the right to sue the injured employee to recover compensation benefits paid under the law when the employee is unable to prove that the exposure to the occupational disease occurred when the employee was working for that employer. DOL states such lawsuits will have to be brought in Circuit Court, which will create additional financial burdens on the courts. DOL anticipates the proposal will require the Administrative Law Judge/Legal Advisor to bifurcate payments made by successive employers and their insurance carriers to enable the employer to file a civil suit against the employee. DOL assumes the Division will be required to reprogram the manner in which statistical data is collected particularly on medical costs and temporary total disability benefits paid in a particular Workers' Compensation case. DOL notes the proposal may result in the Division being the repository of health records relating to employees. DOL assumes this would result in the Division needing additional staff to ensure that records are released consistent with the Federal

Law requirements governing release of medical records particularly where the health condition
ASSUMPTION (continued)

does not relate to the injury sustained at work.

DOL assumes the Division will require additional adjudication staff and clerical staff to implement this proposal and estimates an annual cost of approximately \$145,000.

Oversight assumes DOL would change rules, regulations and forms with existing appropriations. **Oversight** also assumes DOL workloads would increase gradually and DOL would add personnel, hardware and software through budget decision items as the need arises.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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GENERAL REVENUE

Potential Workers' Compensation Savings	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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VARIOUS STATE FUNDS

Potential Workers' Compensation Savings	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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VARIOUS LOCAL FUNDS

Potential Workers' Compensation Savings	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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FISCAL IMPACT - Small Business

Small businesses may recognize a savings in the amount Workers' Compensation benefits paid as a result of passage of this proposal.

DESCRIPTION

This proposal modifies the definitions "accident" and "injury" within Chapter 287, RSMo. This proposal also limits the applicability of an occupational disease within Chapter 287, RSMo, to cases where the occupational exposure was the dominant factor in causing the physical condition. Further, to be compensated for an occupational disease the claimant must satisfy the requirements of accidental injuries set forth in Section 287.020, RSMo.

The proposal states that injuries that arise from idiopathic causes are not compensable. The proposal defines "dominant factor" and states that injuries sustained by cardiovascular, pulmonary, respiratory or myocardial infarction are to be regarded as compensable injuries only if the accident is the dominant factor in causing the disability or physical or mental condition.

This proposal restricts benefits for the aggravation of pre-existing conditions to those cases where a work-related injury causes increased permanent disability and reduces compensation by the amount of permanent partial disability that was pre-existing

An employer who has paid benefits to an employee based on an injury acquired while with a prior employer has the right to sue the employee to satisfy any payments made by the employer.

This proposal 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 Conservation
Office of the State Courts Administrator
Central Missouri State University
Truman State University
City of Springfield
University of Missouri
Department of Transportation
Office of Administration – Division of General Services
St. Louis County

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NOT RESPONDING

Jackson County

St. Charles County

Greene County

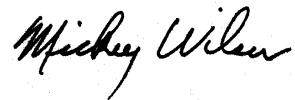
Boone County

City of St. Louis

City of Jefferson City

City of Independence

Southwest Missouri State University



Mickey Wilson, CPA
Director

February 4, 2003