

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-4822/1	Introduction Number SB-564
Description worker's compensation claims by certain public safety employees for post-traumatic stress disorder	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts	
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.445(1)(ra), 20.445(1)(t)	
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Date 12/1/2017	

Fiscal Estimate Narratives

DWD 12/1/2017

LRB Number	17-4822/1	Introduction Number	SB-564	Estimate Type	Original
Description worker's compensation claims by certain public safety employees for post-traumatic stress disorder					

Assumptions Used in Arriving at Fiscal Estimate

This bill changes the conditions of liability for Worker's Compensation benefits for law enforcement officers, fire fighters, and emergency service personnel (public safety employee) members diagnosed with post-traumatic stress disorder.

The bill creates a presumption that a diagnosis of post-traumatic stress disorder, of those above listed occupations, arises out of the employee's employment with that employer for purposes of worker's compensation. Current law provides that an employer is liable for accidents or diseases of its employees if the accident or disease causing injury arose from the employee's employment.

This bill also provides that, in the case a public safety employee suffers a mental injury that arises from employment, and results in a diagnosis of post-traumatic stress disorder, the employee is not required to show that mental injury was caused by usual stress of greater dimensions than the day-to-day emotional strain and tension experience by similarly situated employees for the injury to be compensable under the worker's compensation law. Current case law requires that, for a mental injury to be compensable under worker's compensation law, the injury must result "from a situation of greater dimensions than the day-to-day emotional strain and tension which all employees must experience."

The Department of Workforce Development's Division of Worker's Compensation estimates that this bill would have an indeterminant short-term fiscal effect and result in an indeterminant increase in long-term costs.

It is estimated that the bill would increase costs to the Work Injury Supplemental Benefit Fund, s.20.445 (1) (t) by increasing the fund's claim exposure under the barred claims provision. The Department is not able to estimate reliably the increased number of claims and thus not able to project increased costs. The bill would also increase the number of contested hearings resulting from disputes over if an injury is compensable under the Worker's Compensation statutes. However, the Department is not able to project reliably the number of increased hearings. These hearings are funded by the Worker's Compensation operations fund; administration s.20.445 (1) (ra). Therefore, the increase in the number of hearings will increase costs to s.20.445 (1) (ra).

The State of Wisconsin is also a self-insured employer (an entity that assumes all financial risk of providing a benefit) through the Department of Administration's division of Risk Management. Any increases in Worker's Compensation expenses would be transferred back to all state agencies in the form of an increased assessment.

Similarly, the bill would increase costs to all types of local government units subject to the Worker's Compensation provisions. However, the Department is unable to accurately determine the extent to which this is the case.

Long-Range Fiscal Implications

Indeterminate