

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
- CORRECTED SUPPLEMENTAL

LRB # - 2063/2

INTRODUCTION # AB 245

Admin. Rule #

Subject

Duty disability benefits for protective occupation participants under the WRS.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

- Increase Existing Appropriation Increase Existing Revenues
- Decrease Existing Appropriation Decrease Existing Revenues
- Create New Appropriation

Decrease Costs

Local: No local government costs

- 1. Increase Costs
 Permissive Mandatory
- 2. Decrease Costs
 Permissive Mandatory

- 3. Increase Revenues
 Permissive Mandatory
- 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
- Towns Villages Cities
 - Counties Others _____
 - School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

s. 20.515 (1)(um)

Assumptions Used in Arriving at Fiscal Estimate:

Under current law, a person is found eligible for duty disability benefits under s. 40.65 if they are in a protective occupation and are injured or contract a disease due to that occupation, the disability is likely, to a reasonable degree of medical certainty, to be permanent, and the disability prevents that person from performing their full duty.

The medical information obtained in the application process must demonstrate that there is a permanent disability, which may be as little as 1% of the entire body, in order to qualify for the benefit. The current law does not require any further medical examinations once the benefit is granted as a result of the permanency requirement. Only in rare instances is full recovery or remission expected.

1999 AB 245 provides that the Wisconsin Retirement Board may, at its discretion, require that any person who receives a duty disability benefit be examined by an independent physician every year for the first five years and once every three years after that.

The bill requires that the Department pay for the cost of any examination conducted. Independent medical examinations (IMEs) typically cost \$800 - \$1200 each according to data obtained from the Department's vendor who handles the income continuation program. The Department currently has limited funds (\$10,000 biennially) to pay the costs of these examinations under its benefit administration appropriation (s. 20.515 (1)(um)). The fiscal estimate assumes that this appropriation will be available to pay for any IMEs ordered by the Department under this new provision.

Given the availability of the current benefit administration appropriation for the cost of medical examinations and assuming that cases where full recovery of a disability condition is extremely rare, we estimate no fiscal effect from this bill. This fiscal estimate does not address any costs associated with restoring a benefit recipient to his or her former position in the event of recovery.

Long-Range Fiscal Implications:

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3/29/99