

Fiscal Estimate Narratives

DWD 12/10/2009

LRB Number	09-0586/8	Introduction Number	AB-0586	Estimate Type	Original
Description Reimbursement of a governmental unit that provides public assistance to pay medical costs occasioned by an injury for which worker's compensation is claimed and payment of a percentage of that reimbursement to an injured employee's attorney who obtains an award of worker's compensation for that injury					

Assumptions Used in Arriving at Fiscal Estimate

Description- This bill provides that a worker's compensation insurance carrier or self-insured employer that owes worker's compensation benefits to reimburse a governmental unit that provides public assistance to pay medical costs caused by a work-related injury and for the government unit to pay attorney fees of 20% to the attorney who obtains the award for that injury.

Assumptions Used in Arriving at Fiscal Estimate-

There are very few claims where the Uninsured Employer's Fund (UEF) is responsible to reimburse the government unit for public assistance medical costs. The UEF has been paying benefits for injuries occurring on and after July 1, 1996, and since that time (13 years) there have been no more than five (5) cases where the UEF has been required to make reimbursement. We estimate that the increased average annual cost to the UEF to be \$3,000.

If enacted this bill will enable attorneys representing injured employees to collect payment for attorney fees of 20% from government units, primarily counties, for public assistance for medical costs caused by a work-related injuries for which worker's compensation benefits are claimed.

It is anticipated that this bill will impact, initially, a limited number of worker's compensation cases where there may be disputes. Hearings may be required in these cases that will create increased costs to the Worker's Compensation Division (WCD).

This bill may cause a potential increase in the number of hearings scheduled before the WCD. It is assumed that in the long-term, the increase will add no more than fifty (50) additional hearings per year. This represents approximately 0.25 of a FTE administrative law judge. Assuming approximately \$100,000 (salary, fringe benefits and overhead) for a FTE administrative law judge, and increased costs to the UEF, additional annual costs to the agency for this bill is estimated to be about \$30,500.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Reimbursement of a governmental unit that provides public assistance to pay medical costs occasioned by an injury for which worker's compensation is claimed and payment of a percentage of that reimbursement to an injured employee's attorney who obtains an award of worker's compensation for that injury			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$25,000		\$
(FTE Position Changes)	(0.2 FTE)		
State Operations - Other Costs	5,500		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$30,500		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S (20.445 (1) (1a) (5m))	30,500		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	State		Local
NET CHANGE IN COSTS	\$30,500		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By			
DWD/ John Conway (608) 266-0337		Authorized Signature	
		Andrew Feldman (608) 266-2284	
			Date
			12/10/2009