

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3364-01
Bill No.: HB 1277
Subject: Employees - Employers; Workers' Compensation
Type: Original
Date: January 24, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Workers' Compensation Fund	(\$22,367)	(\$27,645)	(\$28,475)
Total Estimated Net Effect on <u>All</u> State Funds	(\$22,367)	(\$27,645)	(\$28,475)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
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 (DOL)** estimate approximately 11,000 Workers' Compensation cases, where a claim is filed, will be dismissed annually requiring notices to be sent via certified mail. DOL notes that the 11,000 cases are based on the number of dismissals sent by the Division of Workers' Compensation in FY 2001. DOL states the current certified mail cost equals \$2.10 per letter plus \$.34 for postage for a total of \$2.44 per mailing. DOL assumes additional costs of \$22,367 in FY 2003; \$27,645 in FY 2004; and \$28,475 in FY 2005.

<u>FISCAL IMPACT - State Government</u>	FY 2003	FY 2004	FY 2005
	(10 Mo.)		

WORKERS' COMPENSATION FUND

Costs - DOL

Certified Mail Expense	<u>(\$22,367)</u>	<u>(\$27,645)</u>	<u>(\$28,475)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003	FY 2004	FY 2005
	(10 Mo.)		
	<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

This proposal allows administrative law judges to dismiss Workers' Compensation claims without hearings upon written request from employees. Claims pending for three years without a hearing automatically must be dismissed with prejudice. Employees under active medical care are exempted from this provision and shall be given a three-year extension from the last date of

such medical care.

DESCRIPTION (continued)

The proposal also requires employees who fail to keep two consecutive, regularly scheduled medical appointments for treatment or evaluation purposes to reimburse the physician for his or her time, provided the employee is given at least two weeks prior notice.

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



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