

FISCAL NOTE

Requested by Legislative Council
02/20/2001

Bill/Resolution No.:

Amendment to: SB 2288

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$15,000	\$0	\$0	\$0
Appropriations	\$0	\$0	\$15,000	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Engrossed Senate Bill No. 2288 requires that the Insurance Department prepare a report that analyzes the impact that independent medical examinations (IMEs) have on the provision of no-fault benefits, review medical service providers who perform such exams, and review how other states regulate those exams.

Except for the study of the impact of IMEs on no-fault benefits, the Department anticipates being able to gather the needed information and prepare a report in the normal course of the Department's business. We anticipate asking no-fault companies, doctors, chiropractors, trial attorneys, and injured persons to participate in various surveys. The Department will analyze the surveys and prepare the report using in-house resources so that no impact on the General Fund is anticipated.

A study of the impact of IMEs on no-fault benefits, however, will require an expenditure beyond the Department's present appropriation. The Department proposes to contract with one or more impartial medical persons to review no-fault files in which an IME has been requested. That person will be asked to determine whether or not the decision of the IME is supported by the evidence in the file. To do so will require contracting with doctors or chiropractors at a cost estimated to be between \$75 to \$150 per hour. The review is estimated to take between 1 and 1.5 hours per file. The Department believes that at least 100 files should be reviewed to provide meaningful data.

The Department believes that an appropriation of \$15,000 would allow sufficient money in which to conduct a meaningful study. The Department will negotiate price and, depending on the results of the negotiation and the

length of time the examiner takes to review files, will review as many files as possible within the budgeted funds. We expect to be able to review in excess of 100 files with the \$15,000 appropriation.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

General fund expense will increase by \$15,000 for the 2001-2003 biennium.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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Agency: Insurance Department
Date 03/05/2001
Prepared: