

2025 House Bill No. 1423
Testimony before the House Industry Business & Labor Committee
Presented by Jodi Bjornson, Workforce Safety and Insurance
February 5, 2025

Mr. Chairman and Members of the Committee: My name is Jodi Bjornson with Workforce Safety & Insurance (WSI). I am here today to provide testimony regarding House Bill No. 1423. The WSI Board generally supports an increase in the fee caps. We support the bill sponsor's proposed amendments increasing the caps for home modifications to \$150,000 and motor vehicle adaptations to \$200,000. The Board is neutral regarding the proposed yearly cap adjustments based on the consumer price index.

SECTION 1:

Currently, paragraphs 65-05-07(5)(a) and (b) of the North Dakota Century Code allow WSI to pay up to \$75,000 to modify real estate and up to \$150,000 to purchase or modify motor vehicles for catastrophically injured employees or for injured employees in exceptional circumstances.

The real estate modification cap was last increased in 2011, when it went from \$50,000 to \$75,000 in HB1453. The motor vehicle cap was last increased in 2013 when it went from \$100,000 to \$150,000 in SB 2178.

The statute requires the home additions, remodeling, or adaptations be necessary to accommodate the work injury. Likewise, a vehicle purchase or adaptation must be the most cost-effective, medically necessary for the injured employee. These benefit caps apply regardless of the number of claims.

In WSI's experience, when these injured employees are aware of their caps, they generally expend these dollars judiciously. The spread in the distribution for these benefits reflects this trend. Based on WSI data for active claims as of January 17, 2025, the distribution of the motor vehicle purchase/modification benefit is as follows:

Benefit Amount	Number of Injured Employees
\$140,000 - \$150,000	3
\$130,000 - \$140,000	0
\$120,000 - \$130,000	1
\$110,000 - \$120,000	2
\$ 90,000 - \$110,000	0
\$ 80,000 - \$ 90,000	1

The remainder of these benefit recipients have received between \$1,000 and \$80,000.

The distribution of the home modification benefit for active claims as of January 17, 2025, is as follows:

Benefit Amount	Number of Injured Employees
\$70,000 - \$75,000	2
\$60,000 - \$70,000	2
\$50,000 - \$60,000	1
\$40,000 - \$50,000	1

The remainder of these benefit recipients have received between \$50 and \$40,000.

The average of the total amount paid for all vehicle purchase/modifications for the last five fiscal years is \$112,521. The average of the total amount paid for all home modifications for the last five fiscal years is \$38,469. This is depicted in the following table:

	Total Paid by Fiscal Year					
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Average
Remodeling	\$28,773	\$31,689	\$43,821	\$46,129	\$41,932	\$38,469
Vehicle	\$173,130	\$133,757	\$80,966	\$83,820	\$90,932	\$112,521

While there are few injured employees at or around the caps in either of these benefits, costs continue to increase. WSI agrees an increase in each benefit cap is reasonable to proactively anticipate future increasing need.

The Bill also proposes using the consumer price index for all urban consumers in the Midwest region as determined by the United States Department of Labor, Bureau of Labor Statistics, for the most recent year ending December thirty-first to annually adjust these caps. If this provision is adopted, WSI supports an amendment to round the cap to the nearest five hundred dollars for ease in administration.

Please note the introduced version of House Bill 1423 contained a typographical error on page 1, Line 9, which states "Except as provided in **subdivision d**". Page 1, Line 9, should read "Except as provided in **paragraph 3**".

This concludes my testimony. I am happy to answer any questions you may have.