

2011 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1453

2011 HOUSE STANDING COMMITTEE MINUTES

House Industry, Business and Labor Committee
Peace Garden Room, State Capitol

HB 1453
January 26, 2011
13486

Conference Committee

Committee Clerk Signature

Ellen Letang

Explanation or reason for introduction of bill/resolution:

Workers' compensation coverage for real estate modifications

Minutes:

Chairman Keiser: Opens the hearing on HB 1453.

Renee Phenning~North Dakota Building & Trades Council: Currently in law there is 50 thousand dollars for improvements to the person who is catastrophically injured. This is raising it up to 100 thousand dollars. We support this bill.

Chairman Keiser: It's a simple bill. Anyone here to testify in support of HB 1453?

Ann Green~Staff Counsel with WSI: (see attached testimony).

Representative Ruby: That means people that have hit the cap many years ago or fairly recent, it applies to them as well as any new injury?

Ann Green: That's correct.

Chairman Keiser: How many people do we have in the systems that are 50 thousand or less?

Ann Green: For the 50 thousand or less is 122. Our records show that we paid out everywhere from the ceiling of 50 thousand dollars down to \$19.99.

Chairman Keiser: How many of those people will now apply for the balance of the 100 thousand?

Ann Green: It's entirely possible at this point there are 3 that are at or near 50 thousand dollars. There are 18 that are over 10 thousand dollars and 6 between 5 & 10 thousand and the remainder are at the 5 thousand dollar mark. Then there are less than a half dozen.

Representative Amerman: If they do come forward with a request if this bill passes, are there certain criteria that they have to meet?

Ann Green: There is a committee internally at WSI that reviews each application for a modification.

Representative N Johnson: Could you refresh me on vehicles?

Ann Green: There is also a 100 thousand dollars available lifetime benefits for either the purchase or renovation of the vehicle but they are separate benefits.

Vice Chairman Kasper: Is there an appeal process for the injured worker if he or she is turned down on this request?

Ann Green: There is not.

Vice Chairman Kasper: Would the department object to having an appeal process established?

Ann Green: No, but let me double check. I want to be sure I'm giving you correct information. My memory there is not an appeal process of the rejection of a specific project. It doesn't preclude a reapplication modification to the project.

Vice Chairman Kasper: Unlimited numbers of applications to maybe conform to what you don't like?

Ann Green: Yes.

Vice Chairman Kasper: So that would be some sort of an appeal process.

Chairman Keiser: Further questions? We really don't have people at 50 thousand and everyone is way below that, why aren't we going to 75 thousand instead of 100 thousand, why double it if there is no one there?

Ann Green: We had some conversations before the bill was introduced in working with the senator. Our suggestion was for a lower amount and the bill was introduced this way. Based on its impact we felt that it was reasonable.

Chairman Keiser: Anyone else here to testify in support, in opposition, neutral position of HB 1453. Seeing none, closes the hearing on HB 1453. What are the wished of the committee?

Vice Chairman Kasper: Do Pass

Representative Kreun: Second.

Representative Ruby: I will probably support it; we went from 20 thousand to 50 thousand before. That was a 30 thousand dollar jump, nobody has hit the cap yet but this seems to open it up.

Representative Kreun: That's a lifetime amount and if you have to sell your home or car, you may have to readapt a couple different times, so that bill is up to the 100 thousand. It doesn't take long to get to the maximum amount.

Representative Ruby: Usually disabled people aren't buying and selling houses very often.

Chairman Keiser: I can support 75 thousand but I not supporting 100 thousand. I don't think that is good fiscal policy.

Vice Chairman Kasper: I withdraw the motion.

Representative Kreun: Second the withdrawn motion.

Chairman Keiser: If we are going to be fiscally responsible, I feel it's prudent to review this. If they come in and show a significant need, I'm all for it.

Representative Vigesaa: I move to adopt the amendment going from 100 thousand to 75 thousand.

Representative Frantsvog: Second.

Voice vote, motion carried.

Vice Chairman Kasper: Moves for a Do Pass as Amended.

Representative Kreun: Second.

Roll Call was taken for a Do Pass as Amended on HB 1453 with 14 yeas, 0 nays, 0 absent and Representative M Nelson is the carrier.

FISCAL NOTE
 Requested by Legislative Council
 01/28/2011

Amendment to: HB 1453

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The engrossed bill increases the lifetime cap for real estate modifications for the catastrophically injured from \$50,000 to \$75,000.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

WORKFORCE SAFETY & INSURANCE
 2011 LEGISLATION
 SUMMARY OF ACTUARIAL INFORMATION

BILL NO: Engrossed HB 1453

BILL DESCRIPTION: Real Estate Modifications

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, together with its actuarial firm, Bickerstaff, Whatley, Ryan & Burkhalter Consulting Actuaries, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The engrossed bill increases the lifetime cap for real estate modifications for the catastrophically injured from \$50,000 to \$75,000.

FISCAL IMPACT: We don't anticipate the proposal to have a material impact to statewide premium and reserve levels.

DATE: January 28, 2011

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.*

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.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	John Halvorson	Agency:	WSI
Phone Number:	328-6016	Date Prepared:	01/28/2011

FISCAL NOTE

Requested by Legislative Council
01/19/2011

Bill/Resolution No.: HB 1453

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The proposed legislation increases the lifetime cap for real estate modifications for the catastrophically injured from \$50,000 to \$100,000.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

WORKFORCE SAFETY & INSURANCE
2011 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: HB 1453

BILL DESCRIPTION: Real Estate Modifications

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, together with its actuarial firm, Bickerstaff, Whatley, Ryan & Burkhalter Consulting Actuaries, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation increases the lifetime cap for real estate modifications for the catastrophically injured from \$50,000 to \$100,000.

FISCAL IMPACT: We don't anticipate the proposal to have a material impact to statewide premium and reserve levels.

DATE: January 21, 2011

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.*

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.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	John Halvorson	Agency:	WSI
Phone Number:	328-6016	Date Prepared:	01/23/2011

Date: Jan 26, 2011

Roll Call Vote # 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1453

House House Industry, Business and Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment

Motion Made By Rep. Kasper Seconded By Rep Kreun

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser			Representative Amerman		
Vice Chairman Kasper			Representative Boe		
Representative Clark			Representative Gruchalla		
Representative Frantsvog			Representative M Nelson		
Representative N Johnson					
Representative Kreun					
Representative Nathe					
Representative Ruby					
Representative Sukut					
Representative Vigesaa					

Total Yes _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

motion withdrawn

January 26, 2011

V/K
1/27/11

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1453

Page 1, line 11, replace "one hundred" with "seventy-five"

Renumber accordingly

Date: Jan 26 - 2011

Roll Call Vote # 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1453

House House Industry, Business and Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number 11.0621.01001

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment

Motion Made By Rep Vigesaa Seconded By Rep Frantsvog

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser			Representative Amerman		
Vice Chairman Kasper			Representative Boe		
Representative Clark			Representative Gruchalla		
Representative Frantsvog			Representative M Nelson		
Representative N Johnson					
Representative Kreun					
Representative Nathe					
Representative Ruby					
Representative Sukut					
Representative Vigesaa					

voice vote taken, motion passed

Total Yes _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

from 100,000 to 75,000

Date: Jan 26 - 2011

Roll Call Vote # 3

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1453

House House Industry, Business and Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment

Motion Made By Rep Kasper Seconded By Rep Kreun

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	✓		Representative Amerman	✓	
Vice Chairman Kasper	✓		Representative Boe	✓	
Representative Clark	✓		Representative Gruchalla	✓	
Representative Frantsvog	✓		Representative M Nelson	✓	
Representative N Johnson	✓				
Representative Kreun	✓				
Representative Nathe	✓				
Representative Ruby	✓				
Representative Sukut	✓				
Representative Vigesaa	✓				

Total Yes 14 No 0

Absent 0

Floor Assignment Rep M Nelson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1453: Industry, Business and Labor Committee (Rep. Keiser, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1453 was placed
on the Sixth order on the calendar.

Page 1, line 11, replace "one hundred" with "seventy-five"

Renumber accordingly

2011 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1453

2011 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

HB 1453
March 7, 2011
Job Number 14981

Conference Committee

Committee Clerk Signature

Eva Lubelt

Explanation or reason for introduction of bill/resolution:

Relating to workers' compensation coverage for real estate modifications

Minutes:

Testimony attached

Chairman Klein: Opened the hearing on House Bill 1453.

Representative Maragos: In support of the bill. He stated that they were updating the bill. He said a constituent felt the amount was too small and asked that it be raised to 75,000 dollars.

Chairman Klein: Asked if his constituent had an amount before the 2003 session. He said it was an issue since he had been in the Legislature and that they have tried hard to continue to make strides to help him.

Rep. Maragos: Said he thought they had but didn't know if there was a fiscal note that had any significant impact. He said he hopes that the committee will find a proper amount to allow the bill to be passed.

Senator Andrist: He said he was trying to understand the specific language. He asked if it would give him 75,000 more dollars or if it would give him 25,000 dollars?

Rep. Maragos: It would allow him to spend another 25,000 dollars above the original 50,000 dollars.

Senator Larsen: Said this person is also one of his constituents. He said that this man has been on workers' compensation since 1962, is in a wheel chair and has had his legs amputated. Some of the money will go to give more access with the wheelchair, to be able to go into the garage with the car and for the walk way up. He has already utilized all of the initial 50,000. The cost of bringing it up to 75,000 is for the cost of living. He said that the WSI program has recently been working well for this man but thirty years ago it was frustrating trying to get things done and accomplished. He said that the man is very happy with the way things are now but wants to make some things better.

Senator Laffen: Asked if this dollar cap was to make modifications to the personal residence like wheelchair ramp and the garage and if this would even include something like kitchen cabinets.

Senator Larsen: It could, whatever it would do to make his life easier to get around and function. He said he can't speak to the rest of the group that is using this but if they can't use the bathroom facilities accommodations have to be made.

Senator Schneider: Commented that it stated the organization may pay an amount not to exceed 50,000 and now it is potentially 75,000. He then asked what kind of showing has to be made in terms of whether these modifications are necessary.

Senator Larsen: He said the constituent did say he had used all of the 50,000 and was asking for another 25000 but didn't know what he had to prove.

Tim Wahlin, Chief of Injury Service of Workforce Safety and Insurance: Testimony Attached (1).

Chairman Klein: In response to Senator Andrist question on the additional 25,000 it is just on top of the 50,000. He asked for him to explain how that would work.

Tim: He said that understanding is correct and the additional 25,000 dollars will be given to those catastrophically injured workers who already expended the 50,000 dollars. It gives an additional 25,000 dollar benefit for those real estate modifications that are necessary.

Chairman Klein: Asked for him to briefly explain what making the home more comfortable and functional would entail.

Tim: He said WSI had this benefit in law for a significant period of time. He said this was adjudicated, as are all medical benefits at WSI, to the extent that it is a cost effective, necessary expenditure. They review the requests and will make decisions based upon that. He then goes over the statute and what is covered.

Senator Larsen: You said it will not affect the fiscal note, how many people are in this position and how old they are?

Tim: He said that there are seven injured workers who have received the 50,000 dollar benefits. He said that two dozen have received some modifications but not the full cap. To the extent that the fiscal note references that it is not fiscally significant, it is in comparison to what WSI pays out in benefits.

Chairman Klein: Stated that this gentleman was injured a long time ago.

Tim: That is correct.

Senator Schneider: Asked how many catastrophic injured workers there were in North Dakota.

Tim: He said he didn't have the exact number but the number he remembered was that in recent history they averaged 1.4 a year. He said roughly 2 a year going forward, especially with the development out west and the industry coming in.

Chairman Klein: Asked how many workers were lost in death and if it has gone up.

Tim: He said it had. Recently it has gone up to eighteen or nineteen a year. The number of deaths on the job compensable is going up.

Chairman Klein: He asked about the modifications provided for automobiles.

Tim: He said it is in the same set of legislation. He said there is a 100,000 dollar life time benefit for the catastrophically injured in equipment and vehicles for their lifetime.

David L. Kemnitz, President of the NDAFL-CIO: In support of the bill. He said in order to help the claimants, all have gone through all request to prove that the injury was attributed to the work.

Sebald Vetter, C.A.R.E: In support of the bill. He said prices keep going up and it is about time that it was raised.

Chairman Klein: Closed the hearing.

Senator Andrist: Moved a do pass.

Senator Nodland: Seconded the motion.

Roll Call Vote: Yes-7 No-0

Senator Larsen to carry the bill

REPORT OF STANDING COMMITTEE

HB 1453, as engrossed: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1453 was placed on the Fourteenth order on the calendar.

2011 TESTIMONY

HB 1453

**2011 Engrossed House Bill No. 1453
Testimony before the Senate Industry, Business and Labor Committee
Presented by Tim Wahlin, Chief of Injury Services
Workforce Safety and Insurance
March 7, 2011**

Mr. Chairman and Members of the Committee:

My name is Tim Wahlin, Chief of Injury Services with Workforce Safety and Insurance (WSI), here to provide assistance on Engrossed House Bill 1453.

Workforce Safety and Insurance currently provides a benefit to those injured workers who are catastrophically injured or claims where exceptional circumstances exist. Understanding that a work injury has forever changed their lives, North Dakota law provides a benefit in addition to medical or disability benefits. This benefit provides for renovations to real estate necessary to make an injured worker's home more accessible, functional and comfortable.

In 2003, the level of this benefit was raised from twenty thousand dollars to fifty thousand dollars and has not been modified since. An increase appears reasonable. Given the number of eligible recipients, WSI does not anticipate a significant fiscal impact.

The application clause of House Bill 1453 provides that the increase is available to all purchases and repairs after the effective date of the Act making this increase available to all eligible injured workers regardless of their date of injury.

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