

2013 SENATE INDUSTRY, BUSINESS, AND LABOR

SB 2178

2013 SENATE STANDING COMMITTEE MINUTES

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

SB 2178
January 23, 2013
Job Number 17560

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to workers' compensation vehicle allowance

Minutes:

Testimony Attached

Chairman Klein: Opened the hearing. He said he was the prime sponsor of the bill but will let someone from WSI come up and explain it.

Senator Larsen: Introduced the bill. (1:48)

Patsy Peyerl, Senior Claims Adjuster, with Workforce Safety and Insurance: Written Testimony Attached (1).

Senator Sorvaag: Asked if the individual does the work himself if he would be reimbursed just for the materials or can he get appraised the work he did.

Patsy: Said the way it usually works is it is based off of what the doctor recommends is medically necessary for their injury. She said that could be anything from hand controls, to a spinner knob on the steering wheel, those are the adaptations. Typically they work through a medical vendor that supplies those and bills them directly so they try to avoid the injured worker having to pay that out of pocket. If for some reason there was some issue with the injured worker on that they would reimburse them for the expenses. Sometimes it isn't a whole modified vehicle that is purchased it is only the adaptations but there are injuries that are so severe that it is the vehicle, the lift, the lowered floor and higher ceiling.

Chairman Klein: Asked about the line that indicates that all eligible workers regardless of the date of injuries, if they would look back.

Patsy: Said that is correct. If they have already used the previous allowance of a hundred thousand, then if they need further modifications or another vehicle they would make them eligible up to the remaining fifty thousand. She said she wanted to make them aware that the board did discuss possibly including an inflationary formula to account for the expected increase that they see with the specially equipped motor vehicles. No amount was specified.

Chairman Klein: Said that the board asked him to bring this bill. He asked if the board is still working on improving this.

Patsy: Said that her understanding was that there are no plans for a possible inflationary increase. They just wanted them to be aware that it was discussed. She talked about the cost of the vehicles that are now ranching in the mid-sixties to eighty thousand.

Tom Ricker, North Dakota AFL-CIO: In support of the bill.

Chairman Klein: Closed the hearing.

Senator Laffen: Motioned for a Do Pass.

Senator Sorvaag: Seconded the motion.

Roll Call Vote: Yes - 7 No - 0 Absent: 0

Floor Assignment: Senator Unruh

FISCAL NOTE
Requested by Legislative Council
01/15/2013

Bill/Resolution No.: SB 2178

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **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 maximum amount payable for vehicles and vehicle adaptation expenses from \$100,000 to \$150,000.

- 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.*

see attached

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

Telephone: 328-6016

Date Prepared: 01/18/2013

**WORKFORCE SAFETY & INSURANCE
2013 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION**

BILL NO: SB 2178

BILL DESCRIPTION: Motor Vehicle and Vehicle Adaptation Allowance

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 maximum amount payable for vehicles and vehicle adaptation expenses from \$100,000 to \$150,000.

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

DATE: January 18, 2013

Date: 1/23/2013
 Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2178

Senate Industry, Business and Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Senator Laffen Seconded By Senator Sorvaag

Senators	Yes	No	Senator	Yes	No
Chairman Klein	✓		Senator Murphy	✓	
V. Chair. Laffen	✓		Senator Sinner	✓	
Senator Andrist	✓				
Senator Unruh	✓				
Senator Sorvaag	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Unruh

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

REPORT OF STANDING COMMITTEE

SB 2178: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2178 was placed on the Eleventh order on the calendar.

2013 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2178

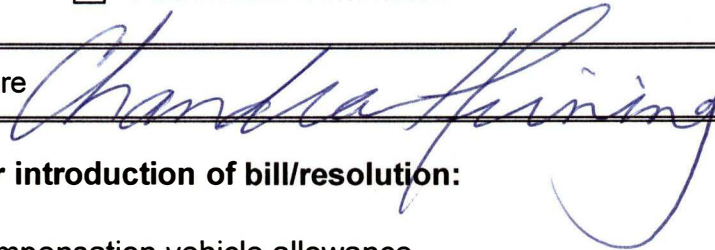
2013 HOUSE STANDING COMMITTEE MINUTES

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

SB 2178
March 20, 2013
Job 20215

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the workers' compensation vehicle allowance

Minutes:

Testimony, attachment 1

Hearing opened.

0:50 **Patsy Peyerl, senior claims adjustor with Workforce Safety and Insurance:** Refer to written testimony, attachment 1.

2:54 **Representative Amerman:** If I had had a catastrophic injury and had already received and used the \$100,000 under the current law and now needed to replace or upgrade my equipment, could I get the other \$50,000?

3:19 **Patsy Peyerl:** That is correct. You would have an additional amount to use under your allowance.

Representative Amerman: How many catastrophic injuries do you deal with yearly? How many do we have now?

3:38 **Patsy Peyerl:** Provided statistics on active catastrophic claims. Provided historic numbers.

4:26 **Chairman Keiser:** Question on cost parameters, typical costs on upgrading a car

5:05 **Patsy Peyerl:** Summarized typical needs and costs in terms of vehicles and modifications

6:25 **Representative Vigesaa:** If it is a lifetime benefit, could an individual have several vehicles over their lifetime?

6:35 **Patsy Peyerl:** That is correct if they meet all the criteria under the law for a vehicle allowance. The benefit limit is not per claim; it is tied to that legal entity of the injured worker.

7:05 **Representative Frantsvog:** Where do you buy these vehicles?

Patsy Peyerl: We use a variety of vendors throughout the state. We have mobility dealerships that specialized in this area. We've used private dealerships to purchase the vehicle and then have gone to medical vendors for the modifications.

7:56 **Representative Frantsvog:** Do you buy them modified? Do you create the specifications?

8:06 **Patsy Peyerl:** Outlined process from mobility assessment to modification assessment to modifications.

9:25 **Representative Frantsvog:** If I am an injured worker with a valid driver's license, does anything change with that now that I am injured and have a modified vehicle?

Patsy Peyerl: It depends on the state. We tell injured workers that once they are approved for the benefit, they need to check with their state regarding the guidelines for licensing.

10:15 **Representative Frantsvog:** What about insurance on these vehicles?

Patsy Peyerl: WSI does not cover insurance for these vehicles. That is where they fall into the general population. We do pay for the vehicle, the modification and adaptations, and labor or repair of the modifications. Any issues with the vehicle itself are the responsibility of the injured worker.

10:52 **Representative Ruby:** Question regarding decision behind the amount of increase

Patsy Peyerl: Because of the cost of these vehicles, the current allowance could be substantially utilized with one vehicle. Information we received from some of these vendors is that the life expectancy of these vehicles is ten to twelve years, maybe less. While we have not exceeded the current limit for some of our injured workers who have received this benefit, we do have several who are getting close to that ceiling. Because of their age and injury, it is anticipated that they will probably need another vehicle. We are trying to approach this proactively in assisting those injured workers.

12:23 **Chairman Keiser:** Shared story of an individual who appeared before the interim workers comp committee several years ago. Originally, the ceiling allowed for a one-time replacement. We have to appreciate that with medical care today, we need to have a program of potentially two in a lifetime. WSI does an extremely good job of monitoring and making sure we get the right piece of equipment for the right person.

Support:

15:03 **Renee Pfenning, on behalf of North Dakota State Building and Construction Trades Council:** Appearing in support. We feel this is a good, positive change.

Opposition:

Neutral:

Hearing closed.

Representative Frantsvog **moved for a Do Pass** recommendation. Representative Amerman seconded.

Roll call vote on the motion for a Do Pass on SB 2178. Motion carried.

Yes = 12

No = 0

Absent = 3

Carrier: Representative Amerman

FISCAL NOTE
Requested by Legislative Council
01/15/2013

Bill/Resolution No.: SB 2178

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **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 maximum amount payable for vehicles and vehicle adaptation expenses from \$100,000 to \$150,000.

- 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.*

see attached

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

Telephone: 328-6016

Date Prepared: 01/18/2013

WORKFORCE SAFETY & INSURANCE
2013 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: SB 2178

BILL DESCRIPTION: Motor Vehicle and Vehicle Adaptation Allowance

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 maximum amount payable for vehicles and vehicle adaptation expenses from \$100,000 to \$150,000.

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

DATE: January 18, 2013

Date: 3-20-2013

Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2178**

House Industry, Business, and Labor Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment

Rerefer to Appropriations Reconsider Consent Calendar

Motion Made By Frantsvog Seconded By Amerman

Representatives	Yes	No	Representatives	Yes	No
Chairman George Keiser	✓		Rep. Bill Amerman	✓	
Vice Chairman Gary Sukut	✓		Rep. Joshua Boschee	✓	
Rep. Thomas Beadle	✓		Rep. Edmund Gruchalla	✓	
Rep. Rick Becker		ab	Rep. Marvin Nelson		no
Rep. Robert Frantsvog	✓				
Rep. Nancy Johnson	✓				
Rep. Jim Kasper	✓				
Rep. Curtiss Kreun	✓				
Rep. Scott Louser		ab			
Rep. Dan Ruby	✓				
Rep. Don Vigesaa	✓				

Total Yes 12 No 0

Absent 3

Floor Assignment Amerman

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

REPORT OF STANDING COMMITTEE

SB 2178: Industry, Business and Labor Committee (Rep. Keiser, Chairman)
recommends **DO PASS** (12 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING).
SB 2178 was placed on the Fourteenth order on the calendar.

2013 TESTIMONY

SB 2178

2013 Senate Bill No. 2178
Testimony before the Senate Industry, Business and Labor Committee
Presented by Patsy Peyerl, Senior Claims Adjuster
Workforce Safety and Insurance
January 23, 2013

Mr. Chairman and Members of the Committee:

My name is Patsy Peyerl, Senior Claims Adjuster, with Workforce Safety and Insurance (WSI), and I am here to convey support for Senate Bill 2178. WSI's Board of Directors supports this bill.

Workforce Safety and Insurance currently provides a benefit to those injured workers who are catastrophically injured or for claims where exceptional circumstances exist. Section 65-05.1-06.1 of the North Dakota Century Code provides the definition of catastrophic injury which assists WSI in determining eligibility for this benefit. 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 an allowance for vehicles and necessary vehicle adaptations to make an injured worker's vehicle more accessible, functional and comfortable.

In 2007, the level of this benefit was set at one hundred thousand dollars for the lifetime of the injured worker. In 2009, the legislature approved an increase in the home modification allowance from fifty thousand to seventy-five thousand dollars, which is a separate benefit provided to this same injured worker population. The threshold for the motor vehicle allowance has not been modified since its inception in 2007. An increase appears reasonable. SB 2178 proposes to increase this lifetime threshold to one hundred fifty thousand dollars. Given the number of eligible recipients, WSI does not anticipate a significant fiscal impact to statewide premium and reserve levels.

The application clause of Senate Bill 2178 provides that the increase is available to all vehicle purchases and adaptations on or 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.

2013 Senate Bill No. 2178
Testimony before the House Industry, Business and Labor Committee
Presented by Patsy Peyerl, Senior Claims Adjuster
Workforce Safety and Insurance
March 20, 2013

Mr. Chairman and Members of the Committee:

My name is Patsy Peyerl, Senior Claims Adjuster, with Workforce Safety and Insurance (WSI), and I am here to convey support for Senate Bill 2178. WSI's Board of Directors supports this bill.

Workforce Safety and Insurance currently provides a benefit to those injured workers who are catastrophically injured or for claims where exceptional circumstances exist. Section 65-05.1-06.1 of the North Dakota Century Code provides the definition of catastrophic injury which assists WSI in determining eligibility for this benefit. 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 an allowance for vehicles and necessary vehicle adaptations to make an injured worker's vehicle more accessible, functional and comfortable.

In 2007, the level of this benefit was set at one hundred thousand dollars for the lifetime of the injured worker. In 2009, the legislature approved an increase in the home modification allowance from fifty thousand to seventy-five thousand dollars, which is a separate benefit provided to this same injured worker population. The threshold for the motor vehicle allowance has not been modified since its inception in 2007. An increase appears reasonable. SB 2178 proposes to increase this lifetime threshold to one hundred fifty thousand dollars. Given the number of eligible recipients, WSI does not anticipate a significant fiscal impact to statewide premium and reserve levels.

The application clause of Senate Bill 2178 provides that the increase is available to all vehicle purchases and adaptations on or 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.