

## **2011 Workforce Safety & Insurance (WSI) Legislative Quick Guide Final 2011**

### **SB 2021 Appropriation Bill**

**Senate Appropriations vote: 11-1 Senate vote: 45-0 Passed**

**House Appropriations vote: 20-1 House vote: 90-2 Passed**

**Signed by the Governor 5/5/2011**

- Total budget appropriation of \$58,413,293, includes \$466,250 for Century Center back-up emergency generator.
- The budget appropriation maintains the same number of FTE's at 247.14.
- Increase of 3.2% over 2009-11 biennial budget, mainly from salary and benefit increases.

### **SB 2089 (Engrossed) Drug/Alcohol Presumption Bill**

**Senate IBL vote: 7-0 Senate vote: 46-0 Passed**

**House IBL vote: 13-0 House vote: 92-0 Passed**

**Signed by the Governor 4/19/2011**

- Provides for a specific version of the federal regulations to be used in determining the appropriate alcohol concentration and controlled substance cutoff levels within the drug/alcohol presumption statute.
- Eliminates the requirement that drug and alcohol testing be performed pursuant to specific Department of Transportation law.

**Fiscal impact: None is anticipated.**

### **SB 2114 WSI Bill**

**Senate IBL vote: 7-0 Senate vote: 46-0 Passed**

**House IBL vote: 12-0 House vote: 91-0 Passed**

**Signed by the Governor 4/27/2011**

- Provides for background checks for certain, potential WSI employees and contractors who may have access to confidential information.
- Clarifies when weight loss and smoking cessation aids or programs can be paid.
- Expands eligibility for the scholarship program to include spouses and children of the catastrophically injured and to include those who have successfully completed a retraining program.
- Increases the annual cap that the organization can award in scholarships from \$300,000 to \$500,000.
- Increases the maximum scholarship amount payable per applicant from \$4,000 per year to \$10,000 per year.
- Streamlines the personal reimbursement process for injured workers.
- Provides consistency in statutory language regarding work trial and work search.
- Corrects a minor oversight in the mileage reimbursement chart within the rehabilitation allowance statute.
- Expands eligibility for the educational revolving loan fund to include spouses and children of the catastrophically injured and to include spouses and children of those deemed permanently and totally disabled.



Fiscal impact: Increased scholarship costs and other provisions of this proposal are not expected to have a significant impact on statewide premium or reserve levels.

**SB 2205 (Engrossed) Attorney Representation on Administrative Appeals**

**Senate IBL vote: 7-0 Senate vote: 45-0 Passed**

**House IBL vote: 13-0 House vote: 79-0 Passed**

**Signed by the Governor 4/25/2011**

- Employers are not required to file a request for reconsideration through an attorney.
- Request must state reason and desired outcome.
- Employers have 30 days from day Notice of Decision was mailed to request reconsideration.
- Employees have 30 days from issuance of administrative order to request assistance from Decision Review Office.

**HB 1037 (Engrossed) Safety and Performance Review of Roughrider Industries**

**House IBL vote: 14-0 House vote: 94-0 Passed**

**Senate IBL vote: 7-0 Senate vote: 47-0 Passed**

**Signed by the Governor 3/9/2011**

- Requires a safety and performance review of Roughrider Industries to be conducted every two years.
- Requires the organization to report to Legislative Council if recommendations are made.

Fiscal impact: None is anticipated.

**HB 1050 Vocational Rehabilitation Grants**

**House IBL vote: 14-0 House vote: 94-0 Passed**

**Senate IBL vote: 7-0 Senate vote: 47-0 Passed**

**Signed by the Governor 3/9/2011**

- Allows for the establishment of a vocational rehabilitation grant program to provide grants to organizations assisting injured workers with skill upgrades and educational opportunities.
- Limits total grant awards to no more than \$100,000 per year.

Fiscal impact: No significant impact, the funding source already exists in the form of the educational revolving loan fund.

**HB 1051 Injuries within Two Years of Presumed Retirement Age**

**House IBL vote: 14-0 House vote: 94-0 Passed**

**Senate IBL vote: 7-0 Senate vote: 47-0 Passed**

**Signed by the Governor 3/9/2011**

- Provides up to two years of benefits for those workers injured within two years of their presumed retirement date.

Fiscal impact: No significant impact is anticipated to either statewide premium or reserve levels.



**HB 1055 (Engrossed) Permanent Partial Impairment (PPI)**

**House IBL vote: 12-1 House vote: 85-5 Passed**

**Senate IBL vote: 5-2 Senate vote: 35-11 Passed**

**Signed by the Governor 4/4/2011**

- Removes the option of deferred payment of a PPI award.
- Provides that the organization move from the 5<sup>th</sup> to 6<sup>th</sup> edition of the *AMA Guides to the Evaluation of Permanent Partial Impairment* for the purposes of evaluating impairment awards.
- Requires all ratings to be issued under the 6<sup>th</sup> edition. This will eliminate stand-alone rules for awarding psychological and pain awards.
- Reduces the threshold for percentage of whole body impairment to qualify for an award from 16% to 14%.
- Increases permanent partial impairment awards (multipliers) within the 14% through 25% impairment levels.
- Increases PPI benefit rate from 33 1/3% to 35% of SAWW.

Fiscal impact: Moving from the 5<sup>th</sup> to 6<sup>th</sup> edition of the AMA Guides anticipates an \$850,000 reduction in PPI costs. Utilizing the 6<sup>th</sup> edition for the rating of pain would result in an additional \$260,000 cost reduction. The proposed reduction in the PPI impairment threshold from 16% to 14% and the proposed increase in the 14%-25% benefit levels and the increase in the PPI benefit rate will serve to offset these reductions. To what extent is unclear.

**HB 1056 (Engrossed) Independent Performance Evaluation**

**House IBL vote: 14-0 House vote: 89-0 Passed**

**Senate IBL vote: 7-0 Senate vote: 47-0 Passed**

**Signed by the Governor 3/9/2011**

- Requires the independent performance evaluation conducted by workers' compensation industry experts to be conducted every four years rather than every two years. The next performance evaluation will commence in 2014.

Fiscal impact: Based on costs associated with the most recent evaluation, costs should be reduced by approximately \$240,000 per biennium.

**HB 1453 (Engrossed) Real Estate Modification Bill**

**House IBL vote: 14-0 House vote: 93-0 Passed**

**Senate IBL vote: 7-0 Senate vote: 45-0**

**Signed by the Governor 3/14/2011**

- Increases the maximum amount payable for real estate modifications from \$50,000 to \$75,000.

Fiscal impact: No significant impact to statewide premium rates or reserve levels is anticipated.



## **Failed Bills**

### **SB 2093 (Engrossed) Mental/Mental Bill**

**Senate IBL vote: 6-1 Senate vote: 44-2 Passed**

**House IBL vote: 4-9 House vote: 26-64 Failed**

- Provides that legislative management consider studying workers' compensation coverage for mental injuries arising from mental stimulus during the 2011-2013 interim.

Fiscal impact: None is anticipated.

### **SB 2118 Workers' Compensation Coverage for Civilian Volunteers**

**Senate Gov't & Vets Affairs vote: 0-6 Senate vote: 4-42 Failed**

- Provides for workers' compensation coverage for civilian volunteers of a declared emergency or disaster situation.
- Establishes a fund to compensate injured volunteers.
- Defines "civilian volunteer" and "disaster or emergency".
- Defines benefits and processing of claims for civilian volunteers.
- Provides for an appropriation.

### **HB 1054 (Engrossed) Prescriptive Drugs as Part of Pain Therapy**

**House IBL vote: 10-4 House vote: 81-8 Passed**

**Senate IBL vote: 5-2 Senate vote: 11-36 Failed**

- Defines requirements relating to opioid therapy acute stage coverage and long-term opioid therapy coverage.
- Provides procedures for prescribers of long-term opioid therapy.
- Establishes requirements for prescriber treatment plans.

Fiscal impact: Not quantifiable. To the extent there are improved return-to-work outcomes because of fewer addiction issues, there would be anticipated cost reductions which would be reflected in subsequent premium rate levels.

### **HB 1440 (Engrossed) Additional Benefit Payable (ABP) Bill**

**House IBL vote: 4-10 House vote: 26-66 Failed**

- Increases the ABP rates.
- Increases the duration of the ABP to be payable up to the employee's death.
- Modifies the base rate to be used for purposes of calculating ABP.

Fiscal impact: Reserve levels: Would require an increase in discounted reserve levels of \$23 million. Rate levels: Would increase statewide premium rate levels by 1.0% or approximately \$1.5 million per year.

**HB 1052 Confidentiality of Provider Information****House IBL vote: 0-14 House vote: 1-93 Failed**

- Opens for public inspection final reports of managed care information relating to patterns of treatment, medication prescription, cost, and outcomes by health care providers.

Fiscal impact: None is anticipated.

**HB 1053 (Engrossed) Dispense as Written Medications****House IBL vote: 5-9 House vote: 7-85 Failed**

- Establishes payment criteria for prescribed addictive and narcotic medications when a generic equivalent exists.
- Provides for a report to legislative management and includes a sunset clause.

Fiscal impact: May reduce medical prescriptions costs by up to \$250,000 per year.

**HB 1111 Permanent Partial Impairment (PPI) Threshold Bill****House IBL vote: 1-12 House vote: 12-78 Failed**

- Reduces the PPI threshold to qualify for an award from 16% to 10%.
- Increases PPI awards (multipliers) within the 10% through 25% impairment levels.

Fiscal impact: Would serve to increase PPI costs by approximately \$1.1 million per year or a 0.5%-1.0% increase to statewide premium levels. Also, an additional FTE would be required at a cost of approximately \$151,000 for the biennium.

**HB 1427 (Engrossed) Mental/Mental Injury-First Responder Bill****House IBL vote: 4-8 House vote: 29-63 Failed**

- Provides coverage of benefits for “first responders” who sustain a mental injury arising from mental stimulus if the conditions causing the injury were extraordinary and unusual.
- Excludes mental injuries arising from normal employer and employee relations such as personnel actions.

Fiscal impact: Not quantifiable. May serve to increase premiums within the “first responder” rate classification.