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FISCAL IMPACT REPORT

SPONSOR: Kidd DATE TYPED: 02/27/01 HB
 SHORT TITLE: Reduce Compensation for Drug Related Injuries SB 234/aSPAC/aSCORC/aSFl#1
 ANALYST: Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
			\$ 260.0	Recurring	Workers' Compensation Retention Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

General Services Department (GSD)

SUMMARY

Synopsis of SFl#1 Amendment

The Senate Floor #1 amendment gives the worker's compensation judge the authority to decide where a hearing will be held taking into account the best interest of the parties, cost-effectiveness, judicial efficiency, the health and mobility of the employee and convenience of parties and witnesses.

Synopsis of SCORC Amendment

SB 234/aSCORC changes the wording of the section of the law discussing where the hearings will occur. Hearings shall be held in the county the parties agree upon, and if the parties cannot agree, then in the county where the injury or disablement occurred.

Synopsis of SPAC Amendment

The amendment changes the wording of the section of the law discussing where the hearings will occur.

Synopsis of Original Bill

SB 234 makes the following changes in Workers' Compensation claims payments:

- c For people with injuries caused in part by non-prescription drug or alcohol use, the claim could be reduced by 10%.
- c There are increases in the factors for age and education which are used in calculating benefits awarded to people whose job injury causes them to be placed on permanent partial disability.

Significant Issues

SB 234 is a major change in current policy. Currently any worker injured on the job is eligible to receive compensation. SB 234 states that there is a small (ten percent) reduction in the compensation if the worker contributes to the injury by a voluntary intoxication or being under the influence of a illegal or prescribed drug.

FISCAL IMPLICATIONS

GSD estimates that the enhanced payments for age and education would cost the state's Workers' Compensation Retention Fund about \$260.0 a year. This cost would result in higher premium costs to the agencies. The reduction in benefits for injuries that are drug or alcohol related would be offset by the recurring cost of testing for drug or alcohol abuse.

ADMINISTRATIVE IMPLICATIONS

GSD states that there would not be a significant increase in administrative costs for processing claims for enhanced benefits due to age or education. There could be an increase in processing time for cases involving drug or alcohol use, but impact on current staff cannot be determined at this time.

DW/ar/njw