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FISCAL IMPACT REPORT

SPONSOR: HJC. DATE TYPED: 03/11/03 HB CS/501,506,613/aHFI#1

SHORT TITLE: Increase Workers' Comp Attorney Fees SB _____

ANALYST: Gilbert

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Response Received From
Worker's Compensation Administration (WCA)

SUMMARY

Synopsis of HFI#1 Amendment

The House Floor Amendment #1, definition for a permanent total disability resulting from brain injury is replaced as outlined below:

(2) a brain injury resulting from a single traumatic work-related injury that causes, exclusive of the contribution to the impairment rating arising from any other impairment to any other body part, or any preexisting impairments of any kind, a permanent impairment of thirty percent or more as determined by the current American medical association guide to the evaluation of permanent impairment."

This bill amends Section 24(D) to remove any relationship between the consumer price index and calculation of discovery fees and amends Section 24(I) to remove any relationship between the consumer price index and calculation of attorney fees.

A new section pertaining to applicability is added to page 12 as outlined below:

Section 4. APPLICABILITY.--The provisions of this act are effective for all injuries in which the worker reaches maximum medical improvement on or after July 1, 2003.

Synopsis of Original Bill

House Judiciary Committee substitute for House Bills 501, 506, & 613 increases attorney fees from \$1,000 to \$3,000 for discovery relating to worker's compensation cases. The attorney fee cap for worker's compensation cases is raised from \$12,500 to \$16,500, and provides for an automatic increase (or decrease) based on the changes in consumer price index for the immediately preceding calendar year.

Significant Issues

A higher degree of litigation may result upon adopting **House Bill 501/506/613/HJCS** since this bill increases maximum attorney compensation caps.

Attorney fee caps for workers' compensation cases have not been changed since 1991.

OTHER SUBSTANTIVE ISSUES

The Workers' Compensation Advisory Council has reviewed proposed legislation affecting the workers' compensation system, pursuant to its statutory mandate. The prior Council had a series of public meetings during the summer of 2002, where legislative proposals for this session were discussed. At the Council's request, proposals involving changes to workers' compensation benefits were analyzed for their costs by the Workers' Compensation Administration research staff, the National Council on Compensation Insurance and New Mexico Mutual Casualty Company.

The specific language contained in this proposal has never been submitted to or reviewed by either the former or current Workers' Compensation Advisory Council. As such, the Workers' Compensation Advisory Council opposes this bill.

RLG/prr:sb:njw