

NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Martinez DATE TYPED: 2/18/03 HB 505

SHORT TITLE: Workers' Comp Benefits for Certain Injuries SB

ANALYST: Collard

APPROPRIATION

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

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From
 Workers' Compensation Administration
 New Mexico State Highway and Transportation Department

SUMMARY

Synopsis of Bill

House Bill 505 repeals the scheduled injury provisions related to specific body members of the Workers' Compensation Act, presumably with the effect that all inquiries will be treated as injuries to the body as a whole.

FISCAL IMPLICATIONS

Although there is no appropriation attached to House Bill 505, the Workers' Compensation Administration (WCA) indicates a possible increase in workers' compensation insurance premiums.

ADMINISTRATIVE IMPLICATIONS

WCA notes a possibility of litigation arising from this bill. The New Mexico State Highway and Transportation Department (NMSHTD) indicates House Bill 505 will prolong the life of workers' compensation claims and increase the opportunity for attorney involvement.

OTHER SUBSTANTIVE ISSUES

The Workers' Compensation Advisory Council has had a process in place for several years for the review of 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. This proposal has never been submitted to or reviewed by either the former or current Workers' Compensation Advisory Council. It is the position of the current Workers' Compensation Advisory Council that, at the present time, it opposes this bill.

NMSHTD indicates House Bill 505 will encourage employees to seek attorneys and increase the length and cost associated with the workers' compensation claims management. NMSHTD also notes that, by removing the schedule, this increases the opportunity to take employers to workers' compensation court. NMSHTD also notes that removing this provision would place increased restrictions on returning injured employees to a productive work status and make returning a subjective matter. Finally, the department indicates this bill will reestablish an adversarial system between employers and employees, as in tort cases, instead of the system working for the employee's welfare.

KBC/l:sb