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FISCAL IMPACT REPORT

SPONSOR: Martinez DATE TYPED: 02/17/03 HB 506

SHORT TITLE: Amend Residual Physical Capacity Table SB

ANALYST: Gilbert

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			\$0.1 See Narrative	Recurring	General Fund
			\$0.1 See Narrative	Recurring	Local Govern- ment Funds

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Response Received From

Workers' Compensation Administration (WCA)

SUMMARY

Synopsis of Bill

The bill increases the residual physical capacity modifiers contained in NMSA 1978, § 52-1-26.4 (partial disability determination) by increasing each instance of the value "2" to "4" and each instance of the value "4" to "6".

Significant Issues

According to the Workers' Compensation Administration (WCA), modifications of the permanent partial disability calculation formula (§§52-1-26.2 and 3) were made in 2001. The effect of these changes, either on benefit levels or costs, has yet to be determined.

In the absence of information concerning the 2001 amendments, the WCA cannot accurately predict the impact or need for the changes proposed in HB 506.

FISCAL IMPLICATIONS

Implementation of this bill may increase workers' compensation insurance premiums for state and local governments.

OTHER SUBSTANTIVE ISSUES

The Workers' Compensation Advisory Council 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. All 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, according to the WCA, the Workers' Compensation Advisory Council opposes this bill.

RLG/prr/njw