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FISCAL IMPACT REPORT

SPONSOR: HBIC DATE TYPED: 3/18/03 HB 1003/HBICS

SHORT TITLE: Amend Workers' Comp Act SB _____

ANALYST: Collard

APPROPRIATION

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

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 503

SOURCES OF INFORMATION

Responses Received From
Workers' Compensation Administration

SUMMARY

Synopsis of Bill

The House Business and Industry Committee substitute for House Bill 1003 changes the Workers' Compensation Act pertaining to independent medical examinations and temporary total disability benefits. In the committee substitute, if an employee returns to work before the date of maximum medical improvement and the employer offers a wage less than the worker's pre-injury wage, the worker is entitled to temporary total disability benefits up to two-thirds of the difference between the pre- and post-injury wages. The committee substitute also allows a party to petition for an independent medical examination if the reasonableness or necessity of treatment, or causation, of the injury is questioned.

FISCAL IMPLICATIONS

There is no appropriation or fiscal implication associated with the committee substitute for House Bill 1003.

ADMINISTRATIVE IMPLICATIONS

The Workers' Compensation Administration anticipates additional independent medical examinations and additional investigations of the practice of receiving temporary total disability benefits while working for another employer; however, the department indicates the additional work is absorbable by present staff.

RELATIONSHIP

The committee substitute for House Bill 1003 relates to House Bill 503, as both bills deal with temporary total disability compensation benefits.

TECHNICAL ISSUES

The Workers' Compensation Administration notes page 3, lines 1 through 5, are unclear whether the independent medical examinations can be used to help resolve a conflict among health care providers about the extent of impairment. The department indicates this is a frequent current use of independent medical examinations.

OTHER SUBSTANTIVE ISSUES

The Workers' Compensation Administration notes the committee substitute reverses two judicial decisions: Grubelnik v. Four-Four, Inc., relating to temporary total disability benefits and Ramirez v. IBP Prepared Foods, Inc., relating to independent medical examiners.

The committee substitute changes "the employer" on page 2, line 2 to "any employer." In Grubelnik v. Four-Four, Inc., a worker who had not been released to return to work and was receiving temporary total disability benefits went to work for another employer doing the same work. This behavior was approved because of a technical reading of the statute, where in the past it had been successfully prosecuted as fraud. The change of wording in the bill undoes the Grubelnik v. Four-Four, Inc. decision.

The department also notes, other than limiting the scope of disputes upon which the independent medical examination may be used, the committee substitute for House Bill 1003 is specifically intended to overturn the decision of Concepcion Ramirez v. IBP Prepared Foods, Inc. In Concepcion Ramirez v. IBP Prepared Foods, Inc., the court refused to allow an independent medical examination to take place when the judge felt it would have assisted him in making a determination of contested issues, due to wording in the present statute.

KBC/njw