

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 14-0908	Date: April 1, 2014
Prime Sponsor(s): Rep. Singer; Wright Sen. Tochtrop	Bill Status: House Local Government
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SHORT TITLE: FIREFIGHTER PEACE OFFICER PTSD WORK COMP COVERAGE

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	Potential expenditure increase.	
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

Under current law, post-traumatic stress disorder (PTSD) is not covered under workers' compensation claims for peace officers unless the PTSD was caused by an event outside of the employee's typical job responsibilities. The bill removes this restriction and includes PTSD as a covered workers' compensation disability.

Eligible peace officers must seek treatment for PTSD within 36 months of the qualified traumatic event that occurred in the line of duty and file a claim within 24 months of the event. For the claim to be considered, the healthcare provider must submit specific information to the employer or insurer. The health care provider must use the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders to substantiate the claim. If the claim is approved, the employer or insurer of the peace officer must cover all costs related to PTSD treatment, even if it is later determined the peace officer was not diagnosed with PTSD. The bill provides related definitions.

Under the bill, a dependent of a peace officer entitled to workers' compensation benefits may file a claim if a peace officer commits suicide as a result of PTSD. In this situation, the Chief Administrative Law Judge employed by the Department of Personnel (DPA) must randomly select a panel of volunteer licensed mental health professionals, as specified in the bill. Within 120 days of the claim's filing, the panel will issue a written decision determining whether the suicide was a result of PTSD. The panel may subpoena records, witnesses, and testimony as deemed necessary. The decision is final and not subject to appeal.

The bill permits an employer, insurer, or the majority of mental health panel members to petition a district court for an in camera hearing in order to receive additional information beyond the scope of what is required to consider a claim. The hearing must occur within 30 days of the petition filing. The court may also require and review medical records prior to and during the in camera hearing. The court must rule on the petition within 10 calendar days after the closing of evidence. Counsel of record may share released information with the judge and the licensed health care providers. The decision of the court must reference the released information.

Background

The DPA manages the Workers' Compensation Fund. State and local agency workers' compensation appropriations are calculated annually based on an actuarial analysis.

State Expenditures

The bill will likely increase expenditures and workload for some state agencies, as discussed below.

Department of Personnel. The Department of Personnel (DPA), which manages the state's Workers' Compensation Fund and currently insures 5,834 peace officers will have increased costs under the bill. The bill creates a new condition for workers' compensation claims to be filed for those suffering from PTSD as a result of a trauma experienced while on the job. While the exact number of cases and costs may vary, the DPA may see the following increases in costs:

- *Medical claims costs.* Disability claims of similar scope have resulted in benefit payments of \$33,000, including \$10,000 in medical costs plus costs associated with lost time on the job;
- *Death benefit claims by dependents.* The cost per death benefit payment is anticipated to be \$1.7 million;
- *Legal costs.* The bill allows for claims to be challenged in district courts. These legal costs are dependent on the number of claims challenged, and cannot be estimated at this time; and
- *Mental health panel per diems.* The bill requires the Chief Administrative Law Judge in Office of Administrative Courts within the DPA to convene a panel of three volunteer licensed mental health professionals as needed. The DPA maintains similar programs for other fields and provides per diem to the volunteers.

Department of Labor and Employment. The department may need to conduct rulemaking to expand workers' compensation eligibility materials to include the changes made under the bill. This workload is expected to be minimal and does not require new appropriations.

Institutions of higher education. Institutions in the state are generally self-insured and employ peace officers. If employed peace officers file PTSD claims, the university systems may experience an increase in insurance premiums. Given the unknown number of individuals who may file a PTSD claim and be approved, the potential fiscal impact of the bill is difficult to estimate at this time.

Judicial Branch. The bill permits employers, insurers, or mental health panel members to petition a district court for a hearing. As a result, the Judicial Branch may see an increase in workload to the courts. However, because of the limited number of peace officers, the fiscal note assumes any workload increase can be absorbed within existing resources and no new appropriations are required.

Other state agencies. Various state agencies that employ peace officers may experience increased costs under the bill. For example, the Department of Natural Resources (DNR) employs 366 peace officers and training board certified officers. Although the department cannot estimate the number of potential PTSD claims they would experience, the bill would likely increase costs for the DNR, the Department of Human Services, and other state agencies that employ peace officers.

Local Government Impact

The bill will likely increase expenditures for local governments. Local governments employ peace officers and, as employers, would be liable for any costs associated with increased workers' compensation disability claims. Local governments will likely experience an increase in workers' compensation claims, and this may result in increased insurance premiums and court-related costs.

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Personnel
Special Districts
Military and Veterans Affairs
Natural Resources

Counties
Labor
Public Safety

Municipalities
Law
Corrections