

**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0976
Prime Sponsor(s): Sen. Tochtrop

Date: April 22, 2014
Bill Status: Senate Business, Labor, & Technology
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SHORT TITLE: WORK COMP PROCEDURES SETTLEMENTS LUMP SUM PER DIEM

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures Cash Funds	<u>up to \$3,000</u> up to 3,000	<u>up to \$3,000</u> up to 3,000
FTE Position Change		
Appropriation Required: None.		

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

Summary of Legislation

The bill makes numerous changes to the procedures for resolving workers' compensation claims. Among its changes, the bill:

- authorizes the presiding officer at a workers' compensation hearing to consider the current legal medical guidelines when investigating claims;
- allows the Colorado Department of Labor and Employment (CDLE) to adopt rules to review and approve settlement documents;
- extends the deadline for claim hearings from 100 days to 120 days;
- allows the presiding officer to summon an out-of-state party to testify either in person or on the telephone;
- requires the presiding officer to issue remand orders within thirty days;
- permits claimants who must travel to receive a medical examination to receive \$75 per day, in addition to transportation and lodging;
- requires that physicians who refuse to treat a workers' compensation claimant must provide a written notice with an explanation to both the claimant and the employer; and
- increases the aggregate lump sum payment a workers' compensation claimant can receive from a current limitation of \$60,000 to a range of between \$81,000 and \$161,000.

State Expenditures

The bill increases workload and alters some current procedures for the Department of Personnel (DPA) and the CDLE. The bill is expected to increase cash fund expenditures for the DPA by up to \$3,000 per year beginning in FY 2014-15.

DPA. The bill requires the DPA to pay \$75 per day for injured workers who miss work as a result of the required medical examination. Traditionally, the DPA compensates current state employees who are injured through injury leave. However, the DPA encounters a small number of injured workers who are no longer employees of the state but will be eligible for this payment. Over the last three years, the DPA had roughly 20 instances annually where an injured worker required a medical examination but was no longer an employee of the state. As a result, the DPA will see costs increase up to \$3,000 per year. The fiscal note assumes that this potential cost increase will not require new appropriations.

When a workers' compensation claim is appealed, the bill requires the DPA to issue an order on remand within 30 days of the date of the appeal. Under current practice, this process takes longer than 30 days. This will likely increase workload for the DPA but does not require new appropriations.

CDLE. The bill requires the CDLE to modify existing workers' compensation claims procedures and investigations. However, any rulemaking, updates to existing forms, or training for employees can be achieved within existing appropriations.

Effective Date

The bill takes effect July 1, 2014.

State and Local Government Contacts

Labor

Personnel