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FISCAL IMPACT STATEMENT

LS 7544

BILL NUMBER: HB 1490

NOTE PREPARED: Feb 6, 2007

BILL AMENDED:

SUBJECT: Worker's Compensation and Choice of Physician.

FIRST AUTHOR: Rep. Cheney

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that an employee entitled to compensation for: (1) personal injury by accident arising out of and in the course of employment; or (2) disablement by occupational disease arising out of and in the course of employment; may select a physician or surgeon of the employee's choice or may choose to be treated by the physician or surgeon furnished by the employer.

Effective Date: July 1, 2007.

Explanation of State Expenditures: (Revised) The impact on the state would be as an employer and would depend if the physician costs of the employee's choice for treatment was more or less expensive than the attending physician furnished by the employer.

The National Council on Compensation Insurance (NCCI) estimates that the bill could increase the cost of worker's compensation by 1.9% to 5.8%.

According to the Indiana Compensation Rating Bureau, premiums decreased by 3.2% for 2007, increased 2.2% for 2006, and increased by 3.2% for 2005. Premiums for worker's compensation for 2005 were about \$829 M.

The impact on the state would be as a self-insured employer. For FY 2006, the state paid about \$2.3 M in worker's compensation benefits, \$2.7 M in FY 2005, and \$2.5 M in FY 2004. The impact on the state could be to increase worker's compensation cost by between \$43,000 and \$133,000.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Impact*. The local impact would be as an employer.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources: National Council on Compensation Insurance.

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