

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7277

BILL NUMBER: SB 574

NOTE PREPARED: Jan 12, 2011

BILL AMENDED:

SUBJECT: Worker's Compensation.

FIRST AUTHOR: Sen. Tallian

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Claims:* This bill requires a health care provider to file a claim for payment with the Worker's Compensation Board (Board) not later than two years after the last date the provider provided services to an injured or disabled employee.

Pecuniary Liability: The bill amends the definition of "pecuniary liability" applying to the responsibility of an employer or insurance carrier to recognize that the charge for services or products provided after June 30, 2011, by a medical services facility is equal to 200% of the amount determined using the Medicare program reimbursement methodologies, models, and values or weights, including the coding, billing, and reporting payment policies in effect on the date a service or product is provided.

Benefits: The bill increases benefit amounts for injuries and disablements occurring on and after July 1, 2011.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Claims:* The bill could reduce administrative cost since some claims would have to be filed sooner.

Pecuniary Liability: The impact on the state as an employer could be reduced costs from limiting the employer pecuniary liability for medical services facilities to 200% of the amount determined using the Medicare program's reimbursement. For FY 2010 the state spend \$8.9 M on worker's compensation medical claims.

The Worker's Compensation Board could incur some additional cost in approving the medical fee schedule

for the pecuniary liability of a medical services facility. The impact on the Board of the changes in the bill should be minor.

Benefits: The bill increases the maximum average weekly wages used in worker's compensation benefits from \$975 to \$1,075 and the maximum benefit from \$325,000 to \$360,000.

The bill increases the benefit amounts for permanent partial impairment.

Degree of Impairment	\$ for Each Degree (Current Law)	\$ for Each Degree (As Proposed)
1-10	\$1,400	\$1,540
11-35	\$1,600	\$1,760
36-50	\$2,700	\$2,970
over 50	\$3,500	\$3,850

The impact on the state would be as an employer:

Background Information: State expenditures for worker's compensation benefits were \$1.89 M for FY 2010, \$1.43 M for FY 2009, \$1.02 M for FY 2008, and \$1.41 M for FY 2007.

Explanation of State Revenues:

Explanation of Local Expenditures: The impact on local units would be as an employer.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.