Fiscal Note & Local Impact Statement

122 nd General Assembly of Ohio

BILL: **Am. Sub. H.B. 558** DATE: **May 18, 1998**

STATUS: **As Passed by the Senate** SPONSOR: **Rep. Wise**

LOCAL IMPACT STATEMENT REQUIRED: **Yes**

CONTENTS: **To extend workers' compensation benefits to off-duty paid and volunteer police officers, State Highway Patrol troopers, firefighters and emergency personnel who are injured or killed while responding to emergencies, regardless of jurisdiction**

State Fiscal Highlights

STATE FUND	FY 1998	FY 1999	FUTURE YEARS
State Insurance Fund—Surplus Fund Account			
Revenues	- 0 -	Potential gain corresponding to expenditures	Potential gain corresponding to expenditures
Expenditures	- 0 -	Potential increase depending on number of claims	Potential increase depending on number of claims

- Workers' compensation benefits extended to off-duty paid or volunteer law enforcement officers, firefighters, and emergency medical staff may result in increased expenditures from the Surplus Fund.
- Claims would be paid from the Surplus Fund, an account reserved within the State Insurance Fund.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1998	FY 1999	FUTURE YEARS
Political Subdivisions			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential increase depending on number of claims	Potential increase depending on number of claims	Potential increase depending on number of claims

- For all political subdivisions, the bill is unlikely to cause added workers' compensation premium costs since this type of claim would be filed infrequently. However, if the number of claims is significant enough to deplete the Surplus Fund, premiums could be increased to offset these costs.

Detailed Fiscal Analysis

This bill expands workers' compensation coverage for specified professional and volunteer police, fire, and emergency services to include injuries sustained when these employees are *off duty* and responding to emergencies outside of their jurisdictions. It would be difficult to estimate the additional annual cost of the bill for the State Highway Patrol or the local governments and political subdivisions affected. Nevertheless, to cause any substantial increase in premiums charged to the various police, fire, and emergency response departments affected, there would have to be a dramatic increase in the number of claims allowed under the provisions of this bill.

Claims Would Be Charged to the Surplus Fund of the State Insurance Fund

Usually BWC can charge a claim directly against an employer's experience because it is clear where a claimant sustained an injury. For example, if an injury occurs at a township police station, BWC charges the cost of the claim against the township police department's experience. Since this bill permits claims for injuries sustained outside of specified jurisdictions, it would be unclear what jurisdiction would be charged for the claim. This issue does not apply to the State Highway Patrol, whose jurisdiction is statewide. Nevertheless, state troopers face the same situation as other police, fire, and emergency services because they, too, are not covered by workers' compensation coverage when off duty and responding to emergencies.

In order to avoid this problem, the bill requires the Bureau to pay these claims from the Surplus Fund, an account within the State Insurance Fund. The Surplus Fund is generally reserved to supplement claims involving 1) rehabilitation services presribed by BWC; 2) employer-sponsored return-to-work programs; 3) workers injured while employed by non-compliant employers; and 4) certain specified public employees. The Surplus Fund is financed by a percentage of all State Insurance Fund premiums paid by private, self-insured, and public employers *except* state agencies. In the case of the Highway Patrol, the state would therefore not pay for injuries to an off duty trooper when he or she is responding to an emergency. Rather, these costs would be borne by those employers that pay into the Surplus Fund.

The intent of this provision is to spread the increased costs associated with this additional coverage across all employers within the same classification. There would likely be very few new claims filed and allowed as a result of this bill, and the Bureau believes that funds maintained within the Surplus Fund would cover any potential increased costs resulting from the expanded coverage provided in this bill.

Claims Currently Reported by Police, Fire, and Emergency Response Jurisdictions

Table 1 on the following page displays claims reported to the BWC by various paid and volunteer law enforcement jurisdictions, fire departments, and emergency medical services during Injury Years 1994-1996. These claims are for injuries sustained while employees were *on-duty*.

Table 1. Claims Reported to BWC from Selected Jurisdictions, by Year of Injury, 1994-1996.

Source of Claim	1994	1995	1996
Law Enforcement			
State Highway Patrol	54	62	46
County Sheriffs	718	737	731
City Police	2,934	2,932	2,840
Village Police	224	212	183
Township Police	162	190	177
Firefighters			
County	416	278	146
City	2,959	2759	2,257
Village	238	208	166
Township	588	508	476
Emergency Services			
Drivers and Related Emergency Services	891	904	787
Volunteer Services			
Various Unspecified Police, Fire, and Medical	241	174	95
Total	**9,425**	**8,964**	**7,903**

Note that none of the police, fire, and emergency jurisdictions affected by the bill currently tracks the number of *off duty* officers injured while responding to an emergency. Anecdotal evidence suggests that there are very few such injuries. Furthermore, the claims allowed under the provisions in the bill would probably result in minimal additional expenditures from the Surplus Fund Account.

Firefighters' and Police Officers' Eligibility for Additional Compensable Occupational Diseases

Under current law, injured firefighters and police officers are eligible for broader occupational disease benefits. O.R.C. 4123.68 allows injured workers to make claims for a specified schedule of occupational diseases. Under certain provisions of O.R.C. 4123.68(W), police officers and firefighters are entitled to compensation for additional occupational diseases, including cardiovascular, pulmonary, or respiratory diseases caused by heat, smoke, toxic gases, chemical fumes, and other toxic gases to which they may have been exposed at work. These allowances may increase the value of an injured police officer's compensation award, and thus increase expenditures from the State Insurance Fund.

Delays Commencement of Certain Provisions of the Bill

Another provision of the bill delays the effective date of the additional benefits proposed in the bill to July 1, 1999 for certain state employees. Specifically, the bill restricts state university law enforcement officers and police officers employed by the Ohio Veterans' Home from filing such claims. In the short term, the provision would likely protect the Surplus Account from unforseen losses stemming from the increased benefits.

Requires the Workers' Compensation Oversight Commission to Meet at Least Nine Times Annually

Another provision of the bill permits the nine-member Workers' Compensation Oversight Commission to meet only nine times a year instead of monthly as required now. A provision of existing law, taking effect August 1, 1998, increases the pay of non-legislative members to $1,500 per meeting attended, or a maximum of $18,000 on an annual basis. The bill increases the non-legislative members' pay to $2,000 per meeting; however, *assuming the Commission would meet only nine times a year*, the maximum pay would still not exceed $18,000 since the Commission would only be required to meet nine times annually. Therefore, the provision in the bill results in no new net cost.

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