



130th MAINE LEGISLATURE

LD 575

LR 575(01)

An Act To Establish a Conditional Presumption of Compensability for Certain Employees in Cases of Impairment from Hypertension or Heart Disease

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Pres. Jackson of Aroostook

Committee: Labor and Housing

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Local government costs - potential state mandate
 Potential current biennium cost increase - Worker's Compensation Management Fund
 Potential future biennium cost increase - General Fund

State Mandates

Required Activity

Shifting the burden of proof that an employee of a county whose regular or incidental duties require the care, supervision or custody of a person confined in a jail or prison contracted heart disease or hypertension as a result of that employment from the claimant to the employer and/or the employer's insurer may necessitate a more vigorous and costly legal defense by counties and increase the number of cases lost.

Unit Affected

County

Local Cost

Significant statewide

The required local activities in this bill may represent a state mandate pursuant to the Constitution of Maine. If the bill does require a local unit of government to expand or modify its activities so as to necessitate additional expenditures from local revenue, the state mandate provisions of the Constitution of Maine require either: (1) General Fund appropriations be provided to fund at least 90% of any additional necessitated local costs of the mandate; or (2) a Mandate Preamble be added to the bill and two-thirds of the members of each House vote to exempt the mandate from the funding requirement. If the bill does represent a state mandate and neither one of these actions occurs, the local units of government will not be required to implement the mandated activities.

Fiscal Detail and Notes

Shifting the burden of proof that an employee of the State whose regular or incidental duties require the care, supervision or custody of a person confined in a state correctional facility contracted heart disease or hypertension as a result of that employment from the claimant to the State may increase costs to the Workers' Compensation Management Fund within the Department of Administrative and Financial Services beginning in fiscal year 2021-22. The impact to the Fund will depend on actual experience.

The Office of Fiscal and Program Review has identified approximately 850 positions in the Department of Corrections whose regular or incidental duties may require the care, supervision or custody of a person confined in one of the State's correctional facilities. Although the exact cost to the State related to lost time and medical costs will depend on actual experience, the average cost in lost time benefits for this group of employees is estimated to be \$32,473 per claim per year for up to 10 years or more, depending on the level of the employees incapacity. Additionally, the cost for one fatality is estimated to be \$312,237 paid to eligible survivors in lost time benefits alone.

This provision may also increase General Fund and other funds costs to the Department of Corrections from increased workers' compensation premiums. The State, as a self-insured program, charges each state agency a premium rate that is built into the cost associated with each position within an agency. That rate is based on the actual claims experience of each agency and is averaged over a three-year period. The future impact to the premium rate for the Department of Corrections will be based on actual experience.