



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	SB0103	Title:	Provide presumptive disease coverage for paid firefighters
Primary Sponsor:	Caferro, Mary	Status:	As Introduced

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|--|--|--|
| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
Expenditures:				
General Fund		-----Unable to Determine-----		
Revenue:				
General Fund				
Net Impact-General Fund Balance:	=====	=====	=====	=====

Description of fiscal impact: Within the context of Montana's overall workers' compensation system the fiscal impact of SB 103 is likely to be minor. However, the loss experience associated with the presumption of compensability for professional firefighters will be reflected in class rates in future years. Although the amount of the increases cannot be quantified, it could be significant for employers of firefighters. It is anticipated that there will not be an immediate increase in premiums but that there would be premium increases over time as claims are filed and losses develop.

FISCAL ANALYSIS

Assumptions:

- SB 103 creates a definition of 'presumptive disease' that will only pertain to professional paid firefighters as defined in 19-13-104, MCA. The term "presumptive disease" encompasses: heart and respiratory disease; ten specified infectious diseases; and fifteen specified types of cancers.
- An insurer may rebut the presumption by showing the presumptive disease did not arise out of, and was not contracted in the course and scope of employment, or other established conditions of Section 2 were not met.
- Exposures currently associated with other health care insurance may become exposures of the workers' compensation system and will need to be funded through the establishment of adequate premium rates.

4. Though the specific fiscal impact of workers' compensation claims resulting from these presumptive diseases cannot be determined, it is known that the treatments for the diseases cited can have significant costs for both medical and indemnity costs.
5. State agencies employing firefighters and providing for their workers' compensation insurance coverage, will likely experience increased premiums. There would not be an immediate increase but premium increases would occur over time as claims are filed and losses develop.
6. Montana State Fund's (MSF) cost to establish a new class code, train and communicate with agents, audit vendors, notify policyholders, and update policies is estimated to be \$6,300.
7. MSF will add new data fields to existing claim system to enable new activities for claim examiners and provide for tracking and reporting. The estimated cost for the system change is \$5,730.
8. The costs reflected in assumptions 6 and 7 could be absorbed within existing resources.

Effect on County or Other Local Revenues or Expenditures:

1. Local governments employing firefighters and providing for their workers' compensation insurance coverage will incur increased premium payments in future years.

Long-Term Impacts:

1. The loss experience associated with the presumption of compensability for professional firefighters will be reflected in class rates in future years. The impact could be significant but the amount of the increases cannot be quantified.

Technical Notes:

1. The definition of 'firefighter' referenced in Section 1 creates ambiguity as to who is subject to this legislation. The definition applies only to paid full-time or part time firefighters whose employment was nominated by the mayor and consented to by the city council. It is unclear if the intent was for firefighters employed by a county, a state, or other non-city employer would be covered by the bill.

Ray M Legume 1-9-15 [Signature] 1/8/15
Sponsor's Initials Date Budget Director's Initials Date