

**LEGISLATIVE FISCAL OFFICE
Fiscal Note**



Fiscal Note On: **HB 450** HLS 13RS 1033
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.: **REVISED**

Date: June 4, 2013 1:20 PM	Author: IVEY
Dept./Agy.: Workforce Commission	Analyst: Patrice Thomas
Subject: Use of Alternate Medical Director If Conflict of Interest Exist	

WORKERS COMPENSATION RE1 +\$81,000 SD EX See Note Page 1 of 1
 Provides with respect to the medical treatment schedule

Proposed law defines and provides for the qualification of "associate medical director" and "medical director" in the Office of Workers' Compensation Administration (OWCA) within the Louisiana Workforce Commission (LWC). Proposed law provides that if the medical director or the associate medical director believes that a potential conflict of interest exists in a case, they shall inform the director of OWCA who shall make the determination as to whether a conflict of interest exists and notify, in writing, all parties involved in the case of his decision within two business days. Proposed law provides that when treatment is not covered by the medical treatment schedule and the medical director deems treatment is appropriate (demonstrated by a preponderance of scientific evidence), the employer is liable to pay. Proposed law authorizes the director of OWCA to hire an associate medical director.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$81,000	\$71,000	\$71,000	\$71,000	\$71,000	\$365,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$81,000	\$71,000	\$71,000	\$71,000	\$71,000	\$365,000

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed legislation is anticipated to increase Office of Workers' Compensation Administration Fund statutory dedication expenditures in the Louisiana Workforce Commission (LWC) by \$210,000 in FY 14 and a total increase of \$1,010,000 over 5 years as result of hiring an associate medical director in the Office of Workers' Compensation Administration (OWCA). However, LWC has indicated that OWCA will utilize existing funding for medical consultant contracts to partially fund the associate medical director position and absorb any remaining funding within their budget; therefore, there is no net expenditure impact to OWCA as result of this proposed legislation. The table below reflects statutory dedication expenditures associated with the new position (\$210,000), medical consultant contracts that will be reduced (\$129,000), and expenditures that will be absorbed within OWCA existing budget (\$81,000). In addition, the proposed legislation provides for a procedure within the OWCA when a conflict of interest exists with the medical director or the associate medical director.

Associate Medical Director	FY 14	FY 15
Salary	\$130,000	\$130,000
Related Benefits*	\$70,000	\$70,000
Acquisitions (furniture, equip, etc.)	\$10,000	\$0
Sub-Total	\$210,000	\$200,000
Eliminated Medical Contracts	(\$129,000)	(\$129,000)
Total*	\$81,000	\$71,000

*Amount absorbed within existing budget.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}	<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}	<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	

Evan Brasseaux
Evan Brasseaux
 Staff Director