



**OFFICE OF LEGISLATIVE AUDITOR  
Fiscal Note**

Fiscal Note On: **HB 854** HLS 22RS 1124  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 15, 2022	4:26 PM	<b>Author:</b> STAGNI
<b>Dept./Agy.:</b> Municipal & Parish Fire Departments		<b>Analyst:</b> Courtney Stevenson
<b>Subject:</b> Post-Employment Cancer Benefits		

CIVIL SERVICE/FIRE & POL EG INCREASE LF EX See Note Page 1 of 1  
 Provides relative to occupational diseases for members in the classified fire service

**Purpose of Bill:** This bill increases the period after employment in which a firefighter, who served 10 or more years in classified service, that develops cancer on or after January 1, 2023 will have that cancer presumed to be connected with the duties of a firefighter from 3 months for each full year of service (maximum of 60 months) to 6 months for each full year of service (maximum of 180 months).

The bill also limits payments for medical care to the mean amount that is usual and customary for that care, or to 50% of the actual charge, whichever is less.

<b>EXPENDITURES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
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
<b>Annual Total</b>	\$0	\$0	\$0	\$0	\$0	\$0

**EXPENDITURE EXPLANATION**

**This bill may increase local governmental expenditures related to workers' compensation claims. However, the exact timing and amount of the increase is currently indeterminable.** It appears that this bill will increase the number of former firefighters eligible to have their cancer diagnosis presumed to be an occupational disease resulting from the duties of a firefighter. As a result, expenditures related to workers' compensation (medical costs, indemnity payments, death benefits, and reinsurance premiums) are expected to increase. However, the exact timing and amount of the increase is currently indeterminable due to a lack of information about specific cases and their related timing and costs.

**While the exact amount and timing of the increase is indeterminable, we were able to obtain potential expenditure impact information from various sources as follows:**

- 1) **Risk Management, Inc.** projected a total statewide local expenditure increase of \$29.3 million per year (including \$1.4 million in reinsurance cost increases).
- 2) Based on our assessment of information provided by the **Louisiana Workers' Compensation Corporation (LWCC)**, it appears that this bill may increase local government expenditures by \$21 million per year for 2023 and 2024, \$23.3 million for 2025, and \$25.7 million per year for 2026 and 2027. However, it should be noted that additional amounts may need to be set aside to fund future claims.
- 3) **Firefighters Retirement System of Louisiana** indicated that there will be no material impact to the retirement system.

**REVENUE EXPLANATION**

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

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Michael G. Battle**  
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