OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Louisiana Legislative Auditor — Fiscal Notes

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

Date: June 6, 2022 11:13 AM **Author:** STAGNI
Dept./Agy.: Municipal & Parish Fire Departments
Subject: Post-Employment Cancer Benefits **Analyst:** Courtney Stevenson

CIVIL SERVICE/FIRE & POL EN SEE FISC NOTE LF EX See Note
Provides relative to occupational diseases for members in the classified fire service

Purpose of Bill: This bill increases the period after employment during which a cancer diagnosis is presumed to be connected with the duties of a firefighter from 3 months for each full year of service (maximum of 60 months) to 120 months for firefighters who leave service on or after January 1, 2023, subject to restrictions on age, years of service, and/or disability retirement. In addition, this bill eliminates the presumption period for cancer diagnoses made after these former fighters reach the age of 65.

The bill also limits payments for medical care to 1.5 times the Medicare reimbursement rate or the actual charge for the service, whichever is less. If there is no Medicare fee schedule reimbursement for a medical expense, the reimbursement will be made in accordance with the worker's compensation reimbursement schedule under RS 23:1034.2.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	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 impact of this bill on local government expenditures is currently indeterminable.
Information from Risk Management, Inc. (RMI) and Louisiana Workers' Compensation Corporation (LWCC) indicates that this bill may increase the number of cancer cases covered by workers' compensation by expanding the presumption period, but may reduce medical costs per claim by linking payments to Medicare reimbursement rates. The impact of this bill is currently indeterminable due to a lack of information about specific cases and their related timing and costs, including cost increases due to increased cancer claims and cost decreases due to medical cost reduction per claim. However, it should be noted that expenditure increases due to this bill, if any, are not expected to occur until after fiscal year 2025 as current law already provides a presumptive period of 2.5 years to 5 years. **While the specific overall impact of this bill is currently indeterminable, we were able to obtain the following information regarding potential expenditure impacts:**

1) Information from **RMI** indicates that this bill may increase local government workers compensation expenditures by $15.2 million per year statewide (including $0.96 million in reinsurance cost increases). This information is based on claims data from a group of self-insured local governments, and assumes, among other things, that the increased costs related to expanding the presumption period will exceed the cost decreases due to the medical cost reduction per claim.

2) Information from **LWCC** indicates that this bill is not expected to impact the expenditures of LWCC's local government workers' compensation insurance policyholders as the increased costs related to expanding the presumption period is expected to be offset by the cost decreases due to the medical cost reduction per claim.

Note: Information received from our contacts/sources indicates that 60% of firefighters are covered by self-insured employers, while 40% are covered by workers' compensation insurance policies (of which 90% are covered by an LWCC insurance policy).

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}

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