



125th MAINE LEGISLATURE

LD 1913

LR 2787(01)

An Act To Review and Restructure the Workers' Compensation System

Fiscal Note for Original Bill

Committee: Labor, Commerce, Research and Economic Development

Fiscal Note Required: Yes

Fiscal Note

Undetermined fiscal impact - all funds

Fiscal Detail and Notes

This bill amends certain provisions of the Maine Workers' Compensation Act of 1992 as well as certain procedures of the Workers' Compensation Board. Although a preliminary analysis conducted by the National Council on Compensation Insurance, Inc. (NCCI) provides estimated fiscal impacts on certain specific changes in this legislation, the fiscal impact of other changes could not be determined until a more comprehensive analysis is performed.

According to the preliminary analysis provided by NCCI, the provision in this legislation that increases the percent of the state average weekly wage that is used in the calculation of the maximum benefit level from 90% to 100% may increase the cost of workers' compensation benefits in the State by between 0.6% and 0.8%.

This bill also changes the calculation for determining the maximum benefit amount for total incapacity and partial incapacity from 80% of the employee's net average weekly wages to 2/3 of the employee's gross average weekly wages for those injuries that occur on or after January 1, 2013. Preliminary estimates provided by NCCI indicates that this provision may reduce the cost of workers' compensation benefits by approximately 0.5%.

The fiscal impact of eliminating the permanent impairment threshold index for individuals with partial incapacity and changing the eligibility requirements for the extension of benefits for permanently impaired individuals with partial incapacity beyond 520 weeks for those injuries that occur on or after January 1, 2013 can not be determined at this time. According to a preliminary analysis of the proposal by NCCI the impact will depend on actual experience and will be reflected in future loss cost filings submitted by NCCI to the Maine Bureau of Insurance.

Additional costs to the Workers' Compensation Board associated with establishing an Appellate Division within the board utilizing individuals currently serving as full-time hearing officers of the board can be absorbed within existing budgeted resources.