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No. 1385

H.P. 988

House of Representatives, April 10, 2013

An Act To Amend the Reporting Requirements of the Workers' Compensation Management Fund

Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 204.

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative FITZPATRICK of Houlton.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §1833, sub-§1**, as enacted by PL 1989, c. 501, Pt. P, §16, is
3 amended to read:

4 **1. Capitalization; premiums.** The fund ~~shall be~~ is capitalized by legislative
5 appropriations, payment from state departments and agencies and by other appropriate
6 means.

7 On or before July 1st of each year, the Department of Administrative and Financial
8 Services, Division of Employee Health and Benefits shall inform the State Budget Officer
9 of quarterly premium charges for the fiscal year. The State Budget Officer shall advise
10 any affected department or agency of the premium charges so that they may be
11 incorporated into the normal budgetary process. An agency that does not have sufficient
12 funding to pay the required premium charges shall request funds from the Legislature.

13 All state departments and agencies shall make premium payments to the fund at the
14 beginning of each quarter based on charges to user departments. Premiums charged to
15 user departments ~~shall~~ must be based on an analysis of the loss experience of each
16 department, the reserve requirements related to departmental loss experience and the
17 recovery of expenses as authorized in this section as related to each user department.
18 Each department shall allocate the premium charge based on an analysis of the loss
19 experience of each account or subdivision of account within the department. Premiums
20 charged ~~shall~~ must be sufficient to ensure the continuation of the fund and shall be set by
21 the commissioner.

22 Funds received from the reserve fund for self-insured retention losses under section 1731
23 ~~shall~~ must be repaid to that reserve fund through premiums charged except that, on the
24 request of the commissioner, the Governor may waive repayment to the reserve fund
25 when warranted and necessary.

26 **Sec. 2. 5 MRSA §1833, sub-§2**, as amended by PL 1991, c. 780, Pt. Y, §73, is
27 repealed.

28 **SUMMARY**

29 Current law requires the Commissioner of Administrative and Financial Services to
30 provide to the State Budget Officer and departments and agencies notice of quarterly
31 premium payments due to the Workers' Compensation Management Fund so that the
32 charges may be incorporated into the normal budgetary process. This bill instead requires
33 the Department of Administrative and Financial Services, Division of Employee Health
34 and Benefits to inform the State Budget Officer of the premium charges for the fiscal
35 year, and directs the State Budget Officer to advise any affected department or agency so
36 those charges may be incorporated into the normal budgetary process. This bill also
37 removes transitional language that was applicable in the 114th Legislature.