

OFFICE OF FISCAL ANALYSIS

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sSB-164

AN ACT INCLUDING CERTAIN MENTAL OR EMOTIONAL IMPAIRMENTS WITHIN THE DEFINITION OF "PERSONAL INJURY" UNDER THE WORKERS' COMPENSATION STATUTES.

As Amended by Senate "A" (LCO 8127), Senate "B" (LCO 9712), Senate "D" (LCO 10183)

House Calendar No.: 683

Senate Calendar No.: 202

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 20 \$	FY 21 \$
Various State Agencies	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 20 \$	FY 21 \$
All Municipalities	STATE MANDATE ¹ - Cost	See Below	None

Explanation

Sections 1 to 3 of the bill will result in a cost to the state's workers' compensation program to provide coverage for any claims arising out of the bill's expanded definition of personal injury to include mental-mental injuries (a mental injury without an accompanying physical injury) as of July 1, 2019 which are the result of a qualifying event as defined in the bill. The cost will depend on various factors, including (1) the anticipated frequency of claims and (2) the anticipated severity

¹ State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

of the claims, which are both unknown and highly variable. By way of example, a basic claim for the state with lost wage (TTD) assuming the average base salary for a state trooper and the maximum duration of medical services, would be approximately \$95,000 over the life of the claim.² The bill limits the benefit to 52 weeks from the date of diagnosis and excludes claims made beyond four years from the date of the qualifying event. In addition the bill precludes an individual from being eligible for partial incapacity benefits (CGS § 31-308) and partial permanent disability benefits (CGS § 31-308a). Lastly, it is important to note that once an injury is identified as a work related injury and covered under the workers' compensation program any subsequent injury or impairment which can be causally linked to the initial injury is also covered by workers' compensation, resulting in a wide range of potential per claim costs.

In addition, the bill will result in increased contract costs for the state with regards to its third party administrator (TPA) for additional administrative expenses related to the benefit calculation in accordance with the parameters of the bill. Current law bases the benefit on the actual employee's average weekly wage. For reference an additional 1% increase in the current annual contract costs is approximately \$50,000.

The bill's coverage applies to various state and municipal public safety personnel, including police officers, firefighters (including volunteer firefighters), and parole officers. There are approximately 26,800 firefighters, 8,180 police officers, 958 sworn state police officers and 140 parole officers (total population is approximately 36,078 people).³

² The estimate is based on temporary total disability (TTD) cost of \$95,000 (\$64,000 in lost wages and \$31,000 medical (\$100-300 per visit for approximately 2 visits per week)). Medical costs refer only to mental health related out-patient services and exclude any other medical care related to the claim. Under current law, a TTD generally has no cap on treatment or duration, the bill limits treatment to 52 weeks.

³ Member statistics based on information from the Connecticut State Firefighters Association for 2017.

Municipal Impact

The bill will result in a cost to municipalities to provide coverage for workers' compensation claims made in accordance with the provisions of the bill. The impact will be reflected in premiums for policies effective on and after July 1, 2019 and for self-insured plans based on (1) the cost of claims and (2) additional TPA or other administrative expenses, including staff related to the benefit calculation for injured workers in accordance with the bill.

Section 4 results in a cost to the Department of Emergency Services and Public Protection (DESPP) and municipalities. This section requires law enforcement departments to request a psychiatric examination be performed on an officer prior to them returning to duty. This requirement may result in additional overtime costs to law enforcement units if officers that are subject to such examinations are deemed unfit for duty. For context, DESPP spends approximately \$400 per day, per officer on overtime wages and associated fringe benefits.

Sections 5 and 6 of the bill limit instances where a person can be charged with criminal possession of a firearm and results in a potential minimal savings from fewer instances of incarceration or probation supervision. On average, the marginal cost to the state for incarcerating an offender for the year is \$1,800^[1] while the average marginal cost for supervision in the community is less than \$700^[2] each year.

Section 7 does not result in a fiscal impact to the state or municipalities as it is within the scope of the state and municipal agency expertise and consistent with current practice.

^[1] Inmate marginal cost is based on increased consumables (e.g. food, clothing, water, sewage, living supplies, etc.) This does not include a change in staffing costs or utility expenses because these would only be realized if a unit or facility opened.

^[2] Probation marginal cost is based on services provided by private providers and only includes costs that increase with each additional participant. This does not include a cost for additional supervision by a probation officer unless a new offense is anticipated to result in enough additional offenders to require additional probation officers.

Section 8 to 10 require the Department of Emergency Services and Public Protection (DESPP), the Department of Corrections, the State Fire Marshal, and municipalities, in consultation with the Department of Mental Health and Addiction (DEMHAS) Services, to provide self-care and resiliency training during basic training for various emergency personnel. This is not expected to result in a cost, as DEMHAS has training specialists who can provide such training at no additional cost to state agencies or municipalities.

Section 11 does not result in a fiscal impact to the various state agencies to evaluate expanding the bill's benefits to emergency services personnel and certain Department of Corrections employees as its it within the consulting agencies' and related parties' expertise.

Section 12 repeals section 2 of sSB 921 of the current session which does not result in a fiscal impact.

Senate "A" struck the underlying bill and associated fiscal impact.

Senate "B" struck Senate "A" and results in the fiscal impact described above.

Senate "D" replaced section 11 of Senate "B", resulting in the fiscal impact described for section 11 above.

The Out Years

The annualized ongoing fiscal impact identified above will continue into the future and be reflected in future premium and claims costs as well as administrative expenses.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.