

FISCAL NOTE

Requested by Legislative Council
02/06/2001

REVISION

Bill/Resolution No.: HB 1161

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds

Revenues

Expenditures

Appropriations

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

NORTH DAKOTA WORKERS COMPENSATION 2001 LEGISLATION SUMMARY OF ACTUARIAL INFORMATION

BILL DESCRIPTION: Permanent Partial Impairment

BILL NO: HB 1161 (Revised)

SUMMARY OF ACTUARIAL INFORMATION: North Dakota Workers Compensation, together with its actuary, Glenn Evans of Pacific Actuarial Consultants, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

This bill will introduce PPI scheduled benefits for some specific injury types and adopt the 5th edition of the AMA Guides to Evaluation of Permanent Impairment.

FISCAL IMPACT: NDWC is proposing to adopt the 5th edition of the AMA Guidelines to reflect up-to-date medical information when evaluating disability ratings. The introduction of scheduled benefits is being proposed in response to recommendations made as part of the PPI study completed by independent claims consultants earlier this year.

Based on a review of data compiled by NDWC, we believe that the legislation, in its original form, will increase rate levels by 0.5% to 1.0%.

We believe that the impact of the change on discounted reserve levels will range between \$2.5 million and \$3.5 million.

DATE: January 26, 2001

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name: Paul R. Kramer
Phone Number: 328-3856

Agency: Workers Compensation
Date 02/05/2001
Prepared: