

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 5 - 0 - 0

Yeas: Avakian, Beyer, Gordly, Monroe, Prozanski

Nays: 0

Exc.: 0

Prepared By: Anna Braun, Administrator

Meeting Dates: 4/25

WHAT THE MEASURE DOES: Removes the \$1500 cap for medical-only temporary disability compensation for workers' compensation claims and instead ties compensation to the inflation-index.

ISSUES DISCUSSED:

- Support of the Management-Labor Advisory Committee
- Legislative history of adjustments

EFFECT OF COMMITTEE AMENDMENT: Deletes reference to establishing the amount by rule, instead the Department of Consumer and Business Services will issue a bulletin with the adjusted number. Changes the consumer price index used to the Consumer Price Index for Medical Care and rounds the adjustment to the nearest \$100. Clarifies first adjustments are January 1, 2008.

BACKGROUND: Since 1987 employers have been allowed to pay a portion of medical costs on their non-disabling workers' compensation claims so that minor injuries would not adversely affect an employer's experience rating. The limit was originally set at \$500. The 2005 Legislature increased the threshold to \$1500. SB 762 A allows the amount to be tied to the inflation index instead of having to be adjusted periodically by the legislature to keep pace with inflation.