

**2009 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** HB 2420                      **STATUS:** Original  
**SUBJECT:** Workers Compensation cancer coverage for firefighters  
**GOVERNMENT UNIT AFFECTED:** Department of Consumer and Business Services, Department of Forestry, Department of Administrative Services and Local Governments  
**PREPARED BY:** Robin LaMonte  
**REVIEWED BY:** John Borden, Dawn Farr  
**DATE:** January 29, 2009

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**EXPENDITURES:** See Comments.

**EFFECTIVE DATE:** January 1, 2010.

**GOVERNOR’S BUDGET:** This bill is not anticipated by the Governor’s recommended budget.

**LOCAL GOVERNMENT MANDATE:** This bill may affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**COMMENTS:** The bill adds brain cancer, colon cancer, stomach cancer, testicular cancer, prostate cancer, multiple myeloma, non-Hodgkin’s lymphoma, cancer of the throat or mouth, rectal cancer, breast cancer, and leukemia to existing firefighter presumptions for employment caused occupational diseases for workers’ compensation (WC). The bill limits the WC presumption to non-volunteer firefighters who receive wages or other compensation, excluding room and board, from a political division or subdivision. The bill requires that the presumption be made by cities that provide a separate disability and retirement system. The bill also limits the compensation to cancers that are first diagnosed by a physician after July 1, 2009.

The fiscal impact associated with this bill is indeterminate because the number of additional claims that may occur from the expanded occupational disease presumption cannot be determined. The Military Department has firefighters at the Portland Air Base and at Kingsley Field Air Base in Klamath Falls. The Military Department estimates no immediate impact from the bill, but notes that, depending on the number of claims that are filed, WC rates could increase in the future from firefighter claims. The Department of Forestry (DOF) coordinates wild land firefighting. Department staff assigned to firefighting is often adjusted based on need. DOF cannot determine if the bill includes wild land firefighters along with structural firefighters. The State of Oregon is self-insured and pays its own WC claims. The Department of Administrative Services cannot determine if the bill includes the specialized, non-structural firefighters employed by the State, but assumes that, if state firefighters are included, claims will likely increase leading to increased WC rates. The timing and amount of these increases is unknown at this time. The Department of Consumer and Business Services (DCBS) notes that the estimated number of compensable claims under this bill will have a negligible impact on WC assessment rates, since firefighters represent a very small proportion of covered Oregon workers.

The bill provides that a city that provides disability and retirement for firefighters under the “opt out” provisions of ORS 656.027(6) must apply the presumptions identified in this bill when processing claims for firefighters. DCBS indicates that the City of Portland is the only jurisdiction that has its own disability system for firefighters. According to a report from the City of Portland Bureau of Fire and

Police Disability and Retirement submitted to the Management Labor Advisory Committee on January 12, 2009, the bill would result in four additional cancer claims over a ten-year period. The cost of these claims over the ten-year period would be approximately \$3 million.

City County Insurance Services (CIS), the self-insured WC program which covers 39 city fire services, has concerns that the bill will lead to significant increases in WC rates. An analysis by Regence BlueCross BlueShield (RBCBS) of cancer rates among the Oregon city employee population covered by CIS, and underwritten by RBCBS, for the 12 cancers covered under this bill indicates an incidence rate of 1.2% per year. Based on that incidence rate, CIS estimates that there could be as many as 23 cancers per year among its 1,941 covered firefighters. The potential cost could exceed \$1 million per claim, which could ultimately have an effect on WC assessment rates.

While the bill does not have an emergency clause, it would have a fiscal impact for the full 2009-11 biennium because of the July 1, 2009 cancer diagnostic date.