

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: HB 316  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB316-DOA-RM-02-28-14  
Title: WORKERS' COMPENSATION MEDICAL FEES  
Sponsor: LABOR & COMMERCE  
Requester: Labor and Commerce

Department: Department of Administration  
Appropriation: Risk Management  
Allocation: Risk Management  
OMB Component Number: 71

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

## Why this fiscal note differs from previous version:

Not applicable, initial version.

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Division: <u>Risk Management</u>	Date: <u>02/28/2014 11:55 AM</u>
Approved By: <u>Curtis Thayer, Commissioner</u>	Date: <u>02/28/14</u>
Agency: <u>Department of Administration</u>	

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. HB 316

### Analysis

Risk Management (RM) would not be financially impacted by this proposed legislation.

This bill amends AS 23.30.097 to recalculate how the medical fee schedule is currently be calculated. Section 1, (A)(B)(C), states the fee schedule is the be based on Medicare and Medicaid Services, using the resource-based relative value scale. This section of the bill if passed would take effect January 1, 2015 per Section 6. This new language should give the Alaska Worker's Compensation Board (AWCB) the authority to adjust medical costs for workers' compensation claims to be more in line with medical costs associated with health care providers.

Section 3 adds (h) through (m) to state the fee schedule will be reviewed annually and adjusted using a conversion factor established by the board and adopted in regulation.

Section 5 and section 7 of the bill revert the new fee schedule in section 1 back to the current language. RM anticipates there might be a temporary reduction in medical costs based on the language in Section 1, because it will sunset, the cost savings would only exist until January 1, 2019. RM therefore submits a zero fiscal note.