

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	CSHB 79(FIN)
Fiscal Note Number:	5
(H) Publish Date:	2/21/2018

Identifier: HB079CS(JUD)-DOA-DRM-02-09-18
Title: OMNIBUS WORKERS' COMPENSATION
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: (H) FIN

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)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services							
Travel							
Services	40.0		12.9	12.9	12.9	12.9	12.9
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	40.0	0.0	12.9	12.9	12.9	12.9	12.9

Fund Source (Operating Only)

1007 I/A Rcpts (Other)	40.0		12.9	12.9	12.9	12.9	12.9
Total	40.0	0.0	12.9	12.9	12.9	12.9	12.9

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) 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If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Updated for CS, with lowered cost.

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Phone: (907)465-5723
Date: 02/09/2018 07:10 AM
Date: 02/09/18

**REPORTED OUT OF
HFC 02/20/2018**

FISCAL NOTE ANALYSIS

**STATE OF ALASKA
2018 LEGISLATIVE SESSION****Analysis**

This bill will have a financial impact on the Division of Risk Management (DRM).

This bill will clarify, amend, add and repeal several statutes within workers' compensation. Changes that will impact DRM include reporting changes to the Alaska Workers Compensation Board. The Board will move from a manual process to an Electronic Data Input (EDI) process, with changes to the appropriate forms used for reporting.

EDI form submittals are through a third party vendor, at a cost of \$1.25 per form. DRM receives about 1,900 Report of Injury (ROI) forms from state workers a year, approximately 1,200 of those forms turning into compensable claims. Each claim can generate approximately 8 forms per claim, with some generating many more. The claims management software system will process the EDI forms through a third party administrator approved by Department of Labor, Workers' Compensation Division.

DRM anticipates a first year cost of \$40.0 for the initial implementation, including changes to the software and costs related to submitting forms via EDI. Costs are estimated at \$12.9 annually in the out years. Costs will be absorbed by agencies through the annual rate process.