

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: CSHB 316(L&C)  
 Fiscal Note Number: 1  
 (H) Publish Date: 3/31/14

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 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>OPERATING EXPENDITURES</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>	<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>	<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 If yes, by what date are the regulations to be adopted, amended or repealed?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:	Risk Management	Date:	02/28/2014 11:55 AM
Approved By:	Curtis Thayer, Commissioner	Date:	02/28/14
Agency:	Department of Administration		

FISCAL NOTE ANALYSIS #1

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. CSHB 316(L&C)

**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.