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517

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: SB 517  
 Title: "An Act relating to Workers' Compensation; and providing . . ."  
 Sponsor: Labor and Commerce  
 Requestor: Senate HESS  
 Date of Request: 04/03/84

FISCAL DETAIL

Agency Affected: Labor  
 Program Category Affected: Public Protection  
 BRU, Program or Subprogram(s) Affected: Workers' Compensation

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

N/A

ANALYSIS: Attach a separate page for analysis

Prepared By: <sup>WS</sup> Jacquelyn McClintock Phone: 465-2790  
 Division: Workers' Compensation Date: 04/03/84  
 Approved by Commissioner: <sup>WS</sup> Jim Robison Date: 04/03/84  
 Agency: Department of Labor

LEG:A:42

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

MAY 15, 1984

TO: JOHN

FROM: KEN

RE: SB 517 RELATING TO WORKERS COMPENSATION

SB 517 IS DESIGNED TO ~~WILL~~ SOLVE THE PROBLEMS OF INCONSISTENCY OF TIME PERIODS WHICH NOW EXIST IN THE WORKERS COMPENSATION ACT. THE END DESIRED RESULT WOULD BE LESS CONTROVERTED WORKER COMPENSATION CLAIMS.

A DETAILED SECTIONAL ANALYSIS HAS BEEN PROVIDED AND I WOULD NOW ASK THE DEPARTMENT OF LABOR TO COME FORWARD AND GO THROUGH THE BILL WITH THE COMMITTEE.

## Section-By-Section Analysis

### HCS CSSB 517 (L&C)

Section 1. This section requires the physician rendering treatment to file a medical report within 14 days following treatment instead of 20 days.

Section 2. This section extends the maximum time period for an employer to notify the board and employee that the payment of compensation has begun or has been increased, decreased, suspended, terminated, resumed, or changed in type, from 14 days to 28 days.

Section 3. This section extends the maximum time period for an employer to file a controversion from 14 days to 21 days from date of knowledge of the alleged injury or death, or, if payments have begun, within 7 days after an installment or compensation payable without an award is due.

Section 4. This section shortens the maximum time period for an employer to pay compensation to an injured worker from 28 days to 21 days.

Section 5. Provides for an effective date of July 1, 1984.

### ANALYSIS

The proposed legislation rectifies many of the incompatible and inconsistent time periods presently existing in the Workers' Compensation Act. The bill changes the maximum time periods to file physician's notice of treatment, file notice of controversion, pay compensation benefits to injured workers and to notify the board and employee on the payment status of workers' compensation benefits.

Currently, the employer has a maximum time period of 28 days to pay compensation, but only 14 days to controvert a claim. A further conflict in making a determination to either pay or deny is the time period of 20 days for the physician to file notice of treatment verifying that the injury is work connected and that the worker is unable to work. This leaves little or no time for the employer/insurers to make an informed decision to accept or deny the claim. As a result, many employer/insurers controvert claims which unnecessarily delays payment of compensation for a longer period than the additional 7 days proposed under this legislation to investigate the claim.

This legislation will require the physician to file the medical report within 14 days instead of 20. The time period to file a controversion will be extended to 21 days instead of 14 days and the maximum time to pay compensation will be shortened from 28 to 21 days. In other words, the physician must file the medical report within 14 days and the insurer must either pay or controvert the claim within 21 days.

The proposed amendment allows an additional 14-day grace period for the employer/insurer to notify the board and employee on the payment status of workers' compensation benefits by extending the maximum time period from 14 days to 28 days to file compensation reports.

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 Bill/Resolution No.: CS SB 517(L&C) Agency Affected: Labor  
 Title: "An Act relating to Workers' Compensation; and providing . . ." Program Category Affected: Public Protection  
 Sponsor: Labor and Commerce BRU, Program or Subprogram(s) Affected: Workers' Compensation  
 Requestor: House Labor & Commerce  
 Date of Request: 5/10/84

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>						
<b>REVENUE</b>						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

N/A

ANALYSIS: Attach a separate page for analysis

Prepared by Jacquelyn McClintock Phone: 465-2790  
 Division: Workers' Compensation Date: 5/10/84

Approved by Commissioner Robert W. Jandson Date: 5/10/84  
 Agency: Department of Labor

LEG:A:45  
 Distribution (by Agency preparing fiscal note):  
 Legislative Finance  
 Legislative Sponsor  
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