

Fiscal Estimate - 2017 Session

Original Updated Corrected Supplemental

LRB Number **17-3571/1** Introduction Number **AB-0434**

Description
worker's compensation claims by certain public safety employees for post-traumatic stress disorder

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations

- Increase Existing Revenues
- Decrease Existing Revenues

- Increase Costs - May be possible to absorb within agency's budget
 - Yes No
- Decrease Costs

Local:

- No Local Government Costs
- Indeterminate

1. Increase Costs
 - Permissive Mandatory
2. Decrease Costs
 - Permissive Mandatory
3. Increase Revenue
 - Permissive Mandatory
4. Decrease Revenue
 - Permissive Mandatory

5. Types of Local Government Units Affected

- Towns Village Cities
- Counties Others
- School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**
 GPR FED PRO PRS SEG SEGS 20.445(1)(ra), 20.445(1)(t)

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DWD 7/26/2017

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Description worker's compensation claims by certain public safety employees for post-traumatic stress disorder		

Assumptions Used in Arriving at Fiscal Estimate

This bill changes the conditions of liability for Worker's Compensation benefits for law enforcement officers, fire fighters, and emergency service personnel (public safety employee) members diagnosed with post-traumatic stress disorder.

The bill creates a presumption that a diagnosis of post-traumatic stress disorder, of those above listed occupations, arises out of the employee's employment with that employer for purposes of worker's compensation. Current law provides that an employer is liable for accidents or diseases of its employees if the accident or disease causing injury arose from the employee's employment.

This bill also provides that, in the case a public safety employee suffers a mental injury that arises from employment, and results in a diagnosis of post-traumatic stress disorder, the employee is not required to show that mental injury was caused by usual stress of greater dimensions than the day-to-day emotional strain and tension experience by similarly situated employees for the injury to be compensable under the worker's compensation law. Current case law requires that, for a mental injury to be compensable under worker's compensation law, the injury must result "from a situation of greater dimensions than the day-to-day emotional strain and tension which all employees must experience."

The Department of Workforce Development's Division of Worker's Compensation estimates that this bill would have an indeterminant short-term fiscal effect and result in an indeterminant increase in long-term costs.

It is estimated that the bill would increase costs to the Work Injury Supplemental Benefit Fund, s.20.445 (1)(t) by increasing the fund's claim exposure under the barred claims provision. The Department is not able to estimate reliably the increased number of claims and thus not able to project increased costs. The bill would also increase the number of contested hearings resulting from disputes over if an injury is compensable under the Worker's Compensation statutes. However, the Department is not able to project reliably the number of increased hearings. These hearings are funded by the Worker's Compensation operations fund; administration s.20.445 (1) (ra). Therefore, the increase in the number of hearings will increase costs to s.20.445 (1) (ra).

The State of Wisconsin is also a self-insured employer (an entity that assumes all financial risk of providing a benefit) through the Department of Administration's division of Risk Management. Any increases in Worker's Compensation expenses would be transferred back to all state agencies in the form of an increased assessment.

Similarly, the bill would increase costs to all types of local government units subject to the Worker's Compensation provisions. However, the Department is unable to accurately determine the extent to which this is the case.

Long-Range Fiscal Implications

Indeterminate