

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 2, 2013

TO: Honorable Harold V. Dutton, Jr., Chair, House Committee on Urban Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB365** by Martinez, "Mando" (Relating to certain diseases or illnesses suffered by firefighters and emergency medical technicians.), **As Introduced**

<p>No fiscal implication to the State is anticipated.</p>
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The bill would amend Chapter 607 of the Government Code relating to certain diseases or illnesses suffered by firefighters and emergency medical technicians (EMT). A firefighter or an EMT who suffers an acute myocardial infarction or stroke resulting in disability or death is presumed to have suffered the disability or death during the course and scope of employment if it occurred while on duty.

The bill would add Section 607.0565 to include that a firefighter or an EMT who suffers from acquired immune deficiency syndrome, human immunodeficiency virus, hepatitis B or C is presumed to have contracted the disease or illness during the course and scope of employment if while on duty the firefighter or EMT was exposed to contagious fluids or pathogens known to cause the diseases or illness. A firefighter or an EMT who suffers from methicillin-resistant Staphylococcus aureus is presumed to have become infected during the course and scope of employment if while on duty the firefighter or EMT was exposed to an event involving documented exposure to the bacterium.

The bill would include a presumption under Section 607.0565 that may be rebutted through a showing by a preponderance of evidence that a risk factor, accident, hazard, or other cause not associated with the individual's service caused the individual's disease or illness.

Local Government Impact

The City of Houston reported that the fire department has 3,800 firefighters and EMTs; individual costs could be significant, but the amounts could not be estimated.

The City of Waco reported there would be significant costs for workers compensation claims or for the city to disprove the presumption. A firefighter that suffers a heart attack could cost an estimated \$300,000; including costs for additional staffing at an overtime rate while a firefighter recuperates; and costs for surgery, rehabilitation, and hospitalization. The city added that some career firefighters volunteer with Volunteer Fire Departments and Emergency Medical Services groups, many of which do not have sufficient protective equipment thereby exposing career firefighters to elements that they may not otherwise be exposed to while on duty with the city.

The Volunteer Fireman's Insurance Services of Texas indicated that the provisions of the bill would increase insurance costs, and/or generate a state specific exclusion on insurance policies.

The Texas Municipal League (TML) provided estimated fiscal impact information by TML Risk Pool city members that include the average per claim total medical costs and workers compensation indemnity benefits for each of the diseases set forth in the provisions of the bill. TML noted that estimates are difficult to develop and vary widely depending on an individual's medical condition and the circumstances of each case, and that the facts of each case determine the type of indemnity benefit and the length of time the indemnity benefit will be paid. Estimates for medical costs for heart attacks were developed from internal information; and other diseases' medical costs were obtained from the California Senate Appropriations Committee in 2011.

Heart attack stents estimated costs total \$30,000 (medical \$25,000; indemnity benefits \$5,000). Heart bypass surgery estimated costs total \$250,000 (medical \$200,000; indemnity benefits \$50,000). Heart attack resulting in death estimated costs total \$1.3 million in death benefits; and death benefits to beneficiaries will vary. Assuming a 50-year old widow with a 30-year life expectancy at a weekly death benefit of \$818 would total \$1.3 million.

Hepatitis B estimated costs total \$125,000 (lifetime medical \$65,000; indemnity benefits \$60,000). Hepatitis C which infects 3.5 more times than Hepatitis B, estimated costs total \$160,000 (lifetime medical \$100,000; indemnity benefits \$60,000). Liver transplant estimated costs total \$500,000 excluding costs for continuing medical care; (medical \$280,000 or more during a lifetime; indemnity benefits \$120,000).

HIV and AIDs estimated costs total \$778,900 (medical \$618,900; indemnity benefits \$160,000).

Methicillin-resistant Staphylococcus aureus estimated costs would vary significantly (medical ranges from \$1,000 to \$7,000 per infection; indemnity benefits range from \$50,000 to several hundred thousand dollars depending on the severity of the infection or results in death).

Source Agencies: 411 Commission on Fire Protection

LBB Staff: UP, KKR, TP, ESj, SD