

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 22, 2021

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB22 by Springer (Relating to certain claims for benefits, compensation, or assistance by certain public safety employees and survivors of certain public safety employees.), **As Passed 2nd House**

The bill would have an indeterminate cost to the state to provide workers compensation benefits to certain state employees on the presumption of those employees having contracted SARS-CoV-2 or COVID-19 during the course and scope of employment. The provisions of the bill would also apply to previously denied claims from impacted employees related to SARS-CoV-2 or COVID-19. The fiscal implications of the bill cannot be determined due to the inability to determine resubmission and subsequent approval of previously denied claims and in determining the future number of claims that may occur over from COVID-19.

The bill would amend the Government Code to specify the death or total or partial disability to custodial officers, detention officers, firefighters, peace officers, and emergency medical technicians who suffer from Severe Acute Respiratory Syndrome (SARS-CoV-2) or Coronavirus Disease (COVID-19) is presumed to have been sustained in the line of duty based on a test authorized, approved, or licensed by the United States Food and Drug Administration.

The provisions of the bill would authorize payment of claims related to SARS-CoV-2 or COVID-19 made on or after the effective date of the Act, regardless of whether that claim is otherwise considered untimely. The bill would also apply to claims previously denied and subsequently re-submitted; those claims authorized under the Act must be filed not later than six months after the effective date of the Act.

Health care reimbursement for certain injured employees would be determined to be accepted by an insurance carrier by submitting a written request and documentation showing the amounts paid to the health care provider. The carrier would provide reimbursement or deny the request no later than the 45th day after the date an injured employee submits a request for reimbursement for health care.

The State Office of Risk Management (SORM) has estimated the payment of previously denied claims, if resubmitted and approved, could be approximately \$22.1 million. Sections 5, 7 and 8 relating to rebuttals and reimbursement procedures for certain employees would expire September 1, 2023; however the SORM's response assumes a lifetime liability on costs related to these claims. In addition, SORM indicated that the workload to process the COVID-19 claims anticipated under the bill would necessitate the need for 8.0 full-time equivalent (FTE) positions for claims examiners III, with annual salary and benefits of \$70,674 per FTE for a total of \$565,392 per fiscal year. The staffing level is based on the average number of claims handled per adjuster.

Workers compensation claims are funded through payments by state agencies from assessments charged by the State Office of Risk Management (SORM). An increase in payment of claims would result in an increase in assessments charged to state agencies. The anticipated fiscal impact to agencies cannot be determined and may be spread over multiple fiscal years due to active payments.

The Employees Retirement System of Texas, Department of Public Safety, the Department of Insurance and the Texas Department of Criminal Justice indicate the bill would have no significant fiscal impact.

Local Government Impact

According to the Texas Association of Counties, there may be a significant fiscal impact on counties. However the extent of that impact cannot be determined at this time.

Source Agencies: 327 Employees Retirement System, 405 Department of Public Safety, 454 Department of Insurance, 479 State Office of Risk Management, 696 Department of Criminal Justice

LBB Staff: JMc, LBO, LCO, SMAT, SZ, AF, CMA