

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 3, 2021

TO: Honorable Chris Turner, Chair, House Committee on Business & Industry

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB22 by Springer (Relating to certain claims for benefits or compensation by certain public safety employees.), **As Engrossed**

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 a disease that is the basis for a disaster declaration 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 the next five years from COVID-19 or any other disease for which the Governor may declare a disaster.

The bill would amend the Government Code to specify the injury or death to detention officers, firefighters, peace officers, and emergency medical technicians from a disease that is the basis for a disaster declaration from the Governor is presumed to have been sustained in the line of duty.

The fiscal implications of the bill cannot be determined due to the inability to determine the future number of claims that may occur over the next five years from COVID-19 or any other disease for which the Governor may declare disaster.

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, and would also apply to claims previously denied before the effective date of the act and subsequently re-submitted.

The State Office of Risk Management (SORM) has estimated the payment of previously denied claims, if resubmitted and approved, would be approximately \$19,250,000. 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 SORM. An increase in payment of claims would result in an increase in assessments charged to state agencies.

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

Local Government Impact

The Texas Association of Counties Risk Management Pool (TAC RMP) currently provides workers' compensation coverage to 261 qualified public entity members, which include approximately 80%, or 203 of the 254 Texas counties. As of February 21, 2021, TAC RMP has received 1151 COVID-19 related claims. A total of 72%, or 830 of these claims were filed by member counties on behalf of their first responders, jailers and detention officers. Projected incurred reserves may be adversely impacted by an extended duration of the

pandemic, efficacy of vaccines to emerging virus variants, cost of acute lifesaving treatment, and the tails of current COVID-19 claims which are evolving into chronic treatment. According to TAC RMP, the estimate for fiscal year 2021 is \$17 million for their members' first responders, jailers and detention officers alone.

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

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