

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

116

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1161


2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1161

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Jan 30, 2001

Tape Number	Side A	Side B	Meter #
2	X		0-50.3
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Evan Mandigo: *ND Workers Compensation*

Written Testimony

PPI - Permanent Partial Impairment

Brent Edison: *ND Workers Compensation*

Written Testimony and amendments offered

R. Ekstrom: (16.7) What's the bottom average threshold?

Edison: Six percent and down becomes very subjective but there's no consensus.

R. Froseth: Can they come back to collect?

Edison: Not unless there is a significant change in condition.

Mary Skaj: *Business Owner*

Oppose Amend. No employer in the study group wanted to lower the threshold.

20%-16% makes PPI too easy to get. 11%, what workers comp supports, is far too low

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House Industry, Business and Labor Committee

Bill/Resolution Number HB 1161

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because at that rate people take advantage of the system. That low percentage jeopardizes business owners by costing them employees. PPI should only be for major injuries.

Sebald Vetter: (342) *C.A.R.E.*

Written Testimony opposed

David Kemnitz: (38.5) Support with amendments. Decision should be by the doctor.

Gary Nelson: *Ironworkers* We support the bill.

Dan Feneman: **Provided Written Examples.**

C. Berg: Close Hearing on HB 1161.


2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1161(B)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb 14, 2001

Tape Number	Side A	Side B	Meter #
1		X	11.4-53.9
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Chairman Berg: This bill deals with permanent partial impairment, loss of mobility. In 1995 we set the threshold at 16%. This is a judgement call by each doctor, there are no regulations. This bill will clarify that. This has to have a 2/3 vote to change completely. The bill lowers 16% to 11% and the cost is 6 millions to the fund with the amendments.

Rep Lemieux: I move the amendments presented by the bureau.

Rep Ekstrom: I second.

8 yea, 7 nay, 0 absent

Rep Kasper: I move a do not pass as amended.

Rep Ruby: I second.

8 yea, 7 nay, 0 absent

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House Industry, Business and Labor Committee
Bill/Resolution Number HB 1161(B)
Hearing Date Feb. 14, 2001

Rep Lemieux: I move to reconsider the amendments.

Rep Severon: I second.

15 yea, 0 nay, 0 absent

Rep Froese: I move to reconsider the amendments.

Rep Severson: I second.

Rep Lemieux: I move a do pass as original.

Rep Ekstrom: I second

13 yea, 2 nay, 0 absent

Carrier Rep Berg

FISCAL NOTE
 Requested by Legislative Council
 02/06/2001

REVISION

Bill/Resolution No.: HB 1161

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

**NORTH DAKOTA WORKERS COMPENSATION
 2001 LEGISLATION
 SUMMARY OF ACTUARIAL INFORMATION**

BILL DESCRIPTION: Permanent Partial Impairment

BILL NO: HB 1161 (Revised)

SUMMARY OF ACTUARIAL INFORMATION: North Dakota Workers Compensation, together with its actuary, Glenn Evans of Pacific Actuarial Consultants, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

This bill will introduce PPI scheduled benefits for some specific injury types and adopt the 5th edition of the AMA Guides to Evaluation of Permanent Impairment.

FISCAL IMPACT: NDWC is proposing to adopt the 5th edition of the AMA Guidelines to reflect up-to-date medical information when evaluating disability ratings. The introduction of scheduled benefits is being proposed in response to recommendations made as part of the PPI study completed by independent claims consultants earlier this year.

Based on a review of data compiled by NDWC, we believe that the legislation, in its original form, will increase rate levels by 0.5% to 1.0%.

We believe that the impact of the change on discounted reserve levels will range between \$2.5 million and \$3.5 million.

DATE: January 26, 2001

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Paul R. Kramer	Agency:	Workers Compensation
Phone Number:	328-3856	Date Prepared:	02/05/2001

FISCAL NOTE
 Requested by Legislative Council
 12/26/2000

Bill/Resolution No.: HB 1161

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

**NORTH DAKOTA WORKERS COMPENSATION
 2001 LEGISLATION
 SUMMARY OF ACTUARIAL INFORMATION**

BILL DESCRIPTION: Permanent Partial Impairment

BILL NO: HB 1161

SUMMARY OF ACTUARIAL INFORMATION: North Dakota Workers Compensation, together with its actuary, Glenn Evans of Pacific Actuarial Consultants, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation introduces PPI scheduled benefits for some specific injury types and adopts the 5th edition of the AMA "Guides to the Evaluation of Permanent Impairment".

FISCAL IMPACT: We understand that NDWC is adopting the 5th edition of the AMA "Guides to the Evaluation of Permanent Impairment" to reflect up-to-date medical information when evaluating disability ratings. The introduction of scheduled benefits for some specific injury types is being proposed in response to recommendations made as part of the PPI study completed by independent claims consultants earlier this year.

We have not completed an evaluation of the likely impact of the proposed change on rate and reserve levels because we do not presently have access to an appropriate base of historical experience to use in the required calculations. However, the bureau is actively working to create the necessary database. We will attempt to derive estimates of the potential effect of the changes on rate and reserve levels after we have had a chance to review the information.

We do not anticipate that the proposed changes will have a significant impact on prospective rate levels. Approximately 3% of aggregate collected premiums are presently allocated to PPI loss costs. Thus, PPI loss costs would have to change by as much as a third to generate a 1% change in the prospective rate level.

DATE: December 27, 2000

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Paul R. Kramer	Agency:	Workers Compensation
Phone Number:	328-3856	Date Prepared:	12/27/2000

PROPOSED AMENDMENTS TO 2001 HOUSE BILL NO. 1161

Page 3, line 22, overstrike "fifteen" and insert immediately thereafter "ten"

Page 3, after line 22, insert:

<u>"For eleven percent impairment</u>	<u>5 weeks</u>
<u>For twelve percent impairment</u>	<u>6 weeks</u>
<u>For thirteen percent impairment</u>	<u>7 weeks</u>
<u>For fourteen percent impairment</u>	<u>8 weeks</u>
<u>For fifteen percent impairment</u>	<u>10 weeks"</u>

Page 3, line 23, overstrike "10" and insert immediately thereafter "12"

Page 3, line 24, overstrike "10" and insert immediately thereafter "14"

Page 3, line 25, overstrike "15" and insert immediately thereafter "16"

Page 3, line 26, overstrike "15" and insert immediately thereafter "18"

Page 3, line 28, overstrike "20" and insert immediately thereafter "23"

Page 3, line 29, overstrike "25" and insert immediately thereafter "26"

Page 3, line 30, overstrike "25" and insert immediately thereafter "29"

Page 3, line 31, overstrike "30" and insert immediately thereafter "32."

Page 4, line 1, overstrike "30" and insert immediately thereafter "35"

Page 4, line 2, overstrike "35" and insert immediately thereafter "38"

Page 4, line 3, overstrike "35" and insert immediately thereafter "41"

Page 4, line 4, overstrike "40" and insert immediately
thereafter "44"

Page 4, line 5, overstrike "45" and insert immediately
thereafter "47"

Renumber accordingly

Date: 2-14-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1161

House Industry, Business and Labor Committee

Legislative Council Amendment Number _____

Action Taken Adoption of Amend

Motion Made By Lemieux Seconded By Ekstorm

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg		✓	Rep. Jim Kasper		✓
Vice-Chairman George Kelsar	✓		Rep. Matthew M. Klein		✓
Rep. Mary Ekstorm	✓		Rep. Myron Koppang		✓
Rep. Rod Froelich		✓	Rep. Doug Lemieux	✓	
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby		✓
Rep. Nancy Johnson	✓		Rep. Dale C. Severson		✓
			Rep. Elwood Thorpe	✓	

Total (Yes) 8 No 7

Absent 0

Floor Assignment Rep Berg

If the vote is on an amendment, briefly indicate intent:

