

February 16, 2015

The Honorable Julia Lynn, Chairperson
Senate Committee on Commerce
Statehouse, Room 445-S
Topeka, Kansas 66612

Dear Senator Lynn:

SUBJECT: Fiscal Note for SB 167 by Senate Committee on Commerce

In accordance with KSA 75-3715a, the following fiscal note concerning SB 167 is respectfully submitted to your committee.

SB 167 would remove statutory references to the sixth edition of the American Medical Association (AMA) guides to evaluation of permanent impairment that went to effect on and after January 1, 2015, and reverts back to the fourth edition of this publication. The bill also would increase the minimum functional impairment for a permanently injured worker in order to receive partial disability compensation. The bill would take effect upon its publication in the *Kansas Register*.

The Department of Labor indicates SB 167 would have no fiscal effect on its operations. The Department of Health and Environment (KDHE) indicates that the reference change from the sixth edition to the fourth edition of the AMA Guide could affect some determinations of physical impairment in certain workers compensation cases. However, the Department cannot estimate the resulting fiscal effect on workers compensation claims. The Kansas Insurance Department indicates that the bill has the potential to reduce costs for workers compensation benefit claims by increasing the minimum functional impairment for a permanently injured worker in order to receive partial disability compensation. However, the Kansas Insurance Department does not have enough data to estimate the reduction in costs to its Workers Compensation Fund. Any fiscal effect associated with SB 167 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Glenda Haverkamp, Insurance
Dawn Palmberg, Department of Labor
Aaron Dunkel, Health & Environment