

March 1, 2021

The Honorable Robert Olsen, Chairperson  
Senate Committee on Commerce  
Statehouse, Room 236A-E  
Topeka, Kansas 66612

Dear Senator Olsen:

**SUBJECT:** Fiscal Note for SB 189 by Senator Holland

In accordance with KSA 75-3715a, the following fiscal note concerning SB 189 is respectfully submitted to your committee.

SB 189 would require the Fourth Edition of the American Medical Association Guides to the Evaluation of Permanent Impairment be used when making determinations for workers compensation benefits. Currently, the Sixth Edition of the American Medical Association Guides to the Evaluation of Permanent Impairment is used.

Estimated State Fiscal Effect				
	FY 2021 SGF	FY 2021 All Funds	FY 2022 SGF	FY 2022 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$210,800
FTE Pos.	--	--	--	--

The Department of Administration estimates SB 189 would require additional expenditures of \$210,800 from the State Self Insurance Fund in FY 2022. The estimate assumes an average increase in the cost per claim of \$1,054, which is based on a comparison of the Fourth Edition and the Sixth Edition using actual claims managed by the Department. The estimate also assumes 200 claims per year. The Department estimates expenditures from the State Self Insurance Fund would increase to \$216,520 in FY 2023.

The Kansas Insurance Department indicates the bill could increase benefit payments from the Workers Compensation Fund. However, the agency is unable to estimate the fiscal effect. The bill would have no fiscal effect on the Department of Labor. Any fiscal effect associated with SB 189 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt  
Director of the Budget

cc: Dawn Palmberg, Department of Labor  
Jeff Scannell, Department of Administration  
Bobbi Mariani, Insurance