



# Legislative Activity Report

National Council on Compensation Insurance

The nation's most experienced provider of workers compensation information, tools, and services

Regulatory Services

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State Issues Contacts: Please refer to the list of State Relations Executives at the end of this report.

## LEGISLATIVE ACTIVITY—LEGISLATIVE SESSION UPDATES

*This report contains descriptions and/or excerpts of relevant bills that have passed the first chamber, passed the second chamber, or have been enacted during the specific periods. In addition, a recap of significant legislative and judicial activity impacting the workers compensation system will be included in the first report published each month. This report is issued on a weekly basis throughout the legislative season, and it provides updates on the content of these bills if and when they progress through the legislative process. This report includes bills from states where NCCI provides ratemaking services (see state list under Contact Information) and the US Congress.*

### BILLS ENACTED

There were no relevant workers compensation-related bills enacted within the one-week period ending November 27, 2015.

### BILLS PASSING SECOND CHAMBER

There were no relevant workers compensation-related bills that passed the second chamber within the one-week period ending November 27, 2015.

### BILLS PASSING FIRST CHAMBER

There were no relevant workers compensation-related bills that passed the first chamber within the one-week period ending November 27, 2015.

*The following section contains monthly updates on significant legislative activity, judicial decisions, and regulatory committee activity that may impact the workers compensation system and will be included in the report the first week of every month throughout the year.*

## FEDERAL ISSUES

Issue	Update
<b>Congress</b>	Having returned to Washington after the Thanksgiving holiday, Congress will turn its attention to several issues requiring action prior to the end of the year. Those issues include agreeing on public policy riders, which allocate the federal budget that was agreed to in October, and highway legislation. Given the brief time Congress has remaining this year, it is highly unlikely that it will move forward any legislation impacting workers compensation insurance.
<b>TRIPRA of 2015 Implementation</b>	<p>The Federal Insurance Office (FIO) continues to develop guidance on how it intends to collect terrorism insurance information as required by Section 111 of the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) of 2015. The FIO may begin collecting terrorism insurance data on January 1, 2016, and providing a report on the impact of the federal backstop created under TRIPRA to Congress by June 30, 2016, and annually thereafter.</p> <p>The FIO has conducted three meetings with stakeholders, including NCCI, to receive input on what type of terrorism data is currently available for all lines of insurance covered under TRIPRA. Workers compensation is the only line of insurance covered by TRIPRA that requires evaluation in the FIO's annual report on the impact of TRIPRA on insurance markets. NCCI is providing insights to the FIO on the types of terrorism insurance that are currently available. The FIO is expected to promulgate rules later this year on the data collection mechanism it will use for all TRIPRA-covered insurance lines, including workers compensation.</p> <p>The National Association of Insurance Commissioners (NAIC) indicated earlier this year that it would begin</p>

Issue	Update
	collecting terrorism insurance data. Initially, the NAIC proposed collecting terrorism insurance information through a supplement to the Annual Statement Blank; however, in November, it released for comment a terrorism insurance data call template. The NAIC indicated that 11 states (CA, CT, DC, FL, IL, LA, MO, NY, PA, RI, and TX) have agreed to participate in the first data call, with New York taking a coordinating roll. The NAIC also indicated that, given the changes to TRIPRA made during the reauthorization earlier this year, it is necessary that terrorism insurance data be collected for purposes of solvency regulation and general market oversight.

## STATE LEGISLATIVE ACTIVITY

State	Update
Illinois	On December 1, Gov. Bruce Rauner and legislature leadership met for further discussion in the state's ongoing budget debate. The governor continues to push for workers compensation system changes as part of the budget negotiations.

## OTHER ITEMS OF INTEREST

State	Update
Alaska	The Workers Compensation Board has adopted emergency regulations establishing a new medical fee schedule effective December 1, 2015. As required by AS 23.30.097, this new schedule is based on the Resource-Based Relative Value Scale established by the Centers for Medicare & Medicaid Services. NCCI is in the process of reviewing the fee schedule as enacted for potential system cost impact.
District of Columbia	The District of Columbia (DC) Council's Committee of the Whole issued a notice of public hearing for Bill 21-415, the Universal Paid Leave Act of 2015. The notice invited interested parties to provide testimony about the benefits and drawbacks of the proposed legislation. The bill would establish a universal paid leave system for all DC residents and for workers who are employed in DC. Specifically, the bill allows for 16 weeks of paid family or self-care leave and also amends the District of Columbia Family and Medical Leave Act of 1990 to extend job protections to individuals who have been employed for 6 months and worked at least 500 hours in a 12-month period. Currently, the law requires an individual to be employed for at least one year and to have worked at least 1,000 hours in a 12-month period. NCCI will be submitting a letter to the Committee that explains that (1) workers compensation premium is based on payroll and (2) NCCI's <i>Basic Manual for Workers Compensation and Employers Liability Insurance</i> Rule 2-B-1(e) states that paid leave is included in payroll.
Nebraska	Changes established by the Workers Compensation Court in the methodology for the state's Medical Services Fee Schedule have been implemented. The new methodology indexes certain values on a more objective basis, and effective January 1, 2016, the Medical Services Fee Schedule will be updated accordingly, as established in Nebraska's Workers Compensation Court Rule 26(B). This schedule will include the 2016 Resource-Based Relative Value Scale unit values established by the Centers for Medicare & Medicaid Services, geographically adjusted for Nebraska, and new 2016 CPT codes. From this point forward, the assessment/review of medical fee schedules will be done annually, as opposed to the previous biennial review.
Oregon	Hearings on the attorney fee changes created by <b>HB 2764</b> were held by the Workers Compensation Division and the Workers Compensation Board (WCB) on November 24 and December 4, to further vet the two sets of rules being promulgated to effectuate the changes created by <b>HB 2764</b> . <i>NCCI had previously estimated that <b>HB 2764</b> could result in an unquantifiable increase in workers compensation system costs, with the magnitude dependent on the degree to which attorney fee schedules will be increased, the extent to which attorney involvement increases as a result of higher attorney fees, and behavioral changes of claimants, attorneys, and others. The WCB proposed rule changes, in general, mirror the bill language and do not change NCCI's analysis. One proposed change, however, establishing a \$300/hour rate for claimant attorney fees solely for time spent on interviews or depositions during claim investigation, may result in a small direct increase in overall system costs resulting from greater loss adjustment expenses (which are not included in NCCI loss cost filings in the state). In addition, any potential indirect increase in benefit costs from higher settlements due to increased claimant attorney involvement would be reflected in subsequent loss experience and realized in future NCCI loss cost filings.</i>

## Contact Information

If you have any questions about the legislation or proposals mentioned, please contact the appropriate NCCI state relations executive (listed below) or a representative of your local insurance trade association.

<b>State</b>	<b>State Relations Executive</b>	<b>Phone Number</b>
CT, ME, NH, RI, VT	Laura Backus Hall	802-454-1800
FL, IA	Chris Bailey	850-322-4047
AL, GA, KY, LA, MS	Cathy Booth	205-655-2699
AZ, CO, NM, NV, UT	Maggie Karpuk	818-707-8374
DC, MD, VA, WV	David Benedict	804-380-3005
AK, HI	Carolyn Pearl	808-524-6239
IN, NC, SC, TN	Amy Quinn	803-356-0851
AR, IL, KS, TX	Terri Robinson	501-333-2835
ID, MT, OR	Jessica Epley	503-892-8919
MO, NE, OK, SD	Carla Townsend	314-843-4001
Federal Issues	Tim Tucker	202-403-8526

This report is informational and is not intended to provide an interpretation of state and federal legislation.