



# 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 passed the first chamber, passed the second chamber, or were 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 July 29, 2016.

### BILLS PASSING SECOND CHAMBER

There were no relevant workers compensation-related bills that passed the second chamber within the one-week period ending July 29, 2016.

### BILLS PASSING FIRST CHAMBER

There were no relevant workers compensation-related bills that passed the first chamber within the one-week period ending July 29, 2016.

*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>	Congress is on recess until after the Labor Day holiday and, upon returning, will be in session through the end of September. The main focus for Congress at that time will likely be action on a funding mechanism to keep the government running when the new federal fiscal year begins in October.
<b>TRIPRA of 2015 Implementation</b>	<p>On June 30, 2016, the Federal Insurance Office (FIO) released its report on the effectiveness of the Terrorism Risk Insurance Program (TRIP) as required under the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) of 2015. Key findings in the report include:</p> <ul style="list-style-type: none"> <li>• 18% of workers compensation policies disclosed a zero (\$0) charge for terrorism</li> <li>• For workers compensation coverage, 2.8% of premium was attributed to terrorism coverage (compared to 2.6% for all covered lines)</li> <li>• In response to the hypothetical modeling scenario proposed in the FIO data request, a five-ton truck bomb in an urban area would result in approximately \$14 billion in insured loss</li> <li>• The unique impact of the terrorism peril on the line was identified</li> <li>• No evidence that terrorism coverage would be more available in the absence of the TRIP and no evidence that insurance premiums would likely increase without the TRIP</li> </ul> <p>Earlier this year, FIO began collecting terrorism insurance data from carriers as required by Section 111 of TRIPRA. Carrier reporting of data to FIO was voluntary for 2016, but it will become mandatory for subsequent years.</p> <p><i>NCCI coordinated with non-NCCI states to ensure FIO had a complete data set for workers compensation. As</i></p>

Issue	Update
	<i>such, NCCI provided FIO with a uniform and comprehensive workers compensation data set to supplement the data voluntarily provided by carriers.</i>

## STATE COMMITTEE ACTIVITY

State	Update
<b>Alaska</b>	The Workers Compensation Division's Medical Fee Services Review Committee is continuing its review of the recently adopted medical fee schedule. Details and agenda for the Committee's July 29 meeting are available on the Alaska Division of Workers Compensation's website.
<b>Hawaii</b>	As requested in HCR 168 (2015), the Workers' Compensation Working Group (WCWG) met for the first time on July 13. The WCWG, chaired by the Director of the Department of Labor and Industrial Relations (DLIR), is tasked with identifying ways to streamline the state's workers compensation system and is made up of representatives of various stakeholders in the workers compensation system in the state. The group is to submit a report of its findings and recommendations to the legislature no later than 20 days prior to the convening of the 2017 regular session. The focus of this initial meeting was a presentation by the consulting group that recently completed a study of workers compensation processes at the DLIR. The next meeting of the WCWG is scheduled for August 16.
<b>Idaho</b>	The Industrial Commission has adopted a 2016 updated Medicare-based fee schedule. NCCI has analyzed the proposal and determined the following impacts for the Idaho Workers Compensation System: <ul style="list-style-type: none"> <li>• Hospital Inpatient Services (effective 10/1/15) = +0.1%</li> <li>• Physician Services (effective 1/1/16) = negligible</li> <li>• Hospital Outpatient/Ambulatory Surgical Center (effective 7/1/16) = +0.4%</li> </ul>
<b>Oregon</b>	Recent Workers Compensation Board Advisory Committee recommendations will be considered by the Workers Compensation Division Board on August 2, 2016. The recommendations under consideration are as follows: <ul style="list-style-type: none"> <li>• Permanent Partial Disability—remove fee cap</li> <li>• Permanent Total Disability—increase the cap from \$16,300 to \$20,000 prior to hearing; increase cap to \$30,000 for cases that go through to hearing</li> <li>• Time loss compensation—remove fee cap</li> <li>• Final Payment of Fees—decrease time frame from 30 days to 14 days</li> <li>• Statements of Fees—currently they are due during the hearing; the Committee is considering allowing the statement to be provided after the hearing but has not made a final recommendation and will continue to research options</li> </ul>
<b>Tennessee</b>	The Medical Payment Committee met on July 19 to discuss proposed changes to the hospital fee schedule and no action was taken. The proposal is expected to be discussed again at the group's September meeting.

## OTHER ITEMS OF INTEREST

State	Update
<b>Florida</b>	On June 30, NCCI submitted an amended rate filing, effective October 1, 2016, to the Office of Insurance Regulation (OIR) to include a third component as a result of the <i>Westphal</i> decision.  The components include: <ul style="list-style-type: none"> <li>• First year impact for <i>Castellanos</i> of +15%</li> <li>• Impact of +1.8% in response to <b>SB 1402</b>, which ratified updates to the <i>Florida Workers' Compensation Health Care Provider Reimbursement Manual</i></li> <li>• Impact for <i>Westphal</i> of +2.2%</li> </ul> The combined impact of the three components is +19.6% or \$714M. The OIR has scheduled a public hearing for August 16.
<b>New Hampshire</b>	The Department of Labor (DOL) has proposed amendments to rule LAB 700 concerning Managed Care Programs. These amendments include replacing the list of healthcare providers necessary to be sufficiently comprehensive under the law and decreasing the frequency of certain reports. A public hearing was held on July 27 at the DOL.
<b>South Carolina</b>	At the July 22 business meeting of the South Carolina Workers Compensation Commission, Executive Director Gary Cannon presented an updated <i>Medical Services Provider Manual</i> to the Commission. The Commission's outside consulting group determined that the changes would increase fees for medical services providers by an average of 2.58%. The Commission took no action on the proposal at the meeting, opening the proposal to public comments until July 29. The proposal is available on the Commission's website: <a href="http://www.wcc.sc.gov">www.wcc.sc.gov</a> . The

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