

Multiple Agency Fiscal Note Summary

Bill Number: 1785 HB	Title: COVID-19/occupational
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	No fiscal impact					
Loc School dist-SPI	Fiscal note not available					
Local Gov. Other	Fiscal note not available					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Administrative Office of the Courts	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Enterprise Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Board of Industrial Insurance Appeals	Fiscal note not available											
Department of Labor and Industries	1.6	0	0	382,000	.0	0	0	0	.0	0	0	0
Department of Labor and Industries	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Total \$	1.6	0	0	382,000	0.0	0	0	0	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Department of Enterprise Services	.0	0	0	.0	0	0	.0	0	0
Board of Industrial Insurance Appeals	Fiscal note not available								
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Anna Minor, OFM	Phone: (360) 790-2951	Date Published: Preliminary 2/17/2023
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Judicial Impact Fiscal Note

Bill Number: 1785 HB	Title: COVID-19/occupational	Agency: 055-Administrative Office of the Courts
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note for Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.

Legislative Contact: Kelly Leonard	Phone: 360-786-7147	Date: 02/13/2023
Agency Preparation: Jackie Bailey-Johnson	Phone: 360-704-5545	Date: 02/14/2023
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 02/14/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/14/2023

183,351.00

Form FN (Rev 1/00)

Request # 185-1

Bill # 1785 HB

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

The bill would amend RCW 51.32.181 (Occupational diseases-Public health emergencies-Infectious or contagious diseases) establishing COVID-19 as an occupational disease, adding new sections and declaring an emergency.

II. B - Cash Receipts Impact

None

II. C - Expenditures

This bill would allow workers or the survivor of a worker who has died as a result of any infectious or contagious disease that was subject of a public health emergency, to be fully protected and covered under the workers' compensation system, whose claim was denied by order of the department, the board of industrial insurance appeals, or a court, may file a new claim.

No fiscal impact to the Administrative Office of the Courts.
There could be additional suits filed, but the court impact is indeterminate.

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

NONE

III. B - Expenditure By Object or Purpose (County)

NONE

III. C - Expenditure By Object or Purpose (City)

NONE

III. D - FTE Detail

NONE

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B1 - Expenditures by Object Or Purpose (State)

NONE

IV. B2 - Expenditures by Object Or Purpose (County)

NONE

IV. B3 - Expenditures by Object Or Purpose (City)

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

183,351.00

Form FN (Rev 1/00)

Individual State Agency Fiscal Note

Bill Number: 1785 HB	Title: COVID-19/occupational	Agency: 179-Department of Enterprise Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelly Leonard	Phone: 360-786-7147	Date: 02/13/2023
Agency Preparation: Michael Diaz	Phone: (360) 407-8131	Date: 02/16/2023
Agency Approval: Ashley Howard	Phone: (360) 407-8159	Date: 02/16/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/16/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1 is a new section stating the Legislature's intent.

Section 2 amends RCW 51.32.181 and 2022 c 290 s 1 and adds a new subsection that adds any infectious or contagious diseases that are transmitted through respiratory droplets or aerosols, or through contact with contaminated surfaces and are the subject of a public health emergency, and which are shown to be proximately caused by employment or work conditions, are occupational diseases under RCW 51.08.140. This section also adds that beginning on the effective date of this section, any worker or the survivor of a worker who has died as a result of any infectious or contagious disease, as described in this section, and whose claim was denied may file a new claim for the same exposure, if the denial was made before the effective date of this section. This has no fiscal impact to the Department of Enterprise Services (DES).

Section 3 is a new section that states this act applies to all claims, regardless of exposure or the date the claim is filed. This has no fiscal impact to DES.

Section 4 is a new section that states this act takes effect immediately. This has no fiscal impact to DES.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1785 HB	Title: COVID-19/occupational	Agency: 235-Department of Labor and Industries
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.2	0.0	1.6	0.0	0.0
Account					
Accident Account-State 608-1	191,000	0	191,000	0	0
Medical Aid Account-State 609-1	191,000	0	191,000	0	0
Total \$	382,000	0	382,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelly Leonard	Phone: 360-786-7147	Date: 02/13/2023
Agency Preparation: Donald Jenson Jr	Phone: 360-902-6981	Date: 02/16/2023
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 02/16/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 02/17/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

See attached.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

See attached.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
608-1	Accident Account	State	191,000	0	191,000	0	0
609-1	Medical Aid Account	State	191,000	0	191,000	0	0
Total \$			382,000	0	382,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.2		1.6		
A-Salaries and Wages	258,000		258,000		
B-Employee Benefits	92,000		92,000		
C-Professional Service Contracts					
E-Goods and Other Services	31,000		31,000		
G-Travel	1,000		1,000		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	382,000	0	382,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Fiscal Analyst 5	71,520	0.2		0.1		
Occupational Nurse Consultant	106,884	1.0		0.5		
Workers Compensation Adjudicator 3	68,076	1.0		0.5		
Workers Compensation Adjudicator 4	71,520	1.0		0.5		
Total FTEs		3.2		1.6		0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Part II: Explanation

This bill relates to establishing Covid-19 as an occupational disease.

II. A – Brief Description of What the Measure Does that Has Fiscal Impact

Section 2 amends RCW 51.32.181 as follows:

- Provides that any infectious or contagious diseases that are transmitted through respiratory droplets or aerosols, or through contact with contaminated surfaces and are the subject of a public health emergency, and which are shown to be proximately caused by employment or work conditions (either by presumption or otherwise) are occupational diseases per RCW 51.08.140.
- States that from the effective date of the legislation, a worker or worker’s survivor (in the case of a fatality) who contracted the infectious disease that is the subject of a public health emergency who has had a claim denied by order of the Department of Labor and Industries (L&I), the Board of Industrial Insurance Appeals (BIIA), or court may file a new claim for the same exposure and contended condition or disease if the denial was made before the effective date of this section.

Section 3 states this act applies to all claims, regardless of the date of exposure or the date the claim is filed.

Section 4 states this act takes effect immediately.

II. B – Cash Receipt Impact

Non-Appropriated – State Fund Premiums

As an insurance entity, L&I premium rates are intended to match premiums to claims cost projections. Therefore, for this fiscal analysis it is assumed that any incremental costs or savings will equal the incremental revenue collected.

Non-Appropriated – Premium Impact to Employers

Individual changes to the Accident and Medical Aid fund do not change rate assumptions by themselves. Cost increases are only one of many components in determining rates. The high-level strategy that is used to determine if a rate change is necessary is as follows:

- Review of liabilities, or costs of the Workers' Comp System.
- Investment earnings.
- Adequate revenue (premiums + investments) based on projected costs (actuarial estimates) will determine need for a premium change.

Non-Appropriated – Self-Insured Employers

If an employer chooses to be self-insured, they are responsible to pay for overall claim costs and a portion of administration costs of L&I's Self-Insurance Program and other costs of related support functions. The administrative assessment is an amount per dollar of claim benefit costs. If benefit costs are increased due to the change in acceptance of Covid-19 claims, self-insured employers would be assessed by L&I for their appropriate portion of administrative costs based on the increase. Incremental costs or savings will equal the incremental revenue collected from assessments.

Receivables – Operating

None.

II. C – Expenditures

Non-Appropriated – State Fund Benefits Costs

There is indeterminate non-appropriated impact to the Accident Account, fund 608, and Medical Aid Account, fund 609. (Non-appropriated costs are not included in the Fiscal Note Summary.)

The following assumptions were used to calculate the estimates:

As of February 2023, there were approximately **1,300** State Fund claims rejected for reasons other than lack of industrial insurance coverage or duplicate claims, and **nine** of those claims were fatal claims. L&I cannot determine how many of those rejected claimants would refile their claims, how many injured workers who did not file in the past would now file a claim, or how many of those claims would be accepted under the bill. There is also significant uncertainty in the long-term costs of Covid-19 claims.

Appropriated – Operating Costs

This bill increases expenditures to the Accident Account, fund 608, and Medical Aid Account, fund 609. The following assumptions were used to estimate the resources requested to implement this bill.

Staffing

1.0 FTE, Workers Compensation Adjudicator 3 (WCA3), temporary, from July 1, 2023 through June 30, 2024. Duties include adjudicating the validity of new State Fund claims under the criteria from the bill. Duties also include evaluating new medical conditions contended as related to Covid-19 and paying medical and time loss benefits as appropriate. This is based on the following assumptions:

- L&I's actuaries estimate between 325 and 975 State Fund claims that would be refiled.
- L&I's Office of the Medical Director estimates that 80 to 195 of those claims would be from long Covid conditions.
- Using the mid-point of each range would yield 650 refiled claims, from which 138 would be long Covid.
- Since the outset of the pandemic, State Fund has received 520 long Covid claims. Of the 520 claims, 435 have closed as of February 14, 2023. The average length of time from the date of manifestation (DOM) to closure for this group of claims is 165 days.
- 85 claims remain open – the average time for these claims from the DOM to February 14, 2023 is 648 days. There are 38 claims open with DOMs in 2020, 21 claims with DOMs in 2021 and 26 claims with DOMs in 2022.
- A WCA3 can manage 200-230 claims at any given time.
- The average expected duration of a long Covid claim is at least 165 days and a percentage will remain open considerably longer than that a fulltime WCA3 is needed for one year to adjudicate the group of newly re-filed claims, an undetermined number of new claims, and then to manage any long Covid claims that are allowed to their conclusion.
- Therefore, for fiscal note purposes, 1 FTE is needed.

1.0 FTE, Occupational Nurse Consultant (ONC), temporary, from July 1, 2023 through June 30, 2024. Duties include making referrals, phone calls, staffing, evidence based research, durable medical equipment, and home health authorizations, and consulting with internal staff such as health policy review and utilization review, and external parties such as providers and Nurse Case Managers for State Fund Covid-19 claims. This is based on the following assumptions:

- L&I's actuaries estimate between 325 and 975 State Fund claims that would be refiled.
- L&I's Office of the Medical Director estimates that 80 to 195 of those claims would be from long Covid conditions.
- Using a low estimate from these numbers, 325 allowed Covid-19 claims with one third being long Covid claims would potentially generate 5-8 referrals to ONC per claim.
- 1625 to 2600 referrals to ONCs are expected. (325 claims x 5-8 referrals = 1625 – 2600)
- One ONC FTE can manage a workload of about 1800 - 2600 work items per year.
- Therefore, 1 FTE is needed. (top range = 2600 referrals / 2600 ONC workload = 1.0)

1.0 FTE, Workers Compensation Adjudicator 4 (WCA4), temporary, from July 1, 2023 through June 30, 2024. Duties include adjudicating the validity of new Self-Insured claims under the criteria from the bill. Duties include evaluating new medical conditions contended as related to Covid-19, including reviewing, adjudicating, and ensuring the oversight of quality and consistent management of occupational disease Covid-19 claims. Duties include ensuring benefits are paid correctly, reviewing and resolving disputes and protests to decisions from self-insurers and the department. Duties also include referring for penalties when appropriate, and communicating with workers, employers, third-party administrators, physicians and their lay or legal representatives concerning individual cases and appropriate application of the Industrial Insurance Act, pertinent rules and policies. Duties also include assisting with training self-insurers on presumptive coverage, composing correspondence, medical examination and, legal orders and other reports. This is based on the following assumptions:

- Self-Insurance has rejected 787 claims that could potentially refile.
- Estimate between 197 and 590 of those Self-Insured claims that would be refiled.
- Estimate that 48 to 118 of those claims would be from long Covid conditions.

- Using the mid-point of each range would yield 394 refiled claims, from which 84 would be long Covid.
- Given the complexity of the claims, assume approximately 2.6 work items per claim, for a total of 1,024 work items.
- A WCA4 can work an average of 90 work items per month, or 1,080 per year.
- Therefore, 1 FTE is needed. (1,024 work items / 1,080 per year = 0.95 FTE)

Indirect Costs

The amount included in this fiscal note for indirect is:

Fund Name		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
608	Accident	9,500	0	0	0	0	0
609	Medical Aid	9,500	0	0	0	0	0
	Total:	\$19,000	\$0	\$0	\$0	\$0	\$0

The department assesses an indirect rate to cover agency-wide administrative costs. Labor and Industries’ indirect rate is applied on salaries, benefits, and standard costs. For fiscal note purposes, the total indirect amount is converted into salary and benefits for partial or full indirect FTEs. Salary and benefits costs are based on a Fiscal Analyst 5 (Range 59, Step G).

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.