

Multiple Agency Fiscal Note Summary

Bill Number: 2031 HB	Title: Recognizing PTSD as an occupational disease for cornors, examiners, and investigative personnel
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Estimated Cash Receipts

NONE

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
Board of Industrial Insurance Appeals	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Labor and Industries	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Actuarial Fiscal Note - State Actuary	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Board of Industrial Insurance Appeals	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Actuarial Fiscal Note - State Actuary	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Anna Minor, OFM	Phone: (360) 790-2951	Date Published: Final 2/12/2024
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Individual State Agency Fiscal Note

Bill Number: 2031 HB	Title: Recognizing PTSD as an occupational disease for cornors, examiners, and investigative personnel	Agency: 190-Board of Industrial Insurance Appeals
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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: Trudes Tango	Phone: 360-786-7384	Date: 01/02/2024
Agency Preparation: William Chase	Phone: 360-753-2790	Date: 01/31/2024
Agency Approval: Bob Liston	Phone: 360-753-6823	Date: 01/31/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 02/01/2024

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.

This bill would add county coroners and medical examiners as workers entitled to coverage for PTSD.

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.

L&I anticipates only 1-3 claims over a five-year period associated with this bill. The BIIA will implement this bill with existing resources.

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: 2031 HB	Title: Recognizing PTSD as an occupational disease for cornors, examiners, and investigative personnel	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:

Non-zero but indeterminate cost 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: Trudes Tango	Phone: 360-786-7384	Date: 01/02/2024
Agency Preparation: Crystal Van Boven	Phone: 360-902-6982	Date: 01/11/2024
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/11/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/12/2024

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

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

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

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.

See attached

Part II: Explanation

The bill would amend RCW 51.08.142 to allow county coroners, examiners and investigative personnel to file for occupational disease coverage for posttraumatic stress disorder (PTSD).

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

***Section 1** amends RCW 51.08.142.

Subsection (2)(a) - in addition to the exceptions already provided for in past sessions (firefighters, law enforcement officers and public safety telecommunications), "county coroners and medical examiner personnel" are now included.

Subsection (2)(b) - provides that for the exception to apply, as a condition of employment, the employee must submit to a psychological examination administered by a psychiatrist licensed in the state of Washington under chapter 18.71 RCW or a psychologist licensed in the state of Washington under chapter 18.83 RCW that ruled out the presence of PTSD from pre-employment exposures. If the employer does not provide such an examination, the exception applies. The bill adds "county coroners and medical examiner personnel hired after January 1, 2025" to the language around the pre-employment examination.

Subsection 2(e) is new language that provides a definition of "county coroner and medical examiner personnel." They are defined as individuals who respond to, investigate, handle evidence, or conduct autopsies for cases under the jurisdiction of a county coroner or medical examiner.

It is assumed that the timeframe for filing a claim is consistent with RCW 51.28.055 Time limitation for filing claim for occupational disease. A claim for PTSD may be filed after the county coroner or medical examiner employee has separated from employment, including retirement, which may complicate adjudication.

The expansion of coverage would result in an increase in claim costs, including pension, due to this new body of allowable occupational disease claims for PTSD. L&I premiums are intended to match the claim cost projection. We assume any incremental costs or savings will equal the incremental revenue collected.

This bill does not identify an effective date, therefore would take effect 90 days after session.

Self-insured employers will bear the full cost of any self-insured claims filed under the new coverage.

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 changes in this bill, 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.

II. C – Expenditures

Non-Appropriated – State Fund Benefits Costs

There is non-appropriated impact only to the Accident Account, fund 608, and Medical Aid Account, fund 609. (Non-appropriated costs are not included in the Fiscal Note Summary.) There will be an increase in costs, however L&I does not have data to accurately predict, therefore the impact is indeterminate.

Presumptive PTSD claims will impact both the State Fund and for those that choose to be self-insured. 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. Incremental costs or savings will equal the incremental revenue collected from assessments. This bill expands county coroner and medical examiner personnel to file for occupational disease coverage for posttraumatic stress disorder (PTSD).

The estimated number of workers defined under county coroner and medical examiners personnel that would be covered under this bill are as follows:

- 17 Forensic Pathologists – (Medical Doctors this includes the Medical Examiner in counties)
- 32 – Coroners
- The 13 smaller counties typically only have 1 additional part time deputy coroner.
- 19 counties have a range of investigative staff, between 2-14 depending on county size, with an average of 4.

The average claim for PTSD costs for law enforcement, firefighters (LEOFF) and emergency medical technicians is about \$650,000.

Appropriated – Operating Costs

L&I anticipates only 1-3 claims over a five year period associated with the bill and will implement this bill with existing resources.

Rule making

Rulemaking to amend WAC 296-14-300 will be needed, which will require one hybrid hearing that can be managed within existing resources.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

- WAC 296-14-300

Individual State Agency Fiscal Note

Bill Number: 2031 HB	Title: Recognizing PTSD as an occupational disease for cornors, examiners, and investigative personnel	Agency: AFN-Actuarial Fiscal Note - State Actuary
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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

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- Requires new rule making, complete Part V.

Legislative Contact: Trudes Tango	Phone: 360-786-7384	Date: 01/02/2024
Agency Preparation: Aaron Gutierrez	Phone: 360-786-6152	Date: 02/01/2024
Agency Approval: Michael Harbour	Phone: 360-786-6151	Date: 02/01/2024
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 02/02/2024

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.

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.

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.

SUMMARY OF RESULTS

BRIEF SUMMARY OF BILL: This bill adds Post-Traumatic Stress Disorder (PTSD) to the list of occupational diseases for certain members in PERS.

COST SUMMARY

This bill has **NO EXPECTED IMPACT** to PERS 2/3. Specifically, a small portion of PERS 2/3 members may be eligible to select a disability retirement benefit as a result of this bill. Since an actuarially equivalent reduction applies if their pension commences before normal retirement eligibility, the PERS 2/3 disability retirement benefits have the same expected cost as the service retirement benefits these members would receive under current law.

We anticipate no impact to PERS 1 given the limited number of remaining active members. Given the size of the eligible population under this bill, we further expect no additional duty-related deaths due to this addition of PTSD.

HIGHLIGHTS OF ACTUARIAL ANALYSIS

- ❖ Based upon the fiscal note provided by the Department of Labor & Industries (L&I), less than 150 members in PERS may be impacted by this bill. They further anticipate one additional member per year will qualify for L&I benefits as a result of adding PTSD as an occupational disease.
 - We did not audit this data and relied on it as complete and accurate. For context, as of our [June 30, 2022, Actuarial Valuation Report](#), there are roughly 164,000 active members in PERS 2/3.
- ❖ We assume that any eligible member who selects a disability retirement benefit under this bill would have terminated under current law and taken a deferred retirement benefit. By virtue of these benefits being actuarially equivalent, we expect no net impact to PERS 2/3. If actual experience leads to any costs/savings as a result of this bill (including the potential for additional duty-related deaths due to PTSD), those would be divided between members and employers according to the standard PERS 2/3 funding method.
- ❖ If eligible members do select a disability retirement benefit in lieu of taking a service retirement benefit, that experience could result in subsequent changes to our underlying disability/retirement rates and would be captured through a future demographic experience study.
- ❖ In terms of risk, we expect no impact to overall plan affordability or solvency compared to current law. (For more information, see our [Risk Assessment](#), [Commentary on Risk](#), and [Glossary](#) webpages.)

See the remainder of this fiscal note for additional details on this summary and highlights.

WHAT IS THE PROPOSED CHANGE?

Summary of Bill

This bill impacts the following systems:

- ❖ Public Employees' Retirement System (PERS).

This bill adds PTSD to the list of occupational diseases for county coroners, medical examiners, and investigative personnel.

Effective Date: 90 days after session.

In this summary, we only include changes pertinent to our actuarial fiscal note. See the legislative bill report for a complete summary of the bill.

What Is the Current Situation?

Pension benefits are administered by the Department of Retirement Systems (DRS), and workers compensation benefits are administered by L&I. Eligible individuals who work for a public employer will typically be covered by and could receive benefits from both DRS and L&I. DRS provides the following benefits to PERS members.

Termination/Retirement Benefits:

- ❖ Members may receive a deferred or immediate annuity based upon standard benefit formula and eligibility criteria. See the [Summary of Plan Provisions for more](#).
- ❖ A member who is not vested receives a return of their contributions.

Disability Benefits:

- ❖ Members experiencing a disability (duty or non-duty) receive an actuarially reduced retirement benefit (or return of contributions if not vested).

Death Benefits:

- ❖ Survivors of members experiencing a non-duty death receive an actuarially reduced retirement benefit.
- ❖ Additionally, survivors of members experiencing a duty-related death are provided a \$150,000 lump-sum payment.

DRS may rely on a L&I determination that a death or disability is duty-related in establishing eligibility for certain death or disability benefits from the pension systems. A statutory presumption that a condition is an occupational disease makes it more likely that a resulting death or disability would be considered duty-related for purposes of both workers compensation and retirement system death and disability benefits.

Currently, PTSD is not presumed an occupational disease for county coroners, medical examiners, and investigative personnel. Under this bill, PTSD is added as an occupational disease but is not presumptive.

ACTUARY'S CERTIFICATION

The undersigned certifies that:

1. The actuarial assumptions, methods, data, and models used are reasonable for the purposes of this pricing exercise. The use of another set of assumptions, methods, data, and models may also be reasonable and might produce different results.
2. The risk analysis summarized in this Actuarial Fiscal Note (AFN) involves the interpretation of many factors and the application of professional judgment. We believe that the assumptions, methods, and data used in our risk assessment model are reasonable for the purposes of this pricing exercise. However, the use of another set of assumptions, methods, and data could also be reasonable and could produce different results.
3. We prepared this AFN based on our current understanding of the bill as of the date shown in the footer. If the bill or our understanding of the bill changes, the results of a future AFN based on those changes may vary from this AFN. Additionally, the results of this AFN may change after our next annual update of the underlying actuarial measurements.
4. We prepared this AFN and provided opinions in accordance with Washington State law and accepted Actuarial Standards of Practice as of the date shown in the footer of this AFN.

We prepared this AFN to support legislative deliberations during the 2024 Legislative Session. This AFN may not be appropriate for other purposes.

We advise readers of this AFN to seek professional guidance as to its content and interpretation, and not to rely on this communication without such guidance. Please read the analysis shown in this AFN as a whole. Distribution of, or reliance on, only parts of this AFN could result in its misuse and may mislead others.

The undersigned, with actuarial credentials, meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. While this AFN is meant to be complete, the undersigned is available to provide extra advice and explanations as needed.

Michael T. Harbour, ASA, MAAA
Actuary

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