

Legislative Analysis



PART-TIME, PAID ON-CALL, AND VOLUNTEER FIREFIGHTERS: ALLOW BENEFITS UNDER FIRST RESPONDER PRESUMED COVERAGE FUND

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Analysis available at
<http://www.legislature.mi.gov>

House Bill 4063 (proposed substitute H-3)

Sponsor: Rep. Jeff Yaroach

Committee: Insurance

Complete to 11-30-20

SUMMARY:

House Bill 4063 would amend the Worker's Disability Compensation Act to allow part-time, paid on-call, and volunteer firefighters who develop certain cancers and meet other eligibility requirements to seek wage loss and medical benefits from the First Responder Presumed Coverage Fund created under the act, as full-time firefighters now can.

Currently, for any respiratory tract, bladder, skin, brain, kidney, blood, thyroid, testicular, prostate, or lymphatic cancer, a member in active service of a fully paid fire department or public fire authority who meets the following criteria must suspend a worker's compensation claim he or she has under the act and instead can claim benefits from the First Responder Presumed Coverage Fund:

- He or she has been employed at least 60 months in that active service when the cancer manifests itself.
- He or she is exposed to the hazards incidental to fire suppression, rescue, or emergency medical services in performing his or her work-related duties.

The cancer is presumed to arise out of and in the course of employment only with respect to a claim against the fund and only in the absence of a non-work-related cause. Mere evidence that the condition was preexisting, or an abstract medical opinion that the employment did not cause it, is not enough to overcome this presumption. The presumption can be rebutted by scientific evidence that the individual was a substantial and consistent user of cigarettes or other tobacco products in the 10 years before the date of injury and that this use was a significant factor in causing, aggravating, or promoting the cancer.

Under the bill, these provisions (concerning the same cancers) would apply to a full-time, part-time, paid on-call, or volunteer firefighter who is in active service, who has 60 months or more in active service at the time the cancer manifests itself, and who is exposed to the hazards incidental to fire suppression, rescue, or emergency medical services in the performance of his or her work-related duties. For purposes of a claim against the fund, a fire department or public fire authority would be considered the employer of a volunteer member.

The bill would take effect 90 days after its enactment.

MCL 418.405

FISCAL IMPACT:

House Bill 4063 would likely increase costs for the Department of Labor and Economic Opportunity (LEO) by an indeterminate amount, by increasing the population that is eligible to file claims against and receive benefits from the First Responder Presumed Coverage Fund (FRPCF).

The bill would expand the population eligible to file claims to include part-time, paid on-call, and volunteer firefighters. Based on firefighter population numbers from FY 2018, the current eligible population of firefighters is around 7,650, and this population would expand to around 28,200 under the bill, a 270% expansion. For reference, during Calendar Year 2019 (which is the most recent year for which reported data are available), there were 4 approved applications to the program. Adding claims which were already approved, there were 15 claims receiving wage loss and medical benefit payments at the close of CY 19. Expenditures in CY 19 for claims and administrative expenses totaled \$364,678.

Since there were 6 approved applications in CY 16, 6 in CY 17, 5 in CY 18, and 4 in CY 19, the average number of approved applications per year has been 5.25. If this pattern holds and claims levels are similar for both the current population and the new population, total approved claims would be in the vicinity of approximately 19 per year, with the expanded eligible population. Benefit costs per claim have averaged approximately \$16,300 over the period from CY 16 to CY 19. Given these benefit costs and assuming that costs would be the same for new claims as they have been for existing claims (\$16,300 per claim) additional benefit expenses would be approximately \$228,200 per year. This figure applies only to the additional cost of claim benefits; it does not include additional expenses that could be required for administration of the program, which are currently indeterminate. This figure will also be understated if claim applications increase or average benefit payments increase; this figure also cannot account for the variance that occurs in the duration of payment claims, so it should only be understood to provide an estimate of additional approved claims and benefit payments that would be experienced for each year.

Legislative Analyst: Rick Yuille
Fiscal Analyst: Marcus Coffin

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.