

BILL SUMMARY
2nd Session of the 54th Legislature

Bill No.:	HB2994
Version:	PCS1
Request Number:	10217
Author:	Kirby
Date:	2/25/2014
Impact:	None

Research Analysis

Not required.

Prepared By: Marcia Goff

Fiscal Analysis

According to the OID, the proposed language would add an exemption to section A.1. It would exempt funds collected for or received from the Workers' Compensation Commission.

This change would have no fiscal impact on General Revenue. Under current law General Revenue receives none of the funds that WCC and OID propose sharing. However, section 307.3 makes it difficult for WCC and OID to cooperate because any funds exchanged must go through the GR split formula. If OID performs a service for WCC, WCC cannot reimburse OID without OID losing 76.5% of the reimbursement to GR.

“Received From”—WCC is paid \$1000 for every self-insured employer application. WCC conducts a financial analysis to determine if the employer is financially capable of being self-insured. This is a consumer protection issue. Both of the employees at WCC who handled this function have retired, leaving WCC without anyone experienced in this area. OID has greater expertise in this area, including actuaries. WCC wishes to contract with OID to perform the financial and actuarial analysis necessary to determine if an employer should be allowed to be self-insured for workers' compensation claims. If OID receives funds from WCC to perform this function OID must split the funds with GR. That leaves OID with little money to pay the FTEs required to perform the function. The proposed legislative change would allow OID to retain 100% of the WCC payment and break even on the cost. This language facilitates cooperation and collaboration between these two agencies.

“Received For”—85a OS 29A requires every workers' compensation carrier to pay a fee of \$1000 at the time of renewing their certificate of authority. Carriers get their certificate of authority from OID. Requiring them to go to WCC to pay a fee creates more work for them. WCC and OID want to cooperate to create a one stop shop. Carriers would renew with OID and pay their WCC fee at OID. However, the OID funding split found in 36 OS 307.3 prevents this cooperation. The proposed language would allow WCC and OID to cooperate to streamline government for customers (in this case, the workers compensation insurance companies).

There is no fiscal impact to GR from these changes. Under the old law (Title 85) GR got none of this money. Under the new law (Title 85a) GR gets none of this money. Under this proposed language GR gets none of this money.

Prepared By: Joshua Maxey

Other Considerations

None.

© 2014 Oklahoma House of Representatives, see Copyright Notice at www.okhouse.gov