

HCS HB 321 -- WORKERS' COMPENSATION

SPONSOR: Hunter (Wilson, 130)

COMMITTEE ACTION: Voted "do pass" by the Committee on Workforce Development and Workplace Safety by a vote of 9 to 7.

This substitute makes changes to the workers' compensation law. The substitute:

(1) Redefines "accident" to a specific, identifiable, traumatic event during a single work shift;

(2) Requires that an injury or occupational disease be compensable only if an accident or occupational exposure was the dominant factor in causing the condition or disability, rather than a substantial factor;

(3) Restricts benefits for the aggravation of pre-existing conditions to those cases where a work-related injury causes increased permanent disability and reduces compensation by the amount of permanent partial disability that was pre-existing; and

(4) Exempts from coverage personal health conditions that manifest themselves at work when an accident is not the dominant factor in the need for medical treatment and injuries from unknown causes. Deterioration from aging is currently listed as not compensable; the substitute adds deterioration from normal activities of day-to-day living.

FISCAL NOTE: Estimated Savings to General Revenue and various state funds of Unknown in FY 2004, FY 2005, and FY 2006.

PROPOSERS: Supporters say that the workers' compensation law needs a clearer definition to prevent association of conditions resulting from everyday living and incidents that merely occur at work but could have happened elsewhere with conditions that are truly work-related. Judicial interpretation over the last decade has resulted in a broadening of what "work-related" means beyond what was envisioned in the 1993 revision of the definition. An overall business climate that shows large numbers of workers' compensation claims, large awards, and geographical patterns to the size of awards makes workers' compensation claims and resultant costs a factor in loss of Missouri jobs.

Testifying for the bill were Representative Wilson (130); Mike Banahan; Contract Freighters, Inc.; Sierra Bullets; Jefferson City Area Chamber of Commerce; American Tripoli; Joplin Area Chamber of Commerce; Empire District Electric Company; Pat Secrest; William Ringer; O'Sullivan Furniture;

HealthLink/Coalition of Managed Care for Workers' Compensation; and TDL Personnel. The following witnesses did not testify, but filled out witness forms: Missouri Merchants and Manufacturers Association; Missouri Chamber of Commerce; Associated Industries of Missouri; Missouri Self-Insurers Association; National Federation of Independent Businesses; Missouri Retailers Association; Missouri Tire Dealers and Retreaders; Recycle Missouri, Inc.; St. Louis Regional Chamber and Growth Association; and FAG Bearings, Inc.

OPPONENTS: Those who oppose the bill say that the distinction between a "substantial" factor and a "dominant" factor is certain to lead to more litigation rather than less. The bill switches the burden of proof to the employee. A redefined standard should not lead to a narrower scope of benefits. The rise in workers' compensation costs is not associated with a rising number of claims, but with the sharp increases of medical costs in general and in insurance investments being tied to a falling stock market.

Testifying against the bill were Missouri Association of Trial Attorneys; United Food and Commercial Workers, Local 655; Agnes Burgess; Missouri AFL-CIO; and St. Louis Labor Council. The following witnesses did not testify, but filled out witness forms: American Federation of State, County, and Municipal Employees; Carpenter's District Councils of Kansas City and St. Louis; and United Steelworkers of America, District 11.

Becky DeNeve, Senior Legislative Analyst