

**Legislative Council Staff***Nonpartisan Services for Colorado's Legislature***Fiscal Note****Drafting Number:** LLS 24-0784
Prime Sponsors: Rep. Weinberg**Date:** February 12, 2024
Bill Status: House Business & Labor
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josh.abram@coleg.gov**Bill Topic:** **WORKERS' COMPENSATION FOR COMPLEX TRAUMA****Summary of Fiscal Impact:** State Revenue State Transfer Local Government
 State Expenditure TABOR Refund Statutory Public Entity

The bill makes an employee with post-traumatic stress disorder as a result of a complex trauma experienced during work eligible for workers' compensation benefits. The bill increases state, local, and statutory public entity workload and potentially expenditures beginning FY 2024-25.

Appropriation Summary: No appropriation is required.**Fiscal Note Status:** The fiscal note reflects the introduced bill.**Summary of Legislation**

The bill adds "complex trauma" to the conditions that are eligible for recovery of workers' compensation benefits. Following a fit-for-duty assessment and with no preexisting diagnosis of post-traumatic stress disorder (PTSD), a worker experiencing complex trauma in the workplace, for whom a mental health professional reasonably believes the employee is suffering from PTSD as a result, is eligible for workers' compensation benefits.

Background

The State Office of Risk Management in the Department of Personnel and Administration (DPA) pays workers' compensation benefits to state employees. The state is self-insured for workers' compensation claims. Annually, the office's actuary projects the state's total workers' compensation needs and estimates the allocation for each agency as a percent of the total.

The Division of Workers' Compensation in the Colorado Department of Labor and Employment (CDLE) enforces state law related to workers' compensation, which includes conducting prehearing conferences, auditing admissions filed by insurance carriers or their third-party adjusters, and overseeing the Division of Independent Medical Examination (DIME) program.

State Expenditures

The bill creates workload and possibly increases state expenditures in the Office of Administrative Courts and the State Office of Risk Management in DPA, and increases workload for the Division of Workers' Compensation in the CDLE, as described below.

Department of Personnel and Administration. The bill minimally increases workload in the Office of Administrative Courts in DPA to consider additional hearings related to claims for complex trauma. The number of new cases is not estimated to require any change in appropriations.

For the State Office of Risk Management, the bill could increase payments of benefits beginning FY 2024-25; however, the number of initial claims is expected to be low, and the DPA will not need new appropriations in order to maintain solvency in the fund. In future years, the office's actuary staff will calculate any claim and litigation costs, which then informs requests for budget changes or spending authority during the annual budget process.

For information purposes, about 2,500 state employees are likely affected by the bill, including 911 dispatchers, air-traffic controllers in the Department of Military and Veterans Affairs, and peace officers in the Department of Public Safety and Colorado Parks and Wildlife. Types of expenditures from the risk management pool for complex trauma include medical benefits, lost wage benefits, legal defense, and Permanent Total Disability. On average, medical treatment is estimated at \$25,000 for treatment of a mental impairment or complex trauma, lost wages (capped at 36 weeks) is estimated between \$25,500 and \$39,000, legal defense expenses on average are \$5,000 per case, and Permanent Total Disability payment may be up to \$2,000,000.

Department of Labor and Employment. The bill may minimally increase workload in the department to conduct prehearing conferences for any cases being heard by the Office of Administrative Courts in DPA, and to update materials and guidance provided to state agencies and other employers. This workload does not require new appropriations.

Local Government

Similar to the state, to the extent that the bill increases workers' compensation claims for complex trauma for local government employees, costs will increase to respond to claims and cover benefits.

Statutory Public Entity

Pinnacol Assurance was created in statute as a political subdivision to provide workers' compensation insurance to employers in Colorado. Expanded benefits under the bill may increase benefits payments by Pinnacol Assurance. If necessary, these additional costs will be covered through adjustments in employer premiums.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Information Technology
Personnel
Regulatory Agencies

Judicial
Pinnacol Assurance

Labor
Public Safety

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).