

MAINE STATE LEGISLATURE

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DATE: *May 24, 2001* (Filing No. S-261)

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STATE OF MAINE
SENATE
120TH LEGISLATURE
FIRST REGULAR SESSION

SENATE AMENDMENT "A" to S.P. 198, L.D. 670, "An Act to Strengthen Maine's Worker Advocate Program"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

Sec. 1. 39-A MRSA §154, sub-§6, as amended by PL 1999, c. 359, §1, is further amended to read:

6. Assessment levied. The assessments levied under this section may not be designed to produce more than \$6,000,000 in revenues annually beginning in the 1995-96 fiscal year, more than \$6,600,000 annually beginning in the 1997-98 fiscal year or more than \$6,735,000 beginning in the 1999-00 fiscal year or more than \$7,100,000 beginning in fiscal year 2001-02. Assessments collected that exceed \$6,000,000 beginning in the 1995-96 fiscal year, \$6,600,000 beginning in the 1997-98 fiscal year or \$6,735,000 beginning in the 1999-00 fiscal year or \$7,100,000 beginning in fiscal year 2001-02 by a margin of more than 10% must be refunded to those who paid the assessment. Any amount collected above the board's allocated budget and within the 10% margin must be used to create a reserve of up to 1/4 of the board's annual budget. Any collected amounts or savings above the allowed reserve must be used to reduce the assessment for the following fiscal year. The board shall determine the assessments prior to May 1st and shall assess each insurance company or association and self-insured employer its pro rata share for expenditures during the fiscal year beginning July 1st. Each self-insured employer shall pay the assessment on or before June 1st. Each insurance company or association shall pay the assessment in accordance with subsection 3.

2 **Sec. 2. Authorization to use reserve funds.** The Workers'
 4 Compensation Board is authorized to spend up to \$40,000 from the
 6 reserve account created pursuant to the Maine Revised Statutes,
 8 Title 39-A, section 154, subsection 6. The funds must be used to
 10 improve technology used in the audit, enforcement and monitoring
 12 program created pursuant to Title 39-A, section 153, subsection 9
 14 and section 359. This is a one-time authorization and does not
 16 apply to any ongoing use of the reserve account for technology.

18 **Sec. 3. Board to submit plan.** The Workers' Compensation Board
 20 shall submit to the Joint Standing Committee on Labor before
 22 January 1, 2002 a written plan to improve implementation of the
 24 Maine Revised Statutes, Title 39-A, section 359, including the
 26 auditing of claims to identify and penalize questionable
 28 claims-handling practices and repeated unreasonable contesting of
 30 claims by insurers, self-insurers and 3rd-party administrators.

32 **Sec. 4. Allocation.** The following funds are allocated from
 34 Other Special Revenue funds to carry out the purposes of this Act.

| | 2001-02 | 2002-03 |
|--|----------------|----------------|
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24 **WORKERS' COMPENSATION BOARD**

26 **Administration - Workers'**
 28 **Compensation Board**

| | | |
|-------------------|-----------|-----------|
| Positions | (7,000) | (7,000) |
| Personal Services | \$183,590 | \$278,825 |
| All Other | 110,000 | 40,000 |

32 Allocates funds for 2
 34 Paralegal positions, one
 36 Worker Advocate position, 2
 38 Legal Secretary positions and
 40 2 Clerk II positions for the
 42 board's regional offices.
 44 Also allocates funds from the
 46 reserve account to improve
 48 technology used in the audit,
 enforcement and monitoring
 program.

| | | |
|------------------------------------|-----------|------------|
| WORKERS' COMPENSATION BOARD | | |
| TOTAL | \$293,590 | \$318,825' |

FISCAL NOTE

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2001-02 2002-03

APPROPRIATIONS/ALLOCATIONS

Other Funds \$293,590 \$318,825

REVENUES

Other Funds \$365,000 \$365,000

This bill establishes 7 positions and includes Other Special Revenue fund allocations of \$253,590 and \$318,825 from increased assessment in fiscal years 2001-02 and 2002-03, respectively, for the Workers' Compensation Board - Administration program to expand the worker advocate activity and an Other Special Revenue fund allocation of \$40,000 from the board's reserve account in fiscal year 2001-02 for the Workers' Compensation Board - Administration program for improving technology in certain program areas.

SUMMARY

This amendment replaces the bill. It increases the cap on the Workers' Compensation Board assessment by \$365,000 and adds 7 positions to the worker advocate program. It also incorporates the provisions of the committee amendment to allow the board to use \$40,000 from its reserve account to fund technology improvements and to require the board to submit a written plan to improve implementation of the auditing program. It also adds an allocation section.

SPONSORED BY: J. Nutting
(Senator J. NUTTING)

COUNTY: Androscoggin