

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECTED  
FISCAL NOTE**

**SB 20 - HB 20**

April 1, 2015

**SUMMARY OF BILL:** Creates a presumption that contraction of the hepatitis C virus by an emergency rescue worker was acquired in the line of duty, and expands the definition of “infectious disease” to include the hepatitis C virus, for the purpose of disability benefits.

**ESTIMATED FISCAL IMPACT:**

On February 12, 2015, a corrected fiscal note was issued for this bill indicating the following estimated impact:

*Other Fiscal Impact – To the extent one claim is approved, that would not have been approved under current law, and disability benefits are paid by the respective local government entity, the mandatory increase in local expenditures is estimated to exceed \$17,900\*. To the extent no claims occur, the fiscal impact of the bill is considered not significant.*

Based on additional information and assurances provided by the entity responsible for settling the disability claims of local government employees, the fiscal impact for the bill has been revised to:

**(CORRECTED)**

**NOT SIGNIFICANT**

Corrected assumptions:

- Pursuant to T.C.A. 7-51-209(g), this bill will not apply to the Tennessee Consolidated Retirement System (TCRS).
- All disability claims by emergency rescue workers will be paid by local governments as employers.
- The TML Risk Management Pool (the Pool) serves as the primary disability insurance provider for local government in Tennessee.
- The Pool indicates that establishing this proposed new presumptive disability standard will not trigger an immediate increase in the insurance premiums charged to participating members.
- The Pool reports that a local government has never had a claim of disability due to a rescue worker contracting hepatitis C on the job.
- Given the Pool’s history of no disability claims for this type of viral infection, any slight shift in risk exposure for the Pool is thought to be de minimis. Additionally, the Pool has

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now provided a letter attesting that this change to the law doesn't substantively alter their approach to paying disability claims for emergency workers that contract a disabling viral infection.

- Based on information from the University of Washington on the cost of treatment for individuals that contract hepatitis C, the minimum treatment cost (which consists of a combination of two medications Ribavirin and Peginterferon) is \$17,900; and the maximum treatment cost (which consists of a combination of three medications Olysio, Peginterferon, and Ribavirin) is \$85,000.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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