

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

HB 316 - SB 1442

March 17, 2019

SUMMARY OF ORIGINAL BILL: Establishes a rebuttable presumption that any condition, impairment, or death caused by certain cancers experienced by full-time firefighters occurred in the line of duty, if certain conditions are met.

CORRECTED FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures -- \$50,000/FY19-20
\$100,000/FY20-21
\$150,000/FY21-22
\$200,000/FY22-23
\$250,000/FY23-24 and Subsequent Years

Increase Local Expenditures – Exceeds \$700,000*

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (005060): Deletes and rewrites all language after the enacting clause such that the only substantive changes (1) limits the provisions of the bill to full-time firefighters employed at certain fire departments, (2) establishes a timeline for completion of preliminary physicals by full-time firefighters prior to July 1, 2019, (3) requires costs for required physicals to be covered by employer's benefits plan.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On March 4, 2019, a fiscal memorandum was issued for this legislation with an estimated fiscal impact as follows:

Unchanged from the original fiscal note.

As a result of additional analysis and information provided by multiple sources, the estimated fiscal impact for this legislation has been corrected as follows:

HB 316 - SB 1442 (CORRECTED)

(CORRECTED)

Unchanged from the corrected fiscal note.

Corrected assumptions for the bill as amended:

- The proposed legislation:
 - Applies only to regular, full-time firefighters who man a fire department recognized by the State Fire Marshall and established by the state or a political subdivision of the state.
 - Presumes that any condition or impairment caused by all forms of non-Hodgkin's lymphoma, colon cancer, skin cancer, or multiple myeloma cancer resulting from hospitalization, medical treatment, or any disability occurred in the course of employment unless the contrary is shown to be true.
 - Any such condition or impairment that results in death is presumed to be a loss of life in the line of duty unless the contrary is shown to be true.
 - Requires any firefighter employed after July 1, 2019 desiring to utilize this presumption to have passed a pre-employment physical and annual physical thereafter which include a cancer screening that is negative.
 - Requires any firefighter employed prior to July 1, 2019 desiring to utilize this presumption to have a physical prior to July 1, 2020 including a negative cancer screening and annual physicals thereafter.
 - All such physical medical examinations are to be paid by the employer's health benefits plan at no cost to the firefighter.
 - Requires any such firefighter to have been exposed to heat, smoke, and certain substances while performing their duties and have completed five or more consecutive years of service with the applicable fire department.
 - Authorizes a firefighter to file a medical claim pertaining to any such condition or impairment up to five years after the most recent date of exposure.
- Tennessee Code Annotated § 7-51-205, enacted in 1991, established a rebuttable presumption for full-time firefighters employed by Davidson County for any condition or impairment of health caused by disease or cancer. Firefighters are required to have successfully passed a physical examination which revealed no evidence of cancer prior to entering employment in order to claim benefits under this presumption.
- According to Davidson County:
 - The Nashville Fire Department (NFD) currently employs 1,143 full-time firefighters.
 - Since 1991 there have been approximately 218 cancer claims approved for full-time firefighters, or an average of 7.8 (218 per year / 28 years) per year.
 - Davidson County has paid approximately \$14,969,136 in medical costs associated with these 218 claims.
- On average, approximately 0.6 percent (7.8 per year / 1,143 firefighters) of firefighters employed by the NFD contract cancer annually.
- Based on information provided by the State Fire Marshall's Office there are:
 - Approximately 6,235 full-time firefighters employed by local governments, excluding Davidson County.

- Approximately 190 full-time firefighters employed by private, nonprofit corporations in Tennessee.
- Assuming the rate of cancer in Davidson County is representative of all other areas of the state, approximately 39 [(6,235 local firefighters + 190 private firefighters) x 0.6%] full-time firefighters in the state will contract cancer annually.
- Based on information provided by the Department of Health, in 2018 there were at least six persons who perished, listing their occupation as a firefighter, and whose cause of death was listed as cancer. The type of cancer is unknown.
- If the condition or impairment is determined to be caused by the cancers listed in the proposed legislation and judged to be contracted in the line-of-duty by way of the rebuttable presumption, and the firefighter subsequently dies of cancer, the estate of the firefighter will be entitled to receive a death benefit of \$50,000 per year for a period of five years, pursuant to Tenn. Code Ann. § 7-51-210.
- Assuming the estates of one full-time firefighter claims and is awarded the state death benefit per year, it will result in an increase in state expenditures of \$50,000 in FY19-20, \$100,000 (\$50,000 + \$50,000) in FY20-21, \$150,000 (\$100,000 + \$50,000) in FY21-22, \$200,000 (\$150,000 + \$50,000) FY22-23, and \$250,000 (\$200,000 + \$50,000) in FY23-24 and subsequent years.
- The extent of benefits which are currently provided to full-time firefighters by each local government is unknown; therefore, a precise recurring mandatory increase in local government expenditures for providing additional benefit coverage cannot be determined, but is reasonably estimated to exceed \$700,000 statewide annually.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

(CORRECTED)

Unchanged from the corrected fiscal note.

Assumption for the bill as amended:

- The proposed language only applies to full-time firefighters employed at government established fire departments; therefore any fiscal impact to jobs and commerce in Tennessee is estimated to be not significant.

**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.



Krista Lee Carsner, Executive Director

/jrh