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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/27/07

SPONSOR     Martinez     LAST UPDATED                      HB                     

SHORT TITLE     Wages for Injured Workers Returning to Work     SB     190    

ANALYST     Lucero    

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Workers' Compensation Administration

### SUMMARY

#### Synopsis of Bill

Senate Bill 190 limits the payment of weekly indemnity benefits and modifiers to the average weekly wage defined in NMSA 1978, §52-1-20. This is, after the worker has been diagnosed maximum medical improvement (MMI) and has returned to work at a wage that is less than then the pre-injury wage. The bill replaces gender specific language with gender neutral amendments.

### FISCAL IMPLICATIONS

None to the Workers' Compensation Administration

### SIGNIFICANT ISSUES

This amendment would control the payment of disability benefits attributable to modifiers to prevent disability wage payments from exceeding the pre-injury average weekly wage.

## PERFORMANCE IMPLICATIONS

None to the Workers' Compensation Administration

## ADMINISTRATIVE IMPLICATIONS

None to the Workers' Compensation Administration

## CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None at this time.

## TECHNICAL ISSUES

From the New Mexico Workers' Compensation Website:

*What is the amount and duration of Wage Loss Benefits?*

If you are taken off work duty by an "authorized health provider," workers' compensation insurance pays 66 2/3 percent of your average weekly wages, called Temporary Total Disability (TTD) Benefits. These benefits go into effect on the 8th day of non-work status. The first 7 days of non-work status are not payable unless you are off work up to 4 weeks. The first payment of benefits will be mailed to you 21 days after you are off work. Thereafter, benefits will be mailed to you every 2 weeks.

TTD Benefits will stop either when the doctor releases you to full work duty or when you reach **Maximum Medical Improvement (MMI)**, which is that point in time the doctor feels you are as good as you are going to get from medical treatment. If the doctor believes you have some remaining disability after you reach MMI, you may then be eligible for Permanent **Partial Disability (PPD) Benefits** for a specified period of time, depending on the type of your injury.

Maximum medical improvement (MMI) is based on the reasonable medical probability that no further material recovery from or lasting improvement to an injury can reasonably be expected.

## OTHER SUBSTANTIVE ISSUES

The Workers' Compensation Advisory Council approved this bill.

## WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

DL/mt