

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Oppose
SPONSOR: California Professional Firefighters

BILL NUMBER: AB 2754
AUTHOR: K. Bass

BILL SUMMARY: Public Safety Personnel: MRSA Skin Infections

This bill adds methicillin-resistant Staphylococcus aureus skin infection as an additional condition that is presumed to be work-related when certain public safety officers contract it.

FISCAL SUMMARY

The state's employers, most local governments, as well as the state, are self-insured and therefore pay for the actual cost of claims, instead of premiums. This bill could further exacerbate costs incurred by the state and local government entities relative to employee workplace injuries.

State costs would also increase to the extent that the Commission on State Mandates determines that the costs associated with the presumption created by the bill constitute a state mandated local program.

COMMENTS

The Department of Finance is opposed to this bill because it creates a presumption of compensability, which could increase state and local employer costs.

In general, an increase in workers' compensation benefits has never been held to be a reimbursable mandate. However, benefits that are not broadly applicable, such as law enforcement presumptions have been determined to be reimbursable mandates.

Workers Compensation

Workers' Compensation is the nation's oldest social insurance program. It was adopted in most states, including California, during the second decade of the 20th century. Workers' compensation insurance provides five basic benefits: medical care, temporary disability, permanent disability, supplemental job displacement or vocational rehabilitation, and death benefits.

The workers' compensation system is based on a trade-off between employees and employers. Employees are entitled to receive prompt, effective medical treatment for on-the-job injuries no matter who was at fault and in return, are prevented from suing their employers over those injuries. Treatment is specific to the injury or illness sustained on the job and the employer pays for the medical care through a workers' compensation insurance policy, or by being self-insured. The State of California is legally uninsured and has a master agreement with SCIF to manage the state's workers' compensation claims, including paying medical bills.

Labor Code 3212.8 creates a disputable presumption that a blood-borne infectious disease that develops or manifests itself during a period while a specified safety officer is in the service of employment, arises out of and in the course of employment. It also provides that this presumption extends to an individual after

(Continued)

Analyst/Principal Date Program Budget Manager Date
(0931) K. Hansen Diana Ducay

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

AUTHOR

AMENDMENT DATE

BILL NUMBER

K. Bass

Original

AB 2754

COMMENTS (continued)

employment for a period of three months for each year of service, but not to exceed 60 months, starting with the last day worked in the specified capacity. This section also defines a blood-borne infectious disease as a disease caused by exposure to pathogenic microorganisms that are present in human blood that can cause disease in humans, including those pathogenic microorganisms defined as blood-borne pathogens by the Department of Industrial Relations. This bill would add methicillin-resistant Staphylococcus aureus skin infections as another presumption for compensability.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	