

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington St., Suite 301
Indianapolis, IN 46204
(317) 233-0696
iga.in.gov

FISCAL IMPACT STATEMENT

LS 6272

BILL NUMBER: HB 1339

NOTE PREPARED: Nov 10, 2020

BILL AMENDED:

SUBJECT: Choice of Physician for Worker Injury or Disease.

FIRST AUTHOR: Rep. Lucas

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill permits an employee to choose the attending physician who will provide services and goods resulting from an employment injury or occupational disease for purposes of the worker's compensation law.

Effective Date: Upon passage; July 1, 2021.

Explanation of State Expenditures: The impact on the state would be as an employer and would depend if the physician costs of the employee's choice for treatment was more expensive than the attending physician furnished by the employer. The amount of the impact is unknown. *[This bill has the potential to impact all agencies as employers, thus impacting all funds that provide operating funds to agency staff.]*

Additional Information - Research findings vary on the cost implications of allowing employees to select physicians for medical treatment for workplace injuries or occupational disease. Some research suggests that allowing employees to select treatment physicians results in higher costs. However, other research found no difference in average medical costs.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*. The local impact would be as an employer.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources: Neumark, David and Bogdan Savych. “The Effects of Provider Choice Policies on Workers’ Compensation Costs.” *Health Services Research*, vol. 53, no. 6, December 2018, pp. 5057-5077. <https://onlinelibrary.wiley.com/doi/epdf/10.1111/1475-6773.13045>. Accessed 10 Nov. 2020.

Neumark, David, Peter Barth, and Richard Victor. “The Impact of Provider Choice on Workers’ Compensation Costs and Outcomes.” National Bureau of Economic Research, Working Paper 11855, December 2005. https://www.nber.org/system/files/working_papers/w11855/w11855.pdf. Accessed 10 Nov. 2020.

Fiscal Analyst: Camille Tesch, 317-232-5293.