

**Local Government Mandate Statement
Kentucky Legislative Research Commission
2024 Regular Session**

Part I: Measure Information

Bill Request #: 1756

Bill #: HB 401 SCS

Document ID #: 8675

Bill Title: AN ACT relating to workers' compensation.

Sponsor: Representative Michael Sarge Pollock

Unit of Government: City County Urban-County
Unified Local
 Charter County Consolidated Local Government

Office(s) Impacted: All with employees.

Requirement: Mandatory Optional

Effect on
Powers & Duties: Modifies Existing Adds New Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

HB 401 SCS Sections 1 and 2 would amend KRS 342.0011 and KRS 342.033, respectively, to expand the definition of physician for purposes of workers compensation proceedings in general and for giving testimony in a workers compensation administrative hearing. The amended definition would include practitioners licensed elsewhere in the United States, who are acting within the scope of their license or other credentials required in the jurisdiction in which they are authorized to practice. The amendment of KRS 342.033 would also authorize physicians retired in good standing who were licensed in Kentucky to testify in workers compensation hearings.

Section 3 would amend KRS 342.140 to make changes to the way the average weekly wage of an injured employee is determined for workers compensation benefit purposes. If the employee's wages were paid by the day, hour, or output of the employee and the employee received unemployment insurance (UI) benefits during the first, second, third, or fourth period of 13 consecutive weeks in the year immediately preceding the injury, UI benefits received would be added to the employee's wages earned during

the 13 week period and divided by 13; the average weekly wage would be the most favorable to the employee.

Information for this mandate analysis was sought from the Kentucky Association of Counties, Kentucky League of Cities, and the Kentucky Education and Labor Cabinet. If information is received this analysis may be amended.

HB 401 SCS could have both a positive and a negative but undeterminable fiscal impact on local governments. Allowing additional types of medical doctors to testify in a workers' compensation hearing and to produce written medical reports could bring down the cost of such proceedings as medical doctor testimony and other participation is expensive. Allowing retired medical doctors to testify could also bring down such costs.

Amending the method for determining the average weekly wage of an injured employee to include unemployment benefits received in the year prior to the injury could increase the income benefit otherwise payable to an employee, and could raise the costs of workers' compensation to employers, including local government employers.

Data Source(s): _____

Preparer: Mary Stephens (BW) **Reviewer:** KHC **Date:** 3/21/24