



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 1101** HLS 26RS 2199
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 6, 2026	1:42 PM	Author: MELERINE
Dept./Agy.: LA Works / Office of Risk Management		Analyst: Darynn Hoppe
Subject: Workers Compensation Benefits and Rehabilitation		

WORKERS COMPENSATION EG -\$550,900 SG EX See Note Page 1 of 2

Provides relative to maximum medical improvement, income benefits, the misrepresentation of benefits or payments, and the rehabilitation of injured employees under workers' compensation

Present law provides for a dispute process through the Office of Workers' Compensation (OWCA), should the condition of the employee, or the employee's capacity to work come into question. Present law provides that compensation owed from workers' compensation claims shall be paid according to the established schedule of payments. Present law provides the award of supplemental earnings benefits and sets a maximum time to claim such benefits of 520 weeks. Present law provides for the conditions in which temporary total disability benefit payments shall end.

Proposed law adds a definition for Maximum Medical Improvement (MMI), and clarifies that a dispute can include but is not limited to the cause of the employee's condition regardless of whether the employee has reached MMI, and sets a cap not to exceed a maximum of 156 weeks. Provides that temporary total disability benefits will end when an employee's physical condition has improved to the MMI. The cap on supplemental earnings benefits decreases from 520 weeks to 416 weeks.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	(\$550,900)	(\$1,603,374)	(\$2,154,274)
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	(\$550,900)	(\$1,603,374)	(\$2,154,274)

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	SEE BELOW	SEE BELOW	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0			\$0

EXPENDITURE EXPLANATION

Proposed law is anticipated to decrease SGR expenditures by \$550,900 in FY 30, \$1.6 M in FY 31, and an indeterminable but likely significant amount in future years. The projected savings are based upon claims that would have the same maturity as claims in FY 27 & FY 28 evaluated at FY 30 and FY 31 where the total temporary disability benefits (TTD) exceeded 156 weeks, but have not reached 260 weeks.

Proposed law defines Maximum Medical Improvement (MMI) and revises the duration of temporary total disability benefits to include the new definition. The adoption of the MMI standard is anticipated to reduce total claims paid by the Office of Risk Management (ORM) for temporary total disability benefits. This bill requires that temporary total disability benefits will cease upon the determination that the physical condition of the employee is unlikely to improve substantially, with or without medical treatment, or a maximum of 156 weeks. Currently an employee's benefits cease when their condition improves to the point that continued regular treatment by a physician is unnecessary.

Proposed law changes the eligibility period for supplemental earnings benefits. Currently the right to supplemental earnings benefits shall not exceed a maximum of 520 weeks. The bill decreases the maximum eligibility period to 416 weeks. The reduction of the eligibility period is also expected to result in a reduced total amount of claims paid by ORM to eligible recipients.

Office of Risk Management (ORM)

ORM believes that implementation of proposed law will result in reduced SGR expenditures related to workers' compensation claims payments, in an estimated amount of \$2,154,273 over the next five years. ORM has applied the new definitional requirements to their current payment schedule and has derived their cost estimate from these changes and YTD payment data. ORM reports that proposed legislation only applies to new claims occurring on or after August 1, 2026. A detailed table of these assumptions can be found on page 2 below.

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Annually, the Assistant Secretary determines an assessment to be collected by each employer to be deposited into the OWCA Fund for Office of Workers' Compensation program expenses. Any changes to expenses associated with the bill may or may not change the annual workers compensation assessment. The fund has an appropriation of \$19.01 M in FY 26 and had a beginning balance of \$3.98 M on July 1, 2025.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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CONTINUED EXPLANATION from page one:

Office of Risk Management (Continued)

ORM believes that adoption of MMI and gainful employment definitions will result in reduced litigation and defense costs over time. To the extent that the eligibility requirements contemplated in proposed law are adopted, the shift of disputes from ongoing treatment and temporary disability status, to more discrete MMI determinations and permanent disability status, may result in a reduced number of administrative disputes. These potential savings are not reflected in the cost decrease in this fiscal note, as they are speculative and indeterminable.

The below table from ORM details the projected decrease in claims paid by the agency.

Total	Projected Decrease
FY 30	\$ 550,900
FY 31	\$ 1,603,374
Total	\$ 2,154,274

The figure for FY 30 represent the discontinuation of benefits on new claims opened in FY 27 that reach the 156 week maximum benefit. FY 31 savings include the remaining benefits that will no longer be owed on the new claims opened in FY 27, as wells as savings expenditure reduction on new FY 28 claims that reach the 156 week maximum benefit.

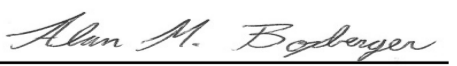
ORM also anticipates reduced expenditures beyond FY 31 due to the reduction of the supplemental earnings benefits eligibility window from 520 weeks to 416 weeks. These amounts are currently indeterminable.

Louisiana Works (LA Works)

LA Works reports that the provisions of this bill will not result in any additional material expenditures for the agency. LA Works believes the changes contemplated in the bill to be technical changes, that will not require any additional administrative resources to carry out.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


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Legislative Fiscal Officer