



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: S.B. 27 of the 131st G.A.

Date: November 9, 2015

Status: As Introduced

Sponsor: Sen. Patton

Local Impact Statement Procedure Required: No

Contents: Provides that a firefighter who is disabled as a result of specific types of cancer is presumed to have incurred the cancer while performing his or her official duties

State and Local Fiscal Highlights

- Any benefits paid under the provisions of the bill would be paid from the State Insurance Fund in the case of workers' compensation, from the Ohio Police and Fire Pension Fund for disability. A smaller portion of these costs would be paid by self-insured employers.
- There are approximately 70,000 active and retired career and volunteer firefighters in Ohio.
- The bill specifies that in the context of workers' compensation, the presumption applies to a volunteer firefighter only if the firefighter has been assigned to at least three years of hazardous duty.

Detailed Fiscal Analysis

Overview

The bill establishes a presumption that a member of the Ohio Police and Fire Pension Fund (OP&F) who is a member of a fire department and who incurs and is disabled by the types of cancer specified in the bill incurred the cancer while performing the member's duties. In order for this presumption to apply, the member must have been assigned to hazardous duty for at least three years. The bill provides that the presumption contained in the bill can be rebutted upon the presentation of competent or affirmative evidence to the contrary. The presumption can also be rebutted if any evidence of the cancer appeared on physical examination upon entrance to the fire department.

Treatment and disability costs

All costs associated with the implementation of the bill would be paid from the State Insurance Fund for costs related to workers' compensation and from the Ohio Police and Fire Pension Fund for disability related costs. The Bureau of Workers' Compensation (BWC) recently performed an actuarial analysis on the costs of providing this coverage to firefighters according to provisions of H.B. 27 of the 131st General Assembly. H.B. 27 allows for the presumption to apply if the person has a hazardous duty duration of five years, as compared to the three-year duration that exists under this bill. Consequently, it can be assumed that there could be an increase in the number of potential claims and resulting costs than what is contained in the BWC actuarial analysis. The table below summarizes the results of this analysis, again based on three years of employment in hazardous duty. Based on that analysis, the projected annual cost of providing this benefit to qualifying recipients would be approximately \$87.0 million annually, with just over \$49.0 million of the annual cost associated with career and volunteer firefighters in retired status. These costs would be paid either from the State Insurance Fund for instances in which an active firefighter elects to file a disability workers' compensation claim, and from the Ohio Police and Fire Pension Fund for cases in which a retired firefighter would file a claim under the bill.

BWC Actuarial Estimates of Cancer Coverage for Firefighters, based on Five Years of Hazardous Duty		
Classification of Firefighter	Expected Annual Claims	Projected Annual Costs
Active Career	34.23	\$11,338,877
Active Volunteer	79.12	\$26,212,239
Retired Career	160.07	\$14,937,595
Retired Volunteer	370.03	\$34,531,445
TOTAL	643.45	\$87,020,156

The data presented above was gathered from the U.S. Fire Department Census (<https://apps.usfa.fema.gov/census/summary>) and Ohio Police and Fire Pension Fund data. The data and estimates are based on the current population of active career and volunteer firefighters, which is currently approximately 42,125. Using estimates of the number of firefighters that meet the hazardous duty threshold, it can be estimated that the number of active and retired firefighters is close to 70,000, with the number satisfying the five-year threshold being slightly more than 63,000. However, with the three-year threshold in the bill, this number is likely to be higher. The BWC analysis estimates that 80% of the costs detailed above would fall to the taxing districts covered by the State Insurance Fund. Five percent of the costs would fall to private employers covered by the State Insurance Fund. The remaining 15% of costs would fall to self-insured employers.

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