



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

SENATE BILL NO. 365

PRINTER'S NO. 1944

PRIME SPONSOR: Bartolotta

### COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
General Fund	\$0	See Fiscal Impact
State Workers Insurance Fund	\$0	See Fiscal Impact
Fish Fund	\$0	See Fiscal Impact
Boat Fund	\$0	See Fiscal Impact

### SUMMARY:

Amends Act 338 of 1915, the Workers' Compensation Act, to allow for compensation for post-traumatic stress injuries suffered by a first responder.

### ANALYSIS:

Senate Bill 365 Printer's Number 1944 amends Act 338 of 1915, known as the Workers' Compensation Act, to add a definition of first responder and to allow for compensation for post-traumatic stress injuries suffered by a first responder. The definition of first responder includes peace officers who respond to emergency calls, Pennsylvania State Police officers, and active volunteers, employees, or members of a fire company or an emergency medical services (EMS) company that is:

- Designated as a municipality's primary EMS provider; or,
- Dispatched by a 911 dispatcher or pursuant to a mutual aid agreement.

The bill also adds a new subsection to Section 301 of the Workers' Compensation Act including post-traumatic stress injuries suffered by first responders as compensable if those injuries are sustained in the course of an individual's employment as a first responder. The individual will not be required to demonstrate that the injury resulted from abnormal working conditions. Benefits for a post-traumatic stress injury shall be available for a period of not more than 104 weeks.

The legislation establishes qualifying traumatic events for which claims may be filed. The qualifying events are incidents or exposures:

- Resulting in serious bodily injury or death to any person or persons.
- Involving a minor who has been injured, killed, abused, or exploited.
- Involving an immediate threat to the life of the claimant or another individual.
- Involving mass casualties.
- Responding to crime scenes for investigations.

A claim for injury under this subsection shall be based on the assessment of a psychologist or psychiatrist and it must be filed within three (3) years of the date of diagnosis. The legislation limits claims to injuries that occurred no more than five years before the effective date of the legislation.

The main provisions of the act would take effect in one year.

## **FISCAL IMPACT:**

Although passage of this legislation is expected to increase workers' compensation costs for the Commonwealth, data are not available to estimate the cost of this legislation. Because Post Traumatic Stress Injuries (PTSI) due to normal working conditions are not currently covered under workers' compensation, historical data does not exist on the number of potential claims. According to a meta-analysis of the worldwide prevalence of Post Traumatic Stress Disorder (PTSD) (which falls under the definition of PTSI used in the legislation) among first responders found that 14.6% of emergency personnel, 7.3% of firefighters, 4.7% of police officers, and 13.5% of other rescue teams suffered from PTSD<sup>1</sup>. However, these data points are not specific to Pennsylvania, nor do they separate out PTSI from normal compared to abnormal working conditions. The Office of Administration (OA), using historical claims data, projects that there will be between 12 and 15 claims in the first year and five per year in subsequent years.

The cost of these projected claims would depend on the nature of the case, the cost of the treatment, the salary (typically approximately two-thirds of their salary) and benefits of the individual, and details specific to the impacted agency (staffing levels, overtime costs, etc.). Workers' compensation costs are paid by the Commonwealth out of a restricted receipts account in the General Fund. The restricted receipt account is funded by each Commonwealth agency. Agencies pay a calculated experience rate which is based on incidences in the past three years. If the number and cost of incidences increases for an agency, we would expect their payroll expenses (through the experience rate) to also increase. Agencies may also incur additional overtime costs to replace the hours that would have been worked by the claimant. Impacted state agencies include the Pennsylvania State Police, the Fish and Boat Commission, the Game Commission, the Office of Attorney General, the Department of Conservation of Natural Resources, and the Capital Police within the Department of General Services, for a total of over 5,000 positions.

The impact on local governments is most likely to occur through increased insurance premiums. After the provisions of the legislation take effect, there could be an increase in claims and benefits payments from the State Workers' Insurance Fund (SWIF). SWIF provides insurance for a significant number of volunteer fire departments in the Commonwealth. An increase in claims would likely lead to an increase in the cost of premiums paid by local governments for coverage. This increase in premiums will likely also occur for local governments utilizing private insurance coverage.

Finally, if higher insurance premiums or higher incidences of PTSI in municipal police departments increase local reliance on the Pennsylvania State Police (either full-time or part-time), the PSP may see an increase in their personnel costs.

As explained, the full cost of this legislation is a function of the number of claims, the impacted agencies, and the severity of those claims. Currently there is insufficient data to forecast the potential increase in workers' compensation claims, so the fiscal impact to both the commonwealth and to local governments is indeterminate.

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**DATE:** October 23, 2024

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*

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<sup>1</sup> Berger, William, Evandro Silva Freire Coutinho, Ivan Figueira, Carla Marques-Portella, Mariana Pires Luz, Thomas C. Neylan, Charles R. Marmar, and Mauro Vitor Mendlowicz. "Rescuers at Risk: A Systematic Review and Meta-Regression Analysis of the Worldwide Current Prevalence and Correlates of PTSD in Rescue Workers." *Social Psychiatry and Psychiatric Epidemiology* 47, no. 6 (June 2012): 1001–11. <https://doi.org/10.1007/s00127-011-0408-2>.