



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

JEFF DONOFRIO
DIRECTOR

MEMORANDUM

DATE: March 31, 2020

TO: The Honorable Jim Stamas
Chair, Senate Appropriations Committee

The Honorable Shane Hernandez
Chair, House Appropriations Committee

FROM: Sean Egan
Deputy Director, Labor
Department of Labor and Economic Opportunity

SUBJECT: Public Act 317 of 1969, Section 405(8) Report

Per Public Act 317 of 1969, Section 405(8), the Workers Disability Compensation Agency shall report by April 1 to the chairpersons of the senate and house of representatives standing committees on appropriations and the state budget director on the status of the First Responder Presumed Coverage Fund.

Should you have any questions regarding this report or need additional information please contact Andrew Beardslee, LEO Legislative Analyst, at (517) 388-6101.

Cc: Chris Kolb, State Budget Director
Members, Senate Appropriations Committee
Members, House Appropriations Committee

First Responder Presumed Coverage Fund

Pursuant to Public Act 317 of 1969, as amended,
Section 405(8)(a)(b)(c) and (10)(a)(b)

Calendar Year 2019

Prepared by
Workers' Compensation Agency
Jack A. Nolish, Director
March 31, 2020



Jeff Donofrio, Director

The Workers' Compensation Disability Agency (WDCA) is pleased to present the 2019 annual report of the First Responder Presumed Coverage Fund (FRPCF).

This report is prepared in accordance with MCL 418.405(8) of the Workers' Disability Compensation Act, Act 317 of the Public Acts of 1969, as amended, and is submitted for your review.

The FRPCF was created pursuant to Public Act 515 of 2014 and was established to provide weekly workers' compensation wage loss and medical benefits to qualified first responders that have developed certain cancers. The FRPCF covers only first responders that have been employed full-time for 60 months or longer with a full-time fire authority at the time the cancer manifests itself and is exposed to the hazards incidental to fire suppression, rescue, or emergency medical services in the performance of necessary job duties. If true, the cancers are presumed to arise out of and in the course of their employment with respect to the claim only against the FRPCF. The statutory presumption may be rebutted by scientific evidence that the first responder was a substantial and consistent user of cigarettes or other tobacco products within the 10 years immediately preceding the date of injury, and that this use was a significant factor in the cause, aggravation, or progression of the cancer.

All claims are administered through a contract with Sedgwick and if a dispute should arise the FRPCF is represented by the Attorney General. For the period of January 1, 2019 through December 31, 2019, the FRPCF received a total of 11 applications; 4 of the applications were approved; 5 were denied, and 2 pending a decision. We are presently paying wage loss and medical benefits on 15 claims.

During this reporting period, a total of \$364,677.70 was expended for claims and administration expenses.

The anticipated expenditures for claims expenses in next fiscal year is \$575,000.00. In addition, we will incur administrative costs for staff and we anticipate additional vendor payments to administer each claim. We are allocating 1.5 FTE's for agency support.

Based on our current funding the FRPCF does not anticipate a funding shortfall this year.

Thank you for the taking the time to review this report.