

At a Glance

H.R. 3114, Longshore and Harbor Workers' COVID-19 Compensation Act of 2022

As ordered reported by the House Committee on Education and Labor on March 16, 2022

By Fiscal Year, Millions of Dollars	2022	2022-2027	2022-2032
Direct Spending (Outlays)	0	306	336
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	306	336
Spending Subject to Appropriation (Outlays)	0	4	5
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2033?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Over Threshold

The bill would

- Increase the number of private-sector maritime workers who receive workers' compensation because of a COVID-19 diagnosis or coronavirus exposure
- Reimburse private-sector employers and insurance carriers for those claims

Estimated budgetary effects would mainly stem from

- Reimbursing employers and their insurance carriers for workers' compensation benefits

Areas of significant uncertainty include

- Projecting the percentage of affected maritime workers who would file claims under the bill

Detailed estimate begins on the next page.



Bill Summary

H.R. 3114 would make it easier for private-sector maritime workers covered by the Longshore and Harbor Workers' Compensation Act (LHWCA) who are diagnosed with COVID-19 or who are ordered not to work because of coronavirus exposure to receive workers' compensation benefits. Under current law, covered workers who have contracted COVID-19 can receive workers' compensation benefits only if they can demonstrate that their illness was caused by a workplace exposure. H.R. 3114 would create a legal presumption that maritime workers contracted COVID-19 on the job, decreasing the burden of proof on those workers. The LHWCA requires any medical, disability, or survivor benefits for those workers to be paid by the employer or the employer's insurance carrier. Finally, H.R. 3114 would require the Department of Labor (DOL) to reimburse employers and insurance carriers for the cost of that compensation.

Estimated Federal Cost

The estimated budgetary effect of H.R. 3114 is shown in Table 1. The costs of the legislation fall within budget functions 500 (education, training, employment, and social services) and 600 (income security).

Table 1.
Estimated Budgetary Effects of H.R. 3114

	By Fiscal Year, Millions of Dollars											2022-2027	2022-2032
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
Increases in Direct Spending													
Estimated Budget Authority	0	214	63	15	8	6	6	6	6	6	6	306	336
Estimated Outlays	0	214	63	15	8	6	6	6	6	6	6	306	336
Increases in Spending Subject to Appropriation													
Estimated Authorization	0	3	2	0	0	0	0	0	0	0	0	5	5
Estimated Outlays	0	1	1	1	*	*	*	*	*	*	*	4	5

Components may not sum to totals because of rounding; * = between zero and \$500,000.

Basis of Estimate

For this estimate, CBO assumes that H.R. 3114 will be enacted near the end of fiscal year 2022 and that the estimated amounts will be available in each year. Estimated outlays are based on historical spending patterns for the affected programs.



Direct Spending

H.R. 3114 would make it easier for maritime workers to receive workers' compensation if they contracted COVID-19 or were ordered not to work because of coronavirus exposure by creating a legal presumption that the illness or exposure were work related. The bill would apply to approximately 200,000 maritime workers who have been or will be covered under the LHWCA between January 27, 2020, and January 27, 2024.

Under the bill, employers and insurance carriers would not be reimbursed for workers' compensation benefits paid before enactment if a worker already had received coronavirus-related benefits under the LHWCA. As of the end of fiscal year 2021, fewer than 100 workers who had filed such claims had been awarded benefits. DOL would not be required to reimburse benefits newly awarded under the bill if the worker's employer does not comply with certain safety and health guidelines and standards issued by the Occupational Safety and Health Administration and by other federal, state, or local authorities. CBO expects that most employers would comply with those guidelines and thus would be reimbursed for benefits.

Using data from DOL about current LHWCA claims and based on CBO's projections of infections, hospitalizations, and deaths for adults between the ages of 20 and 64, CBO estimates that about 12 percent of covered workers would receive medical, disability, or survivor benefits under the bill. CBO does not anticipate that all covered workers diagnosed with COVID-19 or quarantined because of exposure before enactment of this bill would apply for or receive benefits. The average cost of those benefits per worker would vary significantly, from relatively small reimbursements for testing or doctors' visits to larger monthly payments for the spouses and children of workers who die. Reimbursing employers' and insurance carriers' costs would increase direct spending by \$336 million over the 2022-2032 period, CBO estimates.

Spending Subject to Appropriation

Using information from DOL, CBO expects the department would need three additional employees to review LHWCA claims and reimburse employers or their insurance carriers. On that basis, CBO estimates that those administrative costs would total \$4 million over the 2022-2027 period and \$5 million over the 2022-2032 period; such spending would be subject to the availability of appropriated funds.

Uncertainty

CBO's estimates of the budgetary effects of H.R. 3114 are subject to uncertainty. The number of workers affected by the coronavirus, as well as the percentage of affected workers who would file claims, could differ significantly from CBO's projections. As a result, actual costs could be higher or lower than CBO estimates.



Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 1.

Increase in Long-Term Deficits

CBO estimates that enacting H.R. 3114 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2033.

Mandates

H.R. 3114 would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) by establishing a legal presumption that maritime workers diagnosed with COVID-19 or ordered not to work because of coronavirus exposure are entitled to workers' compensation benefits if they can demonstrate that their illness was caused by a workplace exposure. Because the bill would expand the availability of compensation, it would increase the cost of an existing mandate on employers and insurance carriers to pay those benefits. CBO estimates that the cost of the mandate would exceed the threshold for private-sector mandates established in UMRA (\$184 million in 2022, adjusted annually for inflation) in 2023. The federal government would reimburse employers and insurance carriers for those mandate costs.

Previous CBO Estimate

On February 17, 2021, CBO transmitted a [revised cost estimate for the reconciliation recommendations of the House Committee on Education and Labor](#) resulting from S. Con. Res. 5, the Concurrent Resolution on the Budget for Fiscal Year 2021. Section 2104 is similar to H.R. 3114. Both provisions would establish the presumption that maritime workers with COVID-19 have contracted the illness on the job and allow employers and insurance carriers to be reimbursed for the costs of workers' compensation benefits. However, the version in the reconciliation recommendations would cover workers only through January 2023 and allow for reimbursement through 2030. CBO's cost estimates reflect those differences.



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