

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number SB56

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Miller

3. Committee Commerce and Labor

4. Title Workers' compensation; choice of physician.

5. Summary/Purpose:

Eliminates the requirement that an employer offer an employee a choice of three physicians and permits the employee to select a physician entirely of his own choosing.

6. Fiscal Impact Estimates are: Indeterminate

7. Budget amendment necessary: No

8. Fiscal implications:

This bill will have minimal fiscal impact on the Workers' Compensation Commission, as its administration will be accomplished with existing staff and resources.

System Impact: The extent of the fiscal impact cannot be calculated at this time because there are no available state-specific comparators. The Workers' Compensation Commission does not keep data relating to this issue.

The Virginia Department of Human Resources Management (DHRM) believes that while the employer may not direct medical treatment, the ability to construct a panel of the most qualified physicians to treat their employee is critical. Some of the important features employers evaluate when selecting their panel of physicians include the physician's willingness to provide timely and immediate treatment, knowledge of the most up to date treatment for occupational illnesses and injuries, and willingness to consider early return to work when it is in the best interest of the employee's recovery. In addition, many employers (including most state agencies) work with their panel of physicians so that they become familiar with the employer's workplace, return to work policies, and any special modified duty positions available so that employees can transition back to work as soon as possible. Also many employers and their insurers utilize preferred provider networks that offer discounts in the cost of treatment.

By eliminating the panel, the employer may be obligated to pay a higher cost for care and may have a more difficult time obtaining a release to return to work. As a result this legislation will increase the costs to the state's Workers' Compensation Program and increase

premiums to state agencies in future years.

9. Specific agency or political subdivisions affected: Virginia Department of Human Resources Management, Virginia Workers Compensation Commission, local governments

10. Technical amendment necessary: No

11. Other comments: None

Date: 2/2/04 / mtb

Document: G:\Sbe\Bills\Fis\2004session\Sb56.Doc Mike Barton)

cc: Secretary of Administration