

State Corporation Commission 2005 Fiscal Impact Statement

1. Bill Number HB1953

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 Kilgore

3. Committee Courts of Justice

4. Title Insurance; medical malpractice claims.

5. Summary/Purpose: Requires all medical malpractice claims, opened, settled, or adjudicated to final judgment as well as all claims closed without payment to be reported annually to the Commissioner. These claims must be reported by the insurer or, if there is no insurer, by the provider. A statistical summary must be provided as well as individual reports on each claim.

6. Minimal Fiscal Impact on the State Corporation Commission: see Line 8.

7. Budget amendment necessary: No

8. Fiscal implications: House Bill 1953 requires the State Corporation Commission Bureau of Insurance to develop data calls, collect and aggregate data. The cost for the Bureau's consulting actuaries to analyze the data would increase Bureau actuarial costs approximately \$15,000 to \$20,000 per year for closed claims analysis and \$30,000-\$40,000 per year for open claims analysis. The Bureau of Insurance would pay the increased actuarial costs out of its existing actuarial budget.

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: House Bill 1953 would add to the Code of Virginia language very similar to what was § 38.2-2228.1, which was repealed a number of years ago. The information reported would assist the Bureau of Insurance in determining how claims frequency and severity is trending over time with regard to certain medical specialties. 2005 House Bills 1903, House Bill 2659, House Bill 2718 and Senate Bill 1173 are very similar to House Bill 1953.

House Bill 1953 requires claim reports to be submitted to the State Corporation Commission by the health care providers, in addition to insurers. The Commission has no regulatory authority over health care providers which would enable it to enforce the provisions of this bill.

This bill has been assigned to the Civil Law subcommittee of the House Courts of Justice Committee.

Date: 01/17/05 / V. Tompkins

cc: Secretary of Commerce and Trade

cc: Secretary of Health and Human Resources