

State Corporation Commission 2005 Fiscal Impact Statement

1. Bill Number HB2659

House of Origin	<input type="checkbox"/> Introduced	<input checked="" 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: House Floor

4. Title Medical malpractice.

5. Summary/Purpose: Requires an expert witness to certify that the health care practitioner deviated from the standard of care before service of process is made. The bill also provides that an admission of sympathy or general sense of benevolence to a patient or a patient's relative is not admissible as evidence of an admission of liability or as evidence of an admission against interest. The bill further provides that the impressions, observations, evaluations, and histories obtained or formulated during the course of the practitioner's treatment may be disclosed. It also revises the definition of malpractice. The bill also requires all medical malpractice claims settled or adjudicated to final judgment as well as all claims closed without payment to be reported annually to the State Corporation Commission. These claims must be reported by the insurer. A statistical summary must be provided as well as individual reports on each claim. The bill allows these reports to be submitted in an electronic format. The bill requires the reports to be filed by July 1 of the year following the applicable calendar year, but the report containing data for calendar year 2002, 2003, and 2004 must be filed by September 1, 2005.

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

7. Budget amendment necessary: No

8. Fiscal implications: Senate Bill 1173 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 the analysis of the closed claims data. 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 and its Bureau of Insurance

10. Technical amendment necessary: None needed for § 38.2- 2228.2 of the Code of Virginia

11. Other comments: Senate Bill 1173 would add to the Code of Virginia language very similar to what was § 38.2-2228.1 of the Code of Virginia, 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.

Senate Bill 1173 is similar to 2005 House Bill 1903, which was folded into House Bill 2659, House Bill 1953, which has been stricken, and House Bill 2718.

Of the nine Code of Virginia sections contained in this bill, only one, § 38.2- 2228.2 involves the State Corporation Commission. The remainder of the bill pertains to code sections in the civil procedure title of the Code of Virginia, courts not of record, and Title 54.1 (Professions and Occupations). This fiscal impact statement does not analyze these sections which are outside of the jurisdiction and expertise of the State Corporation Commission and its Bureau of Insurance.

Date: 01/24/05 / V. Tompkins

cc: Secretary of Commerce and Trade

cc: Secretary of Health and Human Resources