

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: HB1265

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Marshall, R.G.

3. Committee: Courts of Justice

4. Title: Department of the Treasury; risk management plan for volunteer health care providers.

5. Summary: Department of the Treasury; risk management plan for volunteer health care providers. Directs the Division of Risk Management of the Department of the Treasury to establish a risk management plan for volunteer health care providers certified by the Department of Health.

6. Budget Amendment Necessary: Yes

7. Fiscal Impact Estimates: Preliminary, see Item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2015	\$36,670	General
2016	\$31,670	General
2017	\$31,670	General
2018	\$31,670	General
2019	\$31,670	General
2020	\$31,670	General

8. Fiscal Implications: The Division of Risk Management (DRM) indicates that coverage for volunteer health care providers defined in the bill would fall under the Local Government Pool – Medical Malpractice program. The program would extend \$1 million coverage per claim. The bill grants an exemption to any volunteer health care provider certified by the Department of Health from civil liability for any injury or wrongful death of any person resulting from the provision of any health care provided in his professional capacity, regardless of where such services are performed, unless the act was the result of his gross negligence or willful misconduct. DRM states that this provision would grant the exemption for civil liability for all patients under the volunteer health care provider's care or practice, whether or not the patient was under the free clinic program.

This legislation would require VDH to certify as a volunteer health care provider physicians and dentists who provide a certain level of charity care in free clinics. VDH estimates that

approximately 100 free clinics in Virginia would fall under the purview of this bill, and that a total of five physicians and dentists would meet the bill's criteria for VDH certification at each free clinic on an annual basis. Based on this information, approximately 500 physicians and dentists could be expected to seek certification by VDH as voluntary health care providers. However, the bill limits the number of VDH certified health care providers to 200 annually.

The department estimates that the certification process would require five hours of investigative and administrative activity, therefore approximately 1,000 hours (five hours times 200 voluntary health care providers) would need to be dedicated to certification activities each year. The department assumes a wage position, costing \$28.37 per hour, would be hired to handle the additional responsibilities. In addition, \$3,300 would be needed to cover the cost of nonpersonal services (i.e. equipment, supplies, etc.). The department estimates a one-time cost of promulgating the necessary regulations would be \$5,000 in FY 2015.

Treasury and VDH also note that DRM already extends liability coverage to certain health care personnel providing services free of charge, so long as specific conditions apply, including that the individual health care provider or the hospital employing such person are registered with DRM (§§ 31.1-123.3 and 54.1-106, Code of Virginia).

For physicians and dentists who become certified voluntary health care providers, this bill expands the existing immunity from liability for charity care to their entire practice. The bill may result in the department paying additional premiums for the risk management plan that is provided for in the Code of Virginia. Therefore, the additional general fund costs of this plan are unknown and require further study.

9. Specific Agency or Political Subdivisions Affected: Department of the Treasury, Virginia Department of Health

10. Technical Amendment Necessary: The Department of the Treasury notes that as this program would fall under the Local Government program, the code section should be updated from § 2.2-1837 to § 2.2-1839.

11. Other Comments: This bill is similar to HB667 and is related to HB1264 and HB39. This revised fiscal impact statement incorporates updated information provided by the Department of Health Professions.

Date: February 3, 2014

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