

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: HB1494

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: Knight

3. Committee: Transportation

4. Title: Examination of licensee believed incompetent.

5. Summary: This bill requires the Department of Motor Vehicles (DMV) to refer the case of any person believed incompetent by a physician, nurse practitioner, or physician assistant to the Medical Advisory Board (Board) for an advisory opinion. The bill requires the DMV to administer the knowledge and road skills tests or refer the driver for a complete driver evaluation conducted by a driver rehabilitation specialist prior to suspending such person's driver's license in cases where the driver's physician submits the initial impaired driver report recommending that the person no longer drive. The bill requires a physician who has reason to believe the results of an examination could lead to a revocation of the patient's driving privileges to notify the patient prior to such examination that the examination could result in the loss of driving privileges.

6. Budget Amendment Necessary: Yes, Item 442.

7. Fiscal Impact Estimates: Preliminary. See Item #8.

8. Fiscal Implications: While the Commissioner may currently refer to the Board for an advisory opinion the case of any person whom he has cause to believe suffers from a physical or mental disability or disease which will prevent this individual from exercising reasonable and ordinary control over a motor vehicle, the majority of cases are handled by the 13 licensed practical nurses (LPNs) that the Department of Motor Vehicles (DMV) employs in full time positions to deal with the approximately 18,847 cases that come to DMV annually. Many cases are very straight forward and require application of medical policies that are developed with the advice of the Medical Advisory Board. Such cases involve very little interpretation and are handled by the LPNs. Other cases are easily disposed of without any DMV action because they do not meet a qualifying condition. Only about 30-50 cases annually are referred to the Medical Advisory Board for an advisory opinion.

This bill amends VA Code § 46.2-204 to require the Commissioner to refer to the Board for an advisory opinion the case of any person being examined under the provisions of § 46.2-322. Should this bill pass, this would result in approximately 18,847 cases going to the Board regardless of the complexity and regardless of whether it would normally be a case where DMV would take no action. Approximately 18,847 cases would be referred to the board per annum or 1,571 cases per month would be sent to the Medical Advisory Board.

The Board consists of seven licensed physicians currently practicing medicine, so, in addition to the work of their medical practice, they would be forced to take on approximately 1,571 DMV cases per month. Current law provides that the physicians are not compensated. This legislation would likely make it difficult to find physicians willing to serve on the board with this level of workload.

A volunteer board would not be able to accommodate the increased volume in medical review cases that this bill would create. Customers referred to medical review could have to wait months for DMV to conclude the review. The only alternative would be to require DMV to hire physicians to review the large number of cases. This would require a budget amendment to increase DMV's Maximum Employment Level (MEL) as well as to provide funding for the physicians' salaries, as DMV would not be able to absorb these costs under its current budget. One of the benefits of the board is that up to seven physicians review cases and offer their particular expertise. While DMV believes there is great value in the board review, it would not be reasonable for DMV to hire sufficient physicians to allow seven to review each case. Based on the number of additional cases and assuming 20 minutes is spent on each case, DMV estimates that three teams of three physicians each, working full-time, would be necessary. DMV would need to hire 9 physicians at a cost of \$1,575,000 annually. In addition, DMV would need to hire 15 additional LPNs to prepare and process the cases for the 20 minute physicians' review. The average annual state salary with benefits for a nurse is \$65,658. This would result in an estimated annual cost for DMV of \$984,870 for additional nursing staff.

To facilitate and expedite the review of 18,847 cases annually, changes to DMV automated systems would be necessary. DMV estimates these costs to be 2,583 hours at \$91,066.

The bill's requirement that the person "pass" the knowledge and skills exams prior to suspension results in additional annual costs to the agency. If this bill passes and DMV is required to administer knowledge tests and road skills tests in these situations, DMV estimates that an additional 2,300 road skills tests will need to be administered annually. To do this would require eight additional examiners at an average salary of \$43,000 for a total annual cost of \$344,000. In addition, 2,300 additional knowledge tests will have to be administered annually resulting in an additional \$131,629 in testing costs. These tests would likely be administered by existing customer service representatives (CSRs). However, should additional CSRs be needed, the hourly rate for a CSR with fringe benefits is \$26.20.

The total cost of the provisions of this legislation is estimated to be \$3.1 million annually. DMV does not have sufficient funding within its existing budget to hire the additional staff and make the necessary system changes. In order to follow the new examination process, DMV would need to reallocate existing resources or the legislature would need to provide additional funding through higher fees or a general fund appropriation. If DMV was to reallocate resources, the agency would need to eliminate over 60 staff in customer service centers, which would result in longer lines and increased wait times.

The Department of Health Professions does not anticipate an impact from this proposal.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles,
Department of Health Professions.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/10/2017

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