

## **Department of Planning and Budget**

### **2017 Fiscal Impact Statement**

**1. Bill Number:** SB1175-ER

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

**2. Patron:** Chafin

**3. Committee:** Passed Both Houses

**4. Title:** Workers' compensation; employer's lien; third party actions.

**5. Summary:** Requires any arbitration held by the employer in the exercise of such right of subrogation shall be limited solely to arbitrating the amount and validity of the employer's lien and shall not affect the employee's rights in any way. Arbitration shall not be held unless (i) any contested expenses remaining have been submitted to the Virginia Workers' Compensation Commission (the Commission) for a determination of their validity and the Commission has made such determination of validity prior to the commencement of the arbitration; (ii) prior to the commencement of such arbitration the employer has provided the injured employee and his attorney, if any, with an itemization of the expenses associated with the lien that is the subject of the arbitration; (iii) upon receipt of the itemization of the lien, the employee shall have 21 days to provide a written objection to any expenses included in the lien to the employer, and if the employee does not do so any objections to the lien to be arbitrated shall be deemed waived; and (iv) the employer shall have 14 days after receipt of the written objection to notify the employee of any contested expenses that the employer does not agree to remove from the lien, and if the employer does not do so any itemized expense objected to by the employee shall be deemed withdrawn and not included in the arbitration.

**6. Budget Amendment Necessary:** No.

**7. No Fiscal Impact**

**8. Fiscal Implications:** The proposed legislation is not expected to have a state fiscal impact.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Workers' Compensation Commission, Department of Human Resource Management, Attorney General and Department of Law, and localities.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** This bill is a companion to the substitute of House Bill 1659 (Habeeb).