

Department of Planning and Budget

2019 Fiscal Impact Statement

1. Bill Number: HB2022-ER

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

2. Patron: Murphy

3. Committee: Passed Both Houses

4. Title: Workers' compensation; filing of claim.

5. Summary: Provides that if an employer has received notice of an accident resulting in compensable injury to an employee and the employer has paid compensation or wages to such employee during incapacity for work resulting from such injury or the employer has failed to file the report of said accident with the Virginia Workers' Compensation Commission or otherwise has under a workers' compensation plan or insurance policy furnished or caused to be furnished medical service to such employee, the statute of limitations applicable to the filing of a claim shall be tolled until the last day for which such payment of compensation or wages or furnishment of medical services is provided and that occurs more than six months after the date of accident. The measure provides that no such payment of wages or workers' compensation benefits or furnishment of medical service occurring after the expiration of the statute of limitations applies to this provision. The measure also provides that (i) if the employer has failed to file a first report, the statute of limitations shall be tolled during the duration thereof until the employer filed the first report of accident and (ii) if more than one of the above tolling provisions applies, whichever of those causes the longer period of tolling shall apply.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final – see Item 8.

8. Fiscal Implications: The proposed legislation may impact the staffing needs of the Department of Human Resource Management (DHRM), which manages the State Employee Workers' Compensation program, and Attorney General and Department of Law (OAG); however, the number of additional staff that may be needed cannot be determined at this time. According to DHRM, its benefit coordinators would have to conduct a thorough investigation of claims that seem compensable, which may increase the third-party administrator's (TPA) claim investigation workload. The increase in administrative costs incurred by the TPA would be supported through workers' compensation premiums charged to state agencies and any increases in the TPA's expenses will be reflected in subsequent workers' compensation premiums charged to state agencies.

Based on the OAG's current workload, the OAG's Workers' Compensation Unit may need to hire additional staff to handle any increase of litigation regarding medical only claims because of the passage of this legislation. However, the number of additional staff that may be needed at the OAG is unknown at this time. The cost of supporting additional staffing needs at the OAG would be supported through DHRM because the State Employee Workers' Compensation program fully funds the OAG's Workers' Compensation Unit pursuant to a Memorandum of Understanding between the two agencies.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.