

Department of Planning and Budget

2013 Fiscal Impact Statement

1. Bill Number: HB1612

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: Hugo

3. Committee: Commerce and Labor

4. Title: Workers' compensation; fee schedule for medical care services and prompt payment.

5. Summary: Limits the pecuniary liability of an employer for medical, surgical, and hospital services provided on or after October 1, 2014, pursuant to the Virginia Workers' Compensation Act to the maximum amount that may be paid pursuant to fee schedules established by the Workers' Compensation Commission, unless a contract provides otherwise. The Workers' Compensation Commission is directed to promulgate regulations establishing medical care fee schedules governing all medical care services rendered pursuant to the Virginia Workers' Compensation Act. The schedules shall become effective on October 1, 2014. The bill requires the medical care fee schedule regulations to (i) be comprehensive in scope, (ii) be based on Medicare where applicable, (iii) utilize Medicare coding and reimbursement rules, and (iv) address fees of physicians and surgeons, hospitals, ancillary services provided by other health care facilities and providers, pharmacy and pharmaceutical services, and utilization review issues and procedures. The Commission is required to review the fee schedules annually and when appropriate revise them. The measure also requires an insurer or self-insured employer, effective October 1, 2014, to either pay a medical bill or deny payment of the bill within 60 days of receiving a bill and supporting medical documentation. If the Commission finds that the self-insured employer or insurer unreasonably denied payment for medical services, it shall order payment for the services with interest.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Indeterminate

8. Fiscal Implications: The Workers' Compensation Commission indicates that there will be start-up costs to the Commission for establishing the fee schedule as well as some costs associated with the two year periodic comparative and access to care reviews. These costs will be offset to some degree by the savings the Commission will receive by not having to adjudicate over 2,000 medical provider applications each year. Additionally, to the extent that the fee schedule lessens the increases in medical costs, the Uninsured Employer's Fund will achieve a savings on those expenses.

9. Specific Agency or Political Subdivisions Affected: Workers' Compensation Commission

10. Technical Amendment Necessary: n/a

11. Other Comments: none

Date: 1/14/13

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