

Department of Planning and Budget 2013 Fiscal Impact Statement

1. Bill Number: HB2206

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: Ware

3. Committee: Commerce and Labor

4. Title: Workers' compensation insurance; payments to providers of health care services

5. Summary: Provides that the rate of payment for medical, surgical, and hospital services provided under the Virginia Workers' Compensation Act may be (i) established in an agreement between the health care provider and an employer, insurance carrier, third-party administrator, or preferred provider organization or (ii) negotiated by the provider and insurance carrier or employer for a single episode of care. If such persons do not enter into such an agreement or negotiate a rate, the Workers' Compensation Commission shall determine the rate of payment, which shall be limited to the charges that prevail in the same community for similar treatment when such treatment is paid for by the injured person. The measure also establishes a two-year limitation period on actions to recover denied fees. Employers and insurance carriers are required to make available billing and reimbursement requirements to health care providers or make the same available via the Internet in real time to enable providers to electronically verify if a claim has been reported and to accept reports and claims from health care providers electronically. The measure creates a prompt payment requirement directing that providers be paid within 40 days after receipt of an itemization of the health care services provided. Agreements between insurance carriers and providers are required to include the fee schedule, reimbursement policy, or statement as to the manner in which claims will be calculated and paid. Amendments to provider agreements will not be effective unless the provider has been provided with the applicable portion of the proposed amendment at least 60 calendar days before the effective date and the provider has not notified the carrier within 30 days of receipt of such notice of the provider's intention to terminate the agreement. The employee's attorney fees shall be the responsibility of the employer or insurance carrier that contested the compensability of the claim. The measure prohibits balance billing of an employee by a provider when an employer or the employer's insurance carrier voluntarily makes full payment for services provided to an injured employee under the terms of a valid provider agreement in advance of an award of compensation being made.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate.

8. Fiscal Implications: The Department of Human Resource Management indicates that the provisions of this bill could possibly result in additional litigation costs to the State Employee Workers Compensation program. However, the magnitude of any additional costs is indeterminate.

9. Specific Agency or Political Subdivisions Affected: State Employee Workers Compensation program.

10. Technical Amendment Necessary: No.

11. Other Comments: N/A

Date: 1/14/12