

## **Department of Planning and Budget**

### **2015 Fiscal Impact Statement**

**1. Bill Number:** HB1820

<b>House of Origin</b>	<input checked="" 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 type="checkbox"/> Enrolled

**2. Patron:** Farrell

**3. Committee:** Commerce and Labor

**4. Title:** Workers' compensation; payment for medical services.

**5. Summary:** Limits an employer's liability for medical, surgical, and hospital service required under the Virginia Workers' Compensation Act to the amount that is generally paid to the provider for similar treatment when the provider is paid for the treatment by or on behalf of an individual receiving such treatment when not ordered by the Workers' Compensation Commission. That amount shall be the average amount reported to have been paid for the treatment based on paid claims data for covered benefits collected by the Virginia All-Payer Claims Database in the most recent year for which such paid claims data is available, plus 20 percent. However, if paid claims data is not available through the Virginia All-Payer Claims Database for the treatment, the amount shall be established by the Workers' Compensation Commission based on evidence produced by the provider or other interested party, including payments made by health insurers and other third-party payors. Currently, the employer's liability is such charges as prevail in the same community for similar treatment paid for by the injured person.

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

**7. Fiscal Impact Estimates:** Preliminary – see Item 8.

**8. Fiscal Implications:** According to the Workers' Compensation Commission, the agency would incur only minimal costs in implementing this legislation using the data collected by the Virginia All-Payer Claims Database. The agency expects there will be a decrease in litigation through the Commission of up to 2,500 medical provider claims per year. A favorable impact on the Uninsured Employer's Fund is also expected since lower medical costs are anticipated as a result of the legislation.

**9. Specific Agency or Political Subdivisions Affected:** Workers' Compensation Commission and Virginia Health Information

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

**11. Other Comments:** None.