

Department of Planning and Budget 2015 Fiscal Impact Statement

1. Bill Number: HB2384

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Byron

3. Committee: Commerce and Labor

4. Title: Workers' compensation; electronic billing and payment.

5. Summary: Requires employers and their insurance carriers to electronically process claims for medical expenses incurred under the Virginia Workers' Compensation Act.

6. Budget Amendment Necessary: Yes – Item 486.

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

Expenditure Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2015 | \$0 | 0.00 | - |
| 2016 | \$1,050,400 | 0.00 | NGF |
| 2017 | \$220,000 | 1.00 | NGF |
| 2018 | \$220,000 | 1.00 | NGF |
| 2019 | \$220,000 | 1.00 | NGF |
| 2020 | \$220,000 | 1.00 | NGF |
| 2021 | \$220,000 | 1.00 | NGF |

8. Fiscal Implications: The Workers' Compensation Commission would need to develop standards for this bill that are pursuant to the Administrative Process Act, Title 2.2, Chapter 40. A standardized format for transmission of documents would also need to be developed. According to the Commission, its current system would need to be modified to process mandatory electronic transmissions. The Commission estimates the development for this project would take approximately 18 months and cost \$1.1 million in fiscal year 2016. The costs incurred by the agency would include expenses for data storage space and the salary of 10 temporary information services positions. The costs in fiscal year 2016 include \$100,000 for data storage space and \$950,400 for five developers, one database analyst, one project manager, one analyst, and two testers.

Once the development phase has been completed, the Commission would require one developer to remain on staff after the changes go live to support and maintain the application changes. The estimated cost for this full-time position with salary and benefits would be \$120,000 annually beginning in fiscal year 2017. Funding for data storage space would also be needed annually. The fund source for supporting the costs associated with this legislation is Fund 0900 – Dedicated Special Revenue.

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

10. Technical Amendment Necessary: Yes. Line 51, strike "allowe" and insert "allow". Line 53, strike "Workers" and insert "Workers".

11. Other Comments: None.