

Department of Planning and Budget

2017 Fiscal Impact Statement

1. Bill Number: HB1571-E

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

2. Patron: Farrell

3. Committee: Commerce and Labor

4. Title: Workers' compensation; fees for medical services.

5. Summary: Provides that the pecuniary liability of an employer for a medical service provided for the treatment of a traumatic injury or serious burn includes liability for any professional service rendered during the dates of service of the admission or transfer to a Level I or Level II trauma center or to a burn center, as applicable. The measure increases the initial charge outlier threshold, which under the stop-loss feature allows hospitals to receive payments or reimbursements that exceed the fee schedule amount for certain claims, from 150 percent of the maximum fee for the service set forth in the applicable fee schedule to 300 percent of such amount. The measure allows the Workers' Compensation Commission to adjust the charge outlier threshold percentage; under existing law, it is allowed only to decrease the percentage. The measure also (i) expands the definition of codes, as used in the provision directing the Commission to establish fee schedules for scheduled medical services, to include revenue codes, which are defined in the bill; (ii) clarifies the definition of "HCPCS codes"; (iii) directs the Commission to use the regulatory advisory panel on all matters involving or related to the fee schedule as deemed necessary by the Commission; (iv) adds a definition of "new type of technology;" and (v) extends the deadline by which the regulatory advisory panel is required to meet, review, and make recommendations to the Commission from July 1, 2017, to July 1, 2018. The bill contains an emergency clause.

6. Budget Amendment Necessary: No.

7. No Fiscal Impact

8. Fiscal Implications: The proposed legislation is not expected to have a fiscal impact for the Virginia Workers' Compensation Commission (VWC). A budget amendment is included in HB 1500/SB 900 of the 2017 Session to provide the VWC with two full-time equivalent positions (medical fee services manager and medical fee services research analyst) in FY 2018 to implement the provisions of Chapters 279 and 290 of the Acts of Assembly of 2016.

9. Specific Agency or Political Subdivisions Affected: Virginia Workers' Compensation Commission, American Insurance Association, Property and Casualty Insurers Association of America, Virginia Self-Insurers Association, Inc., Medical Society of Virginia, Virginia Hospital and Healthcare Association, Virginia Orthopaedic Society, Virginia Trial Lawyers Association, and local governments.

10. Technical Amendment Necessary: No.

11. Other Comments: The bill passed by the House added the definition of “new type of technology”, which means an item resulting or derived from an advance in medical technology, including an implantable medical device or an item of medical equipment, that is supplied by a third party, provided that the item has been cleared or approved by the federal Food and Drug Administration after the transition date and prior to the date of the provision of the medical service using the item.

The House amendment did not change the proposed legislation’s fiscal impact.