

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: SB1119

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: McPike

3. Committee: Commerce and Labor

4. Title: Workers' compensation; presumption of compensability for certain diseases.

5. Summary: Substitutes colorectal cancer, which is cancer that starts in the colon or rectum, for rectal cancer on the list of cancers that are presumed to be an occupational disease covered by the Virginia Workers' Compensation Act when certain employees develop the cancer after contact with a known or suspected carcinogen that causes, or is suspected to cause, the specific type of cancer.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: According to the Virginia Retirement System, the proposed legislation would have an impact on future Line of Duty Act (LODA) premiums for participating employers. The actuarial firm who performs the annual valuations estimates that using a colorectal cancer determination rather than rectal cancer determination adds approximately 2.6 times the number of approved claims, as colorectal cancer includes both colon and rectal cancers. This equates to a 0.93 percent increase in assumed claims for LODA. The estimate assumes the indicated percentages from prior data hold for the LODA population and the current LODA claim process properly discerns between colon cancer and rectal cancer.

The proposed legislation would increase participating employers' LODA premiums by approximately \$1.46 per eligible employee beginning in fiscal year 2019, which would result in an additional contribution of \$27,747 for participating employers. There are 19,004 full-time equivalent employees (state and local) participating in the state LODA Fund. The state fiscal impact is estimated to be 60 percent (\$16,648) of the additional contribution because state employees account for 60 percent of the full-time equivalent employees participating in the LODA Program. A budget amendment is not required because the proposed legislation would have an impact on the LODA premiums in the next biennium.

According to the Department of Human Resource Management's Workers' Compensation Services Program, a review of its claims history did not return any claims filed for colorectal cancer. The fiscal impact for workers' compensation premiums cannot be determined; however, claims incurred would increase costs for state agencies through experience-based premiums.

9. Specific Agency or Political Subdivisions Affected: All state agencies and localities.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is a companion to House Bill 1722 (Anderson).