

Commission on Local Government

Estimate of Local Fiscal Impact

2019 General Assembly Session

Bill: HB2782

Patron: Campbell

Date: 1/24/2019

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

Bill Summary:

Billing of certain medical expenses of local sheriff's deputies and police officers. Provides that in any instance in which a sheriff's deputy or police officer of a locality incurs medical expenses for treatment by a health care provider for an incident that occurs in the line of duty as the direct or proximate result of the performance of his duty, the locality shall instruct the health care provider that all of its billings for such medical expenses shall be directed to the locality, and not to the sheriff's deputy or police officer, for payment as appropriate.

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### Executive Summary:

Localities have evaluated a negative fiscal impact ranging from \$0.00 - \$72,000.00. Some localities noted that the bill would not have any fiscal impact because their current process is in compliance with the bill, but the bill would change the order of the payment process. Other localities did not provide any costs because the exact impact of the bill is indeterminate, but noted that the bill could increase the expenditures related to staffing, and processing claims with the potential to be extremely costly. They also noted that the bill could bypass the current workers' compensation, and line of duty statutes, and limit the ability to address questionable claims, which could be an opportunity for abuse, and allow pre-existing medical conditions to become the responsibility of the locality, leading to disputes and potential legal costs. One locality also expressed concern over whether the locality would be on the hook in future years from a former employee requesting to pay medical costs.

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### Local Analysis:

**Locality:** City of Danville

**Estimated Fiscal Impact:** \$0.00

The estimated fiscal impact is listed as \$0.00 as it is difficult to estimate a figure. Please note, this proposal will increase expenditures, with the potential to be extremely costly to a locality.

As written, this appears to bypasses the current workers' compensation statute. The issue lies with when "direct or proximate" injury is decided. Staff views this as a loss of control by locality to ensure injuries are actually related to employee work assignment. Additionally, this provides employee the opportunity to go to a physician's office and state any illness/injury is work related without question - this is an opportunity for abuse or even allowing a pre-existing medical condition to become the responsibility of the locality.

To process these claims and follow up as necessary, additional expenditures will be needed for staff. There would also be an issue should the injury be deemed non-compensable. The locality will have paid money it is not responsible to pay. Even if seeking reimbursement is allowed, it will be costly and unlikely to occur without legal assistance.

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Locality: City of Harrisonburg

Estimated Fiscal Impact: \$0.00

Not able to provide an estimate of the fiscal impact of this bill but there would likely be costs associated with it.

Would not be in favor of this legislation. Generally speaking, if done correctly, most of this would presumably be taken care of through workers comp. Or there is also the employee's insurance as well. From our perspective there is no need for a locality to be directly involved.

Some of the language in the bill is also overly ambiguous. Will localities be on the hook in future years from a former employee requesting the locality to pay medical costs and how it would be determined that the medical costs are from the "direct or proximate result of the performance" of the former employee's duty. How or who will determine that 20 or 30 years later?

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**Locality:** City of Newport News

**Estimated Fiscal Impact:** \$0.00

Unsure of dollar amount, as described in the bill, any injury would be covered by LODA (City is self insured for LODA) OR Worker's Compensation. In either case, employee is not responsible for costs associated by injury.

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Locality: City of Norfolk

Estimated Fiscal Impact: \$0.00

This bill is expected to increase workmen's compensation costs as Norfolk Police Department and Norfolk's Sheriffs Office have employees that will have to be covered by this bill. We are unable to determine the cost at this time.

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**Locality:** City of Poquoson

**Estimated Fiscal Impact:** \$0.00

This is current practice. The savings would be on the health care provider to receive payment sooner based on the locality receiving the bill. No fiscal impact due to workers' compensation claims being paid by the City currently as required by law.

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Locality: City of Virginia Beach

Estimated Fiscal Impact: \$0.00

The bill will not create any additional costs for the City, rather it will only change the order of the payment process.

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**Locality:** Fairfax County

**Estimated Fiscal Impact:** \$72,000.00

Fiscal impact estimated up to \$72,000. If an injured employee circumvents the County's workers compensation process and incurs medical expenses through their own health care provider, there could be a fiscal impact. Also, the County might have to pick up the cost of out of pocket medical expenses paid by a disabled employee who has been awarded Line of Duty Act benefits.

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Locality: Rappahannock County

Estimated Fiscal Impact: \$0.00

It is not clear to me why such work related medical expenses would not be covered by workers compensation and as such not be billed to an officer already. Clearly I am missing something.

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**Locality:** Town of Blacksburg

**Estimated Fiscal Impact:** \$0.00

We currently have this in place and have for several years.

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Locality: Town of Luray

Estimated Fiscal Impact: \$25,000.00

This bill does not appear to define the responsible party to confirm "proximate result of the performance of his duty." We have typically allowed our health care insurer to determine how any claims are handled. While the intent of the legislation is noble, it limits a locality's and their provider's ability to address questionable claims.

Following an incident, if an employee receives a medical bill, we instruct them to forward them to the Town or Workers Comp.

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