

Department of Planning and Budget

2020 Fiscal Impact Statement

1. Bill Number: SB227

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: Spruill

3. Committee: Commerce and Labor

4. Title: Virginia Workers' Compensation Commission; fee schedules.

5. Summary: Requires the Virginia Workers' Compensation Commission to review and adjust the Virginia fee schedules annually. Under current law, such review is required biennially. The bill also requires the Commission, in its review conducted in 2020, to adjust the fee schedules to reflect the inflation or deflation for the years 2016, 2017, 2018, and 2020.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: The proposed legislation requires the Virginia Workers' Compensation Commission (VWC) to review and adjust its medical fee schedules annually and in its review in 2020, the VWC is required to adjust the medical fee schedules for 2016, 2017, 2018, and 2020 to reflect inflation or deflation.

The proposed legislation is expected to have a minimal fiscal impact for the VWC as the agency would have to pay for actuarial costs to develop medical fee schedules on an annual basis. Currently, the VWC pays its actuarial expenses for the development of medical fee schedules biennially. According to the VWC, its most recent actuarial costs totaled \$170,950. The VWC is expected to pay the actuarial expenses on an annual basis within its current operating budget; therefore, a budget amendment is not required.

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

10. Technical Amendment Necessary: No.

11. Other Comments: According to the VWC, the agency has completed revisions to the 2020 medical fee schedules which included a consumer price index adjustment for 2019.