

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: HB1300

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

2. Patron: Cordoza

3. Committee: Labor and Commerce

4. Title: 'Occupational disease' defined.

5. Summary: Defines physical conditions diagnosed by a licensed healthcare provider resulting from repetitive and sustained physical stressors, including repetitive and sustained motions, exertions, posture stresses, contact stresses, or vibrations, as ordinary diseases of life. Physical conditions diagnosed by a licensed healthcare provider resulting from repetitive and sustained physical stressors, including repetitive and sustained motions, exertions, posture stresses, contact stresses, or vibrations, injurious exposure shall be defined as exposure to the causative hazard of the condition or disease which is reasonably calculated to bring on the disease or condition in question. Exposure to the causative hazard of the disease or condition for 130 shifts shall be conclusively presumed to constitute injurious exposure. The employer in whose employment the employee was last injuriously exposed to the hazards of the disease or condition and the employer's insurance carrier, in any, at the time of the exposure shall alone be liable therefor, without right to contribution from any prior employer or insurance carrier.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: According to the Department of Human Resource Management (DHRM), the proposed legislation is expected to have a fiscal impact for DHRM's Office of Workers' Compensation (OWC), the Attorney General and Department of Law (OAG) Workers' Compensation Unit, and state agencies covered through the state's workers' compensation program.

Repetitive motion injuries are very common because they encompass many types of injuries, including carpal tunnel, and occur more frequently as compared to other injuries. The types of occupations at risk from repetitive motion injuries range from clerical to manual/physical types of jobs where the employee performs the same motion over and over. In DHRM's review of OWC claim files over the last 14 years, 71 percent of repetitive motion injuries were denied. The average cost for the accepted claims was approximately \$53,633 per claim. Using the average cost per claim, the OWC could have incurred an estimated \$51,648,579 for the claims reported.

The expected increase in repetitive motion injury claims may lead to an increase in the annual experience-based workers' compensation premium paid by state agencies. DHRM is unable to determine which agencies would be impacted the most by the proposed legislation; however, injuries due to repetitive and sustained physical stressors are very common, and the projected premium increase could impact all state agencies covered by DHRM's workers' compensation program.

DHRM anticipates its OWC program would need one benefit coordinator for every 120 claims filed. According to the OAG, its Workers' Compensation Unit estimates it would need one lawyer for each 100 claims, and one additional support staff person for every 120 to 150 new claims. DHRM expects the number of contested cases referred to the OAG's Workers' Compensation unit will increase due to litigation over who the last employer was, and whether the condition arose over 130 shifts. The funding for the additional staff would be supported through an increase in the memorandum of understanding (MOU) with DHRM, or additional appropriation provided to the OAG's Workers' Compensation Unit.

Although the number of workers' compensation claims is expected to increase, the Virginia Workers' Compensation Commission projects the bill will not have a significant fiscal impact upon the agency unless the claims become the liability of the Uninsured Employer's Fund, which provides compensation benefits awarded against any uninsured or self-insured employer.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Human Resource Management, Attorney General and Department of Law, Virginia Workers' Compensation Commission, and all state agencies.
- 10. Technical Amendment Necessary:** No.
- 11. Other Comments:** The fiscal impact statement has been revised to include more recent repetitive motion claims data from DHRM.