

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: HB531

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

2. Patron: Krizek

3. Committee: Labor and Commerce

4. Title: Workers' compensation; injuries caused by repetitive and sustained physical stressors.

5. Summary: Provides that, for the purposes of the Virginia Workers' Compensation Act, "occupational disease" includes injuries or diseases from conditions resulting from repetitive and sustained physical stressors, including repetitive and sustained motions, exertions, posture stresses, contact stresses, vibrations, or noises. The bill provides that such injuries or diseases are covered under the Act and that such coverage does not require that such repetitive or sustained physical stress occurred over a particular time period, provided that the time period over which such physical stress occurred can be reasonably identified.

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 13 years, 66 percent of repetitive motion injuries were denied. The average cost for the accepted claims was approximately \$38,800 per claim. Using the average cost per claim, the OWC could have incurred an estimated \$20,641,600 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 also anticipates additional claims staff in its OWC program would be needed to conduct investigations. The OWC expects it would need up to four lost time benefit coordinators to support the expected increase in accepted claims that will need to be investigated. 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. 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: This bill is a companion to SB 520.