

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1720 – SB 1758

February 23, 2016

SUMMARY OF ORIGINAL BILL: Requires the administrator of the Bureau of Workers' Compensation (BWC) to assess a civil penalty ranging between \$50 and \$5,000 for any violation of workers' compensation by a rental preferred provider organization (PPO) network.

Requires the workers' compensation payer having underpaid a healthcare provider, to compensate the provider for the unpaid amount plus one percent interest per month until paid.

Requires the administrator of the BWC to assess a civil penalty ranging between \$1,000 and \$10,000 against any workers' compensation payer that failed to make timely payments to providers.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$10,000

IMPACT TO COMMERCE OF ORIGINAL BILL:

Increase Business Expenditures - \$10,000

SUMMARY OF AMENDMENT (012573): Deletes all language after the enacting clause. Authorizes the Bureau of Workers' Compensation (BWC) to investigate preferred provider organization (PPO) complaints by companies licensed by the Department of Commerce and Insurance (DCI) and authorizes the department to take appropriate action in accordance with Tenn. Code Ann. § 56-2-305. Further requires PPO complaints by companies not licensed by DCI to be heard by the department and authorizes DCI to take appropriate action in accordance with Tenn. Code Ann. § 50-6-118.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

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Assumptions for the bill as amended:

- Any actions taken by the DCI as a result of this bill would be actions the department could initiate pursuant to authorizations currently provided by other sections of statute, namely Tenn. Code Ann. § 56-2-305 and § 50-6-118.
- Any additional number of investigations performed by the BWC and any subsequent actions initiated by the DCI is assumed to be relatively few. No significant change to any fee revenue.
- The BWC and DCI both report the provisions of the bill can be accomplished within existing recourses without additional appropriations or reduced reversions.
- The BWC and DCI both confirm the fiscal impact of the bill as amended is not significant.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

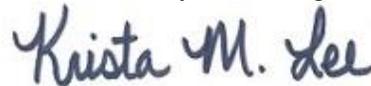
NOT SIGNIFICANT

Assumption for the bill as amended:

- The provisions of the bill as amended are not expected to impact business expenditures or the overall number of jobs in the state.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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