

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1720 - SB 1758

January 30, 2016

SUMMARY OF 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.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$10,000

Assumptions:

- Based on information provided by the BWC, five violations of the requirements for rental PPO networks and five underpaid healthcare provider penalties are projected annually.
- The BWC indicates an average civil penalty of \$1,000 for each violation.
- Civil penalty revenue will be deposited to the General Fund.
- The recurring increase in state revenue to the General Fund is estimated to be \$10,000 (\$1,000 x 10 penalties).
- Any increase in state expenditures for the BWC to administer the provisions of this bill is estimated to be not significant and can be accomplished within existing resources without an increased appropriation or a reduced reversion

IMPACT TO COMMERCE:

Increase Business Expenditures - \$10,000

Assumptions:

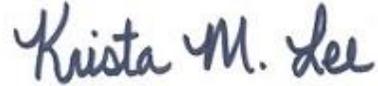
- The provisions of the bill will result in a recurring increase in business expenditures estimated to be \$10,000 in civil penalties.

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- The provisions of the bill are not estimated to have an impact on the overall number of jobs in the state.
- Any interest paid relevant to underpaid healthcare providers shall be a business to business transaction resulting in a net impact to commerce of not significant.

CERTIFICATION:

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

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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