

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** SB 483 (First Edition)

**SHORT TITLE:** Physician Services Fees/ AB

**SPONSOR(S):** Senators Lucas, et al

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 1997-98</u></b>	<b><u>FY 1998-99</u></b>	<b><u>FY 1999-00</u></b>	<b><u>FY 2000-01</u></b>	<b><u>FY 2001-02</u></b>
<b>REVENUES</b>					
DEHNR Receipt (Paid by Employers)	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000
<b>EXPENDITURES</b>					
DEHNR (Pass-through to physicians)	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Department of Environment, Health and Natural Resources(DEHNR) - N C Dusty Trades Program; N C Industrial Commission					
<b>EFFECTIVE DATE:</b> The act is effective when it becomes law.					

**BILL SUMMARY:** The bill increases the maximum amount paid physicians to read x-rays for the Dusty Trades Program from \$10 per film to \$40 per film.

**BACKGROUND:** The North Carolina Dusty Trades program is an industrial hygiene program required by the federal Workers' Compensation Act that is designed to ensure early detection of silicosis and asbestosis lung diseases. The act is enforced by the N C Industrial Commission and administered by the Department of Environment, Health and Natural Resources (DEHNR). The N C Industrial Commission appoints three physicians to an advisory medical committee to conduct examinations and make reports as directed by the Commission. Each member of the committee receives \$100 per month and up to \$10 for each x-ray film examined. The \$10 x-ray reading fee is charged to employers of workers in dusty trades. The collection of the fee from

employers and the payment of the reading fee to physicians is handled by DEHNR. DEHNR does not retain any of the proceeds from the reading fee for its administrative expense. The fee was last changed in 1991 from \$3 to \$10.

**ASSUMPTIONS AND METHODOLOGY:** The physician who has served as the principal x-ray reader for the Dusty Trades Program since the late 1930's has accepted a \$5 per x-ray film fee for his service. However, the standard industry rate for reading x-ray films ranges from \$31 to \$40 per film. There are only 14 physicians in the state qualified to read x-rays dealing with occupational lung diseases. DEHNR believes when the current physician retires, that no doctor will accept the task for less than \$20 per film. DEHNR expects to negotiate a x-ray reading fee between \$20 and \$30 per film.

The advisory medical committee reviews 3,000 x-rays each year. At \$5 per film, industry pays \$15,000 per year for this service. If DEHNR paid the committee the full \$40 per film, \$30 above the statutory rate and \$35 above the current rate, then industry would pay an additional \$105,000.

**FISCAL RESEARCH DIVISION**

**733-4910**

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**DATE:** June 23, 1997



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