

Department of Planning and Budget

2001 Fiscal Impact Statement

1. Bill Number SB 1007

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

2. Patron Ticer, P.

3. Committee Passed Both Houses

4. Title Newborn Testing

5. Summary/Purpose: This bill would require that testing for congenital adrenal hyperplasia (CAH) be added to the battery of tests performed on every newborn in the Commonwealth to prevent mental retardation, permanent disability or death.

6. Fiscal impact estimates are final

6a. Expenditure Impact: See item 8

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02	\$620,000	2.0	NGF
2002-03	\$610,000	2.0	NGF

6b. Revenue Impact: See item 8

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02	\$620,000	-	NGF
2002-03	\$610,000	-	NGF

7. Budget amendment necessary: No. The additional nongeneral fund appropriation required by this legislation can be provided administratively until the agencies' appropriations can be amended in the 2002-04 biennial budget.

8. Fiscal implications:

Expenditure Impact

The new laboratory testing required by this bill would be conducted by the Division of Consolidated Laboratory Services (DCLS) in the Department of General Services. The annual cost of laboratory supplies/reagents and instrumentation is estimated at \$400,000 per year. In addition, ongoing staff and support costs for the DCLS personnel are tentatively estimated at roughly \$150,000 for FY 2002 increasing to \$170,000 by the end of FY 2003. The Virginia Department of Health manages the existing newborn screening program and the additional costs of this testing requirement are estimated at \$70,000 in FY 2002 and \$40,000 for FY 2003 and beyond. This includes \$40,000 annually to support the cost of a part-time nurse coordinator and part-time support technician, and an additional \$30,000 in the first year of implementation to cover printing of updated laboratory and educational materials, travel costs for hospital and provider in-services, and redesign of the demographic portion of the Newborn Screening data collection device.

Revenue Impact

The newborn screening program is supported by the Newborn Screen Enterprise fund, which is comprised of a fee charged to hospitals for the collection kits used by providers in hospitals. This legislation would increase this fee to cover the additional expenses incurred by DCLS and VDH. The cost per test would increase by roughly \$5.25 (\$16 to \$21.25). This increase is still under the average cost in other states, which average \$25 to \$30 for this battery of tests. An estimate of the total cost of requiring the congenital adrenal hyperplasia test can be calculated by multiplying the additional cost per test by the number of anticipated tests (approximately 120,000 tests per year).

9. Specific agency or political subdivisions affected:

Department of General Services (Division of Consolidated Laboratory Services)
Virginia Department of Health

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 2/28/01

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cc: Secretary of Health and Human Resources

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