

Department of Planning and Budget

2002 Fiscal Impact Statement

1. **Bill Number** HB1153

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

2. **Patron** Marshall, Robert G.

3. **Committee** Health, Welfare and Institutions

4. **Title** Licensure and regulation of certain facilities

5. **Summary/Purpose:** This legislation requires the Board and Department of Health to license as abortion clinics any facility, other than a hospital as defined in the law, in which any second trimester or five or more first trimester abortions per month are performed. Each facility licensed will be required to comply with requirements relating to facility safety and patient protection, including cleanliness, sterilization, fire protection, evacuation, staff credentials, equipment, maintenance of facilities and equipment, allowable procedures, and facility procedures and policies.

6. Fiscal impact estimates are preliminary

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2002-03	\$36,250	0.5	NGF
2003-04	\$34,250	0.5	NGF

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2002-03	\$36,250	-	NGF
2003-04	\$34,250	-	NGF

7. **Budget amendment necessary:** Yes, item 319.

8. **Fiscal implications:** This legislation would amend the Code to require the licensing and on-site inspection of abortion facilities. The bill's provision for on-site licensing inspections by the Virginia Department of Health (VDH) on at least an annual basis and that complaints against abortion facilities would be investigated by VDH.

Promulgation of the necessary regulations by the Board of Health (BOH) would require coordination with the Department of Health Professions (DHP), to avoid unnecessary duplication with respect to the licensing and regulatory oversight that DHP currently provides for physician services performed in doctor's offices. The inspections and complaint investigations conducted by VDH would also need to be coordinated with DHP.

There are approximately 14 physician clinics and offices providing abortion services in Virginia. There are likely to be more providers and further study would be needed to arrive at more precise numbers subject to the provisions of this bill (i.e. specific statistical references in terms of the number of abortion procedures performed in various time frames, etc.). It is

estimated there would be a minimum of 14 on-site inspections to be conducted statewide, an indeterminate number of complaint investigations on abortion clinics, as well as a significant workload related to responding to public inquiries and requests for information. Because of the highly detailed and prescriptive nature of the bill, a full day may be necessary to determine a facility's compliance with all of the inspection requirements as well as significant pre and post-inspection analysis and follow-up with the facility. VDH would also have to monitor the number of facilities that these provisions would apply to. A minimum of a half-time facility inspector is the expected impact for VDH to meet the requirements of this new inspection program considering all of the workload factors.

Based on the cost of current medical facility inspectors, the cost would be \$34,250 annually for a part-time position. This figure includes the associated salary, as well as the equipment, communications, supplies, and travel costs. The one-time cost of \$2,000 for promulgating the regulations is included in the estimate for FY2003.

The bill authorizes the collection of licensing fees from abortion providers to cover the costs of the licensing requirements in the bill. With 14 providers subject to licensing and the first year costs estimated at \$36,250 the annual licensing fee would need to be approximately \$2,590 per provider to make the new program self-supporting (depending on the final determination of applicable facilities).

9. Specific agency or political subdivisions affected:

Department of Health Professions (Board of Medicine)
Virginia Department of Health

10. Technical amendment necessary: No

11. Other comments: None

Date: 01/24/02/kwm

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cc: Secretary of Health and Human Resources