

**Department of Planning and Budget  
2004 Fiscal Impact Statement**

**1. Bill Number** HB 1202

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron** Cline

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

**4. Title** Development of a single application form for pharmaceutical assistance programs and pharmaceutical discount purchasing cards

**5. Summary/Purpose:**

This bill requires the Commissioners of the Virginia Department of Health (VDH) and the Department for the Aging (Aging) to develop a single application form for Virginians to use when applying for various pharmaceutical assistance programs and discount cards. In addition, each agency must place the application on their respective websites. The Commissioners may appoint an advisory task force of stakeholders to provide assistance in this effort.

**6. Fiscal Impact Estimates are:** Preliminary

6a. Expenditure Impact: (see Section 8)

| <i><b>Fiscal Year</b></i> | <i><b>Dollars</b></i> | <i><b>Positions</b></i> | <i><b>Fund</b></i> |
|---------------------------|-----------------------|-------------------------|--------------------|
| 2003-04                   | \$0                   | 0.0                     | GF                 |
| 2004-05                   | \$38,440              | 0.0                     | GF                 |
| 2005-06                   | \$38,440              | 0.0                     | GF                 |
| 2006-07                   | \$38,440              | 0.0                     | GF                 |
| 2007-08                   | \$38,440              | 0.0                     | GF                 |
| 2008-09                   | \$38,440              | 0.0                     | GF                 |
| 2009-10                   | \$38,440              | 0.0                     | GF                 |

6b. Revenue Impact: None

**7. Budget amendment necessary:** Yes. Item 300, Subprogram 47901.

**8. Fiscal implications:**

Note: Both departments already have information on their web pages relating to the various pharmaceutical assistance programs available to Virginians.

***Department for the Aging***

| <b>COST FACTOR</b>                     | <b>PROJECTED<br/>AMOUNT</b> |
|--|-----------------------------|
| Commissioner's Taskforce               | \$500                       |
| Postage                                | 8,300                       |
| Publication Printing Costs – see below | 14,640                      |

|   |          |
|---|----------|
| Education/Training/Distribution/Dissemination – see below | 15,000   |
| Total   | \$38,440 |

#### Publication Printing Costs

Aging assumes that it would be the lead agency in producing and distributing the printed information pertaining to the single application form. With that in mind, the agency's estimate reflects printing on 11" x 17" paper, which would then be folded in half to produce an 8.5" x 11" book, saddle-stitched, stapled down the middle with three staples, containing a page of pre-printed gummed preaddressed adhesive labels, and two color printings on both the front and back covers. There would be approximately 12 pages, the last page of which would be the actual application form (non-perforated). The book cover would be printed on 80-pound card stock, with the text pages printed on 60-pound card stock.

In the past, Aging has distributed anywhere from 15,000 to 30,000 copies annually of a publication, *Medicare Supplemental Premium Comparison Guide*. In order to determine the printing costs, the agency is using a mid-range estimate of 20,000 copies per year at \$0.732 per book or \$14,640.

#### Education/Training/Distribution/Dissemination

The agency has three methods upon which it plans on distributing/disseminating the information. First, it estimates that approximately half of the copies (10,000) would be mailed out to Virginians who call and request the information. At an estimated \$0.83 per book, this would mean approximately \$8,300 in annual mailing costs. Second, the agency expects to have the printer ship approximately 5,000 copies directly to the Area Agencies on Aging (AAAs). The cost would be included in the publication-estimated expenditures. Third, Aging plans on distributing the remaining 5,000 copies to senior centers, nursing homes, hospitals, retirement communities, etc., using a part-time employee who would travel around the Commonwealth. Estimated staff time and travel expenses are expected to be approximately \$15,000 annually. Since Aging has not filled a vacant position, there would be no need for any additional positions.

#### ***Virginia Department of Health***

The agency also assumes that Aging would take the lead in this endeavor. Therefore, if VDH is only expected to provide a supportive role, i.e. providing technical assistance on the pharmaceutical issues and linking its website to Aging's resources, then the estimated impact to VDH should be minimal. However, if the requirements of this bill change, or VDH's assumption is incorrect, then the potential impact would need to be reexamined.

**9. Specific agency or political subdivisions affected:** Aging and VDH

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 01/21/04 / sas

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cc: Secretary of Health and Human Resources