

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number SB 158

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

2. Patron Potts

3. Committee Education and Health

4. Title Dissemination of Medicare pharmaceutical benefits information

5. Summary/Purpose:

This bill requires the Commissioners of the Virginia Department of Health (VDH) and the Department for the Aging (Aging) to disseminate information to the public relating to recent congressional actions relating to pharmaceutical benefits to be provided under the Medicare program and how such benefits may help senior citizens with the costs of pharmaceutical benefits. This bill also requires the Commissioners to develop a strategy, in coordination with the Virginia Area Agencies on Aging, for training senior citizen volunteers to assist in completing applications for pharmaceutical assistance programs and pharmaceutical discount purchasing cards.

6. Fiscal Impact Estimates are: Preliminary

6a. Expenditure Impact: (see Section 8)

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2003-04	\$345,000	0.0	GF
2004-05	\$345,000	0.0	GF
2005-06	\$345,000	0.0	GF
2006-07	\$345,000	0.0	GF
2007-08	\$345,000	0.0	GF
2008-09	\$345,000	0.0	GF
2009-10	\$345,000	0.0	GF

6b. Revenue Impact: None

7. Budget amendment necessary: Yes. Item 300, Subprogram 47901; and Item 301, Subprogram 45504

8. Fiscal implications:

The Area Agencies on Aging (AAAs) are quasi-governmental organizations that operate with limited funding. Aging and the AAAs operate the Virginia Insurance Counseling and Assistance Program (VICAP). This program is solely funded with federal dollars and no state statutory requirements. Although the program relies heavily on volunteers, Aging and the AAAs incur real costs including staying abreast of legislative changes, regulatory requirements, and pharmaceutical benefit programs. Currently, each AAA receives less than \$7,000 per year to

operate the program. The VICAP is already preparing to provide information about the changes in Medicare.

In order for the AAAs to implement the requirements of this bill, Aging estimates that each will need to hire a part-time staff person to coordinate recruitment, training, and oversight of new volunteers in their area. The estimated cost of hiring the additional staff for the 25 AAAs would be approximately \$13,000 per AAA per year for a total cost of \$325,000 (GF). In addition, Aging estimates that it will need approximately \$20,000 per year to cover additional administrative costs (publication and staff time). However, since Aging currently has a vacant position, there would be no need for additional positions.

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

10. Technical amendment necessary: No

11. Other comments: This bill requires that VDH create links from its website to Aging's website and other affiliated websites. In addition, VDH is to work with Aging and the AAAs to develop a strategy for training senior citizen volunteers. As this bill is currently written, VDH estimates no fiscal impact. In addition, if funds are not provided to implement the requirements of this bill, the AAAs could interpret this as an unfunded intrusion on a federal program.

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cc: Secretary of Health and Human Resources