

## Department of Planning and Budget 2005 Fiscal Impact Statement

**1. Bill Number** SB839

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

**2. Patron:** Cuccinelli, K.

**3. Committee:** Education and Health.

**4. Title:** Regulation of Abortion Clinics.

**5. Summary/Purpose:** This bill amends and reenacts § 32.1-123 of the Code of Virginia and the Code of Virginia by adding in Chapter 5 of Title 32.1 an article numbered 1.01, consisting of sections numbered 32.1-137.01 through 32.1-137.06, relating to regulation of abortion clinics. The bill requires the regulation of clinics providing 25 or more abortions a year as a category of outpatient surgical hospital and sets forth the requirements for the licensure of abortion clinics in a new article. Abortion clinics will not be required to comply with certificate of public need requirements or health care data reporting. The bill requires all abortion clinic providers to be licensed by January 1, 2006. The Board of Health must promulgate emergency regulations that include licensure fees for abortion clinics in an amount calculated to cover only the costs of the regulation required in this Act.

**6. Fiscal Impact Estimates are:** Preliminary. See item 8 below:

**6a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>NGF</i>	<i>Positions</i>
	<i>GF</i>		
2004-05	\$1,000	\$0	0
2005-06	\$0	\$34,250	0.5 FTE
		(fund 0200)	(fund 0200)
2006-07	\$0	\$34,250	0.5FTE
		(fund 0200)	(fund 0200)
2007-08	\$0	\$34,250	0.5 FTE
		(fund 0200)	(fund 0200)
2008-09	\$0	\$34,250	0.5 FTE
		(fund 0200)	(fund 0200)
2009-10	\$0	\$34,250	0.5 FTE
		(fund 0200)	(fund 0200)

## 6b. Revenue Impact:

<i>Fiscal Year</i>	<i>GF</i>	<i>Dollars</i>	<i>NGF</i>	<i>Positions</i>
2004-05		\$0	\$0	0
2005-06		\$0	\$34,250 (fund 0200)	0.5 FTE (fund 0200)
2006-07		\$0	\$34,250 (fund 0200)	0.5 FTE (fund 0200)
2007-08		\$0	\$34,250 (fund 0200)	0.5 FTE (fund 0200)
2008-09		\$0	\$34,250 (fund 0200)	0.5 FTE (fund 0200)
2009-10		\$0	\$34,250 (fund 0200)	0.5 FTE (fund 0200)

7. **Budget amendment necessary:** Yes, nongeneral fund appropriation in fund 0200 to authorize expenditure of biennial licensure fee; Item # 319 – Regulation of Public Facilities and Services (56100).
8. **Fiscal implications:** SB 839 would amend the Code to require onsite licensing inspections and complaint investigations at abortion clinics/facilities. There are currently 20 known abortion clinics and physician clinics and offices providing abortion services in Virginia. There may be more providers. However, further study would be needed to arrive at a more precise number.

As an outpatient surgical hospital, abortion clinics would be inspected on a biennial basis. In order to meet the more stringent staffing, ancillary services, and physical plant requirements associated with being licensed as an outpatient surgical hospital, it is likely that existing abortion clinics would have to incur added costs. It is estimated there would be an annual workload of 20 to 25 onsite inspections, complaint visits, and follow-up visits for the Virginia Department of Health (VDH), as well as a significant workload related to responding to public inquiries and requests for information.

Considering the amount of pre-inspection and post-inspection preparation time and statewide travel required, there would be a need for a 0.5 FTE in VDH to manage the new program. This is based upon the assumption that there are generally 46 working weeks available per staff member and it usually takes a full working week to complete an onsite outpatient surgical hospital inspection and the related documentation.

The cost of the program would be approximately \$34,250 annually. This figure includes salary and benefits, as well as equipment, communications, supplies, and travel costs for a 0.5 FTE. With 20 providers subject to licensing and the yearly cost of the licensing program estimated at \$34,250, the annual licensing fee would need to be \$1,712.50 per provider to make the new program self-supporting. The existing licensing fee for outpatient hospitals is \$75, which means that abortion clinics would be expected to pay \$1,637.50 more than other categories of outpatient hospital providers.

The bill requires the promulgation of emergency regulations, which would result in a one-time FY 2005 cost of \$1,000. This cost would be paid from the general fund. Emergency regulations by the Board of Health would require coordination with the Department of Health Professions (DHP) to avoid unnecessary duplication with respect to the regulatory oversight that DHP currently provides for these services. In addition, the inspections and complaint investigations conducted by VDH would need to be coordinated with DHP.

**9. Specific agency or political subdivisions affected:** Virginia Department of Health; Department of Health Professions.

**10. Technical amendment necessary:** None.

**11. Other comments:** None.

**Date:** 1/17/05/ reh

**Document:** G:\FIS\2005\SB839.Doc rachaelharrell

Cc: Secretary of Health and Human Resources