

## Department of Planning and Budget

### 2006 Fiscal Impact Statement

**1. Bill Number** HB189

<b>House of Origin</b>	Introduced	Substitute	Engrossed
<b>Second House</b>	In Committee	Substitute	Enrolled

**2. Patron** Marshall, R. G.

**3. Committee** Pending

**4. Title** Licensure of Abortion Clinics.

**5. Summary/Purpose:** Licensure of abortion clinics. Requires all proposed abortion clinics, defined as any facility, other than a hospital or an ambulatory surgery center, in which 25 or more first trimester abortions are performed in any 12-month period, to be licensed on and after July 1, 2006, and to comply with the licensure requirements currently in place for ambulatory surgical hospitals.

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

**6a. Expenditure Impact:** The cost of the program would be approximately \$34,359 annually, assuming an average annual salary of \$50,000 for an inspector. The \$34,359 figure includes the salary and benefits (25% of salaries), as well as the equipment, communications, supplies, and travel costs for a .50 FTE.

	<i>Dollars</i>		
<i>Fiscal Year</i>	<i>GF</i>	<i>NGF</i>	<i>Positions</i>
2005-06	\$0	\$0	0.00
2006-07	\$1,000	\$34,359	0.50
2007-08	\$0	\$34,359	0.50
2008-09	\$0	\$34,359	0.50
2009-10	\$0	\$34,359	0.50
2010-11	\$0	\$34,359	0.50

**6b. Revenue Impact:** Licensing Fees: Fund 0200, Revenue Source Code: 02153, \$34,359. COPN Application Fees: Fund 0200, Revenue Source Code: 02677, \$200,000 (one-time collection in FY2007).

	<i>Dollars</i>		
<i>Fiscal Year</i>	<i>GF</i>	<i>NGF</i>	<i>Positions</i>
2005-06	\$0	\$0	0.00
2006-07	\$0	\$234,359	0.50
2007-08	\$0	\$34,359	0.50
2008-09	\$0	\$34,359	0.50
2009-10	\$0	\$34,359	0.50
2010-11	\$0	\$34,359	0.50

- 7. Budget amendment necessary:** Yes. Item 290. Health, Research, Planning and Coordination (40600).
- 8. Fiscal implications:** Requires all abortion clinics to be licensed and to comply with the requirements currently in place for ambulatory surgery centers effective June 30, 2006. In addition, the bill places proposed and existing abortion clinics under the Certificate of Public Need (COPN) program. HB189 would also require onsite licensing inspections on a biennial basis and complaint investigations at abortion clinics. There are currently 20 known abortion clinics and physician offices providing abortion services in Virginia. There may be more providers; however, further study would be needed to arrive at a more precise number.

It is estimated that there would be an annual workload of 10 to 15 onsite inspections, complaint visits, 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 .50 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 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 \$34,359 annually, assuming an average annual salary of \$50,000 for an inspector. The \$34,359 figure includes the salary and benefits (25% of salaries), as well as the equipment, communications, supplies, and travel costs for a .50 FTE. With 20 providers subject to licensing and the annual revenues of the licensing program estimated at \$34,359, the annual licensing fee would need to be \$1,718 per provider to make the new program self-supporting. Proposed abortion clinics would have to pay an average fee of \$10,000 to \$15,000 to apply for a Certificate of Public Need. The workload associated with reviewing 20 abortion clinic COPN applications can be absorbed within the existing COPN program. With an estimated 20 abortion clinics

applying for a COPN, application fee revenues would be \$200,000 to \$250,000 in FY2007.

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

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

**11. Other comments:** None.

**Date:** 1/9/06/reh

**Document:** HB189.doc

cc: Secretary of Health and Human Resources