

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** HB1543-H1

House of Origin    \_\_\_ Introduced     X  Substitute    \_\_\_ Engrossed  
Second House       \_\_\_ In Committee    \_\_\_ Substitute    \_\_\_ Enrolled

**2. Patron:** Janis

**3. Committee:** Health and Human Resources

**4. Title:**        **Health records; surgical complications reporting**

**5. Summary:** This bill requires each physician to file a report within 45 days, in writing or by electronic means, with the Virginia Department of Health regarding each patient who comes under the physician's professional care and requires medical treatment or suffers death that the attending physician has a reasonable basis to believe is the result of an elective outpatient surgical procedure.

**6. Fiscal Impact Estimates:** See item #8.

**7. Budget Amendment Necessary:** Yes.

**8. Fiscal Implications:** While the bill clearly requires that deaths resulting from elective surgical procedures be reported, it also requires that any patient medical encounter that a physician believes is the result of elective outpatient surgery to be reported. There are over 6,000 physicians in Virginia and the number of patients seeking additional medical care as a result of elective outpatient surgery varies significantly. Therefore, further research is needed to reliably estimate the full impact of this bill on the Virginia Department of Health (VDH).

In addition, the bill notes that the reports submitted could either be written or by electronic means. Initial assessments on needs include, but are not limited to the development, education campaign and implementation of a data collection system to allow physicians to file these reports electronically; hiring of at least two positions (at an annual salary of \$25,000, including employee benefits) whose duties would include tracking all physicians required to file are filing within the allotted 45 days as well as, reporting those errant physicians to the local commonwealth's attorneys; purchasing the necessary equipment for staff use, including computers, printers, copiers, telephones, etc.; and the cost of maintaining the data collection system. Since the bill does not exclude these reports from the Freedom of Information Act (FOIA), it is expected that the staff would also be required to respond to an undetermined number of FOIA requests from personal injury lawyers on behalf of patients.

In order for VDH to process the reports electronically, the estimated minimum cost of the application could be \$200,000. This estimate does not include the VITA charges that will be associated with this application. Funding for this legislation would come from the agency's Virginia Vital Statistics Automation Fund.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Department of Health and state-supported medical facilities

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** This substitute bill removes the penalty for physicians who fail to report complications resulting from elective outpatient surgical procedures are charged with a Class 1 misdemeanor and increases the reporting time from 30 to 45 days.

The number of reports expected to be filed by physicians as required in this legislation cannot be determined because the number of patients who seek additional medical care as a result of elective outpatient surgery varies significantly. As a result, the agency may need to hire more than two positions to carry out this legislation.

**Date:** 2/6/2008 lrj

**Document:** HB1543H1.doc

cc: Secretary of Health and Human Resources