

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB396-E

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

2. Patron: Hamilton

3. Committee: Health, Welfare and Institutions

4. Title: **State Medical Facilities Plan; task force**

5. Summary: Requires the Board of Health to appoint and convene a task force of no less than 15 persons, including representatives from the Department of Health and the Division of Certificate of Public Need (COPN), and representatives of the health care provider community, academic medical community, experts in advanced medical technology, and health insurers, at least once every two years to update the State Medical Facilities Plan. This bill also requires that certain sections of the plan related to diagnostic services, cardiology services, and cancer treatment services be reviewed and updated on an annual basis.

6. Fiscal Impact Estimates:

Expenditure Impact:

	<i>Dollars</i>		
<i>Fiscal Year</i>	<i>GF</i>	<i>NGF</i>	<i>Positions</i>
2008	-	-	0.0
2009	-	-	1.00
2010	-	-	1.00
2011	-	-	1.00
2012	-	-	1.00
2013	-	-	1.00

7. Budget Amendment Necessary: Yes.

8. Fiscal Implications: In order to accomplish the intent of the bill, it will be necessary for the Department of Health to hire a full time Policy Planning Specialist 1 to staff the task force, as the duties associated with task force and the annual updating of the Statewide Medical Facilities Plan (SMFP) cannot be absorbed by the current staffing levels.

The new Planning Specialist would be charged with staffing all task force meetings, (communicating with members, scheduling meetings, and posting of task force activities on required state web sites) as well as with drafting, compiling, editing and filing any changes to the SMFP that are adopted by the task force, pursuant to the Administrative Process Act (APA). The analyst may also be assigned duties related to data collection and reporting for the Division of COPN.

The COPN project review process currently operates with 13 classified and wage employees. COPN application fee collections in FY 2009 are projected to be approximately \$1.2 million.

The cost to the agency would be approximately \$67,500 annually, assuming an average annual salary of \$50,000 for a Policy Planning Specialist 1 (Pay Band 4C), including the salary and employee benefits (25% of salaries), as well as \$6,000 for employee recruitment, space, equipment, communications, supplies, and travel costs in FY 2009. The total cost would be \$73,500 in FY 2009, and \$72,000 in FY 2010 and beyond.

The agency expects any expenditure related to hiring the full-time equivalent employee to be covered by sufficient annual COPN application revenues.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Health

10. Technical Amendment Necessary: No.

11. Other Comments: No.

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cc: Secretary of Health and Human Resources