

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: SB290-S1

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

2. Patron: Barker

3. Committee: Education and Health

4. Title Advance Health Care Directive Registry; creation

5. Summary/Purpose: This bill, as amended, would require the Department of Health to make available rather than to establish and maintain an Advance Health Care Directive Registry. Patients or their agent could submit the information contained within their Advance Health Directive to the registry. The amendment also allows the Department of Health to establish fees for use of this registry based upon the direct cost of the project.

6. Fiscal Impact Estimates are: Preliminary (see #8).

Expenditure Impact:

	<i>Dollars</i>		
<i>Fiscal Year</i>	<i>GF</i>	<i>NGF</i>	<i>Positions</i>
2008	\$0	\$0	0.0
2009	\$27,179	\$0	0.0
2010	\$458,208	\$458,209	6.0
2011	\$0	\$912,417	6.0
2012	\$0	\$912,417	6.0
2013	\$0	\$912,417	6.0

Revenue Impact:

	<i>Dollars</i>		
<i>Fiscal Year</i>	<i>GF</i>	<i>NGF</i>	<i>Positions</i>
2008	\$0	\$0	0.0
2009	\$0	\$0	0.0
2010	\$0	\$447,572	0.0
2011	\$0	\$912,417	0.0
2012	\$0	\$912,417	0.0
2013	\$0	\$912,417	0.0

7. Budget amendment necessary: Yes.

8. Fiscal implications: The Virginia Department of Health (VDH) operates several registries that were used to estimate the cost of establishing and maintaining the Advance Health Care

Directive Registry. Using an average for the resources required to operate three existing registries, it is estimated that establishing and maintaining the Advance Health Care Directive Registry would require approximately six FTEs and \$895,143 annually ($[\$1,097,430 + \$288,000 + \$1,300,00]/3 = \$895,143$). Also, it assumes that the revenue will not be sufficient to meet the first half of the year's expenditure, so general fund is needed to supplement the registry. The estimate is based on the following:

- 1) The Virginia Cancer Registry (VCR) is a statewide registry of data on individuals diagnosed or treated for cancer in Virginia or Virginia residents who received care out of state. Each hospital, clinic, and independent pathology laboratory reports information on patients having malignant tumors or cancers. A Physician reports information on a patient having cancer unless he has determined that a hospital, clinic or in-state pathology laboratory has already reported the information. General fund expenditures for the Virginia Cancer Registry for State Fiscal Year 2007 were \$354,712; federal fund expenditures for this period were \$742,718 for a total of \$1,097,430. These funds covered the cost of 11 full-time equivalent positions (FTEs), facilities, training, systems maintenance, and other operating costs.
- 2) The Virginia Congenital Anomalies Reporting and Education System (VACARES) is a birth registry of children under age two with congenital anomalies. VACARES staff members collect epidemiological data and inform families about appropriate treatment programs. The annual cost of operating this registry is \$288,000; the registry employs approximately three FTEs.
- 3) The budget for the Virginia Immunization Information System totals \$1.3 million in federal funds awarded to VDH by the Centers for Disease Control and Prevention. This includes three FTEs as well contracted system development services.

In addition, the estimates include the following:

- One-time computer and printer costs ($\$800 \times 6$) = \$4,800 (one in FY 2009 and five in FY 2010).
- A 3 percent salary increase in FY 2010 (based on each FTE salary and fringes of \$50,000), \$9,000.
- On-going VITA costs ($\$1,379 \times 6$) = \$8,274 (service for one in FY 2009 six in FY 2010).
- A contract person in FY 2009 (one-time) to help set up the regulations = \$25,000 (general fund)

In addition, the bill allows VDH to collect fees necessary to cover the direct costs. The possible revenue to be collected assumes that registrations occur at approximately 10 percent of that of the Virginia Transplant Council Registry. Using this assumption, then 14,400 would be added each year. The fees necessary to cover the direct costs would need to be about \$64 (registration fee: $\$912,417 / 14,400 = \63.36 (rounded to \$64).

However, the bill does allow flexibly to VDH in how it "makes available" the registry. Given this, the fiscal impact of the bill could be less than noted above, but this cannot be determined at this time since it involves future possible contracts. VDH could pursue the following:

A) Contracting with an appropriate vendor, such as U.S. Living Will Registry. Vermont and Washington currently operate registries in this manner. This option allows VDH to avoid software design costs. VDH would be required to pay the contractor for services. It is expected that this option would cost about 75 percent of the amount if VDH were to develop and operate its own registry. The cost for this option is estimated at \$684,313. The registration fee is estimated to be about \$48 (registration fee: $\$684,313/14,400 = \47.52).

B) Directing the public to an entity, such as U.S. Living Will Registry or America Living Will Registry, that independently maintains such a registry. Individuals register for a fee of between \$40 and \$60. This option would have no fiscal impact upon VDH. Registration fee: N/A.

C) Entering into a public-private partnership if an entity (ies) in the private sector is/are available and willing to participate. The option would have no fiscal impact upon VDH as the registry would be supported by donations and fees (registration fee: unknown).

Finally, this amendment institutes that the provisions of this act become effective upon promulgation of final regulations. This is estimated at a minimum of two years. Therefore, no costs are projected until 2010.

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

10. Technical amendment necessary: No.

11. Other comments: The Virginia Transplant Council is currently mandated to create, compile, maintain and modify the Virginia Donor Registry. A substantial portion of the information housed within this registry is provided by the Department of Motor Vehicles driver's license organ donor check. This section of the bill will duplicate efforts already in existence.

This bill is a companion bill to HB 805.

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cc: Secretary of Health and Human Resources