

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB 2395

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

2. Patron: Bell

3. Committee: Health, Welfare and Institutions

4. Title: **Reporting of pressure sores**

5. Summary: Requires nursing homes, certified nursing facilities, and assisted living facilities to report data on the occurrence of pressure sores among patients or residents.

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

Expenditure Impact:

	<i>Dollars</i>		
<i>Fiscal Year</i>	<i>GF</i>	<i>NGF</i>	<i>Positions</i>
2009-10	\$0	\$0	0.00
2010-11	\$152,300	\$0	0.5
2011-12	\$28,800	\$0	0.5
2012-13	\$28,800	\$0	0.5
2013-14	\$28,800	\$0	0.5
2014-15	\$28,800	\$0	0.5

7. Budget Amendment Necessary: Yes, Item 290.

8. Fiscal Implications: This legislation will require the Virginia Department of Health (VDH) to duplicate its current system used by nursing facility providers to report the occurrences of pressures ulcers in their facilities. There are currently 278 nursing facilities in Virginia and given its existing workload, VDH's Office of Licensure and Certification (OLC) cannot absorb the costs of establishing and implementing this new reporting requirement without additional resources.

VDH estimates that implementing such a web-based reporting system would include: development and implementation of a web-based reporting system, on-going training of providers, on-going maintenance of the system, and any potential responses to public inquiries and requests for information. Because the system requires only the reporting of direct care service hours, a full-time staff position is not required. However, considering the facility training and system maintenance, as well as any statewide travel required, existing staff cannot absorb the additional workload. Therefore, a part time Computer Network Support Tech (CNST) will be needed to manage the system. The average annual salary, including benefits, for a CNST is approximately \$22,500. There would be one-time costs of \$1,500 for promulgating new licensing regulations and \$5,000 for computer and office

equipment. Recurring costs, in addition to staff, are estimated to be \$1,500 for office space and supplies, \$300 for staff training, \$3,000 for travel, and \$1,500 for provider training. Total start-up costs in FY 2010 would be \$35,300 and would need to come from the general fund. Thereafter, the program would be supported by an annual cost of \$28,800.

VDH estimates the cost of developing this web-based system to be approximately \$117,000. This estimate is based on a very general assessment of the systems parameters using the current system in nursing facility as a model. A complete assessment of the business needs of the system must be completed and mapped out before the development costs can be finalized. On-going support costs cannot be developed until the full scope of the system is determined.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Health, Department of Medical Assistance Services, and nursing facilities

10. Technical Amendment Necessary: No.

11. Other Comments: The legislation is duplicative of current reporting systems. Nursing facilities electronically report the occurrences of pressure ulcers as required by the Centers for Medicare and Medicaid Services (CMS), via the Minimum Data Set reporting system, or MDS. The patient's assessment, and their MDS status, is updated at least quarterly. As one of 10 quality measures, the occurrences of pressure ulcers in a facility are reflected in the new Five Star Rating system, implemented by CMS in December 2008. Quality is one of three performance measures CMS uses for determining a facility's overall star rating. This information is already available to residents and families via CMS's Nursing Home Compare and Five Star Rating web sites.

Date: 1/27/2009 lrp

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cc: Secretary of Health and Human Resources