

Department of Planning and Budget

2009 Fiscal Impact Statement

1. Bill Number: SB 1162-ER

House of Origin	<input type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input checked="" type="checkbox"/>	Enrolled

2. Patron: Watkins

3. Committee: Health, Welfare and Institutions

4. Title: Certificate of public need; plan of correction for failure to meet conditions

5. Summary: Provides that, when a certificate of public need is subject to conditions imposed by the Commissioner, and the certificate holder fails to satisfy the conditions of the certificate, the certificate holder shall file a plan of correction with the Department of Health, which shall identify how the certificate holder shall satisfy the condition of the certificate, and shall provide a time frame for satisfaction of the conditions, for approval. This bill further provides that a certificate holder may satisfy conditions by (i) making direct payments to an organization authorized under a memorandum of understanding with the Department to receive contributions satisfying the conditions of a certificate, or (ii) making direct payments to a private nonprofit foundation that funds basic insurance coverage for indigents authorized under a memorandum of understanding with the Department to receive contributions satisfying conditions of a certificate, or (iii) other documented efforts or initiatives to provide primary or specialized care to underserved populations. In determining whether the certificate holder has met the conditions of the certificate pursuant to a plan of compliance, only such direct payments, efforts, or initiatives made or undertaken after issuance of the conditioned certificate shall be counted towards satisfaction of conditions. The certificate holder shall provide documentation to the Department demonstrating that the conditions of the certificate have been satisfied as set forth in the approved plan of correction.

6. Fiscal Impact Estimates: None.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: None.

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

10. Technical Amendment Necessary: No.

11. Other Comments: The legislation adds a third provision requiring the certificate holder to demonstrate other documented efforts or initiatives to provide primary or specialized care to underserved populations as one of the conditions the certificate holder must complete and provide documentation to the Virginia Department of Health (VDH) when the certificate

holder has failed to satisfy the conditions of the certificate. This additional requirement does not result in a fiscal impact for VDH.

Date: 3/3/2009 lrj

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cc: Secretary of Health and Human Resources