

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: SB643

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

2. Patron: Saslaw

3. Committee: Education and Health

4. Title: Health information needs; Department of Health work group

5. Summary: Requires the Department of Health to establish a work group to examine the health information needs related to health care reform and to ensure that any new data collection is integrated with existing practices in an efficient manner.

6. Budget Amendment Necessary: Yes, Item 292 (Administrative and Support Services).

7. Fiscal Impact Estimates: Preliminary. See item #8.

Expenditure Impact:

Fiscal Year	Dollars	Positions	Fund
2013	\$1,336,200	1.00	GF
2014	\$1,336,200	1.00	GF
2015	\$1,336,200	1.00	GF
2016	\$1,336,200	1.00	GF
2017	\$1,336,200	1.00	GF
2018	\$1,336,200	1.00	GF

8. Fiscal Implications: The fiscal implications of this legislation are uncertain. This bill requires the Virginia Department of Health (VDH) to establish a constituent work group to identify health information needs related to the implementation of health care reform initiatives. This bill also requires extensive research to identify current health information systems, data available in those systems and potential gaps in information needs. After this research is conducted the work group must make recommendations for the development and implementation of systems and strategies to meet those needs and report its activities to the Governor and General Assembly on an annual basis. The Health Information Technology Advisory Commission was created by Executive Order 95 in 2009. This Commission was created to study and create the operational and strategic plans for the Health Information Exchange. This bill broadens that scope significantly.

As mentioned, the scope of this bill is very broad and complex encompassing multiple health IT initiatives including the All-Payer Claims Database, the Virginia Health Information Exchange and the Virginia Health Benefit Exchange. Expertise will be needed in the areas of health research, epidemiology, health insurance and information technology. Additionally,

the bill would require involvement and expertise from multiple state agencies and stakeholders.

Given the scope and breadth of this legislative mandate, it is impossible to definitively estimate the cost of this proposal. The legislation will require extensive hours of staff work in each of the state agencies involved (and private groups) to provide the data needed for the Workgroup. VDH has prepared a preliminary estimate based on experience garnered through the creation of Virginia's Strategic and Operational Plan for the Statewide Health Information Exchange by the Health Information Advisory Commission composed of 23 stakeholder representatives, VDH estimates the following:

Travel and meeting costs are estimated to be \$9,000 annually.

The Workgroup may elect to engage the assistance of an external entity to provide subject matter expertise to gather the required information. Based on VDH's experience with the creation of the IT strategic and operational plans for the Health Information Exchange, such services are anticipated to cost approximately \$1,200,000 annually. These services would be secured through a competitive process and would include, but would not be limited to, the following.

- Gathering of necessary information and provision of consulting services to support the development of recommendations
- Logistical support, meeting planning, meeting minutes, and maintenance of a collaborative environment
- Direct support of Work Groups to include development of materials for preparatory calls and kick-off meetings; host preparatory calls with Workgroup; attend and facilitate Workgroup meetings; refine and finalize Workgroup materials such as draft versions of Workgroup section content, graphics and presentations, in support of the required recommendations/report; draft workgroup summaries from each workgroup session (meeting minutes and action items and assignments).

Operational expenses such as VITA charges in the amount of \$2,200 annually are expected.

In addition to the expenses described above, VDH will need one new FTE to support a professional level position in the Office of Information Management to provide project, contract management and research services. These services would include project planning and monitoring, producing multi-agency IT systems inventories, conducting system capability research and coordinating with the State Corporation Commission, Bureau of Insurance to analyzing potential health insurance coverage options. This professional will serve as the primary liaison with any external person(s) involved in the completion of this project. It is anticipated that a person with the necessary experience and skills will cost VDH approximately \$125,000 annually in salary and benefits.

9. Specific Agency or Political Subdivisions Affected: Virginia Departments of Health, Department of Medical Assistance Services, Department of Health Professions, and State Corporation Commission's Bureau of Insurance

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/31/2012

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c: Secretary of Health and Human Resources