

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: HB 5009

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

2. Patron: Albo

3. Committee: Rules

4. Title: Establish Interstate Health Care Compact to secure the right to regulate Virginia's Health Care

5. Summary: This bill creates the Interstate Health Care Compact to secure the right of the member states to regulate health care in their respective states pursuant to the compact. The bill also seeks to suspend the operation of conflicting federal laws, rules, regulations, and orders within member states and secure federal funding for member states that choose to invoke their authority under the compact. The bill also creates the Interstate Advisory Health Care Commission to study issues related to the regulation of health care that are of particular concern to the member states and make nonbinding recommendations related to the regulation of health care to the member states for consideration by the legislatures of the member states. The bill provides that the compact becomes effective within a member state upon adoption of the compact by at least two member states and consent of the United States Congress.

6. Budget Amendment Necessary: No. See Item 8.

7. Fiscal Impact Estimates: Indeterminate. See Item 8.

8. Fiscal Implications: If Congress approves the terms of the Interstate Health Care Compact and if the compact is established in Virginia, there would be a fiscal impact on the state. However, that amount cannot be determined. As a member state in the compact, Virginia has the right to federal dollars up to an amount equal to its estimated total federal spending for health care; this is the member state base funding level. The preliminary estimate of member state base funding level for the Commonwealth is \$15.3 billion. The final member state current year funding level shall be calculated and funding shall be reconciled by Congress based upon information provided by the state and then audited by the U.S. Government Accountability Office. The fiscal impact on Virginia is determined by the difference in funding approved by Congress and the state's estimated amount. If the federal amount is not enough to cover the cost of health care in Virginia, the state would have to provide all funding over the federal award.

If Congress approves the terms of the Interstate Health Care Compact, the state would need an additional administrative structure to manage the federal funds. The amount of federal

funding that could be used to support this cannot be determined and therefore any state funding to support the administration of health care programs is indeterminate.

The Compact also requires that each state appoint no more than two members to the Interstate Advisory Health Care Commission. The Commission shall be funded by the member states. The total cost of administration of the compact and the amount of federal funding that could be used to support this cannot be determined nor any potential state funding.

9. Specific Agency or Political Subdivisions Affected: Potentially all Health and Human Resources agencies.

10. Technical Amendment Necessary: No.

11. Other Comments: No.