

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: SB 5011

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

2. Patron: Stanley

3. Committee: Education and Health

4. Title: Telemedicine pilot program.

5. Summary: This bill directs the Virginia Department of Health (VDH) in partnership with a hospital licensed in the Commonwealth, to establish a three-year telemedicine pilot program designed to reduce patient use of emergency department facilities for the treatment of low-acuity conditions. The telemedicine clinic will utilize nurse practitioners, in collaboration and coordination with local primary care physicians, to assess patient conditions and needs.

6. Budget Amendment Necessary: Yes, Item 288.

7. Fiscal Impact Estimates: Preliminary

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2016	\$323,334	8.5 FTE	General
2016	\$323,334	8.5 FTE	Nongeneral
2017	\$316,334	8.5 FTE	General
2017	\$316,334	8.5 FTE	Nongeneral
2018	\$316,334	8.5 FTE	General
2018	\$316,334	8.5 FTE	Nongeneral

8. Fiscal Implications: This bill would have a fiscal impact on the Commonwealth. This bill directs VDH to establish a three-year telemedicine pilot program to reduce patient use of emergency department facilities for the treatment of low-acuity conditions. According to the agency, operational costs including staff, equipment, and IT support would cost \$632,667. These assumptions and estimates are based on an annual financial report that includes salary, benefits, and taxes from a Harrisonburg Rockingham County Free Clinic, which is presumably similar in staffing and structure. This will fund 8.5 positions relating to program services, management, and fundraising activities.

Specialized telemedicine camera equipment and equipment maintenance will be needed in FY 2015. Estimates are based on current prevailing costs of equipment and maintenance. The pilot program will need two HDX 7000 high definition cameras, priced at \$14,000, which includes the first year of maintenance coverage. The cameras will be used to assist

general healthcare professionals in serving the oral health needs of patients, which allows for consultation with a dentist or clinician to see the patients issue with clarity. Equipment maintenance can be renewed annually for \$900 and is included in the estimate. The partnering hospital shall match VDH funding and is the source of nongeneral funds.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Health.

10. Technical Amendment Necessary: No.

11. Other Comments: None.