

Department of Planning and Budget 2015 Fiscal Impact Statement

1. **Bill Number:** SB 718

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:** Directs the Department of Health, 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 bill requires the Department to report the results of the pilot program to the State Board of Health and to the General Assembly by October 1, 2018.

6. **Budget Amendment Necessary:** No.

7. **Fiscal Impact Estimates:** Preliminary, see Item 8.

8. **Fiscal Implications:** The Department of the Health has stated that it is difficult to predict the total fiscal impact of the bill. The agency cannot accurately determine an impact without specific information regarding the structure and infrastructure of the clinic.

Specialized telemedicine camera equipment and equipment maintenance will be needed and the cost 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 physical and oral health needs of patients, which allows for consultation with a dentist or clinician to see the patient's 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. While VDH indicates that it can absorb the costs associated with camera acquisition and maintenance, it is not known whether the additional costs associated with other structure and infrastructure can be absorbed until they are identified.

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

10. **Technical Amendment Necessary:** No.

11. **Other Comments:** None.