

Department of Planning and Budget 2016 Fiscal Impact Statement

1. **Bill Number:** SB369S1

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

2. **Patron:** Stanley

3. **Committee:** Senate Finance

4. **Title:** Nurse practitioners; practicing outside of a patient care team.

5. **Summary:** The amended bill establishes a pilot program for collaborating physicians to serve on a patient care team via telemedicine with nurse practitioners who are practicing in medically underserved areas

6. **Budget Amendment Necessary:** Yes.

7. **Fiscal Impact Estimates:** Preliminary, see item #8.

&a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2017	\$391,227	0	GF
2018	\$391,227	0	GF
2019	\$391,227	0	GF
2020	\$391,227	0	GF
2021	\$391,227	0	GF
2022	\$391,227	0	GF

8. **Fiscal Implications:** This total fiscal impact this bill as amended would have on the Commonwealth cannot be determined and any fiscal implications are preliminary.

The Virginia Department of Health (VDH) believes that leveraging existing resources already engaged in telehealth activities will minimize assumed fiscal impact. However the agency has stated that it is difficult to accurately predict the total costs of the pilot without making significant assumptions about the structure and administration of the pilot. Therefore, VDH is assuming that the pilot will be implemented by way of a grant process. VDH would implement the pilot through a contractor by way of a request for proposal (RFP) process. The agency would remain the fiscal agent of the pilot.

The allowable costs in the RFP will need to be limited in scope to keep costs down. Given the variable costs of things such as direct salaries for providers, malpractice premiums and capital costs, it is assumed that these costs or other similar costs will be excluded from

allowable costs under the RFP. Based on similar telehealth grant programs, the agency estimates costs to implement the pilot by way of a request for proposal to be \$350,000.

The agency anticipates that current staff could redirect a portion of their time and effort to focus on the fiscal agent duties of this program and no additional positions are warranted. However, the positions are currently funded by federal grants, so the general fund would incur costs related to meeting the provisions of the bill. Based on a small portion of total personnel costs of three established positions in the Office of Minority Health and Health Equity, the agency anticipates a total of 0.4 positions would need to redirect their time and effort to focus on fiscal agent duties. This is estimated to be \$41,227 based on current personnel and salaries.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.