

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: SB401S1

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

2. Patron: Marsden

3. Committee: Education and Health

4. Title: Crohn's disease, colitis, and irritable bowel syndrome; identification cards and information.

5. Summary: Directs the Department of Health to develop a process for issuing identification cards to individuals diagnosed by a health care provider as having Crohn's disease, ulcerative colitis, irritable bowel syndrome, or any other medical condition that requires immediate access to a toilet facility, which shall include information about the symptoms of such conditions and the need for emergency access to restroom facilities of individuals diagnosed with such conditions. The bill also requires the Department to make information about Crohn's disease, ulcerative colitis, and irritable bowel syndrome available to the public via the Department's website.

6. Budget Amendment Necessary: No.

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

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2017	\$30,525	0	General
2018	\$25,688	0	Nongeneral
2019	\$22,559	0	Nongeneral

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2017	-	-
2018	\$ 45,625	Nongeneral
2019	\$ 35,195	Nongeneral

8. Fiscal Implications: The fiscal impact that this bill would have on the Commonwealth is preliminary. The Centers for Disease Control and Prevention (CDC) estimates that 1.4 million persons in the United States suffer from these diseases with approximately 30,000 new cases reported annually. The Commonwealth has approximately 36,500 current cases, as well as 780 new diagnoses in a given year: with national trends stabilizing or increasing slightly.

Due to the lack of comparable programs, VDH must make generalized assumptions for fiscal implications of this bill. However, this legislation will have a fiscal impact as it will require VDH to perform the tasks of developing procedures related to the identification cards. These would include the development of an application/request form; designating an individual responsible for receiving/processing/validating such requests; establishing policies that define what documentation would be acceptable proof of such a condition; maintenance of applications, along with associated personal medical records, and developing a tracking and accounting system to manage the process and the fees collected. Based on incidence rates and the ability to provide 25 percent of those incidences with cards in each fiscal year, VDH would project a higher initial volume of applicants that tapers each subsequent year as the amount of cards issued greatly outpaces the number of new incidences. As a result of the low number of new incidences in a given year, it would not be cost beneficial to staff this program with any full-time personnel.

VDH believes it would need one contract employee for three months to work to develop policies and procedures for this program. This individual would work with the state-approved vendors for application development and online payments. This vendor would develop an automated site for applications, payment, and e-card issuances. Funds would be electronically deposited into a state account and reconciliation of this revenue can be absorbed by current administrative staff. The table below illustrates the costs associated with implementing the provisions of the bill.

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Credit Card Payment Web Hosting & O&M	\$18,000	\$12,000	\$12,000
Credit Card Processing Fees (\$1.50 per transaction)	-	13,688	10,559
Contract Employee (480 hours @ \$25)	12,000	-	-
Computer - 3 months	390	-	-
Phone - 3 months	90	-	-
COV Account - 3 months	45	-	-
Total	\$30,525	\$25,688	\$22,559

VDH would also need to designate an individual or group that would be responsible for developing, posting, and updating information on its website about these conditions, including symptoms, treatment, and needs of individuals with these conditions. VDH believes it has the ability to incorporate this requirement into its current process and to encompass all required information into its present website.

If VDH is able enroll approximately 25 percent of the current 36,500 cases in year one, and then 25 percent of remaining cases each subsequent year, a \$5 fee would offset expenses associated with the website hosting, operation and maintenance costs, and credit card and convenience fees associated with the program. Assuming 25 percent of the annual available pool applies for and receives a card, over three years 57 percent of the estimated incidences will have applied for and received an identification card.

VDH should be able to absorb the \$30,525 general fund cost for the final three months of fiscal year 2016 to pay the contract employee and state vendor to build the on-line application site within their existing budget. Once this site is established and VDH can begin assessing a \$5 fee for each card, VDH would be able to cover the costs of the program using special revenue funds. The agency has sufficient nongeneral fund appropriation to account for any increase in revenue due to the provisions of the legislation.

VDH cautions that it is difficult to project a reasonable number of applicants who will apply in each year, and that actual participation could vary greatly. The combination of unforeseen implementation costs, which are common with IT projects, along with less than projected participation would result in VDH using general funds to defray the costs of the program.

To date, fourteen other States have passed restroom access acts. The most recent, Maryland, offers Identification Card production without a fee, and uses fines for stores that are found to be non-compliant as a means of offsetting program costs. Because this is intended to be a voluntary program, Virginia could not follow this model.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.