

Department of Planning and Budget 2017 Fiscal Impact Statement

1. **Bill Number:** SB 1561

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:** Dunnavant

3. **Committee:** Education and Health

4. **Title:** Emergency Department Care Coordination Program established.

5. **Summary:** Establishes the Emergency Department Care Coordination Program in the Department of Health to provide a single, statewide technology solution that connects all hospital emergency departments in the Commonwealth to facilitate real-time communication and collaboration between physicians, other health care providers, and other clinical and care management personnel for patients receiving services in hospital emergency departments, for the purpose of improving the quality of patient care services.

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

7. **Fiscal Impact Estimates:**

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	4,875,000	1	General
2019	1,850,000	1	General
2020	1,850,000	1	General
2021	1,850,000	1	General
2022	1,850,000	1	General
2023	1,850,000	1	General

8. **Fiscal Implications:** This bill would have a fiscal impact on the Commonwealth. The bill establishes the Emergency Department Care Coordination Program. The Commissioner of Health may enter into a contract to create, operate, maintain, and administer the program. The Department of Health (VDH) will contract with a vendor that will provide a single, statewide technology solution that builds upon the existing Encounter Alerts infrastructure. The new solution will to connect all hospital emergency departments in the Commonwealth to each other in order to facilitate real-time communication and collaboration among physicians, other health care providers and clinical and care management personnel for patients receiving services in hospitals emergency departments, for the purpose of improving the quality of patient care services.

Based on VDH's research of several technology vendors such as Collective Medical Technologies, KLAS research, and Sansora, the preliminary estimate to implement the Enhanced Encounter Alerts service is \$4.5 million with an annual maintenance fee of \$1.5 million. The annual maintenance would include software updates for application and admissions, discharges and transfers, security, and a helpdesk. This cost is comparable to costs from other vendors who specifically offer this kind of technology. Additionally, the vendor would create a data sharing agreement for hospitals to utilize within the Commonwealth, which would include provisions for the protection of patient privacy and data security pursuant to state and federal law and regulations. This agreement would cost a one-time fee estimated at \$25,000. The contract would allow the vendor to spend \$225,000 annually from the general fund to employ the proper staff to create, operate, maintain and administer this service.

To ensure that the contractor meets the provisions of the bill, an additional position is required to manage the contract for VDH; costs are estimated at \$125,000 annually.

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

10. Technical Amendment Necessary: No.

11. Other Comments: HB 2209, introduced by Delegate O'Bannon, is a companion bill.