

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB 1402

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: Leftwich

3. Committee: Health, Welfare and Institutions

4. Title: Certificate of public need; definition of medical care facility.

5. Summary: Adds to the list of medical care facilities for which a certificate of public need is required any facility that has common ownership with an affiliated licensed hospital located within 35 miles of the facility and that includes, as part of the facility, a dedicated emergency department as defined in 42 C.F.R. § 489.24(b) that is subject to the requirements of the federal Emergency Medical Treatment and Labor Act.

6. Budget Amendment Necessary: See item 8.

7. Fiscal Impact Estimates: See item 8.

8. Fiscal Implications: While it is assumed that Certificate of Public Need (COPN) legislation may have fiscal implications for the Department of Medical Assistance Services (DMAS), as one of the largest purchasers of health care services in Virginia, there is insufficient data to provide a definitive estimate of the cost impact of the proposed legislation. Under any scenario, it is unlikely that any COPN change would have a direct fiscal impact in the 2018-2020 biennium due to the time needed for implementation and the delayed recognition of costs in Medicaid payment rates. Any significant costs are not likely to occur until after 2022 and, even then, such costs would be difficult to estimate based on the unknowns associated with multiple COPN process and coverage changes and the rapidly evolving nature of the healthcare system.

This bill would not have a fiscal impact on the Virginia Department of Health.

9. Specific Agency or Political Subdivisions Affected: The Department of Medical Assistance Services and the Virginia Department of Health.

10. Technical Amendment Necessary: No.

11. Other Comments: SB 848, introduced by Senator Cosgrove, is a companion bill.