

Department of Planning and Budget 2018 Fiscal Impact Statement

1. **Bill Number:** SB 266

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

2. **Patron:** Suetterlein

3. **Committee:** Education and Health

4. **Title:** Certificate of public need; issuance for new neonatal care services in Planning District 5.

5. **Summary:** Authorizes the State Health Commissioner (Commissioner) to accept and review applications and issue a certificate of public need for new neonatal care services in Planning District 5, provided that certain conditions are met. The bill provides that the Commissioner shall not deny the application on the basis of economic or service volume impact on existing providers.

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:** None.