

## Department of Planning and Budget 2018 Fiscal Impact Statement

**1. Bill Number:** SB 719

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:** General Laws and Technology

**4. Title:** Data sharing; substance abuse data

**5. Summary:** The proposed legislation establishes a Substance Abuse Data Sharing and Analytics Clearinghouse (the Clearinghouse), to be administered by the Secretary of Health and Human Resources in consultation with the Substance Abuse Data Sharing and Analytics Advisory Committee (the Advisory Committee), also created by the bill. To the extent allowed by federal law, state and local health and human services and public safety agencies are required to provide data to the Clearinghouse to be used for data analytics and analysis related to improving the efficiency and efficacy of the treatment and prevention of substance abuse, with a focus on opioid addiction and abuse. The Secretary of Health and Human Resources may also enter into agreements with private entities and public institutions of higher education to further the goals of the Clearinghouse. The bill requires the Secretary to report annually to the Governor and the General Assembly regarding the results achieved through the use of the Clearinghouse, including the identification of cost savings and policy recommendations.

The Advisory Committee shall have 14 members, consisting of three members of the House of Delegates, two members of the Senate, the Secretaries of Health and Human Resources, Public Safety and Homeland Security, and Technology, and six nonlegislative citizen members representing local government, the medical profession, and community services boards. The Advisory Committee is charged with advising on all matters related to the clearinghouse.

The bill also makes changes to the Government Data Collection and Dissemination Practices Act to codify that data sharing among state and local agencies in certain circumstances is a proper use of personal data.

**6. Budget Amendment Necessary:** Yes, See Item 8.

**7. Fiscal Impact Is Indeterminate:** See Item 8.

**8. Fiscal Implications:** The proposal requires the Secretary of Health and Human Resources to establish a Substance Abuse Data Sharing and Analytics Clearinghouse (the clearinghouse). This clearinghouse will house data, as requested by the Secretary, relevant to the prevention or treatment of substance abuse. All Health and Human Resources and Public Safety

agencies, as well as any community services board, any local law-enforcement agency, and any other health and human services-related entity of a political subdivision that receives any state funds must provide data to this clearinghouse. In addition, the Secretary of Health and Human Resources may also request data and information from any relevant private sources. The clearinghouse must allow for the sharing or dissemination among and between agencies of data to facilitate a number of specific outcomes, which include: performing data analytics, conducting research, improving program efficiency and streamlining processes. The Secretary of Health and Human Resources must ensure that data collection, integration, and sharing is performed in a manner that preserves data privacy and security in transferring, storing, and accessing data, as appropriate.

The Office of the Secretary of Health and Human Resources does not have adequate staff or the necessary information technology systems to implement the required provisions of this bill. It is assumed that the clearinghouse described in this legislation would require the creation of a new database system in order to receive, store, maintain, analyze, and share substance abuse data among all identified entities. However, the system requirements for the clearinghouse are currently undefined, and as such the cost of the system is indeterminate. The following examples are provided for reference purposes related to the potential cost of system development and maintenance:

- The Commonwealth's performance budgeting system, which houses all of the state's budget information and data, was developed at a cost of approximately \$15 million; the annual maintenance of the system, software, licenses, and other related costs is approximately one million dollars.
- The Department of Corrections is currently developing an electronic healthcare medical records system to automate and integrate inmate records. This project is budgeted at \$5.2 million.
- The Virginia Information Technologies Agency notes that a general purpose data sharing platform has been implemented in North Carolina, with an annual cost of \$23 million. The development costs of that platform are not currently known. Additional costs that are expected would be costs to ensure that the data received from all entities is in a standardized format so that the data can be utilized in conjunction with all other data received. Entities required to submit or use the database system may also incur costs in order to develop interfaces between their current systems and the clearinghouse.

In addition to the systems costs discussed above, it is assumed that the Secretary's Office will require at least two additional positions to oversee the clearinghouse and meet the outcomes included in the bill. These positions would be expected to administer the clearinghouse, facilitate the purposes of the clearinghouse, conduct required reporting and staff the new advisory committee. The total cost for both positions is approximately \$190,000.

## **9. Specific Agency or Political Subdivisions Affected:**

Office of the Secretary of Health and Human Resources

All agencies in the Secretary of Health and Human Resources and Public Safety

Community Services Boards and Local Law-Enforcement Agencies

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None