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HOUSE BILL NO. 608

Offered January 8, 2020

Prefiled January 6, 2020

A *BILL to amend the Code of Virginia by adding in Chapter 2 of Title 32.1 an article numbered 18, consisting of sections numbered 32.1-73.13 and 32.1-73.14, relating to the Health Enterprise Zone Program and Fund.*

Patron—Miyares

Referred to Committee on Health, Welfare and Institutions

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 2 of Title 32.1 an article numbered 18, consisting of sections numbered 32.1-73.13 and 32.1-73.14, as follows:

Article 18.

Health Enterprise Zone Program.

§ 32.1-73.13. Health Enterprise Zone Program created; eligibility; application.

A. The Department shall establish the Health Enterprise Zone Program (the Program) to target state resources to (i) reduce racial, ethnic, and geographic health disparities; (ii) improve access to health care in underserved communities; (iii) reduce hospital admission and readmission rates; and (iv) reduce health care costs in the Commonwealth.

B. To be eligible for designation as a health enterprise zone, a locality or group of localities shall:

1. Represent a geographic area defined by a zip code or contiguous group of zip codes and include all residents in the geographic area defined by such zip code or contiguous group of zip codes in the health enterprise zone;

2. Have a population of at least 5,000;

3. Demonstrate economic disadvantage of residents of each zip code included in the proposed health enterprise zone, as evidenced by (i) a rate of enrollment for medical assistance under the state plan for medical assistance that is greater than the median rate for the state or (ii) a rate of participation in the Special Supplemental Food Program for Women, Infants and Children that is greater than the median rate for the state; and

4. Demonstrate poor health outcomes of residents of each zip code in the proposed health enterprise zone, as evidenced by (i) average life expectancy that is lower than the median value for the state or (ii) a percentage of infants with low birth weight that is greater than the median rate for the state.

C. A locality or group of localities that wishes to be designated as a health enterprise zone shall submit an application to the Commissioner in a form and containing such information as the Department shall require. Such application shall include:

1. Quantitative and qualitative information about the current health status of and health disparities within the proposed health enterprise zone and health and health care needs of residents of the proposed health enterprise zone;

2. A description of how the proposed health enterprise zone will address the goals of reducing health disparities, improving access to health care, reducing hospital admission and readmission rates, and reducing health care costs, including specific goals related to improved risk factor prevalence or health outcomes for specific diseases or conditions, expanded access to primary health care, increased community health workforce, increased community resources for health, reduced preventable emergency department visits and hospitalizations, and reduced health care costs;

3. A description of the specific strategies and interventions that will be implemented to achieve identified goals and detailed plans for implementation of those strategies and interventions;

4. A description of community resources and local partners to support implementation of strategies and interventions to achieve identified goals; and

5. A description of how the locality will evaluate the success of proposed strategies and interventions.

D. When evaluating applications for designation as a health enterprise zone, the Department shall consider:

1. The potential impact of the proposed strategies and interventions on health disparities and health outcomes in the proposed health enterprise zone;

2. Cultural, linguistic, and health literacy competencies demonstrated by the applicant;

3. The balance between community-based approaches and primary care provider incentives described in the application; and

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4. *The sustainability of the proposed strategies and interventions.*

E. *A locality or group of localities that is designated as a health enterprise zone pursuant to this section shall be eligible to receive funds from the Health Enterprise Zone Fund established pursuant to § 32.1-73.14 to (i) implement strategies and interventions proposed in the application for designation as a health enterprise zone and (ii) provide education loan repayment assistance or financial assistance to defray the cost of capital improvements or equipment purchase by health care providers in the health enterprise zone, as described in the application for designation as a health enterprise zone.*

F. *The Department shall assist localities designated as health enterprise zones with implementing strategies and interventions described in the application for designation. Such assistance shall include general support for program planning, implementation, and evaluation; access to data collected by the Department for the purpose of designing, implementing, and evaluating strategies and interventions; and assistance in identifying grant and other funding opportunities and preparing applications for such grants and funding opportunities to support implementation of strategies and interventions that support the goals of the Program.*

G. *The Department shall report annually by December 1 to the Governor and the Chairmen of the House Committees on Appropriations and Health, Welfare and Institutions and the Senate Committees on Finance and Education and Health on the status of the Program, the number of designated health enterprise zones in the Commonwealth, the amount of funding provided to each designated health enterprise zone during the past year and the purposes for which such funds were used, the types of strategies and interventions implemented by designated health enterprise zones, and the outcomes of such strategies and interventions.*

§ 32.1-73.14. Health Enterprise Zone Fund.

There is hereby created in the state treasury a special nonreverting fund to be known as the Health Enterprise Zone Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of funding strategies and interventions that meet the goals of the Health Enterprise Zone Program described in § 32.1-73.13, including providing funding to localities designated as health enterprise zones to (i) implement strategies and interventions proposed in the application for designation as a health enterprise zone and (ii) provide education loan repayment assistance or financial assistance to defray the cost of capital improvements or equipment purchase by health care providers in the health enterprise zone, as described in the application for designation as a health enterprise zone. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by Commissioner.

2. That the provisions of this act shall expire on July 1, 2025.