

## **Department of Planning and Budget**

### **2020 Fiscal Impact Statement**

**1. Bill Number:** SB757S1

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Favola

**3. Committee:** Education and Health

**4. Title:** Department of Health; Department of Health Professions Medical Excellence Zone Program.

**5. Summary:** Directs the Department of Health to determine the feasibility of the establishment of a Medical Excellence Zone Program and directs the Department of Health Professions to pursue reciprocal agreements with states contiguous with the Commonwealth for licensure for certain primary care practitioners under the Board of Medicine. The Medical Excellence Zone Program would allow citizens of the Commonwealth living in rural underserved areas to receive medical treatment via telemedicine services from providers licensed or registered in a state that is contiguous with the Commonwealth. The bill requires the Department of Health to set out the criteria that would be required for a locality or group of localities in the Commonwealth to be eligible for the designation as a medical excellence zone and report its findings to the Senate Committee on Education and Health and the House Committee on Health, Welfare and Institutions by November 1, 2020.

The bill states that reciprocal agreements with states that are contiguous with the Commonwealth for the licensure of doctors of medicine, doctors of osteopathic medicine, physician assistants, and nurse practitioners shall only require that a person hold a current, unrestricted license in the other jurisdiction and that no grounds exist for denial based on § 54.1-2915. The Department of Health Professions shall report on its progress in establishing such agreements to the Senate Committee on Education and Health and the House Committee on Health, Welfare and Institutions by November 1, 2020. The bill provides that applicants for licensure as a doctor of medicine or osteopathic medicine from such states shall receive priority in processing their applications for licensure by endorsement through a streamlined process with a final determination regarding qualification to be made within 20 days of the receipt of a completed application.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Minimal, see item #8.

**8. Fiscal Implications:** This bill, as amended, would have a minimal impact on the Commonwealth. The bill directs the Virginia Department of Health (VDH) to develop a

feasibility study for establishing a Medical Excellence Zone Program to allow citizens of the Commonwealth living in rural underserved areas to receive medical treatment via telemedicine services. The bill also states that VDH shall set out the criteria that would be required for a locality or group of localities in the Commonwealth to be eligible for the designation as a medical excellence zone. The agency has indicated that 25 percent of staff time will be dedicated to developing the study and other criteria. This work would be performed by a research epidemiologist and a contract coordinator. The cost for a research epidemiologist dedicating 25 percent of staff time to this effort would be \$22,500 (a full-time research epidemiologist is \$90,000). The cost for a contract coordinator dedicating 25 percent of staff time to this effort would be \$13,750 (a full-time research epidemiologist is \$55,000). Total costs, including supplies (\$500), would be \$36,750. It is assumed the agency can absorb the costs associated with implementing the provisions of the bill within existing resources.

There will be some impact on the Board of Medicine for work with neighboring states on reciprocal agreements. It is anticipated that the Board can absorb those costs within its existing budget. Should reciprocal agreements be put in place, it may result in additional revenue and additional costs for licensing and enforcement.

**9. Specific Agency or Political Subdivisions Affected:** The Virginia Department of Health and the Department of Health Professions.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.