

Department of Planning and Budget 2021 Fiscal Impact Statement

1. Bill Number: HB2065

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: McQuinn

3. Committee: Health, Welfare and Institutions

4. Title: Produce Rx Program established; report.

5. Summary: Directs the Department of Social Services (DSS) to establish a Produce Rx Program as a three-year pilot program to incentivize consumption of qualifying fruits and vegetables by eligible individuals for whom increased consumption of fruits and vegetables is recommended by a qualified care provider, as such terms are defined in the bill, and to report to the Governor and the General Assembly by December 1 of each year on the operation of the Program. An enactment clause requires DSS to convene a workgroup to advise the agency on the design of the program.

6. Budget Amendment Necessary: Yes. Item 349 (contractor costs) and Item 350 (voucher program; DSS will need a new subprogram created)

7. Fiscal Impact Estimates: Indeterminate. See Item 8.

8. Fiscal Implications: This legislation establishes a three year pilot program to incentivize consumption of fruits and vegetables by persons receiving medical assistance through the Commonwealth's medical assistance program or the Family Access to Medical Insurance Security (FAMIS) program. An enactment clause requires the Department of Social Services (DSS) to convene a workgroup of stakeholders to advise the agency on the design of the program established by the legislation.

Until the workgroup has finalized program design, the agency cannot determine the full and specific costs of the program. For demonstration purposes, the agency believes, at minimum, expected expenses will include the cost of the produce vouchers distributed to program participants and contractor costs at DSS. Contractor costs are preliminarily assumed to include program management, voucher distribution, public relations and an informational campaign, and training materials. The agency has estimated contractor costs for program management to be approximately \$215,000 annually; however, this amount will vary depending on the final scope and design of the pilot program.

Additionally, the legislation does not indicate the how much each voucher will be, or how the vouchers will be funded. It is assumed at this time, that the vouchers will have to be funded through the general fund. The annual cost for produce vouchers cannot be determined until the Produce Rx Program has been designed by the agency, with advice from the workgroup.

Depending on the results of the program design from the workgroup, the Department of Social Services may be able to pursue federal funding opportunities, as well.

9. Specific Agency or Political Subdivisions Affected: Department of Social Services, local departments of social services, Department of Medical Assistance Services

10. Technical Amendment Necessary: No.

11. Other Comments: None.