

Department of Planning and Budget 2021 Fiscal Impact Statement

1. **Bill Number:** HB 2271

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

2. **Patron:** Samirah

3. **Committee:** Pending

4. **Title:** Universal health care; Secretary of Health and Human Resources to study options for financing

5. **Summary:** The proposed legislation directs the Secretary of Health and Human Resources to enter into a contract with a qualified entity to study options for financing universal health care in the Commonwealth. The Secretary shall report the findings, conclusions, and recommendations of the qualified entity to the Governor and the General Assembly by December 1, 2021.

6. **Budget Amendment Necessary:** Yes

7. **Fiscal Impact Estimates:** Preliminary

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2021	\$500,000 - \$750,000	General Fund
2022	-	-
2023	-	-
2024	-	-
2025	-	-
2026	-	-
2027	-	-

8. **Fiscal Implications:** The proposal specifically requires a study of universal health care financing in the Commonwealth that must include the following options: 1) a publicly funded single-payer model administered by the Commonwealth for the delivery of health care that is decoupled from employment; and 2) a publicly funded single-payer model administered by private entities pursuant to a contract with the Commonwealth that is decoupled from employment. In addition, the study must include an analysis of financing mechanisms and costs associated with each model and analysis of legal and logistical barriers to implementation of each model, including identification of any waivers that may be necessary to allow use of federal funds available pursuant to 42 U.S.C. § 1315 and 42 U.S.C. § 18052 to finance a model administered by the Commonwealth.

The Office of the Secretary of Health and Human Resources estimates the cost of hiring a qualified entity to conduct the required study to be, at a minimum, between \$500,000 and \$750,000. This estimate is based on discussions with contractors currently working with Health and Human Resources agencies that have experience with projects of similar scope. The higher than usual cost estimate is based on the anticipated complexity and number of models as well as the minimum qualifications of a suitable contractor. It should be noted that the resources provided would ultimately dictate the scope and detail of the study.

9. Specific Agency or Political Subdivisions Affected:
Office of the Secretary of Health and Human Resources

10. Technical Amendment Necessary: No

11. Other Comments: None