

## Department of Planning and Budget 2022 Fiscal Impact Statement

**1. Bill Number:** HB1071

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

**2. Patron:** Tran

**3. Committee:** Education and Health

**4. Title:** Hospitals; debt collection; determination of patient eligibility for financial assistance.

**5. Summary:** Requires hospitals to screen uninsured patients, as defined by the bill, to determine household income and eligibility for financial assistance. If a patient has a qualified household income, qualifies for financial assistance and requests a payment plan, the hospital may not charge a patient for emergency services rendered. The bill further requires hospitals must provide such payment plan in writing and base its terms and monthly payments on the patient's ability to pay. Payment plan interest rates are capped, fees related to the payment plan or renegotiation are prohibited, and prepayment without penalty must be permitted. Establishes notice requirements and prohibited acts for the hospital, as well as requiring data reporting by the hospital related to financial assistance.

The Commissioner shall report annually by November 1 to the Chairmen of the House Committees on Appropriations and Health, Welfare and Institutions and the Senate Committees on Finance and Appropriations and Education and Health regarding data collected pursuant to subsection F of 32.1-276.5, including the value of (i) the amount of charity care, discounted care, or other financial assistance provided by each hospital under its financial assistance policy that is required to be reported in accordance with subsection F of 32.1-276.5 and (ii) the amount of uncollected bad debt, including any uncollected bad debt from payment plans entered into in accordance with subsection C of 32.1-137.09.

**6. Budget Amendment Necessary:** Yes, item 292 (VDH).

**7. Fiscal Impact Estimates:** Preliminary, see item 8.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2023	\$457,633	3	General
2024	\$447,633	3	General
2025	\$447,633	3	General
2026	\$447,633	3	General
2027	\$447,633	3	General
2028	\$447,633	3	General
2029	\$447,633	3	General

- 8. Fiscal Implications:** VDH asserts that the provisions of this bill will increase the workload of the agency's hospital licensure program. There are currently 172 inpatient and outpatient hospitals in Virginia as well as University of Virginia Medical Center, which are not evenly distributed across the state and all of which would be subject to the new requirements in HB1071S1. VDH currently does not exercise oversight for hospital billing practices and operations and it is likely that there will be an increased volume of consumer complaints. The existing program staff are fully utilized and cannot absorb these additional duties. As such, the agency maintains that three Health Care Compliance Specialists II would be required starting FY 2023 at an estimated cost of \$114,698 per position (\$447,632 in total). Annual expenditure estimates include expected salary, fringe benefits and related nonpersonal services costs (i.e. computer, supplies, travel, etc.).

These positions would conduct complaint inspections, which would necessitate travel to the 172 inpatient and outpatient hospitals as well as the UVA medical Center as provided in the legislation.

VDH currently contracts with Virginia Health Information (VHI) to undertake certain healthcare data reporting functions and duties. To produce the annual report, VHI estimates a onetime cost of \$10k to update existing data collection processes.

Additionally, this bill requires all hospitals to screen patients for Medicaid, which could then result in a person being found Medicaid eligible leading to an increase in program costs. However, the Department of Medical Assistance Services reports that many hospitals already process Medicaid applications for hospitalized individuals and thus fulfill the requirements of the bill. Aside from these general assumptions, DMAS does not have readily available data to estimate potential costs for this bill. As such, the fiscal impact is indeterminate.

- 9. Specific Agency or Political Subdivisions Affected:** The Virginia Department of Health.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** None.