

Department of Planning and Budget

2023 Fiscal Impact Statement

1. Bill Number: SB926

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

2. Patron: Favola

3. Committee: Health, Welfare and Institutions

4. Title: Emergency Department Care Management Grant Program and Fund; report.

5. Summary: Establishes the Emergency Department Care Management Grant Program and the Emergency Department Care Management Grant Fund. The bill provides that the Program is established to provide grants to eligible hospitals that provide care management and medical services to frequent users of hospital emergency departments, with grants to be awarded to (i) reduce patient usage of emergency departments for routine, nonurgent, primary medical care; (ii) support emergency department case management staff; (iii) identify and analyze the comprehensive health care needs of patients; (iv) identify social determinants of health and barriers to care; (v) facilitate collaboration with providers and payers to develop a plan for community care; and (vi) improve the ability of patients to manage their care in the community. The bill directs the Department of Health to evaluate the effectiveness of the Program and requires the State Health Commissioner to report the Department's findings to the General Assembly and the Joint Commission on Health Care by October 1, 2027. The provisions of the bill sunset on July 1, 2028.

6. Budget Amendment Necessary: Yes, item 288 and item 292.

7. Fiscal Impact Estimates:

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	\$415,138	3	01000
2025	\$379,238	3	01000
2026	\$379,238	3	01000
2027	\$379,238	3	01000

8. Fiscal Implications: The provisions of this legislation, as amended, would have a fiscal impact on the Virginia Department of Health (VDH). While the amount of funding provided to the Emergency Department Care Management Grant Program and the Emergency Department Care Management Grant Fund is unknown, VDH would require general fund support for the administration of the fund and system modifications. The provisions of the bill establishes the Emergency Department Care Management Grant Program to provide

grants to eligible hospitals that provide care management and medical services to frequent users of hospital emergency departments. VDH would need general fund support for the initial development and necessary programming to make the modifications to the current Emergency Medical Services online grant module to provide grants from the newly created fund. VDH would modify an already existing and functioning grant application and management system that is in line with the bills grant application and management needs. Costs are estimated to be \$67,600 in FY24 for implementation and development. Ongoing costs from FY25 through FY27 are \$31,700 annually for updates, maintenance, and enhancements as needed. These costs are scalable based on the final requirements and needs of the system.

VDH would need a total of three positions to assist the Office of Emergency Medical Services and the Office of Licensure and Certification.

VDH's Office of Emergency Medical Services would need full-time program manager position (\$100,775 includes salary, fringe benefits, operational costs) and a program support position (\$75,048 includes salary, fringe benefits, operational costs) These positions would administer the Emergency Department Care Management Grant Fund.

VDH's Office of Licensure and Certification would need a Program Administration Specialist III (\$171,715 includes salary, fringe benefits, operational costs). This position is necessary to develop the guidelines for the Emergency Department Care Management Grant Fund's administration, including organizing and facilitating an advisory committee composed of interested parties, preparing and publishing draft grant guidelines, receiving and responding to all public comments in writing, and preparing and publishing all required notices and the final grant guidelines. VDH's Office of Licensure and Certification does not have any expertise or subject matter knowledge in grant development or administration and its existing staff cannot absorb this new mandate. Total costs for these positions would be \$347,538.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.