

Department of Planning and Budget

2007 Fiscal Impact Statement

1. Bill Number: HB 2277

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Harry R. Purkey

3. Committee: Health, Welfare and Institutions

4. Title: Certificate of Public Need; eliminates regional health planning

5. Summary/Purpose: Eliminates regional health planning agencies from the Certificate of Public Need (COPN) review process.

6. Fiscal Impact Estimates are:

Expenditure Impact:

	<i>Dollars</i>		
<i>Fiscal Year</i>	<i>GF</i>	<i>NGF</i>	<i>Positions</i>
2007-08	(\$333,072)	(\$745,000)	2.0*
2008-09	(\$333,072)	(\$745,000)	2.0*
2009-10	(\$333,072)	(\$745,000)	2.0*
2010-11	(\$333,072)	(\$745,000)	2.0*
2011-12	(\$333,072)	(\$745,000)	2.0*
* These positions would be supported with special fund savings associated with eliminating regional health planning agencies (RHPA). This savings has been netted from the NGF savings identified.			

7. Budget amendment necessary: Yes. The language in item 290 regarding the annual (\$333,072) and supplemental excess special funds for the regional health planning agencies (RHPA) would need to be eliminated. In addition, language earmarking \$31,250 for the GF would need to be modified in order to capture the full amount of savings.

8. Fiscal implications: Eliminating the RHPA would generate a GF savings of \$333,072 that is given to RHPAs each year. In addition, COPN revenue provided to the RHPA (approximately \$880,000) last year in “excess fee revenues” from the COPN program could also be captured less the cost of two additional positions to handle the increased workload that would be assumed by the Virginia Department of Health (VDH), such as conducting public hearings around the state. The cost to VDH would be approximately \$135,000 annually for these two positions, which includes salaries, benefits (25 percent salaries), equipment, communications, supplies and travel expenses.

9. Specific agency or political subdivisions affected: Virginia Department of Health

10. Technical amendment necessary: No

11. Other comments: None

Date: 1/29/07

Document: HB2277.doc

cc: Secretary of Health and Human Resources