

Department of Planning and Budget 2008 Fiscal Impact Statement

1. **Bill Number** SB 672

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron** Houck

3. **Committee** Education and Health

4. **Title** Certificate of Public Need Exemption

5. **Summary/Purpose:** The bill requires the Virginia Department of Health (VDH) to issue a request for applications for 90 new nursing facility beds in planning district nine (Rappahannock – Rapidan). In addition, VDH may issue a certificate of public need (COPN) for an increase of 90 new beds to establish a new facility in the planning district.

6. **Fiscal Impact Estimates are: Final.**

Expenditure Impact:

(Item 306 Service Area 45610)

Fiscal Year	Dollars	Positions	Fund
2009	\$0	0.0	GF
2009	\$0	0.0	NGF
2010	\$0	0.0	GF
2010	\$0	0.0	NGF
2011	\$0	0.0	GF
2011	\$0	0.0	NGF
2012	\$1,261,387	0.0	GF
2012	\$1,261,387	0.0	NGF
2013	\$1,304,274	0.0	GF
2013	\$1,304,274	0.0	NGF
2014	\$1,348,620	0.0	GF
2014	\$1,348,620	0.0	NGF

7. **Budget amendment necessary:** No, the fiscal impact does not occur until the 2010 – 2012 biennium.

8. **Fiscal implications:** The bill would have an impact on the Medicaid program. The Department of Medical Assistance Services (DMAS) assumes that any beds approved outside the COPN process will result in additional Medicaid reimbursable days. The beds are not likely to be built until FY 2012. Based on current statewide statistics, DMAS assumes an occupancy rate of 91.2 percent and a Medicaid utilization rate of 63.82 percent. Using the average DMAS reimbursement per day increased by 3.4 percent a year, the average DMAS payment per day would be \$131.94 in FY 2012.

9. **Specific agency or political subdivisions affected:** Department of Health and the Department of Medical Assistance Services.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 01/21/08 / mst

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cc: Secretary of Health and Human Resources