

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB 2175

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

2. Patron: Phillips

3. Committee: Appropriations

4. Title: Department of Health; dental and oral health programs for children

5. Summary: Provides that the mission of the State Board of Health and the Department of Health shall include provision of a comprehensive program of dental and oral health services for children.

6. Budget Amendment Necessary: Yes, Item 287 (Community Health Services).

7. Fiscal Impact Estimates: Preliminary. See Item #8.

a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2011	\$0	0.00	
2012	\$411,902	6.00	GF
2012	\$274,601	0.00	NGF
2013	\$656,102	13.00	GF
2013	\$437,402	0.00	NGF
2014	\$656,102	13.00	GF
2014	\$437,402	0.00	NGF
2015	\$656,102	13.00	GF
2015	\$437,402	0.00	NGF
2016	\$656,102	13.00	GF
2016	\$437,402	0.00	NGF
2017	\$656,102	13.00	GF
2017	\$437,402	0.00	NGF

b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2011	\$0	
2012	\$301,772	NGF
2013	\$603,544	NGF
2014	\$603,544	NGF
2015	\$603,544	NGF
2016	\$603,544	NGF
2017	\$603,544	NGF

- 8. Fiscal Implications:** Twenty-two of the 35 health districts currently administer dental programs that provide preventive dental services. In FY 2010, 64,089 (44 percent) of the 144,289 clinical services provided in these programs were preventive. In order to expand access to these services statewide, preventive dental programs have been developed for the 13 districts without existing dental services. Proposed programs in the 13 districts are those that have been proven to reduce the incidence of tooth decay, such as dental varnish for children less than five years old enrolled in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and school-based dental sealant programs for children in the free lunch program.

The fluoride varnish program will be conducted in the WIC clinics in local health departments throughout each of the 13 districts. In rural districts, travel will be needed to multiple health department sites to see these patients. The dental sealant program is school-based. Studies show school-based sealant programs increase the use of dental sealants by providing improved access to these services to high-risk children. Additionally, portable equipment with travel to schools has been determined to be the most cost-effective method of service delivery for the dental sealant program. According to the Virginia Department of Health (VDH) calculations, new fixed facilities cost approximately \$125,000, compared to a portable equipment cost of \$10,750. The cost per dental sealant in VDH fixed facilities is estimated at \$41.04 compared to \$23.45 for portable programs. Travel costs were estimated based on an average of 500 miles per month per FTE at a cost of \$0.51 per mile to conduct the dental sealant and WIC based programs.

Enrollment in the WIC and school free lunch programs were used to estimate the need for new staff in the 13 districts based on the number of patient contacts of existing dental staff. Accordingly, an additional 13 FTEs would be required in the 13 health districts. Salaries and benefits were based on the most recent hires of existing dental staff in these role codes.

Therefore, the total annual cost of adding preventive dental programs to the 13 targeted health districts is estimated at \$1,233,254. The estimate includes one-time equipment costs of \$139,750 and projected annual revenue of \$603,544. Because of the need to establish programs and hire staff, projections were made using a phase-in of half of the districts in year one, with full implementation by the second year of operation. Revenue projections are based on existing reimbursement rates for fluoride varnish and dental sealants by the Department of Medical Assistance Services.

FY 2012

Salaries and benefits: \$501,068

Travel: \$15,683

Preventive varnish and sealant supplies: \$30,002

Portable equipment and instruments: \$139,750

Total: \$686,503

FY 2013

Salaries and benefits: \$1,002,135

Travel: \$31,365

Preventive varnish and sealant supplies: \$60,004

Total: \$1,093,504

Local health district funding, is partially provided by localities throughout the Commonwealth as required by the Code of Virginia. Fiscal impact estimates for general and local funds are based on state averages (60 percent state general and 40 percent local funding).

9. Specific Agency or Political Subdivisions Affected:

Virginia Department of Health

10. Technical Amendment Necessary: No.

11. Other Comments: No.

Date: 1/27/2011

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