

## Department of Planning and Budget 2011 Fiscal Impact Statement

**1. Bill Number:** HB 2434

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

**2. Patron:** Kilgore

**3. Committee:** Passed Both Houses

**4. Title:** Health benefits exchange - intent to develop

**5. Summary:** The bill states that it is the intent of the General Assembly that the Commonwealth create and operate its own health benefits exchange or exchanges that meet the relevant requirements of the federal Affordable Care Act (P.L. 111-148 and 111-152) in order to avoid implementation of a federal exchange. The Governor, through the Secretary of Health and Human Services and with the State Corporation Commission's Bureau of Insurance, is requested to work with the General Assembly, relevant experts, and stakeholders generally to provide recommendations for consideration by the 2012 Session of the General Assembly regarding the structure and governance of the Virginia exchange. The recommendations are due by October 1, 2011.

The bill contains a second enactment clause providing that the act shall expire on July 1, 2014.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Final. SEE ITEM 8.

**8. Fiscal Implications:** This statement specifies no fiscal impact because the bill only states the intent of the General Assembly is for the Commonwealth to develop its own health benefits exchange under federal health care reform by January 1, 2014. The development and implementation of an exchange will have a potential fiscal impact, but such impact is currently unknown and may be accomplished with existing federal funds. The Commonwealth is only at the very early planning stages, as recognized by the bill's report for developing an exchange be completed by October 1, 2011. To date, the state has created the Virginia Health Reform Initiative within the Secretary of Health and Human Resources that is responsible for coordination of the state's efforts. A major part of those efforts is development of a health benefits exchange.

On September 30, 2010, the Commonwealth was awarded a federal exchange planning grant, in the amount of \$1,000,000 that the state will use for planning and development of a health benefits exchange. No state money is required to match this grant and additional federal

grants are expected to be available for implementation of an exchange. It is feasible that the state may be able to design and implement an exchange with available federal grants and no state funding. However, it is too early to know if any state funding will be needed. Once the exchange is operational, the intent is that it will be self-supporting and not require any state funding.

**9. Specific Agency or Political Subdivisions Affected:** Secretary of Health and Human Resources.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** SB 1366, introduced by Senator Saslaw, is a similar bill.

**Date:** 2/23/11

**Document:** G:\GA Sessions\2011 Session\HB2434ER.Doc