

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB 269

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

2. Patron: Peace

3. Committee: Passed Both Houses

4. Title: Certificate of public need process for review & approval of psychiatric & substance abuse services beds

5. Summary: The bill eliminates the requirement that the Commissioner of Health can only accept applications for inpatient psychiatric and substance abuse beds in response to a Request for Applications (RFA).

6. Budget Amendment Necessary: No, because the projected fiscal impact is outside of the 2012-14 biennium.

7. Fiscal Impact Estimates: Final.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	\$322,790	0.0	GF
2015	\$322,790	0.0	NGF
2016	\$332,473	0.0	GF
2016	\$332,473	0.0	NGF
2017	\$342,448	0.0	GF
2017	\$342,448	0.0	NGF
2018	\$352,721	0.0	GF
2018	\$352,721	0.0	NGF

8. Fiscal Implications: This fiscal impact assumes, based on a general perception of a shortage of inpatient psychiatric beds that additional beds will be added and will result in additional Medicaid expenditures. There are only a limited number of providers who would be interested in providing new beds. While the number of new beds is unknown, the Department of Medical Assistance Services expects at least a minor number of new beds will be added. Therefore, this fiscal impact assumes 15 additional beds starting in FY 2015. The Virginia Department for Health could approve more than 15 beds, but only in response to a Request for Applications.

The fiscal impact estimate is based on 522 additional inpatient psychiatric bed days per year (15 beds x 365 days x 62.7 percent occupancy rate x 15.2 percent Medicaid utilization), beginning in FY 2015. The estimated Medicaid rate per day is \$1,236.74 per bed day (the rate is assumed to increase three percent each year thereafter). This results in a fiscal impact of \$645,580 (\$322,790 GF) in FY 2015.

9. Specific Agency or Political Subdivisions Affected: Department of Medical Assistance Services and the Virginia Department for Health.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 3/07/12

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