Department of Planning and Budget
2013 Fiscal Impact Statement

1. **Bill Number:** HB1445

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

2. **Patron:** Head

3. **Committee:** Health, Welfare and Institutions

4. **Title:** Home care organizations

5. **Summary:** Clarifies liability insurance coverage requirements for home care organizations licensed by the Board of Health and provides for operation of branch offices by a single licensee.

6. **Budget Amendment Necessary**: Yes, Item 294 – Health Research, Planning, and Coordination (40600)

7. **Fiscal Impact Estimates:** Preliminary. See item #8.

7a. Expenditure Impact:

Fiscal Year	*Dollars*	*Positions*	*Fund*
2013	$0	0.00	-
2014	$39,000	0.00	GF
2015	$39,000	0.00	GF
2016	$39,000	0.00	GF
2017	$39,000	0.00	GF
2018	$39,000	0.00	GF
2019	$39,000	0.00	GF

7b. Revenue Impact:

Fiscal Year	*Dollars*	*Fund*
2013	$0	-
2014	($39,000)	NGF
2015	($39,000)	NGF
2016	($39,000)	NGF
2017	($39,000)	NGF
2018	($39,000)	NGF
2019	($39,000)	NGF

8. **Fiscal Implications:** According to the Virginia Department of Health (VDH), there are 450 health care organizations (HCO) licensed in the Commonwealth. In addition, approximately 100 new HCO licensing applications have been received and could increase the total HCO

licensees to 550. There are also 22 organizations that have the same trade name, ownership, and operate multiple locations that account for 100 of the 550 total licensees.

VDH charges a licensing fee of $500 for each HCO annually (or $1,000 on a biennial basis). Assuming these 100 new HCOs consolidate into 22 licenses; the Office of Licensure and Certification will lose $39,000 in annual revenues (100 x $500 – 22 x $500). The cost of the average HCO biennial onsite inspection is approximately $1,400 and exceeds the fee revenue collected from each HCO. However, onsite inspections at all separate HCO locations will still be required. Because the program will lose $39,000 in annual revenue, additional general fund appropriation of $39,000 would be required to preserve the program.

9. **Specific Agency or Political Subdivisions Affected:** Virginia Department of Health

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

11. **Other Comments:** No.

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Document: G:\VDH\GA\Legislation\FIS\FY 2013\HB1445.doc
c: Secretary of Health and Human Resources