

Department of Planning and Budget 2013 Fiscal Impact Statement

1. Bill Number: HB1873

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

2. Patron: McClellan

3. Committee: Science and Technology

4. Title: Health information technology; health benefit exchange participants.

5. Summary: The bill requires the Information Technology Advisory Council (ITAC), with input from the Health Information Technology Standards Advisory Committee (HITSAC), to adopt standards that allow consumers using a health benefit exchange to have access to their (i) health data held by an exchange and (ii) administrative data regarding the exchange, including provider price, network coverage, and the consumer's claims data.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate. See Item 8 for more detail. Expenditures and revenues listed here are for the Virginia Information Technologies Agency only.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2013	0	0	
2014	0	0	
2015	75,000	0	Internal Service Funds
2016	75,000	0	Internal Service Funds
2017	75,000	0	Internal Service Funds
2018	75,000	0	Internal Service Funds
2019	75,000	0	Internal Service Funds

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2013	0	
2014	0	
2015	75,000	Internal Service Funds
2016	75,000	Internal Service Funds
2017	75,000	Internal Service Funds
2018	75,000	Internal Service Funds
2019	75,000	Internal Service Funds

8. Fiscal Implications: The Virginia Information Technologies Agency (VITA), who provides staffing for both the ITAC and HITSAC, states that the bill will have an impact in future

bienniums. The bill will not have a fiscal impact during the current budget cycle on VITA's administration of HITSAC as the requirements imposed by the legislation would be in-scope for HITSAC administration at the present funding level and source.

However, federal funding for the Electronic Health and Human Resource (eHHR) Program ends after FY 2014, so beginning with FY 2015 the ongoing requirements imposed by this bill would present the need for an alternate funding source. It is anticipated that there will be sufficient demand for health data exchange services such that adequate revenue will be provided to support the costs if this legislation is passed. VITA's Commonwealth Data Governance (CDG) section has two (2) staff positions (Senior Analyst and Business Analyst) dedicated to the eHHR program, at a total rate of \$300,000 per fiscal year, and these staff assist the Service Lead (funded from the General Fund) on HITSAC administration. Approximately 25% of the CDG staff time is dedicated to HITSAC administration, which results in a \$75,000 per fiscal year allocation needed for ongoing support.

In considering these FY 2015 and beyond fiscal expenditures, it should be noted that there is a matching \$75,000 need in annual revenue. This would be accomplished through charges to customers via VITA's internal service fund for services to the Department of Medical Assistance Services and potentially other agencies, thus introducing a fiscal impact to any agency involved in health benefit and health data exchanges, which in turn introduces a potential general fund impact, depending on the funding sources of the agencies paying the charges.

- 9. Specific Agency or Political Subdivisions Affected:** For the current biennium, the Virginia Information Technologies Agency.
- 10. Technical Amendment Necessary:** Subsection B of the bill, in its current form, states that "*The ITAC shall adopt standards*". However, ITAC does not have the statutory authority to adopt standards. The proposed legislation should be amended to state that ITAC would advise the CIO and Secretary of Technology on the adoption of standards, pursuant to § 2.2-225 of the Code of Virginia.

- 11. Other Comments:** None.

Date: 1/18/2012