

Department of Planning and Budget 2014 Fiscal Impact Statement

1. Bill Number: HB 779

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

2. Patron: Futrell, Michael T.

3. Committee: Health, Welfare and Institutions

4. Title: DSS; diabetes self-care education pilot program

5. Summary: The proposed legislation requires the Department of Social Services to develop a pilot program for diabetes self-care education for individuals and families receiving public assistance, to improve clinical outcomes, health status, and quality of life for individuals with diabetes and to reduce health care costs.

6. Budget Amendment Necessary: Yes

7. Fiscal Impact Estimates: Preliminary

Expenditure Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|--------------|
| 2014 | - | - | - |
| 2015 | \$234,099 | 2.0 | General Fund |
| 2016 | \$184,099 | 2.0 | General Fund |
| 2017 | \$184,099 | 2.0 | General Fund |
| 2018 | \$184,099 | 2.0 | General Fund |
| 2019 | \$184,099 | 2.0 | General Fund |
| 2020 | \$184,099 | 2.0 | General Fund |

8. Fiscal Implications: The bill requires the Department of Social Services to develop a pilot program for diabetes self-care education for individual and families receiving public assistance. While the legislation does not provide any specifics as to the pilot program's scope, duration, or services; it does outline a number of expected outcomes. In addition, the bill requires that the program be evidence-based and include specific educational components. The bill also specifies that the department should consider similar program recognized by the Education Recognition Program of the American Diabetes Association.

The department does not have any existing expertise or experience in diabetes education, disease management, or administering similar programs. If required to implement the proposal, it is assumed that the department would need to hire positions or contract for the necessary skill sets. Again, as the specifics of the proposed pilot are unknown, this statement attempts to provide an estimate of a minimal effort necessary to implement the bill's provision's effectively.

Based on data from the American Association of Diabetes Educators (AADE), it is assumed that the pilot program would employ at least one diabetes education team. A diabetes education team requires the services of at least one dietitian and one certificated diabetes educator. The estimated cost (personal and nonpersonal services) of hiring these positions full-time would be \$184,099 annually; however this cost could be less if the department is able to contract for these positions on a part-time basis. In addition, it is estimated that \$50,000 the first year would be required to develop the necessary systems and course materials. According to anecdotal evidence provided by AADE, this team should be able to offer a typical diabetes education program to over 500 individuals each year.

It is assumed that the department would be able to meet the educational requirements of the bill by creating diabetes education links through the department's website. Current diabetes educational information and materials are available on the Department of Health's (VDH) webpage and links from DSS to VDH would make accessing that information easy for visitors to the DSS website. These links can also be provided through local departments of social services.

9. Specific Agency or Political Subdivisions Affected:

Department of Social Services

10. Technical Amendment Necessary: No

11. Other Comments: None