

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: HB 1420

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

2. Patron: Farrell

3. Committee: Health, Welfare and Institutions

4. Title: Certificate of public need; repeals certain requirement involving psychiatric beds, etc.

5. Summary: Repeals the requirement for a certificate of public need for certain projects involving mental hospitals or psychiatric hospitals and intermediate care facilities established primarily for the medical, psychiatric, or psychological treatment and rehabilitation of individuals with substance abuse.

6. Budget Amendment Necessary: Yes.

7. Fiscal Impact Estimates:

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2017	(\$39,047)	Nongeneral
2018	(\$39,047)	Nongeneral
2019	(\$39,047)	Nongeneral
2020	(\$39,047)	Nongeneral
2021	(\$39,047)	Nongeneral
2022	(\$39,047)	Nongeneral

8. Fiscal Implications: This bill would have a nongeneral fund impact on the Commonwealth. The Division of Certificate of Public Need reviews an average of 53 certificates of public need (COPN) requests per year, with an average of four COPN requests for psychiatric and substance abuse services. The average application fee for psychiatric and substance abuse services related COPN requests was \$9,762. The provisions of the bill would reduce the average number of COPN requests from 53 to 49, which would reduce application fee revenue by an average of \$39,047.

The Department of Behavioral Health and Developmental Services does not anticipate that the proposed language would result in an abundance of new providers and therefore sees no fiscal impact. The Department of Medial Assistance Services does not believe there is an impact to the agency because the Department of Health would be expected to approve the COPN anyway if a medical facility applied to increase psychiatric beds because there is a

shortage. The legislation would not affect the results; it just removes the administrative requirement to file for a COPN

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.