

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB1362

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

2. Patron: Austin

3. Committee: Health, Welfare, and Institutions

4. Title: Division of Consolidated Laboratory Services; availability of testing services.

5. Summary: Requires the Department of General Services to ensure that Division of Consolidated Laboratory Services testing services related to newborn screening are provided seven days per week to ensure that results of such screenings are available in a timely manner.

6. Budget Amendment Necessary: Indeterminate – see Item 8.

7. Fiscal Impact Estimates: Preliminary - see Item 8.

8. Fiscal Implications: The bill requires newborn screening testing services provided by the Department of General Services (DGS) Division of Consolidated Laboratory Services (DCLS) to be available seven days per week. Funding for DCLS lab testing services as well as coordination and education services provided by the Virginia Department of Health (VDH) are recovered from a fee charged to medical providers for each screening test. The current fee is \$78 per infant and would be adjusted to recover any additional costs incurred to expand testing availability. Additional costs for laboratory, follow-up, and administrative staffing as well as Information System Services coverage, on-call instrument vendors, and courier services to deliver samples are expected in order to expand testing availability to seven days per week.

Screening tests for various disorders are required for every infant born in the Commonwealth. Medical providers are responsible for ensuring required tests are performed by DCLS or another laboratory contracted by VDH to provide testing services. VDH coordinates follow-up activities for newborns identified as at risk for tested disorders.

DCLS currently performs newborn testing five days per week. On Saturdays and some holidays, DCLS will also check for any critical results that come back from tests that ran overnight the night before and an on-call VDH follow-up nurse will immediately notify medical professionals regarding critical results. DCLS does not currently perform sample testing on weekends or holidays.

While the number of total samples tested will not be affected by the bill, screening for different disorders are conducted using various tests and therefore a minimum number of

DCLS staff and support is needed to run all tests regardless of volume. Therefore, additional laboratory staff and support services will be needed. VDH would also be affected by any additional weekend follow-up activities resulting from the expanded testing availability, the fiscal impact of which is not currently known.

Department of General Services:

According to DGS, DCLS is expected to incur additional annual costs of \$1,450,516 to expand testing availability to seven days per week. This would equate to an estimated fee increase of \$13.43 per test, assuming 108,000 infants are tested annually. Estimated staff costs include eight additional full-time equivalent scientists (\$589,820), two additional data lab technicians (\$84,800) and one data lab specialist (\$55,976), which together with existing staffing will be scheduled throughout the week to provide sufficient seven-day lab coverage. Additional support for weekends and holidays also includes five additional data lab technician contractors to perform data entry and less complicated tasks (\$81,200), Information System Services coverage (\$139,200), instrument vendor after hours coverage (\$300,000), and DCLS contracted courier sample pickup (\$199,520). This does not include any potential costs for additional VDH follow-up coverage, which are not known at this time.

DCLS also anticipates some additional costs to be incurred prior to implementation of the expanded testing availability; however, such costs are expected to be able to be absorbed within existing resources. This is primarily associated with the time needed to hire and train staff and for new laboratory staff to complete the competencies required for accreditation, all of which is expected to take approximately six months.

- 9. Specific Agency or Political Subdivisions Affected:** Department of General Services
Division of Consolidated Laboratory Services and the Virginian Department of Health,

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** This fiscal impact statement has been revised to reflect additional information and cost estimates provided by the Department of General Services.

Date: 2/5/2018