

## Department of Planning and Budget 2018 Fiscal Impact Statement

**1. Bill Number:** HB1362-H1

**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:** The substitute bill requires newborn screening tests for time-critical disorders identified by the U.S. Department of Health and Human Services and the Secretary's Advisory Committee on Heritable Disorders in Newborns and Children to be performed seven days a week. The bill also has a delayed effective date of July 1, 2019.

**6. Budget Amendment Necessary:** Yes – Items 74 and 291.

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

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	-	-	
2019	\$1,317,216	9	Nongeneral Fund
2020	\$1,317,216	9	Nongeneral Fund
2021	\$1,317,216	9	Nongeneral Fund
2022	\$1,317,216	9	Nongeneral Fund
2023	\$1,317,216	9	Nongeneral Fund
2024	\$1,317,216	9	Nongeneral Fund

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2018	-	-
2019	\$1,317,216	Nongeneral Fund
2020	\$1,317,216	Nongeneral Fund
2021	\$1,317,216	Nongeneral Fund
2022	\$1,317,216	Nongeneral Fund
2023	\$1,317,216	Nongeneral Fund
2024	\$1,317,216	Nongeneral Fund

**8. Fiscal Implications:** The bill requires newborn screening tests for time-critical disorders services to be performed seven days per week. Newborn screening tests are performed by the Department of General Services (DGS) Division of Consolidated Laboratory Services (DCLS). 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 test. The current fee is \$78 per infant and would be adjusted to recover any additional costs incurred to expand testing availability. Based on the estimated annual cost of \$1,317,216, the fee would need to be raised by \$12.20, which would bring the total fee to \$90.20 per infant. This assumes 108,000 tests are performed annually, based on current testing volume.

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 time-critical 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. VDH believes an additional position may be needed, at an estimated cost of \$90,000.

#### *Department of General Services:*

According to DGS, DCLS is expected to incur additional annual costs of \$1,227,216 to expand testing availability to seven days per week. Estimated staff costs include five additional full-time equivalent scientists (\$366,520), 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).

DCLS expects to begin incurring costs six months prior to implementation of the expanded testing availability. 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. Therefore, DGS would plan to

implement the rate increase effective July 1, 2018, in order to be able to offer time-critical testing services seven days per week by January 1, 2019.

**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:** None.

Date: 2/8/2018