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**HOUSE BILL NO. 608****AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on Health, Welfare and Institutions  
on January 30, 2020)

(Patron Prior to Substitute—Delegate Miyares)

A *BILL to amend the Code of Virginia by adding in Chapter 2 of Title 32.1 an article numbered 18, consisting of sections numbered 32.1-73.13 and 32.1-73.14, relating to the Health Enterprise Zone Program and Fund.*

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Chapter 2 of Title 32.1 an article numbered 18, consisting of sections numbered 32.1-73.13 and 32.1-73.14, as follows:**

*Article 18.**Health Enterprise Zone Program.***§ 32.1-73.13. Health Enterprise Zone Program created; eligibility; application.**

A. The Department shall establish the Health Enterprise Zone Program (the Program) to target state resources to (i) reduce racial, ethnic, and geographic health disparities; (ii) improve access to health care in underserved communities; and (iii) reduce health care costs in the Commonwealth.

B. The Department shall adopt regulations setting forth (i) the eligibility criteria for designation as a health enterprise zone, (ii) the types of information to be included with any application for designation as a health enterprise zone, and (iii) the criteria the Department will consider in determining whether to designate a health enterprise zone.

C. A locality or group of localities that is designated as a health enterprise zone pursuant to this section shall be eligible to receive funds from the Health Enterprise Zone Fund established pursuant to § 32.1-73.14 to (i) implement strategies and interventions proposed in the application for designation as a health enterprise zone and (ii) provide education loan repayment assistance or financial assistance to defray the cost of capital improvements or equipment purchase by health care providers in the health enterprise zone, as described in the application for designation as a health enterprise zone.

D. The Department shall report annually by December 1 to the Governor and the Chairmen of the House Committees on Appropriations and Health, Welfare and Institutions and the Senate Committees on Finance and Appropriations and Education and Health on the status of the Program, the number of designated health enterprise zones in the Commonwealth, the amount of funding provided to each designated health enterprise zone during the past year and the purposes for which such funds were used, the types of strategies and interventions implemented by designated health enterprise zones, and the outcomes of such strategies and interventions.

**§ 32.1-73.14. Health Enterprise Zone Fund.**

There is hereby created in the state treasury a special nonreverting fund to be known as the Health Enterprise Zone Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of administering the Health Enterprise Zone Program and funding strategies and interventions that meet the goals of the Health Enterprise Zone Program described in § 32.1-73.13, including providing funding to localities designated as health enterprise zones to (i) implement strategies and interventions proposed in the application for designation as a health enterprise zone and (ii) provide education loan repayment assistance or financial assistance to defray the cost of capital improvements or equipment purchase by health care providers in the health enterprise zone, as described in the application for designation as a health enterprise zone. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by Commissioner.

**2. That the Department of Health shall convene a group of stakeholders to provide recommendations regarding implementation of the Health Enterprise Zone Program and regulations related thereto.**

**3. That the provisions of this act shall expire on July 1, 2025.**

HOUSE  
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