

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: HB608H1

House of Origin	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Miyares

3. Committee: Health, Welfare and Institutions

4. Title: Health Enterprise Zone Program and Fund.

5. Summary: Establishes the Health Enterprise Zone Program and Fund to target state resources to (i) reduce racial, ethnic, and geographic health disparities; (ii) improve access to health care in underserved communities; (iii) reduce hospital admission and readmission rates; and (iv) reduce health care costs in the Commonwealth. The bill establishes eligibility criteria for localities seeking designation as health enterprise zones and provides for the payment of funds from the Health Enterprise Zone Fund to designated localities for (i) implementation of strategies and interventions proposed in the application for designation as a health enterprise zone and (ii) provision of 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. The bill requires the State Department of Health to 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 Education and Health on the status of the Program. 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. The bill has an expiration date of July 1, 2025.

6. Budget Amendment Necessary: Yes, item 300.

7. Fiscal Impact Estimates: Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021	\$152,011	1.5	01000
2022	\$152,011	1.5	01000
2023	\$152,011	1.5	01000
2024	\$152,011	1.5	01000
2025	\$152,011	1.5	01000

- 8. Fiscal Implications:** The bill, as amended, directs the Virginia Department of Health (VDH) to establish the Health Enterprise Zone Program. The purpose of the program is to target state resources to reduce racial, ethnic, and geographic health disparities, improve access to health care in underserved communities, reduce hospital admission and readmission rates, and reduce health care costs in the Commonwealth.

To successfully administer the program, VDH would require 1.5 FTE. A Program Coordinator will be the primary implementer of the Health Enterprise Zone. They would be responsible for coordinating the application review process, working directly with the designated areas, and providing technical support to the geographic areas. The cost for a full-time program coordinator would be \$90,156 including benefits. VDH would also require part of a program manager (0.1 FTE), estimated at \$14,359, who would develop, monitor, and as needed, change the program design and implementation. Lastly, VDH would require part of an epidemiologist (0.4 FTE) to assess the effectiveness of the program and assist in developing the metrics for determining the qualifications for geographic areas for VDH to designate as Health Enterprise Zones. The cost for part of an epidemiologist would be \$47,496.

Any increase in workload relating to convening a workgroup can be absorbed within existing resources.

- 9. Specific Agency or Political Subdivisions Affected:** The Virginia Department of Health.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** An appropriation will need to be included in the budget to provide initial capitalization of the Fund.