

Department of Planning and Budget 2020 Fiscal Impact Statement

1. **Bill Number:** SB1081

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

2. **Patron:** Suetterlein

3. **Committee:** Education and Health

4. **Title:** COPN; demonstration of public need and compliance with State Medical Facilities Plan.

5. **Summary:** Provides that, notwithstanding any other provision of law or regulation, an application for a certificate of public need for the introduction of a specialty-level neonatal special care service in Planning District 5 that (i) contains in the record testimony of a neonatologist, employed or contracted by an incumbent provider of neonatal special care services in the same planning district, that the proposed number of bassinets in the application is clinically appropriate for the neonatal special care service proposed and would be beneficial to health outcomes of infants born at the applicant's facility and (ii) includes the agreement of the applicant to accept standard charity care conditions on the proposed neonatal special care services shall be deemed to (a) demonstrate a public need for such proposed specialty-level neonatal special care service and (b) be consistent with the State Medical Facilities Plan.

6. **Budget Amendment Necessary:** See item 8.

7. **Fiscal Impact Estimates:** Indeterminate, see item 8.

8. **Fiscal Implications:** While it is assumed that legislation impacting Virginia's Certificate of Public Need (COPN) law may have fiscal implications for the Department of Medical Assistance Services (DMAS), as one of the largest purchasers of health care services in Virginia, there is insufficient data to provide a definitive estimate of the cost impact of most proposed COPN legislation.

Under any scenario, it is unlikely that most COPN changes would have a direct fiscal impact on Medicaid in the biennium in which it is proposed due to the time needed for implementation and the delayed recognition of costs in Medicaid payment rates. Any significant costs are not likely to occur for three to five years and, even then, such costs would be difficult to estimate based on the unknowns associated with multiple COPN process and coverage changes and the rapidly evolving nature of the healthcare system.

The Virginia Department of Health has indicated that they will not need additional resources for the provisions of the bill.

9. Specific Agency or Political Subdivisions Affected: Department of Medical Assistance Services.

10. Technical Amendment Necessary: No.

11. Other Comments: None.