

Department of Planning and Budget 2023 Fiscal Impact Statement

1. **Bill Number:** HB1488

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. **Patron:** McGuire

3. **Committee:** Courts of Justice

4. **Title:** Abortion; use of public funds prohibited.

5. **Summary:** Provides that no agency of the Commonwealth shall enter into any contract with or make any grant of public funds, as defined in the bill, to any entity or any affiliate of any entity that provides abortion services or operates a facility at which abortion services are provided. The bill also repeals provisions authorizing the Board of Health to use state general funds appropriated to the Department of Health to pay the cost of abortions for women who otherwise meet the financial eligibility criteria for services through the state plan for medical assistance services in cases in which (i) a pregnancy occurs as a result of rape or incest that is reported to a law-enforcement or public health agency or (ii) a physician certifies in writing that he believes the fetus will be born with a gross and totally incapacitating physical deformity or with a gross and totally incapacitating mental deficiency.

6. **Budget Amendment Necessary:** No.

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

8. **Fiscal Implications:** The provisions of the bill prohibit any state agency from entering a contract with or grant any public funds to any organization that provides abortion services. “Abortion services” are defined as performing, assisting with, or directly referring for abortions or encouraging or counseling patients to have abortions. “Public funds” are defined as any state funds from whatever source, including state general fund and nongeneral funds.

The Virginia Department of Health (VDH) notes that this provision could place VDH’s State Health Services (Office of Family Health Services) and Community Health Services (local health districts) at risk of losing \$3,450,000 in federal Title X family planning funding. This is because nondirective pregnancy options counseling is a Title X grant requirement and funded sites are expected to provide objective information about abortion to patients when they request it. VDH maintains four sub-recipient contracts and 24 agreements with local health districts to offer Title X family planning services. These federal funds support approximately 20,637 patients at approximately 111 clinic locations annually. If VDH is no longer be able to use Title X funding to contract with the local health districts for these services and there is a desire to maintain these services, VDH and the local health districts

would require \$3,450,000 annually in general fund resources to continue supporting 16.5 positions that provide family planning services at current levels, minus the restrictions in the provisions of the bill which are a minimal part of services provided.

In addition, VDH currently maintains 90 contracts with healthcare providers that offer or refer for abortion services. None of these contracts are for abortion services specifically. The total annual value of these contracts is \$20,232,129.94. It is unknown if VDH will find other entities to contract with that meet the provisions of the legislation.

This bill repeals § 32.1-92.2, which authorizes VDH to use state general fund support to fund abortions for patients who are eligible for Medicaid when a physician certifies that the fetus will be born with a gross and totally incapacitating physical deformity or mental deficiency. Total expenditures in FY22 were \$13,358.87. This would represent a savings to the agency.

The Department of Medical Assistance Services (DMAS) is currently evaluating if there is a potential fiscal impact of the proposal on Medicaid payments. As such, any potential fiscal impact is indeterminate at this time.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.