

## Department of Planning and Budget

### 2023 Fiscal Impact Statement

**1. Bill Number:** HB2345

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Head**3. Committee:** Health, Welfare and Institutions**4. Title:** smartCHaRt network Program.

- 5. Summary:** Renames the Emergency Department Care Coordination Program as the smartCHaRt network Program and expands the Program to allow participation by all health care providers, insurance carriers, and other organizations with a treatment, payment, or operations relationship with a patient in the Commonwealth Under current law, participation is limited to hospital emergency departments. The bill makes several other modifications to the Program, including adding a requirement that the Program allow health care providers, insurance carriers, and other participating organizations to access information necessary to evaluate and monitor the care and treatment of a patient in accordance with applicable patient privacy and security requirements. The bill also directs the State Health Commissioner to convene a work group to study and establish a plan to develop and implement a system to share information regarding a patient's prescription history. The bill requires the Commissioner to report his findings and recommendations to the Chairmen of the Joint Commission on Health Care, Senate Committee on Education and Health, and House Committee on Health, Welfare and Institutions by October 1, 2023.

This fiscal impact statement has been revised to include additional information.

**6. Budget Amendment Necessary:** Yes, item 292.**7. Fiscal Impact Estimates:** See item 8.

- 8. Fiscal Implications:** The provisions of this legislation would have a fiscal impact on the Virginia Department of Health and Virginia Health Information (VHI), the nonprofit organization with which the Commissioner of Health has entered into a related contract with. Costs for VHI to develop a system, data collection, project management staffing fees, administrative costs, and other technical cost to implement the provisions of the bill are estimated to be \$100,000. After the implementation phase, which is expected to last two to three years, technology costs associated with the provisions of the bill will be reduced, however the reduction in expenditures cannot be determined at this time.

The Department of Medical Assistance Services has stated this would not have a fiscal impact.

The University of Virginia has stated that their maximum state penalty would be \$2,007,500, but they could be assessed that much by the Centers for Medicare & Medicaid Services (CMS) too. Including their community health hospitals would add another \$949,000 collectively to the maximum penalty. Combining the medical center with the community hospitals would be a total amount of \$2,956,500.

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

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** SB1255, introduced by Senator Dunnavant, is a companion bill.