

Department of Planning and Budget 2023 Fiscal Impact Statement

1. Bill Number: SB1526

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

2. Patron: Norment

3. Committee: Education and Health

4. Title: Certificate of Public Need; certain cardiology-related services; exemption.

5. Summary: Exempts from the requirements of a certificate of public need certain outpatient cardiology-related services performed in connection with a Department of Health or Division of Certificate of Public Need pilot program for cardiovascular single specialty use ambulatory surgery centers authorized by an executive order of the Governor that are approved for reimbursement and performed in a facility certified as a Medicare and Medicaid supplier by the Centers for Medicare and Medicaid Services and the Department of Medical Assistance Services.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: The total fiscal impact the provisions of this legislation would have on the Commonwealth cannot be determined.

The bill creates an exemption for outpatient cardiology-related services performed in connection with a Virginia Department of Health or Division of Certificate of Public Need pilot program. However, such pilot program does not currently exist and therefore VDH does not have sufficient information and data about how many applications it would have normally accepted in the absence of this pilot program or the approximate COPN fee revenue. Any impact would be a reduction in revenue received for these facilities.

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 isolate based on the unknowns associated with multiple COPN process and coverage changes and the rapidly evolving nature of the healthcare system.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.