

## Department of Planning and Budget 2024 Fiscal Impact Statement

1. **Bill Number:** SB636

**House of Origin**     Introduced     Substitute     Engrossed

**Second House**     In Committee     Substitute     Enrolled

2. **Patron:** Locke

3. **Committee:** Senate Finance and Appropriations

4. **Title:** Transcranial magnetic stimulation; pilot program.

5. **Summary:** Requires the Department of Behavioral Health and Developmental Services to establish a pilot program with two locations (one in Northern Virginia and one in Hampton Roads) to make electroencephalogram combined transcranial magnetic stimulation available for veterans, first responders, law-enforcement officers, and other federal employees with substance use disorders, mental illness, sleep disorders, traumatic brain injuries, sexual trauma, post-traumatic stress disorder and accompanying comorbidities, concussions or other brain trauma, or other quality of life issues. The bill requires the State Board of Behavioral Health and Developmental Services to establish regulations for the pilot program.

6. **Budget Amendment Necessary:** Yes, Item 295.

7. **Fiscal Impact Estimates:**

7a. **Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024			
2025	1,790,000	0.0	GF
2026	1,600,000	0.0	GF
2027	1,600,000	0.0	GF
2028	1,600,000	0.0	GF
2029	1,600,000	0.0	GF
2030	1,600,000	0.0	GF

8. **Fiscal Implications:** The substitute legislation instructs the Department of Behavioral Health and Developmental Services to develop two pilot sites for the provision of electroencephalogram combined transcranial magnetic stimulation treatment. This legislation requires one site be in Northern Virginia and one in Hampton Roads. The estimates account for the increased cost of site rent and technician salaries in Northern Virginia.

Because this would be a new program, the costs of establishing the sites are rough estimates of what will be needed, but include both one-time and ongoing costs, including the cost to

purchase, maintain, and operate a transcranial magnetic stimulation (TMS) machine and encephalogram (EEG) machine, and a psychiatrist to manage each site. Other projected costs include clinical positions required to meet the clinical trial requirements of the legislation, and a peer-to-peer support network through the Community Services Board.

For reference, a mobile transcranial stimulation pilot program was established in Los Angeles in 2017-2018 with an estimated operating cost of approximately \$725,000 per year per site (three-year pilot total of \$2.4 million). Additionally, Ohio has funded a transcranial magnetic stimulation pilot with a \$6.0 million one-time budget in 2024. This estimate is based on the unit having a physical location. While a mobile program may not have the same physical space requirements, it would have additional associated costs, such as the purchase and maintenance of a transport vehicle. The total annual program cost will be dependent on the number of sites to be established.

<b>Program Costs – Hampton Roads</b>	<b>FY 25 - one-time</b>	<b>FY 25 - ongoing</b>
TMS Machine	\$50,000	
EEG Machine	\$5,000	
Technician Salary + Fringe (2 FTE)		\$100,000
Clinical Research Coordinator Salary + Fringe (1.5 FTE)		\$150,000
Research Lead Salary + Fringe (1 FTE)		\$150,000
One-time costs associated with site establishment	\$40,000	
Annual lease		\$40,000
Peer-to-Peer Support Network		\$25,000
Psychiatrist		\$300,000
<b>Total</b>	<b>\$95,000</b>	<b>\$765,000</b>
	<b>Total first year</b>	<b>\$860,000</b>
	<b>Total ongoing</b>	<b>\$765,000</b>

<b>Program Costs - Site 2 (NOVA)</b>	<b>FY 25 - one-time</b>	<b>FY 25 - ongoing</b>
TMS Machine	\$50,000	
EEG Machine	\$5,000	
Technician Salary + Fringe (2 FTE)		\$150,000

Clinical Research Coordinator Salary + Fringe (1.5 FTE)		\$150,000
Research Lead Salary + Fringe (1 FTE)		\$150,000
One-time costs associated with site establishment	\$40,000	
Annual lease		\$60,000
Peer-to-Peer Support Network		\$25,000
Psychiatrist		\$300,000
<b>Total</b>	<b>\$95,000</b>	<b>\$835,000</b>
	<b>Total first year</b>	<b>\$930,000</b>
	<b>Total ongoing</b>	<b>\$835,000</b>

The total estimated cost for both sites is:

<b>Two Sites</b>	<b>FY 2025</b>	<b>FY 2026 +</b>
<b>Total</b>	\$1,790,000	\$1,600,000

Actual costs of the program will also be influenced by both the health concern being treated and if any insurance being used will cover TMS treatment. For instance, Tricare only covers TMS for depression, but not the full scope of diagnoses listed in the bill as it is currently written (substance use disorders, mental illness, sleep disorders, traumatic brain injuries, sexual trauma, post-traumatic stress disorder and accompanying comorbidities, concussions or other brain trauma, or other quality of life issues). Because of the wide variety of health concerns included, and the uncertainty of coverage, this estimate does not include any third-party revenue.

**9. Specific Agency or Political Subdivisions Affected:** Department of Behavioral Health and Developmental Services

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

**11. Other Comments:** While the legislation indicates the programs are to be pilot programs, it does not provide for a sunset date, therefore the costs are assumed to continue.