

Department of Planning and Budget

2022 Fiscal Impact Statement

1. Bill Number: HB420

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

2. Patron: Delaney

3. Committee: Health, Welfare and Institutions

4. Title: Department of Health; evidence-based best practices for opioid-related emergencies.

5. Summary: Requires hospitals to establish and implement policies and protocols consistent with evidence-based best practices for opioid-related emergencies in the emergency department published and regularly updated by the Department of Health.

6. Budget Amendment Necessary: Yes, item 292, program 40607.

7. Fiscal Impact Estimates: See item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2023	\$154,169	1	01000
2024	\$119,598	1	01000
2025	\$119,598	1	01000
2026	\$119,598	1	01000
2027	\$119,598	1	01000
2028	\$119,598	1	01000
2029	\$119,598	1	01000

8. Fiscal Implications: The provisions of this legislation, as amended, will have a fiscal impact on the Virginia Department of Health (VDH). The bill would require VDH to publish on its website and regularly update evidence-based best practices for opioid-related emergencies in the emergency department. This would result in increased costs on the existing hospital licensure program. The Board, the State Health Commissioner, and VDH do not have the authority to increase hospital licensure fees, as those fees are set in § 32.1-130 of the Code of Virginia. These fees have not been modified in over 40 years and there is no authority to levy special assessments or other fees to offset the increased expenditures.

In order to meet the provisions of the bill, VDH would need general fund support for one Health Care Compliance Specialist. This position would research, draft, publish, and regularly update clinical best practices for opioid-related emergencies in the emergency department. This position would also review complaints received about hospitals failing to

implement the best practices and may conduct complaint investigations resulting from such complaints, which may necessitate statewide travel. Using current and historical expenditure data, VDH estimates this position would have an annual cost of \$119,598, including fringe and other indirect costs such as office supplies, equipment, and phone. Because the volume of complaints that may be received pursuant to this new mandate is unknown, travel expenditures are indeterminable at this time.

The amended version of the bill contains a second enactment clause with a reporting requirement to be made by November 1, 2022. Specifically the report shall include, “information on the availability of reimbursement to hospitals from federal or state programs or other sources for the costs of storing and dispensing naloxone or other opioid antagonists and the availability of federal or state funds from grants or other sources and donations from nonprofits and other community agencies to fund or support the availability of naloxone or other opioid antagonists to a patient who has experienced an opioid-related emergency.”

Historically, VDH has not been involved in direct reimbursement to either hospitals or patients, so it lacks the expertise necessary for such research and existing staff and resources cannot absorb the impact of the research mandate. Using current and historical expenditure data, VDH estimates the need for one public health contractor full-time for three months (July through September), with nominal costs related to IT and travel by the contractor for in-person meetings. The cost for the contractor is estimated to be \$34,571.

Any increase in workload on the Department of Health professions for the required report can be handled within existing resources.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Health.

10. Technical Amendment Necessary: No.

11. Other Comments: None.