

Department of Planning and Budget 2022 Fiscal Impact Statement

1. **Bill Number:** SB293

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

2. **Patron:** Deeds

3. **Committee:** Education and Health

4. **Title:** Certificate of public need; inpatient psychiatric services and facilities.

5. **Summary:** Requires the Commissioner of Health (the Commissioner) to impose conditions related to the provision of care to individuals who are the subject of a temporary detention order on certificates of public need for projects involving inpatient psychiatric services and facilities and provides that when determining the public need for a proposed project involving an inpatient psychiatric service or facility, the Commissioner shall not take into consideration existing inpatient psychiatric services or facilities or the impact of approving the application and issuing the certificate of public need for the proposed project on an existing inpatient psychiatric service or facility if the existing inpatient psychiatric service or facility does not provide an adequate amount of service to individuals who are subject to a temporary detention order, as determined by the Commissioner in accordance with regulations of the Board of Health (the Board). The bill directs the Board to adopt regulations establishing a process by which the Commissioner shall annually establish the amount of services for individuals who are subject to a temporary detention order that an existing inpatient psychiatric service or facility must provide.

6. **Budget Amendment Necessary:** See item 8.

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

8. **Fiscal Implications:** 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. The proposed legislation may expand local accessibility to TDO inpatient services; however, DMAS assumes that all medical costs associated with individuals requiring these services are currently being covered. As such any direct fiscal impact is expected to be minimal. Furthermore, the bill may affect inpatient psychiatric capacity which could have an indeterminate impact on health care costs at some point in the future.

The provisions of the bill would not have a fiscal impact on the Virginia Department of Health.

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

10. Technical Amendment Necessary: No.

11. Other Comments: HB743, as introduced by Delegate Bell, is a companion bill.