

The Department shall implement the pilot program in as many localities as necessary to ensure participation of no less than 300 eligible participants. The pilot program shall be operational no later than 180 days after the contract date between the participating managed care organization and the technology vendor.

Department of Planning and Budget
2025 General Assembly Session
State Fiscal Impact Statement

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
VDH			\$1,476,147	\$1,295,047		
TOTAL			\$1,476,147	\$1,295,047		

Fiscal Analysis: The Department shall implement the pilot program in as many localities as necessary to ensure participation of no less than 300 eligible participants. Since the pilot is two years in length, this would be at least 150 participants per year. The participating managed care organization will use the fee paid by VDH to cover the costs of with the technology vendor, including the costs of remote patient monitoring devices, nonstop clinical monitoring of health information received from remote patient monitoring devices, and health coaching, and for administrating the pilot program. Estimated costs for an MCO to contract with a vendor for technology services would cost \$925,092 for 150 patients per year. This estimate includes hypertension remote patient monitoring services (\$333,414), diabetes remote patient monitoring services (\$401,328), at-home blood pressure monitoring (\$10,350), and glucose monitors (\$180,000). Costs for a data analyst to administer the pilot program are 138,000 (salary, fringe, and VITA).

VDH would also incur implementation and monitoring costs. There would be costs to set up the data infrastructure to receive data from the MCO and to establish/maintain security protocols. For example, VDH has to ensure that data isn't lost and maintain security, which are standard procedures that VDH uses regarding patient data. A data architect to establish the data infrastructure to receive data from the Managed Care Organization would cost \$35,000 the first year and \$10,000 the second year. VDH would need a contract administrator (\$138,000 each year) to administer the contract with the Managed Care Organization, monitor performance, track spending and budget, and develop the report. Other implementation costs include costs for the contractor to oversee and coordinate data infrastructure development, information security processes, and data reporting (\$25,000 in the first year and \$10,000 in the second year). Costs for COV RAMP (\$10,000 the first year and \$2,400 the second year), which is a service specifically created for third party vendors offering software as a service (SaaS) applications and is used when an agency is requesting the provider to act on behalf of a Commonwealth entity, is accepting commonwealth data, serving as the data custodian or system administrator of that data for purposes of making it available back to the Commonwealth via an interface for fee. There would be GCP/Tableau costs for storing and analyzing data (\$150,000 the first year and \$75,000 the second year). VDH would need Information Security Office (ISO) support for the ISO team to initiate processes prior to initiating a contract with the MCO to prevent data breaches (\$30,000 one-time). Once these initial data security processes are in place, there would be costs associated with ongoing monitoring to prevent data breaches (\$7,500 each year). VDH estimates it would need request for proposal support to ensure applicants meet data security benchmarks (\$25,000 one-time), and lastly costs for a data sharing agreement (\$4,000 in the first year and \$500 in the second year). Below is a spreadsheet identifying estimated costs:

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	<u>FY27</u>	<u>FY28</u>
<u>OFHS</u>		
Contract administrator	\$ 122,859	\$ 122,859
VITA	\$ 3,696	\$ 3,696
<u>OIM</u>		
Program Administration	\$ 25,000	\$ 10,000
Data Architect	\$ 35,000	\$ 10,000
COV Ramp	\$ 10,000	\$ 2,400
GCP/Tableau	\$ 150,000	\$ 75,000
Information Security Office Support	\$ 30,000	\$ -
ISO ongoing	\$ 7,500	\$ 7,500
RFP Support	\$ 25,000	\$ -
Data Sharing Agreement	\$ 4,000	\$ 500
<u>Contract with MCO</u>		
Personell to manage MCO	\$ 138,000	\$ 138,000
Vendor Fees	\$ 925,092	\$ 925,092
Total	\$ 1,476,147	\$ \$1,295,047

Other: None.