

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

consultations requested, additional staff or other resources may be necessary. However, it is difficult to estimate this volume as the Healthcare Regulatory Sandbox Program is a new unknown program. Other states have created industry specific regulatory sandboxes and all-inclusive sandboxes, but not are specific to healthcare for comparison. VDH's Office of Licensure and Certification believes that given an unknown volume of consultations requested at least one wage position (1500 hours a year) would be necessary to fulfill the needs of the Healthcare Regulatory Sandbox Program. While application fees are able to be charged, it is unknown how much revenue this will produce. The bill provides that the Board of Health shall adopt regulations that are consistent with this chapter and shall establish a schedule of fees for applications for participation in the Program, to be applied to expenses for the administration and operation of the Program.

The creation of an application portal for the program may be necessary depending on the number of entities that request an exemption. Based on prior year calculations, VDH's Office of Information Management estimates the scope of the IT project to include an internet portal with restricted access so only registered users can login and submit proposals; an administration portal used by application review staff to review, approve, deny and/or correspond with an applicant; and a public facing view on the internet with list of submitted proposals and the current status that can be searchable with predefined criteria. VDH estimates there will be one-time IT development costs of \$276,500, with annual maintenance costs of \$55,300 starting in FY27.

Any costs to establish regulations or produce a report can be handled within existing resources.

Other: None.