

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

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ORIGINAL

Bill Number: SB1177

Patron: Suetterlein

Bill Title: Certificate of public need; exception; critical access hospitals; swing beds.

Bill Summary: Exempts from the requirement for a certificate of public need hospitals using up to 10 inpatient hospital beds per day as swing beds for the furnishing of services of the type that, if furnished by a nursing home or certified nursing facility, would constitute skilled care services. The bill allows critical access hospitals to calculate the 10-swing-bed per day limitation as an average over the fiscal year of the hospital with certain exceptions. Under current law, critical access hospitals may only use up to 10 percent of beds as swing beds without requiring a certificate of public need. The bill directs the State Commissioner of Health to collect the hospital data pursuant to the provisions of the bill and make it publicly available. The bill has an expiration date of July 1, 2028.

Budget Amendment Necessary: No.

Items Impacted: None.

Fiscal Summary: The provisions of this legislation would not have a fiscal impact on the Virginia Department of Health. Any impact on the Department of Medical Assistance Services cannot be determined.

Fiscal Analysis: 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), 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. However, it is unlikely that COPN changes for swing bed utilization at Critical Access Hospitals (CAH) would have a direct fiscal impact on Medicaid for the biennium. DMAS does not provide payment for skilled nursing or intermediate care facility services to swing-bed hospitals (Source: 12VAC30-10-580(D)). It is also assumed that other Medicaid funding sources that reimburse for uncompensated care costs, such as disproportionate share hospitals lump sum payments, would not be impacted by the COPN legislation since eligible CAHs currently receive payment.

Other: None.