

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

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**ORIGINAL**

**Bill Number:** HB1929 **Patron:** LeVere Bolling  
**Bill Title:** Department of Health; pregnancy mobile application.

**Bill Summary:** Directs the Department of Health to contract with a mobile developer to create a mobile application available to prenatal, pregnant, and postpartum individuals who are eligible for Medicaid. The bill requires the Department to submit a request for proposal within 180 days of the bill's effective date and requires such request for proposal to include provisions on deliverables for development of the mobile application.

**Budget Amendment Necessary:** Yes **Items Impacted:** No

**Fiscal Summary:** The provisions of this legislation would have a fiscal impact on VDH’s Office of Family Health Services (OFHS) and the Office of Information Management (OIM). While VDH is able to absorb some of the costs of implementing this bill, including providing staff from OFHS with subject-matter expertise to develop and/or review content to be added to the app and coordinate with the Department of Medical Assistance Services (DMAS), they are not able to absorb all additional workloads within existing resources.

The bill provides that VDH can request additional information from the vendor as needed and other agencies can request information from the vendor as well. VDH would need epidemiology support to be able to analyze, link, and interpret vendor data for use by VDH. OIM would also need additional funding to identify and procure a mobile developer, ensure the vendor meets all security requirements, manage quality assurance testing of the product, and administer ongoing updating and maintenance of app content. Finally, VDH would need to provide funding to the vendor (contract) to carry out the work.

OIM anticipates that the initial two years would carry the highest cost burden for app contract negotiation, development, and initial design. Subsequent years would have a reduced cost. The first fiscal year would be primarily for set up and the app would be functional starting in the second fiscal year.

VDH shall issue a Request for Proposal within 180 days of the bill’s effective date to secure a vendor for the app.

First year costs are for OIM to begin the process of standing up the app while subsequent years would include vendor costs as well.

**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		\$159,500	\$4,846,646	\$4,797,146	\$4,788,646	\$4,696,246
<b>TOTAL</b>		<b>\$159,500</b>	<b>\$4,846,646</b>	<b>\$4,797,146</b>	<b>\$4,788,646</b>	<b>\$4,696,246</b>

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**Fiscal Analysis:** The Office of Information Management would incur costs in the first year for a project manager, quality assurance testing, funding for the Information Security Office team to assure the new system meets appropriate security standards and requirements, VITA supply Chain review, and for COV RAMP, 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. Total costs in the first year are estimated to be \$159,500. OIM would require a reduction in support going forward related to, COV RAMP, VITA supply chain review, and caseload, which would decrease ongoing costs for OIM in subsequent years.

Beginning in FY27, VDH would incur costs to contract with a vendor for the development of the app. VDH reached out to another state who has implemented a similar app to provide information on pregnancy to Medicaid users. Specifically, VDH spoke with the Title V Director in the Division of Maternal and Infant Health at the Department of Health and Human Services in Michigan. Michigan works with Philips as the vendor for their app. Based on their experience contracting with an existing app, VDH estimates the cost of the app to be \$10 per month per user. Based on the data provided on the DMAS dashboard, as of January 1, 2025 there are 39,000 pregnant people enrolled in Virginia Medicaid in Virginia. Therefore, the annual anticipated cost to the vendor would  $39,000 \text{ people} \times \$10 \times 12 \text{ months} = \$4,680,000$ .

As stated in the fiscal summary, VDH would need maternal and child health epidemiologist that will provide ongoing technical assistance to provide data analyses, potential data linkage, and evaluation. This is a current position that would devote a portion of their time to this effort and would cost \$7,146 annually.

Total FY27 costs would be \$4,788,646. OIM costs would decrease each year as they would experience a reduction in workload.

**Other:** SB1393, introduced by Senator Williams Graves, is a companion bill.