



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

contract directly with a technology vendor to offer remote patient monitoring for maternal hypertension and maternal diabetes. The pilot program will be established for fiscal years 2026 and 2027.

The technology used for the program should meet the following requirements: 1) collect health data from an eligible participant and electronically transmit that information securely for interpretation by a health care provider; 2) be authorized by the U.S. Food and Drug Administration; 3) monitor health data, including blood pressure, weight, blood glucose levels, or other physiological health data as determined by the eligible participant's health care provider; 4) be capable of transmitting health data through cellular networks; and 5) be pre-programmed specifically for each eligible participant so that it works directly out-of-the-box for that specific eligible participant.

The bill also outlines a fee payment schedule to administer the program and specifies requirements around a launch date and reporting. The Department will pay a fee to the participating managed care organization to administer the pilot program. The participating managed care organization will use the fee to contract 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, administrating the pilot program.

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

**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		\$6,036,738	\$5,855,638			
<b>TOTAL</b>		<b>\$6,036,738</b>	<b>\$5,855,638</b>			

**Fiscal Analysis:** 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 Medicaid in Virginia. Therefore, the annual anticipated cost to the vendor would be 39,000 people x \$10 x 12 months = \$4,680,000.

As stated in the fiscal summary, VDH would need a 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.

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To implement the pilot program in as many localities as necessary to ensure participation of no less than 300 eligible participants over the two-year length of the pilot would require 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 be \$925,092 for 150 patients per year.

The \$925,092 estimate includes:

- Hypertension remote patient monitoring services - \$333,414
- Diabetes remote patient monitoring services - \$401,328
- At-home blood pressure monitoring - \$10,350
- Glucose monitors - \$180,000

VDH would also incur \$424,500 in FY26 and \$243,400 in FY27 for initial 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. There would also be costs 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. 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.

The implementation and monitoring cost estimate includes:

- One data architect to establish the data infrastructure to receive data from the Managed Care Organization - \$35,000 one-time in FY26 and \$10,000 in FY27
- One contract administrator to administer the contract with the Managed Care Organization, monitor performance, track spending and budget, and develop the report. - \$138,000 each year
- Contractor costs to oversee and coordinate data infrastructure development, information security processes, and data reporting. - \$25,000 in FY26 and \$10,000 in FY27
- COV RAMP - \$10,000 one-time in FY26 and \$2,400 in FY27
- GCP/Tableau costs for storing and analyzing data. - \$150,000 in FY26 and \$75,000 in FY27
- 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 in FY26
  - 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

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- VDH estimates it would need request for proposal support to ensure applicants meet data security benchmarks. - \$25,000 one-time in FY26
- Data sharing agreement - \$4,000 in FY26 and \$500 in FY27

Total costs in FY26 are \$6,036,738 and \$5,855,638 in FY27.

**Other:** None.