

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

PUBLISHED: 1/30/2025 12:34 PM

ORIGINAL

Bill Number: HB1552H1

Patron: Wiley

Bill Title: Critical access hospitals; utilization of swing beds without obtaining certificate of public need.

Bill Summary: Allows critical access hospitals to utilize any number of swing beds without obtaining a certificate of public need, subject to the limitations of federal law. Under current law, critical access hospitals may only use up to 10 percent of beds as swing beds. Additionally, the amended bill provides that the State Commissioner of Health shall collect data annually from critical access hospitals that elect to use fiscal year averaging as permitted by the first enactment of this act and make it publicly available.

Budget Amendment Necessary: No.

Items Impacted: None.

Fiscal Summary: As amended, the provisions of this legislation would have a minimal fiscal impact on the Virginia Department of Health and 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.

Any increase in workload to make the required hospital data available publicly can be handled within existing resources.

Other: None.