

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

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	\$746,606	\$697,146	\$688,646	\$688,646
TOTAL		\$159,500	\$746,606	\$697,146	\$688,646	\$688,646

Fiscal Analysis: The Office of Information Management (OIM) 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 lower amount of support going forward related to, COV RAMP, VITA supply chain review, and caseload, as these costs would decrease 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 eligible 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, and the enactment clause limits the payment to the vendor to this amount. The enactment clause also limits the total payment to the mobile application vendor to \$580,000 annually. With this limitation, the app would be able to handle approximately 4,833 members without exceeding \$580,000 annually (\$10 per member per month = \$120 a year. \$120 x 4,833 members = \$579,960).

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 time and effort to address an increase in workload. Currently, this position is supported by federal maternal and child health federal funds, which have time and effort reporting requirements. The use of grant funding can only be used for related grant activities and the provisions of this legislation do not meet grant criteria. VDH would shift freed up federal funding for allowable grant activities. VDH assumes it is beneficial to use existing personnel for this effort rather than hire a wage or contract position. This position has a specialized skill set and would cost \$7,146 annually for these new responsibilities.

Total FY27 costs would be \$746,606. 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.

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Other: SB1393S1 is a companion bill. Additionally, VDH notes that based on the data provided on the DMAS dashboard, as of January 1, 2025, there are 39,000 pregnant people enrolled in Virginia Medicaid. The app is limited to 4,833 members, the bill is silent on how VDH shall determine who gets access to the app. If the app were to be made available for all pregnant people eligible for Virginia Medicaid, total vendor costs would be \$4,680,000. However, the bill also allows participation of postpartum individuals, which would increase vendor costs per member per month if the costs were not limited.