

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

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**ORIGINAL**

**Bill Number:** SB1393S1

**Patron:** Williams Graves

**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. As amended, payment to the mobile application vendor will be based on a \$10 per member per month fee for each app user in the customized application for the Commonwealth. The total payment to the mobile application vendor shall not exceed \$580,000 annually.

**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 check for Medicaid eligibility information, 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.

The bill requires VDH to 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. As amended, payment to the mobile application vendor will be based on a \$10 per member per month fee for each app user in the customized application for the Commonwealth. The total payment to the mobile application vendor is limited by the bill to \$580,000 annually.

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**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
<b>TOTAL</b>		<b>\$159,500</b>	<b>\$746,606</b>	<b>\$697,146</b>	<b>\$688,646</b>	<b>\$688,646</b>

**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:** HB1929 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.