

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: HB1245

Patron: Henson

Bill Title: Virginia Health Care Fund; additional funding and uses; emergency

Bill Summary: The proposed legislation expands allowable funding sources for the Virginia Health Care Fund (VHCF) to include appropriated state general fund moneys and moneys from public and private sources. The bill allows moneys from the fund to be used for financial assistance to organizations and service providers that provide health care services, or expand the provision of health care services, to populations protected by the Virginia Human Rights Act. The bill contains an emergency clause.

Budget Amendment Necessary: Yes

Items Impacted: 291

Explanation: Appropriation Act language specifies that VHCF spending must be used to support the state match for Medicaid. Should any funding be diverted, then additional general fund support would be required.

Fiscal Summary: All VHCF revenue is dedicated to supporting Medicaid costs. Therefore, general fund dollars would be required to backfill any re-directed revenue to ensure sufficient Medicaid funding. While the bill expands the purposes for which the VHCF can be used, it is unclear whether any new expenditures would result. As such, the expenditure impact is indeterminate at this time.

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
DMAS (602)	-	Indeterminate	Indeterminate	Indeterminate	Indeterminate	Indeterminate

Nongeneral Fund Expenditure Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
DMAS (602)	-	Indeterminate	Indeterminate	Indeterminate	Indeterminate	Indeterminate

Fiscal Analysis: Pursuant to Appropriation Act language, all revenue in the Virginia Health Care Fund must only be used as the state share of Medicaid unless otherwise specifically authorized elsewhere in the Act. Currently, all VHCF revenue is dedicated to supporting Medicaid costs. If any of this revenue were diverted to other services, the Medicaid program would be underfunded. General fund dollars would be required to backfill the lost revenue to ensure sufficient Medicaid funding. While the bill expands the purposes for which the VHCF can be used, it is unclear whether any new expenditures would result. As such, the expenditure impact is indeterminate at this time.

Other: None