

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

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ORIGINAL

Bill Number: HB335

Patron: Anthony

Bill Title: Independent Pharmacy Access and Resilience Pilot Program; established, report, sunset.

Bill Summary: Independent Pharmacy Access and Resilience Pilot Program; established, report, sunset.

Budget Amendment Necessary: Yes

Items Impacted: 279

Explanation: The bill specifies that the Virginia Department of Health (VDH) should use existing funds for the pre-implementation phase of the program; however, no resources are available and general fund support would be needed. Additionally, the bill appears to make full implementation of the Pilot Program contingent upon funds being appropriated or through such nongeneral funds that can be certified for implementation.

Fiscal Summary: The provisions of this legislation would have a fiscal impact on VDH to perform “pre-implementation” activities as well as establish the Independent Pharmacy Access and Resilience Pilot Program to fund up to 12 independent pharmacies meeting certain criteria. The agency does not have resources available to implement the pre-implementation requirements, as such additional general fund support is necessary. The bill’s provisions related to the Pilot Program are subject to funding appropriated for such purpose by the General Assembly or otherwise certified nongeneral fund sources. Should no funding be provided, VDH is not expected to proceed with those requirements.

Expenditure Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
VDH (601)	-	\$65,000 (GF)	\$274,380 - \$300,000 (GF or NGF)	\$274,380 - \$300,000 (GF or NGF)	\$274,380 - \$300,000 (GF or NGF)	\$274,380 - \$300,000 (GF or NGF)

Position Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
VDH (601)	-	-	2	2	2	2

Fiscal Analysis: The provisions of the bill establish a “pre-implementation phase” that requires VDH to engage in the identification of communities with limited pharmacy access that meet certain criteria, consult with relevant agencies, schools of pharmacy, and community health partners to assess risks of pharmacy closures and identify feasible interventions to avoid such closures, and develop a planning report describing identified communities, proposed interventions, selection criteria, and recommendations for Program implementation. While the bill requires VDH to use currently existing appropriated funds for this purpose, VDH does not have such funding available. As such, to implement the bill’s pre-implementation phase, VDH would require the use of a part-time epidemiologist at a cost of \$65,000. It is assumed that this would be a one-time general fund cost in FY 2027.

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The Independent Pharmacy Access and Resilience Pilot Program established by the bill appears to be effective July 1, 2026, concurrent with the “pre-implementation phase.” For the purposes of this statement, it is assumed that the intent is to implement this program in FY 2028. However, should an earlier implementation be expected, Pilot Program costs would shift to FY 2027. The implementation of the Pilot Program is contingent upon (i) express appropriation by the General Assembly or (ii) written certification by the Commission that sufficient nongeneral funds have been secured for such implementation.

The following provides an estimate of the cost to implement all of the bill’s provisions. However, should no appropriation be provided by the General Assembly, then these costs would not be incurred unless a source of revenue is identified by the agency. Note: To date, VDH has not been able to identify a source of nongeneral funds for this effort.

It is unknown how many of the 12 identified independent pharmacies would seek support from the Independent Pharmacy Program. Such support could include, but not be limited to, technical assistance for clinical service expansion, workflow optimization, revenue cycle support, technology integration, limited and capped stabilization grants, partnership development with health care partners, and assistance in accessing alternative funding streams. The bill also specifies that VDH may contract with academic institutions, community health organizations, professional associations, nonprofit entities, and qualified evaluators to support program administration and technical assistance.

As such, it is assumed that VDH would need to procure staff assistance to meet many of the support functions identified. VDH currently administers a similar program that can be used to demonstrate the potential cost of the effort required by this bill. For comparative purposes, VDH currently has two positions that provide technical assistance to 15 academic institutions through Virginia’s Earn to Learn Nursing Acceleration Grant Program. VDH assumes that the number of participating pharmacies and technical assistance might be similar to this program, which is supported with two positions at a cost of \$137,190 each (\$274,380 total). If VDH were required to contract for a similar level of effort, it is assumed that approximately \$300,000 would be needed through FY 2031 when the bill’s provisions expire.

In addition to staff support, it is assumed that VDH would provide grants and financial assistance with such funds as are appropriated. These amounts cannot be estimated at this time and are not included in the expenditure impact table above.

Other: None