



**EFFECTIVE DATE:**

Effective October 1, 1995.

**PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:**

Department of Insurance, Department of Human Resources, State Employees Health Plan, Industrial Commission, Department of Environment, Health and Natural Resources

**FISCAL IMPACT**

units = \$ million unless otherwise noted

	<u>FY</u> 95-96	<u>FY</u> 96-97	<u>FY</u> 97-98	<u>FY</u> 98-99	<u>FY</u>
99-00					
<b>EXPENDITURES</b>					
<b>DEPT. OF</b>					
<b>INSURANCE FUND</b>					
<b>RECURRING</b>	(\$1.23)	(\$1.23)	(\$1.23)	(\$1.23)	
(\$1.23)					
<b>NON-RECURRING</b>					
<b>GENERAL FUND</b>					
<b>RECURRING</b>	*	*	*	*	*
<b>NON-RECURRING</b>					

\* No estimate available, see item 2 in "assumptions methodology"

and

**REVENUES/RECEIPTS**

**GENERAL FUND  
RECURRING  
NON-RECURRING**

<b>POSITIONS:</b>	(5)	(5)	(5)	(5)
(5)				

**ASSUMPTIONS AND METHODOLOGY:**

1. The 94/95 authorized budget for the Medical Database Commission is \$1,233,392 with 5 positions.

2. There are a number of State agencies (Dept. of Human Resources, State Employees Health Plan, Industrial Commission, Dept. of Environment, Health and Natural Resources, State Planning, etc.) that use information published by the Medical Database Commission.

Currently those agencies pay less than full cost for the data. If the Medical Database Commission were eliminated, those agencies affected would have to establish an alternative means to get comparable data. Available alternatives, such as procuring the information from a statewide processor/vendor, cannot be reliably estimated at this time.

3. Division of Facility Services (DFS) estimates that it cannot certify statewide data processor(s) within existing resources. Without knowing the potential demand, the Division is reluctant to suggest adding staff. Their recommendation is to retain a consultant to handle the certification process the first year until more knowledge of the market and certification process is developed. DFS estimates that such a consultant would cost approximately \$30,000 to \$35,000, and could perform the certification process of three to four firms.

**SOURCES OF DATA:**

Medical Database Commission\Department of Insurance, Division of Facility Services/Department of Human Resources

**TECHNICAL CONSIDERATIONS:**

Each hospital and freestanding ambulatory surgical facility is required by the proposed legislation to submit patient data to a statewide private data processor. The legislation also states that no person, corporation, or other entity is required to be a statewide processor. If no statewide processor existed, the hospitals and freestanding ambulatory surgical facilities would have nowhere to file the required reporting.

**FISCAL RESEARCH DIVISION**  
**733-4910**

**PREPARED BY:** Tony Goldman

**APPROVED BY:** Tom Covington **TomC**

**DATE:** 7/24/95



**Signed Copy Located in the NCGA Principal Clerk's Offices**