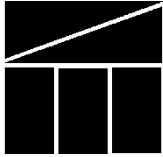


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes<sup>1</sup>  Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



## Virginia Department of Planning and Budget Economic Impact Analysis

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**12 VAC 30-60 Standards Established and Methods Used to Assure High Quality Care**  
**Department of Medical Assistance Services**  
**Town Hall Action/Stage: 4990 / 8488**  
June 24, 2019

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### Summary of the Proposed Amendments to Regulation

The Board of Medical Assistance Services (Board) proposes to incorporate the Department of Health Professions' (DHP) documentation requirements for registration as a Qualified Mental Health Practitioner (QMHP). These changes have already been in effect under an emergency regulation.<sup>2</sup>

### Result of Analysis

The benefits likely exceed the costs for all proposed changes.

### Estimated Economic Impact

The qualifications for registered QMHPs and the documentation of those qualifications are currently in the final stage of being permanently established by DHP.<sup>3</sup> The Board proposes to incorporate those documentation requirements in its own regulation. This change would not create any costs for the Medicaid mental health providers employing affected mental health professionals as they are already required to maintain such documentation under the DHP regulation. However, this change allows DMAS to ensure that the DHP documentation

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<sup>1</sup> Adverse impact is indicated if there is any increase in net cost for any entity, even if the benefits exceed the costs for all entities combined.

<sup>2</sup> <https://townhall.virginia.gov/l/ViewStage.cfm?stageid=8191>

<sup>3</sup> <https://townhall.virginia.gov/L/ViewStage.cfm?stageid=8650>

requirements are complied with for Medicaid reimbursement purposes. The proposed changes have already been in effect under an emergency regulation.

### **Businesses and Entities Affected**

There are approximately 4,270 community mental health service providers that employ QMHPs. Currently, there are 5,270 QMHP-Adult, 4,823 QMHP-Child, 717 QMHP-Trainee registered with DHP.

### **Localities Particularly Affected**

The proposed amendments do not affect any locality more than others.

### **Projected Impact on Employment**

The proposed amendments would not affect total employment.

### **Effects on the Use and Value of Private Property**

The proposed amendments would not affect the use and value of private property.

### **Real Estate Development Costs**

The proposed amendments would not affect real estate development costs.

### **Small Businesses:**

#### **Definition**

Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

#### **Costs and Other Effects**

Of the 4,270 CMHS providers that employ QMHPs, most are believed to be small businesses.

#### **Alternative Method that Minimizes Adverse Impact**

The proposed amendments would not adversely affect small businesses.

### **Adverse Impacts:**

#### **Businesses:**

The proposed amendments would not adversely affect businesses.

**Localities:**

The proposed amendments would not adversely affect localities.

**Other Entities:**

The proposed amendments would not adversely affect other entities.

**Legal Mandates**

**General:** The Department of Planning and Budget has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 14 (as amended, July 16, 2018). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

**Adverse impacts:** Pursuant to Code § 2.2-4007.04(C): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance within the 45-day period.

If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.