



COMMONWEALTH of VIRGINIA
Office of the Attorney General

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MEMORANDUM

TO: BRIAN MCCORMICK
Regulatory Supervisor
Department of Medical Assistance Services

FROM: USHA KODURU
Assistant Attorney General

DATE: July 29, 2010

SUBJECT: Proposed Regulations for MCO Medallion II Rural Exception

I have reviewed the attached proposed regulations regarding the creation of a rural exception within the Medallion II program. You have asked the Office of the Attorney General to review and determine if the Department of Medical Assistance Services (“DMAS”) has the legal authority to amend these regulations and if the proposed amendments comport with state and federal law.

Based on my review, DMAS has the authority to promulgate these amendments, subject to compliance with Article 2 of the Administrative Process Act and has not exceeded that authority.

Virginia Code § 32.1-325 grants to the Board of Medical Assistance Services the authority to administer and amend the Plan for Medical Assistance, and §§ 32.1-324 and 325 grant the authority to the Director to administer the Plan according to the Board’s requirements. Additionally, Section 1902 (a) of the *Social Security Act* [42 U.S.C. 1396a] provides governing authority for payment for Medicaid services. These particular regulations are authorized under Chapter 781, Item 306 M.1 and M.2 of the 2009 Acts of Assembly.

Brian McCormick

July 30, 2010

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If you have any questions or need any additional information, please call me at 786-4074.

cc: Kim F. Piner
Senior Assistant Attorney General