

Agency Response to Economic Impact Analysis

The Virginia Department of Health (VDH) has reviewed the Department of Planning and Budget's (DPB) Economic Impact Analysis (EIA) for the regulatory action to amend 12VAC5-220, *Virginia Medical Care Facilities Certificate of Public Need Rules and Regulations*; VDH concurs in part and disagrees in part with the EIA. VDH disagrees with the DPB's EIA to the extent that it asserts the \$70 registration fee for services or equipment requiring registration should be eliminated. DPB contends that eliminating this \$70 registration fee would not have "any discernible impact on the COPN program" because the expected revenue from this fee is small by comparison to the other application fees proposed in this regulatory action. VDH believes that any "implied recordkeeping costs and other administrative complexities" would be covered by the \$70 registration fee. VDH also asserts that there is an intangible benefit of the \$70 registration fee, namely that the assessment of a fee conveys the level of importance attached to the action and accounts for the Commonwealth's time in processing the registration that benefits the constituent facility. Fees, including the registration fees, were set at the minimum amount to cover the cost to the agency for performing the tasks. While the proposed registration fees are nominal, they do support the concept that the regulated facility pays for the process of regulation, rather than relying on general funds from taxpayers.