



Economic Impact Analysis Virginia Department of Planning and Budget

12 VAC 30-40 – Department of Medical Assistance Services Eligibility Conditions and Requirements April 8, 2003

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

The proposed changes clarify the types of income and resources considered when determining eligibility of certain Medicaid recipient groups.

Estimated Economic Impact

These regulations establish eligibility criteria and methods of counting income and resources when determining Medicaid eligibility for aged, blind, and disabled individuals as well as qualified Medicare beneficiaries, specified low-income Medicare beneficiaries, and qualified individuals. Following a comprehensive review of its regulations and procedures, the Department of Medical Assistance Services (DMAS) proposes to clarify its regulations so that they accurately reflect the current procedures used by local departments of social services in determining Medicaid eligibility.

One of the proposed changes will clarify that the value of in-kind support and maintenance provided to Medicaid applicants is not counted as income. Other changes relate to types of resources counted and methods of counting income when determining Medicaid

eligibility. The proposed regulations clarify (1) that the value of cemetery plots, household goods, and personal effects owned by applicants or recipients is not counted as a resource, (2) that Medicaid coverage is effective the first day of the month if an individual is resource eligible at any time during the month, and (3) that the methods of determining resources for categorically needy, medically needy and qualified Medicare beneficiaries are the same. These proposed changes reflect current practice that has always been followed when determining eligibility for Medicaid coverage. Thus, they are not expected to have any significant fiscal or economic effects other than conforming regulations to current practice.

Businesses and Entities Affected

The proposed regulations apply to aged, blind, and disabled applicants for Medicaid coverage. In fiscal year 2002, there were 82,620 aged recipients and 125,456 blind and disabled recipients.

Localities Particularly Affected

The proposed regulation will not uniquely affect any particular locality as it applies statewide.

Projected Impact on Employment

The proposed regulation is not expected to have any impact on employment in Virginia.

Effects on the Use and Value of Private Property

The proposed regulation is not expected to have any significant effects on the use and value of private property.