

Office of Regulatory Management
Economic Review Form

Agency name	Department of Medical Assistance Services
Virginia Administrative Code (VAC) Chapter citation(s)	N/A
VAC Chapter title(s)	N/A
Action title	Cardinal Care SM - Virginia's Medicaid Program
Date this document prepared	3/8/2023
Regulatory Stage (including Issuance of Guidance Documents)	Issuance of Guidance Document

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>This Medicaid Memo provides information about the implementation of DMAS’ Cardinal Care program, which was mandated by the 2022 Appropriations Act, and will strengthen DMAS’ ability to provide high quality care for more than 2 million Virginians. Cardinal Care will follow a strategic, phased-in implementation, beginning January 1, 2023, and will be fully operational by July 1, 2023. Although DMAS is not aware of any quantifiable direct or indirect benefits at this time, the benefit of this Memo is to provide clarity to the regulatory community.</p> <p>Per the Cardinal Care ER/NOIRA regulations, the payment rate to Cardinal Care Managed Care Organizations (MCOs) will be set by negotiated contracts and in accordance with 42 CFR § 438.6 through 42 CFR § 438.8 and other pertinent federal regulations. These rates will be actuarially sound and will be appropriate for the services and covered populations (over 2 million members) to be furnished. This will include newborns who will have coverage through their birth mother’s Managed Care Organization (MCO) for at least the birth month plus two-month timeframe, which is the current practice in Medallion 4.0 and will be adopted in Cardinal Care. A portion of the MCOs’ payment rates will cover administrative costs for operating the Cardinal Care program, including sending enrollees managed care ID cards, as is currently done under CCC Plus and Medallion 4.0. The costs and/or benefits of the Cardinal Care program as a whole will be factored into and included in the Economic Review Form that accompanies future regulatory actions for Cardinal Care. There are no separate or additional costs/benefits tied to this Medicaid Memo.</p> <p>In anticipation of launching Cardinal Care, DMAS:</p> <ul style="list-style-type: none"> • Updated Medicaid/FAMIS fee-for-service ID cards to prominently display the Cardinal Care logo. Individuals receive the updated fee-for-service cards when they are newly determined to be eligible for Medicaid/FAMIS. Current members (over 2 million) did not receive new ID cards. Rather, they continue to use the old fee-for-service ID cards. • Will inform members about Cardinal Care through various forms of existing methods of communication. For example, DMAS currently sends federally mandated managed care enrollment notices/letters to new members to inform them of their eligibility for managed care and to provide information on how to select an MCO. The content of the current CCC Plus and Medallion 4.0 managed care letters was revised to reflect Cardinal Care. There are no new managed care letters. • DMAS will also use email, websites and social media, which are communication methods that are already in place, to communicate about Cardinal Care.
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	For Cardinal Care, DMAS simply revised the information for existing letters, ID cards, and communications, which are all part of the agency’s standard business operations. DMAS neither added new communications nor new postage costs. Therefore, there are no costs associated with these activities as a result of this Medicaid Memo. The benefits of these revisions are not quantifiable at this time.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	The costs and/or benefits under the Status Quo will be included in the Economic Review Form that accompanies the regulatory action for Cardinal Care.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs &	The costs and/or benefits under an Alternative Approach(es) will be included in the Economic Review Form that accompanies the regulatory action for Cardinal Care.	
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Benefits (Monetized)		
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non- Monetized)		
(5) Information Sources		

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	The costs and/or benefits on local partners will be included in the Economic Review Form that accompanies the regulatory action for Cardinal Care. There are no separate or additional impacts on local partners related to this Medicaid Memo.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non- Monetized)		
(4) Assistance		
(5) Information Sources		

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	The costs and/or benefits on families will be included in the Economic Review Form that accompanies the regulatory action for Cardinal Care. There are no separate or additional impacts on families related to this Medicaid Memo.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Information Sources		

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	The costs and/or benefits on small businesses will be included in the Economic Review Form that accompanies the regulatory action for Cardinal Care. There are no separate or additional impacts on small businesses related to this Medicaid Memo.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Alternatives		

(5) Information Sources	
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Changes to Number of Regulatory Requirements

For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed. In the last row, indicate the total number for each column.

Table 5: Total Number of Requirements

Chapter number	Number of Requirements			
	Initial Count	Additions	Subtractions	Net Change
Cardinal Care SM - Virginia's Medicaid Program (The number of requirements will be included in the Economic Review Form that accompanies any regulatory action that results from the guidance document. There are no separate or additional requirements in this Medicaid Memo.)	0	0	0	0