

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	Department of Medical Assistance Services
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	N/A
<b>VAC Chapter title(s)</b>	N/A
<b>Action title</b>	Pharmacy Manual, Appendices D & E
<b>Date this document prepared</b>	11/13/2023
<b>Regulatory Stage (including Issuance of Guidance Documents)</b>	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)**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>These manual revisions update text to reflect changes that have recently occurred. Specifically,</p> <ul style="list-style-type: none"> <li>Appendix D includes information regarding updates to the Virginia Medicaid’s Preferred Drug List (PDL) or Common Core Formulary and fee-for-service (FFS) drug service authorization requirements for drugs reviewed by the Department’s Pharmacy and Therapeutics Committee and the Drug Utilization Review (DUR) Board. This revision includes changes to the PDL/Common Core Formulary and 90-day list effective January 1, 2024, and new drugs reviewed by the DUR Board since the last manual update on July 1, 2023.</li> <li>The changes (highlighted in yellow) in Appendix E include all medications which may be dispensed as a 90-day supply, effective January 1, 2024.</li> </ul> <p>The benefit of updating text is that it will provide clarity to the regulatory community. There are no costs associated with the changes.</p> <hr/>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) The updated language will provide clarity to the regulatory community.
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources		

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

(1) Direct & Indirect Costs & Benefits (Monetized)	Not moving this document forward will mean that providers must rely on old information.	
(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 & Benefits (Monetized)	There are no alternative approaches.	
(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)	There is no impact on local partners as a result of the changes.	
(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)	There is no impact on families as a result of the changes.	
(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 &	There is no impact on small businesses as a result of the changes.
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Benefits (Monetized)		
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non- Monetized)		
(4) Alternatives		
(5) Information Sources		

## **Changes to Number of Regulatory Requirements**

**Table 5: Total Number of Requirements**

*Length of Guidance Documents (only applicable if guidance document is being revised)*

<b>Title of Guidance Document</b>	<b>Original Length</b>	<b>New Length</b>	<b>Net Change in Length</b>
Pharmacy Manual, Appendix D	406	345	-61
Pharmacy Manual, Appendix E	1,955	1,955	0