

Office of Regulatory Management
Economic Review Form

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| Agency name | Department of Medical Assistance Services |
| Virginia Administrative Code (VAC) Chapter citation(s) | 12VAC 30-120 |
| VAC Chapter title(s) | Waivered Services |
| Action title | CCC+ Waiver |
| Date this document prepared | 4/18/2024 |
| Regulatory Stage (including Issuance of Guidance Documents) | Final |

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 regulatory change enables DMAS to create the Commonwealth Coordinated Care Plus Waiver (CCC+ Waiver). This waiver combines the populations of the Elderly or Disabled with Consumer Direction (EDCD) waiver and Technology Assisted waiver into one waiver, providing home and community-based services to individuals. DMAS received federal approval for this change. DMAS reports to the Centers for Medicare and Medicaid Services (CMS) on the annual costs of the waiver services. These costs are paid for directly through fee-for-service (FFS) claims payments and indirectly through managed care plans. DMAS pays monthly capitation payments to the managed care organizations (MCOs), and in turn, the MCOs pay for the services. For fiscal year 2021, DMAS reported \$1.0 billion in waiver services paid either FFS or by the MCOs.</p> <p>Waiver services costs: \$1,041,488,929 (FY2021)</p> <p>CCC+ Waiver covers a range of community support services offered to older adults, individuals who have a disability, and individuals who are chronically ill or severely impaired, having experienced loss of a vital body function, and who require substantial and ongoing skilled nursing care. The individuals, in the absence of services approved under this waiver, would require admission to a nursing facility (NF), or a prolonged stay in a hospital or specialized care NF. As a part of CMS waiver reporting, DMAS proves cost effectiveness by comparing the waiver costs plus acute care costs per person of those receiving care in the community with the facility and acute care costs of members in nursing facilities.</p> <p>In fiscal year 2021, DMAS reported 44,631 individuals enrolled in the CCC+ Waiver. The total cost per person for waiver members was \$35,161 and the total cost per person of those comparable members in facilities was \$47,989. The annual savings of serving these members through the waiver in the community is calculated as \$573 million.</p> <table border="1" data-bbox="456 1402 1409 1648"> <thead> <tr> <th></th> <th>Long Term Care Costs</th> <th>Acute Care Costs</th> <th>Total Costs</th> </tr> </thead> <tbody> <tr> <td>Waiver Members</td> <td>\$1,041,488,929</td> <td>\$527,760,339</td> <td>\$1,569,249,268</td> </tr> <tr> <td>Waiver Members if they were in a facility</td> <td>\$1,906,622,601</td> <td>\$235,177,899</td> <td>\$2,141,800,500</td> </tr> <tr> <td>Waiver Savings</td> <td></td> <td></td> <td>\$572,551,232</td> </tr> </tbody> </table> | | | | Long Term Care Costs | Acute Care Costs | Total Costs | Waiver Members | \$1,041,488,929 | \$527,760,339 | \$1,569,249,268 | Waiver Members if they were in a facility | \$1,906,622,601 | \$235,177,899 | \$2,141,800,500 | Waiver Savings | | | \$572,551,232 |
|--|--|------------------|------------------------------------|---------------------------------------|--|--|-------------|----------------|-----------------|---------------|-----------------|---|-----------------|---------------|-----------------|----------------|--|--|---------------|
| | Long Term Care Costs | Acute Care Costs | Total Costs | | | | | | | | | | | | | | | | |
| Waiver Members | \$1,041,488,929 | \$527,760,339 | \$1,569,249,268 | | | | | | | | | | | | | | | | |
| Waiver Members if they were in a facility | \$1,906,622,601 | \$235,177,899 | \$2,141,800,500 | | | | | | | | | | | | | | | | |
| Waiver Savings | | | \$572,551,232 | | | | | | | | | | | | | | | | |
| <p>(2) Present Monetized Values</p> | <table border="1"> <tr> <td data-bbox="443 1648 849 1774"> <p>Direct & Indirect Costs</p> </td> <td data-bbox="849 1648 1427 1774"> <p>Direct & Indirect Benefits</p> </td> </tr> <tr> <td data-bbox="443 1774 849 1879"> <p>(a) \$1,569,249,268 is the cost of the waiver members participating in the program,</p> </td> <td data-bbox="849 1774 1427 1879"> <p>(b) The benefits include savings of \$572,551,232, which is the difference between serving members in the</p> </td> </tr> </table> | | <p>Direct & Indirect Costs</p> | <p>Direct & Indirect Benefits</p> | <p>(a) \$1,569,249,268 is the cost of the waiver members participating in the program,</p> | <p>(b) The benefits include savings of \$572,551,232, which is the difference between serving members in the</p> | | | | | | | | | | | | | |
| <p>Direct & Indirect Costs</p> | <p>Direct & Indirect Benefits</p> | | | | | | | | | | | | | | | | | | |
| <p>(a) \$1,569,249,268 is the cost of the waiver members participating in the program,</p> | <p>(b) The benefits include savings of \$572,551,232, which is the difference between serving members in the</p> | | | | | | | | | | | | | | | | | | |

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| | based on FY21 data. This cost does not factor in the savings of using this waiver program instead of more costly alternatives. | community (\$1.57B) versus in a facility (\$2.14B). |
| (3) Net Monetized Benefit | Undefined | |
| (4) Other Costs & Benefits (Non-Monetized) | As mentioned, from a qualitative perspective, in the absence of services approved under the CCC+ Waiver, these individuals would require admission to a NF or a prolonged stay in a hospital or specialized care NF. | |
| (5) Information Sources | DMAS' Budget Division and CCC+ Waiver subject matter experts. | |

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

| | | |
|--|---|----------------------------|
| (1) Direct & Indirect Costs & Benefits (Monetized) | There are no direct or indirect costs or benefits if the regulations are not changed. | |
| (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) | General Assembly mandates are broad by nature and do not include all the elements that are needed to make the changes occur. These items have been identified as discretionary because they haven't been mandated by the GA. But, without them, it would not be possible to implement the GA mandate. |
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|--|-------------------------|----------------------------|
| (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) | Local partners will not incur any direct costs or benefits of the regulatory changes contained in the regulatory action. | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) DMAS is not aware of any quantifiable direct or indirect costs. | (b) DMAS is not aware of any quantifiable direct or indirect benefits. |
| (3) Other Costs & Benefits (Non-Monetized) | | |
| (4) Assistance | | |
| (5) Information Sources | DMAS’ Budget Division and CCC+ Waiver subject matter experts. | |

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) | Families will not incur any direct costs as a result of the regulatory change. In terms of benefits, the CCC+ Waiver provides assistance to the older adults, individuals who have a disability, and individuals who are chronically ill or severely impaired, to help them live in the community as independently as possible. | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) DMAS is not aware of any direct or quantifiable indirect costs. | (b) DMAS is not aware of any quantifiable direct or indirect benefits. |
| (3) Other Costs & Benefits (Non-Monetized) | | |
| (4) Information Sources | DMAS' Budget Division and CCC+ Waiver subject matter experts. | |

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) | Direct Costs: DMAS is not aware of any quantifiable direct costs at this time. Direct Benefits: DMAS is not aware of any quantifiable direct benefits at this time. | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) | (b) |
| (3) Other Costs & Benefits (Non-Monetized) | | |

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| (4) Alternatives | |
| (5) Information Sources | DMAS' Budget Division and CCC+ Waiver subject matter experts. |

Changes to Number of Regulatory Requirements**Table 5: Regulatory Reduction***Change in Regulatory Requirements*

| VAC Section(s) Involved | Authority of Change | Initial Count | Additions | Subtractions | Total Net Change in Requirements |
|--------------------------------|----------------------------|----------------------|------------------|---------------------|---|
| 12 VAC 30-120-900 | (M/A): | 0 | 0 | 0 | 0 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 7 | 0 | +7 |
| | (D/R): | 10 | 1 | 6 | -5 |
| 12 VAC 30-120-905 | (M/A): | 9 | 5 | 9 | -4 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 3 | 0 | +3 |
| | (D/R): | 0 | 0 | 0 | 0 |
| 12 VAC 30-120-920 | (M/A): | 19 | 7 | 0 | +7 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 15 | 4 | +11 |
| | (D/R): | 22 | 0 | 0 | 0 |
| 12 VAC 30-120-924 | (M/A): | 7 | 10 | 3 | +7 |
| | (D/A): | 0 | 3 | 3 | 0 |
| | (M/R): | 0 | 1 | 0 | +1 |
| | (D/R): | 126 | 46 | 6 | +40 |
| 12 VAC 30-120-925 | (M/A): | 0 | 0 | 0 | 0 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 2 | 5 | 0 | +5 |
| | (D/R): | 0 | 0 | 0 | 0 |
| 12 VAC 30-120-927 | (M/A): | 3 | 0 | 0 | 0 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 0 | 0 | 0 | 0 |
| 12 VAC 30-120-930 | (M/A): | 14 | 38 | 3 | +35 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 41 | 17 | 7 | +10 |
| 12 VAC 30-120-935 | (M/A): | 0 | 0 | 0 | 0 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 2 | 2 | 0 | +2 |
| | (D/R): | 197 | 140 | 39 | +101 |
| 12 VAC 30-120-945 | (M/A): | 18 | 10 | 7 | +3 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 0 | 0 | 0 | 0 |
| | | | | | |

| | | | | | |
|------------------|--------|----|---|---|------------|
| 12VAC30-120-1700 | (M/A): | 0 | 0 | 0 | 0 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 17 | 0 | 17 | -17 |
| 12VAC30-120-1705 | (M/A): | 5 | 0 | 5 | -5 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 8 | 0 | 8 | -8 |
| 12VAC30-120-1710 | (M/A): | 19 | 0 | 19 | -19 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 32 | 0 | 32 | -32 |
| 12VAC30-120-1720 | (M/A): | 11 | 0 | 0 | -11 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 32 | 0 | 32 | -32 |
| 12VAC30-120-1730 | (M/A): | 0 | 0 | 0 | 0 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 53 | 0 | 53 | -53 |
| 12VAC30-120-1740 | (M/A): | 2 | 0 | 2 | -2 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 37 | 0 | 37 | -37 |
| 12VAC30-120-1750 | (M/A): | 2 | 0 | 2 | -2 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 12 | 0 | 12 | -12 |
| 12VAC30-120-1760 | (M/A): | 6 | 0 | 6 | -6 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 1 | 0 | 1 | -1 |
| 12VAC30-120-1770 | (M/A): | 6 | 0 | 6 | -6 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 0 | 0 | 0 | 0 |
| | | | | Grand Total of Changes in Requirements: | (M/A): -3 |
| | | | | | (D/A): 0 |
| | | | | | (M/R): +29 |
| | | | | | (D/R): -46 |