



Economic Impact Analysis Virginia Department of Planning and Budget

12 VAC 30-40 – Eligibility Conditions and Requirements
Department of Medical Assistance Services
February 26, 2010

Summary of the Proposed Amendments to Regulation

The proposed regulations will adopt an automated process for verification of citizenship and identity for Medicaid directly with the Social Security Administration.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The proposed regulations will adopt an automated process for verification of citizenship and identity for Medicaid directly with the Social Security Administration.

Pursuant to the Deficit Reduction Act of 2005, Centers for Medicare and Medicaid Services has been requiring that applicants for Medicaid provide original documentation to verify their citizenship and identity. The Children's Health Insurance Program Reauthorization Act of 2009 allows states the ability to enter into a data match directly with the Social Security Administration to verify the citizenship and identity of applicants. The proposed regulations will take advantage of this newly available alternate verification process.

The main economic benefit of the proposed change will accrue to the Medicaid applicants who do not have their original citizenship and identity documents readily available. They will no longer have to incur costs associated with obtaining original documentation of their U.S. citizenship and identity. The proposed change will also eliminate the delays in accessing health care that would have been present due to the time needed to obtain the required documentation. Finally, the proposed changes are expected to reduce the workload of

Department of Social Services eligibility workers as the verification of citizenship and identity will be performed automatically.

On the other hand, the Department of Medical Assistance Services anticipates that the automation of the verification process will require approximately \$24,900 in state funds and \$224,100 in federal funds to accomplish.

Businesses and Entities Affected

The proposed regulations will primarily affect Medicaid applicants. Approximately 10,000 applications are received per month.

Localities Particularly Affected

The proposed regulations apply throughout the Commonwealth.

Projected Impact on Employment

No significant direct effect on employment is expected.

Effects on the Use and Value of Private Property

No effect on the use and value of private property is expected.

Small Businesses: Costs and Other Effects

There are no expected direct costs or other effects on small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed regulations do not have an adverse affect on small businesses.

Real Estate Development Costs

No significant effect on real estate development costs is expected.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 107 (09). Section 2.2-4007.H 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. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.