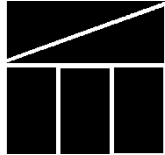


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



Virginia Department of Planning and Budget **Economic Impact Analysis**

12 VAC 30-50 Amount, Duration, and Scope of Medical and Remedial Care Services
12 VAC 30-130 Amount, Duration, and Scope of Selected Services
Department of Medical Assistance Services
Town Hall Action/Stage: 5021/8251
August 28, 2018

Summary of the Proposed Amendments to Regulation

The Board of Medical Assistance Services (Board) proposes to remove the annual caseload limit for peer recovery specialists.

Result of Analysis

The benefits likely exceed the costs for the proposed regulation.

Estimated Economic Impact

Currently, providers are not allowed to assign more than 12 to 15 cases to one full-time peer recovery specialist any one time and 30 to 40 individuals annually. Similarly, part-time specialists may not be assigned more than 6 to 9 individuals at the same time and more than 15 individuals annually. DMAS has been made aware that many individuals initiate the service, but later fail to follow up. In such cases, the annual limit becomes a barrier to serve 12 to 15 cases by a full-time specialist and 6 to 9 by a part-time specialist. As a result, the Board is proposing to remove the annual limits. The maximum number of individuals that can be served by one specialist at one time (i.e. 15 cases for full-time and 9 cases for part-time specialists) will remain intact.

On a monthly basis, 214 recipients use the service at a cost of \$1,709, or \$7.99 per member, per month. The removal of the annual limit will likely cause an increase in access to this service and associated expenditures; but any such increase is not likely to be large given the low number of individuals utilizing the service and the low unit costs.

Businesses and Entities Affected

As of January 2018, there were 33 peer providers and approximately 214 recipients per month receiving this service.

Localities Particularly Affected

The proposed regulation does not disproportionately affect particular localities.

Projected Impact on Employment

Removing the limit on annual caseloads should have a positive impact on the supply of professional peer services and could have a small positive effect on employment.

Effects on the Use and Value of Private Property

This change will allow providers to assign cases to their specialists up to the caseload limit that remains intact, which should have a positive impact on their asset values.

Real Estate Development Costs

The proposed regulation does not affect real estate development costs.

Small Businesses:

Definition

Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

Costs and Other Effects

Many of the affected peer providers are likely to be small businesses. The proposed regulation will allow them to assign more cases to the specialists working for them.

Alternative Method that Minimizes Adverse Impact

The proposed regulation does not adversely affect small businesses.

Adverse Impacts:**Businesses:**

The proposed regulation does not adversely affect businesses.

Localities:

The proposed regulation does not adversely affect localities.

Other Entities:

The proposed regulation would cause a slight increase in Medicaid expenditures.

Legal Mandates

General: The Department of Planning and Budget has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 14 (as amended, July 16, 2018). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

Adverse impacts: Pursuant to Code § 2.2-4007.04(C): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance within the 45-day period.

If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.