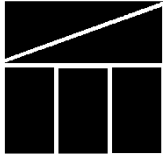


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

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 30-60 Standards Established and Methods Used to Assure High Quality Care
Department of Medical Assistance Services
Town Hall Action/Stage: 4809/7916
June 22, 2017

Summary of the Proposed Amendments to Regulation

The Department of Medical Assistance Services proposes to update this regulation to comply with Virginia Code Section 32.1-162.8 relating to exemptions from Home Health Agency (HHA) licensing.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

This regulation establishes several licensure exemptions for HHAs after initial licensure. The current list of exemptions in the regulation includes accreditation by the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) and the Community Health Accreditation Program (CHAP). This language was written into the regulation in 2005, but different language was entered into §32.1-162.8 of the Code of Virginia in 2010. The statute exempts “any organization recognized by the Centers for Medicare and Medicaid Services for the purposes of Medicare certification.”

The proposed language replaces the specific exemptions for JCAHO and CHAP, both of which are recognized by the Centers for Medicare and Medicaid Services (CMS) for the purposes of Medicare certification, with the exact language in the statute. The Accreditation

Commission for Health Care, Inc. (ACHC) is also currently recognized by CMS and is exempt under the statute, but is not specifically mentioned in the regulation.

The proposed amendment will align the language with the statute. Since all three organizations are currently exempt under the statute and will continue to be exempt, no significant economic effect is expected other than improving the consistency between the regulation and the statute.

Businesses and Entities Affected

The proposed amendment applies to HHAs recognized by CMS and therefore exempt from HHA licensure requirements. There are currently three organizations recognized by CMS.

Localities Particularly Affected

The proposed change does not affect any locality more than others.

Projected Impact on Employment

No impact on employment is expected.

Effects on the Use and Value of Private Property

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

Real Estate Development Costs

No impact on real estate development costs is expected.

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

All three HHAs are believed to be small business. The proposed amendment does not impose costs on them but may benefit them by improving the consistency between the regulation and the statute.

Alternative Method that Minimizes Adverse Impact

No adverse impact on small businesses is expected.

Adverse Impacts:**Businesses:**

The proposed amendments do not have an adverse impact on non-small businesses.

Localities:

The proposed amendments will not adversely affect localities.

Other Entities:

The proposed amendments will not adversely affect other entities.

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 Number 17 (2014). 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.

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