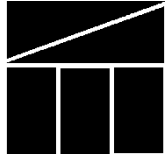


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

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 30-120 Waivered Services
Department of Medical Assistance Services
Town Hall Action/Stage: 4978/8178
October 18, 2018

Summary of the Proposed Amendments to Regulation

The Board of Medical Assistance Services (Board) proposes to update the regulation to reflect changes in federal rules as well as changes in the recent provider contract as they pertain to the Medallion program.

Result of Analysis

The benefits likely exceed the costs for the proposed amendments.

Estimated Economic Impact

Medallion is a managed care program that focuses on coverage of low-income children and families. The proposed changes would amend the Waivered Services regulation to incorporate changes that have been made in the federal Medicaid Managed Care Final Rule in the Code of Federal Regulations.¹ The regulation would also be updated to reflect changes in the most recent Medallion contract that were made following the federal rule changes. The main proposed changes pertain to the managed care appeals process and coverage of community mental health services, early intervention services and long-term care services through the managed care plans.

¹ <https://www.gpo.gov/fdsys/pkg/FR-2016-05-06/pdf/2016-09581.pdf>

All of the proposed changes have already been implemented. Thus, no significant economic effect is expected upon promulgation of this regulation. The proposed changes are beneficial however, in that outdated regulatory language would be updated with new language that reflects the current rules already in place.

Businesses and Entities Affected

There are six managed care organizations participating in the current Medallion program.

Localities Particularly Affected

No locality should be affected any more than others.

Projected Impact on Employment

No impact on employment is expected upon the proposed amendments taking affect. .

Effects on the Use and Value of Private Property

No effects on the use and value of private property is expected upon the proposed amendments taking affect.

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

The proposed amendments do not affect small businesses.

Alternative Method that Minimizes Adverse Impact

The proposed amendments do not adversely affect small businesses.

Adverse Impacts:**Businesses:**

The proposed amendments do not adversely affect businesses.

Localities:

The proposed amendments do not adversely affect localities.

Other Entities:

The proposed amendments do 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 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.