

Office of Regulatory Management
Economic Review Form

Agency name	Department of Medical Assistance Services
Virginia Administrative Code (VAC) Chapter citation(s)	12 VAC 30-70-411; 12 VAC 30-70-429; 12 VAC30-80-20; 12 VAC 30-160-10
VAC Chapter title(s)	Supplemental Payments for Certain Teaching Hospitals; Supplemental Payments for Qualifying Private Acute Care Hospitals; Services that are reimbursed on a cost basis; Hospital Assessment
Action title	FFS Supplemental Payments and Hospital Assessment
Date this document prepared	4/18/24
Regulatory Stage (including Issuance of Guidance Documents)	Final Stage

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)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>No (\$0) state general funds are used to fund the new Medicaid coverage for adults or the new Medicaid hospital supplemental payments. Rather:</p> <ul style="list-style-type: none"> ➤ \$564 million in provider coverage assessments generates funds to cover the non-federal share of Medicaid coverage for newly eligible individuals. ➤ \$654 million in provider payment rate assessments from qualifying Virginia hospitals generates funds to increase inpatient and outpatient rates paid to private acute care hospitals and the administrative costs of collecting the assessment and implementing the associated rate actions. <p>Direct Benefits:</p> <ul style="list-style-type: none"> • \$5,663 million in medical coverage for low income Virginians related to Medicaid Expansion. • \$2,392 million in supplemental payments to qualifying Virginian hospitals <p>From a qualitative perspective, Medicaid Expansion improves access to care, increases utilization of services, and decreases hospital utilization.</p>	
(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 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Without any changes, the direct costs and qualitative benefits are not available.</p>
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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		

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	No alternative approaches meet the requirements of the GA mandate.	
(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)	It is possible that local partners that spend funds on health-related matters may see a decreased need for those services as a result of Medicaid expansion.
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Assistance		
(5) Information Sources		

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 benefit from decreased health care costs as a result of having Medicaid coverage.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Information Sources		

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 &	Small businesses may have healthier workforces if previously un-insured workers obtain Medicaid coverage.
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Benefits (Monetized)		
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non- Monetized)		
(4) Alternatives		
(5) Information Sources		

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

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
12 VAC 30-70-411	(M/A):	N/A	0	0	0
	(D/A):	NEW	0	0	0
	(M/R):	REG	+3	0	+3
	(D/R):		0	0	0

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
12 VAC 30-70-429	(M/A):	N/A	0	0	0
	(D/A):	NEW	0	0	0
	(M/R):	REG	0	0	0
	(D/R):		+4	0	+4

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
12 VAC 30-80-20	(M/A):	42	0	0	0
	(D/A):	0	0	0	0
	(M/R):	16	+3	0	+3
	(D/R):	0	0	0	0

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
12 VAC 30-160-10	(M/A):	N/A	0	0	0
	(D/A):	NEW	0	0	0
	(M/R):	REG	+30	0	+30
	(D/R):		0	0	0
					(M/A): +36
					(D/A): +4

Grand Total of Changes in Requirements:	(M/R):
	(D/R):

Key:

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself

(D/A): Discretionary requirements affecting agency itself

(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

(D/R): Discretionary requirements affecting external parties, including other agencies

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Word Count	New Word Count	Net Change in Word Count

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).