Form: TH-04 August 2022



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# Fast-Track Regulation Agency Background Document

Agency name	Department of Behavioral Health and Developmental Services (DBHDS)
Virginia Administrative Code (VAC) Chapter citation(s)	12VAC35-105
VAC Chapter title(s)	Rules and Regulations for Licensing Providers by the Department of Behavioral Health and Developmental Services
Action title	Noncontroversial Regulatory Reductions
Date this document prepared	October 8, 2024

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19, the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code.* 

# **Brief Summary**

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

In accordance with <u>Executive Directive 1</u> (2022), this action reduces the administrative burden and compliance costs on licensed providers by repealing or simplifying regulatory provisions that are obsolete, overly prescriptive, duplicative, or confusing.

These noncontroversial amendments to the Rules and Regulations for Licensing Providers by the Department of Behavioral Health and Developmental Services ("Licensing Regulations") will provide clarity and ease of use for providers while maintaining protections for individuals.

Draft language was included in a general notice with a 30-day public comment forum that ended on September 6, 2024. From the six comments received, DBHDS made one technical edit and inserted a statutory cross-reference for clarity.

### **Acronyms and Definitions**

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Define all acronyms used in this form, and any technical terms that are not also defined in the "Definitions" section of the regulation.

CSB - Community services board

DBHDS – Department of Behavioral Health and Developmental Services
Licensing Regulations – Rules and Regulations for Licensing Providers by the DBHDS (12VAC35-105)
State Board – State Board of Behavioral Health and Developmental Services

## **Statement of Final Agency Action**

Provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.

At its meeting on September 25, 2024, the State Board of Behavioral Health and Developmental Services approved this fast-track action to amend the Licensing Regulations (12VAC35-105).

## **Mandate and Impetus**

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, "mandate" has the same meaning as defined in the ORM procedures, "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

Consistent with Virginia Code § 2.2-4012.1, also explain why this rulemaking is expected to be noncontroversial and therefore appropriate for the fast-track rulemaking process.

No specific mandate is tied to this action; however, its impetus derives from <u>Executive Directive 1</u>, to remove "regulations not mandated by federal or state statute, in consultation with the Office of the Attorney General, and in a manner consistent with the laws of the Commonwealth."

DBHDS focused this fast-track action on noncontroversial amendments that lessen the regulatory burden on licensed providers.

# **Legal Basis**

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia and Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

Section <u>37.2-203</u> of the Code of Virginia authorizes the State Board to adopt regulations that may be necessary to carry out the provisions of Title 37.2 and other laws of the Commonwealth administered by the Commissioner and DBHDS.

Section <u>37.2-404</u> of the Code of Virginia authorizes the Commissioner, subject to regulations adopted by the State Board, to license providers.

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### **Purpose**

Explain the need for the regulatory change, including a description of: (1) the rationale or justification, (2) the specific reasons the regulatory change is essential to protect the health, safety or welfare of citizens, and (3) the goals of the regulatory change and the problems it is intended to solve.

In response to Executive Directive 1 to move expeditiously forward with regulatory reductions, DBHDS focused first on noncontroversial amendments that lessen regulatory burden, clarify language, or strike obsolete references. Granting discretion where appropriate (i.e., recordkeeping, administrative systems) and allowing providers to devise operational systems that work for the service(s) they administer was a key goal throughout the regulatory reduction project.

Because the Licensing Regulations establish parameters of health, safety, and welfare for services licensed and funded by DBHDS, the purpose of this action is to implement Executive Directive 1 while preserving protections for individuals.

#### **Substance**

Briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both. A more detailed discussion is provided in the "Detail of Changes" section below.

Changes to existing regulatory sections are limited to clarifying and technical amendments that reduce the intensity of compliance mandates; simplify requirements and eliminate duplication; streamline processing and modernize operations; and reflect current best practices.

This action also repeals several sections, primarily through consolidation.

#### **Issues**

Identify the issues associated with the regulatory change, including: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, include a specific statement to that effect.

- The primary advantage of this action is that it lessens and clarifies the regulatory requirements, improving ease of use and understanding by licensed providers, individuals receiving services, and other stakeholders. As the action does not add additional burden or remove protections for individuals, there are no disadvantages to the public.
- 2. The primary advantages to DBHDS and the Commonwealth are that the regulatory language is reflective of current practice and simplified to promote increased compliance. There is no disadvantage to the Commonwealth.
- 3. There are no other pertinent matters of interest.

### **Requirements More Restrictive than Federal**

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Identify and describe any requirement of the regulatory change which is more restrictive than applicable federal requirements. Include a specific citation for each applicable federal requirement, and a rationale for the need for the more restrictive requirements. If there are no applicable federal requirements, or no requirements that exceed applicable federal requirements, include a specific statement to that effect.

There are no regulatory changes more restrictive than applicable federal requirements.

## Agencies, Localities, and Other Entities Particularly Affected

Consistent with § 2.2-4007.04 of the Code of Virginia, identify any other state agencies, localities, or other entities particularly affected by the regulatory change. Other entities could include local partners such as tribal governments, school boards, community services boards, and similar regional organizations. "Particularly affected" are those that are likely to bear any identified disproportionate material impact which would not be experienced by other agencies, localities, or entities. "Locality" can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulation or regulatory change are most likely to occur. If no agency, locality, or entity is particularly affected, include a specific statement to that effect.

#### Other State Agencies Particularly Affected

No other state agencies are particularly affected.

### Localities Particularly Affected

• CSBs involved in providing services to individuals are particularly affected as they are also licensed providers; however, the changes do not increase regulatory burden.

#### Other Entities Particularly Affected

 Individuals needing or receiving services from licensed providers, as well as employees, contractors, volunteers, and interns are particularly affected by this regulatory action.

# **Economic Impact**

Consistent with § 2.2-4007.04 of the Code of Virginia, identify all specific economic impacts (costs and/or benefits), anticipated to result from the regulatory change. When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo.

#### Impact on State Agencies

For your agency: projected costs, savings, fees or revenues resulting from the regulatory change, including:

a) fund source / fund detail;
b) delineation of one-time versus on-going expenditures; and

There is no fiscal impact on DBHDS from this regulatory action other than to require modifications in its web-based reporting application to update regulatory section information. Those costs can be absorbed.

c) whether any costs or revenue loss can be	
absorbed within existing resources	
For other state agencies: projected costs, savings, fees or revenues resulting from the regulatory change, including a delineation of one-time versus on-going expenditures.	There is no fiscal impact on other state agencies from this regulatory action.
For all agencies: Benefits the regulatory change is designed to produce.	DBHDS will have increased clarity in the use of the regulations, as well as clearer accountability for the processes described in the regulations.

#### Impact on Localities

If this analysis has been reported on the ORM Economic Impact form, indicate the tables (1a or 2) on which it was reported. Information provided on that form need not be repeated here.

Projected costs, savings, fees or revenues	There is no fiscal impact on localities from this
resulting from the regulatory change.	regulatory action.
Benefits the regulatory change is designed to	As licensed providers, CSBs will have increased
produce.	clarity in the use of the regulations, as well as
	clearer accountability for the processes described
	in the regulations.

### **Impact on Other Entities**

If this analysis has been reported on the ORM Economic Impact form, indicate the tables (1a, 3, or 4) on which it was reported. Information provided on that form need not be repeated here.

Description of the individuals, businesses, or other entities likely to be affected by the regulatory change. If no other entities will be affected, include a specific statement to that effect.	An unknown number of small businesses that are licensed providers may be affected by this regulatory change. See Table 4 on the ORM Economic Impact Form.
Agency's best estimate of the number of such entities that will be affected. Include an estimate of the number of small businesses affected. Small business means a business entity, including its affiliates, that:  a) is independently owned and operated and; b) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.	See Table 4 on the ORM Economic Impact Form.
All projected costs for affected individuals, businesses, or other entities resulting from the regulatory change. Be specific and include all costs including, but not limited to:  a) projected reporting, recordkeeping, and other administrative costs required for compliance by small businesses; b) specify any costs related to the development of real estate for commercial or residential purposes that are a consequence of the regulatory change; c) fees; d) purchases of equipment or services; and e) time required to comply with the requirements.	See Table 4 on the ORM Economic Impact Form.
Benefits the regulatory change is designed to produce.	See Table 4 on the ORM Economic Impact Form.

### **Alternatives to Regulation**

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Describe any viable alternatives to the regulatory change that were considered, and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the regulatory change. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in § 2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulatory change.

The purpose of this regulatory action is to lessen regulatory burden while preserving the health, safety, and welfare protections for individuals. As such, the only alternative to these noncontroversial amendments is to leave the Licensing Regulations as currently in effect, which include duplicative, overly complex language.

Table 1c of the ORM Economic Impact Form reports on costs and benefits under an alternative approach.

### **Regulatory Flexibility Analysis**

Consistent with § 2.2-4007.1 B of the Code of Virginia, describe the agency's analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) establishing less stringent compliance or reporting requirements; 2) establishing less stringent schedules or deadlines for compliance or reporting requirements; 3) consolidation or simplification of compliance or reporting requirements; 4) establishing performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the regulatory change.

Table 1c of the ORM Economic Impact Form reports on costs and benefits under an alternative approach.

## **Public Participation**

Indicate how the public should contact the agency to submit comments on this regulation, and whether a public hearing will be held, by completing the text below.

Consistent with § 2.2-4011 of the Code of Virginia, if an objection to the use of the fast-track process is received within the 30-day public comment period from 10 or more persons, any member of the applicable standing committee of either house of the General Assembly or of the Joint Commission on Administrative Rules, the agency shall: 1) file notice of the objections with the Registrar of Regulations for publication in the Virginia Register and 2) proceed with the normal promulgation process with the initial publication of the fast-track regulation serving as the Notice of Intended Regulatory Action.

If you are objecting to the use of the fast-track process as the means of promulgating this regulation, please clearly indicate your objection in your comment. Please also indicate the nature of, and reason for, your objection to using this process.

DBHDS is providing an opportunity for comments on this regulatory proposal, including (i) the costs and benefits of the regulatory proposal and any alternative approaches, (ii) the potential impacts of the regulation, and (iii) the agency's regulatory flexibility analysis stated in this background document.

Anyone wishing to submit written comments for the public comment file may do so through the Public Comment Forums feature of the Virginia Regulatory Town Hall web site at: <a href="https://townhall.virginia.gov">https://townhall.virginia.gov</a>. Comments may also be submitted by mail, email or fax to Susan Puglisi, P.O. Box 1797, Richmond, VA 23218-1797, fax 804-371-4609, and email <a href="mailto:susan.puglisi@dbhds.virginia.gov">susan.puglisi@dbhds.virginia.gov</a>. In order to be considered, comments must be received by 11:59 pm on the last day of the public comment period.

### **Detail of Changes**

List all regulatory changes and the consequences of the changes. Explain the new requirements and what they mean rather than merely quoting the text of the regulation. For example, describe the intent of the language and the expected impact. Describe the difference between existing requirement(s) and/or agency practice(s) and what is being proposed in this regulatory change. Use all tables that apply, but delete inapplicable tables.

Table 1: Changes to Existing VAC Chapter(s)

\* Notations with asterisk in response to public comment.

Current chapter- section number	New chapter-section number, if	Current requirements in VAC	Change, intent, rationale, and likely impact of new requirements
<u>→</u> Λ	applicable IOTE: A more o	detailed explanation for th beginning on page 93 of	e rationale for the changes may be found f this meeting packet.
12VAC35- 105-60.		Modification.	This change is a reflection of recent agency initiatives to change current practices within the Office of Licensing to lessen the intensity of the requirement for providers.
12VAC35- 105-120.		Variances.	Lessens the intensity of the mandate to request a variance.
12VAC35- 105-170.		Corrective action plan.	In C3, by changing from signature to responsible designee, the intensity is lessened and streamlines paperless processing.  The last sentence of subsection E is duplicative of F.  Changing from 'when' to 'if' at the beginning of subsection F clarifies that disagreement is not assumed.  Disapproval of a provider's revised plan is not the default result. In G, clarifies that the regulation requires implementation of a department-approved plan (not the provider's submitted plan per se).
12VAC35- 105-180.		Notification of changes.	As these requirements are covered elsewhere, this will not reduce burden. This is a simplification of the regulations rather than a reduction of practical requirements.

		Technical amendments to subsection D to improve clarity for providers.
		The provider can determine where to document the communication occurred (it does not need to be in the ISP); this increases provider discretion. This may also reduce duplication of documentation.
12VAC35- 105-190.	Operating authority, governing body and organizational	Technical amendment to subsection A 2 to improve clarity for applicants.
	structure.	Subsection C is somewhat duplicative of B and DBHDS does not need the additional detail for the health, safety, and welfare of individuals receiving services.
12VAC35- 105-210.	Fiscal accountability.	This language reduces administrative burden on providers and agency because CPA cert/review standard is less than full audit while acknowledging that DBHDS does not have the staff resources to analyze the information in a meaningful way. The remaining language still requires the provider to handle funds responsibly and allow DBHDS to cite when necessary.
		Sec. 220 already requires general and professional liability coverage, so striking this from subsection E will not reduce burden. This is a simplification of the regulations rather than a reduction of practical requirements.
12VAC35- 105-270.	Building modifications.	Simplification of language and removes "specifications" requirement.
		Restructures for clarity.
12VAC35- 105-280.	Physical environment.	Added safe to capture provisions from stricken subsection G (i.e., lighted parking areas for safety).
		Amended temperature range in subsection F has been in the Children's Residential regulations since 2009 and is reflective of other state agency regulations (DOE, DJJ).
		Subsection A covers the basic requirements in subsection G.
		Sentence is stricken because the entire section does not apply to home/noncenter-based services.
12VAC35- 105-290.	Food service inspections.	The reference to VDH regulations is made to make mandatory not discretionary, as appropriate based on service or setting.

		Amendment to (added) subsection B reduces
		recordkeeping compliance burden on providers.
12VAC35- 105-320.	Fire inspections.	This language is stricken because it does not add to the regulation and can cause confusion as this section only applies to residential services. (The reference to correctional facilities remains as it corresponds to language in other sections.)
12VAC35- 105-390.	Confidentiality and security of personnel records.	Simplification of language.
12VAC35- 105-400.	Criminal background checks and registry searches.	Updates and simplification of language. The changes in subsection B tightens the language to only barrier crimes and clarifies that the policy provisions on provider actions are determined by statute (not discretionary on the part of the provider).  Clarification of language (information is actually required by VSP/CCRE and DSS to complete the background check processes).  Simplification of language.
12VAC35- 105-410.	Job description.	Simplification of language and elimination of an unnecessary requirement.
12VAC35- 105-420.	Qualifications of employees or contractors.	Clarification of language.  The language in subsection C is duplicative of Section 590. The language in subsection D is duplicative of Section 410.
12VAC35- 105-430.	Employee or contractor personnel records.	Item 4 duplicative of 12VAC35-105-420 B. Item 5 duplicative of 12VAC35-105-420 A. Item 6 duplicative of 12VAC35-105-400. Item 7 duplicative of 12VAC35-105-480. Item 9 duplicative of 12VAC35-105-420 B. Item 10 duplicative of Section 440.  As these items are required elsewhere in the regulations the requirement the Department is truly removing is the requirement that these items be stored within the employee or contractor personnel records.  Providing discretion as to where the provider maintains documentation and allowing providers to find systems that work for their service was a key goal of the department throughout the regulatory reduction project.
12VAC35- 105-440.	Orientation of new employees, contractors,	Items 1 and 4 are unnecessary and duplicative.

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		volunteers, and students.	
12VAC35- 105-470.		Notification of policy changes.	The second sentence is unnecessary and duplicative. Also, amended from passive to active for clarification.
12VAC35- 105-490.		Written grievance policy.	(Repealed.) It is up to the provider to follow employment laws. DBHDS does not administer or enforce employment laws.
12VAC35- 105-500.		Students and volunteers.	(Repealed.) The health, welfare, and safety concern of utilizing students and volunteers relates to the supervision aspect. Given restrictions on use of volunteers and students and the reference to staffing plan, language in subsection B is moved to Section 590 where it fits more appropriately.  DBHDS believes it should be within the provider's discretion whether to create a policy for students and volunteers outside of the restriction in the language now in 590.
12VAC35- 105-510.		Tuberculosis screening.	Subsection B is corrected per guidance from VDH, and this reduces the burden for annual training.
12VAC35- 105-530.		Emergency preparedness and response plan.	Cross-references § 44-146.16 to clarify applicability of the section for defined disasters or emergencies. *  Streamlining overly prescriptive language and simplifying, while not changing expectations.  Striking text covered in sections 440 and 450.
12VAC35- 105-570.		Mission statement.	(Repealed.) Language does not contribute to individual health, safety, and welfare, nor does DBHDS have the staff resources to analyze the information in a meaningful way.
12VAC35- 105-580.		Service description requirements.	Mission language in subsection A is unnecessary with Section 570 repealed.  The first sentence of subsection C is duplicative of A.  Subsection D is duplicative with the edit in subsection A.  Subsection G (new subsection F) is not current practice and is not encouraged.

		Language in subsection I is not necessary as the license will clearly indicate the type of service (e.g., inpatient or residential mental health crisis services).
12VAC35- 105-590.	Provider staffing plan.	Simplification of language incorporating repeal of Section 500.
12VAC35- 105-645.	Initial contacts, screening, and admission, assessment, service	Clarifying language because the subsection applies whether or not the individual is admitted to service.
	planning, orientation and discharge.	Subsection C amendment reduces intensity by limiting to crisis and case management services.
		Clarifying edit in the first sentence. If an individual is admitted to a service, the documentation retention requirements are more stringent than six months and is duplicative of subsection 890 C 1.
12VAC35- 105-690.	Orientation of individuals and authorized representatives.	Subsection B, item 1 is unnecessary (eliminated in Section 570); item 6 (now 5) is amended to reflect repeal of grievance procedure and to prevent confusion regarding staff versus provider.
12VAC35- 105-691.	Transition of individuals among service services by the same provider.	Streamlining edits for clarification for transfer across services by the same provider versus discharge procedures to address patient safety during those transitions.
		Much of the new language is modeled after the current Children's Residential Regulations (12VAC35-46-760), with adjustments for terminology (i.e., replacing 'resident' with 'individual'). *
		Removes requirement for a specific policy, which reduces burden.
12VAC35- 105-693.	Discharge.	Subsection E is duplicative of F2.  Streamlining edits are made for clarification in subsection F.
12VAC35- 105-700.	Written policies and procedures for crisis or emergency interventions; required elements.	Item B 2 is covered by subsection A, items 1 and 4 in B.
12VAC35- 105-720.	Health care policy.	The language in subsection C is duplicative.
12VAC35- 105-740.	Physical examination for	Timeframe distinction for residential versus inpatient services.

	residential and inpatient services.	Change in B reflects the reality that physicians follow professional standards and typically their own office forms and do not want to use a different or second form.
		The language in item B 5 is placed in subsection C; the stricken text in subsection C is covered by 12VAC35-115-50.
12VAC35- 105-770.	Medication management.	Simplification by deleting subsection A.5; a professional sample would be handled the same as any other medication.
12VAC35- 105-790.	Medication administration and	(Repealed.) Subsection A is duplicative of Section 150.
103-790.	storage or pharmacy	Subsection A is duplicative of Section 150.
	operation.	Subsection B is unnecessarily broad and covered elsewhere.
12VAC35- 105-800.	Policies and	Edits to subsection A correctly redirect to the Human Rights Regulations and simplify what
105-600.	procedures on behavior	policies and procedures on behavior
	interventions and supports.	interventions and supports must include.
	συμμοτίο.	Language to mirror definition of "behavioral intervention."
12VAC35- 105-870.	Paper and electronic records Records	Edits for clarification and to simplify the language and requirements.
103-670.	management policy.	language and requirements.
		New language in A is identical to that in Section 660 of Chapter 46 that succinctly covers
		necessary requirements.
		Edit to item 3 is a simplification. Electronic records have become more standard and singling them out when subsection A states the policy pertains to both paper and electronic records is not necessary.
		Item 6 of subsection A is not needed as it is up to the provider to ensure appropriate staffing for records management.
		New language in C, D, and E is identical to that in Section 660 of Chapter 46 that succinctly covers necessary requirements.
12VAC35- 105-880.	Documentation policy.	(Repealed.) These requirements are unnecessary as they are covered by Section 870.
12VAC35- 105-890.	Individual's service record.	The amendment inserts an appropriate cross- reference to the Virginia Health Records Act for clarity.
12VAC35- 105-900.	Record storage and security.	(Repealed.)

		This section is duplicative of Section 880 and HIPAA.
12VAC35- 105-920.	Review process for records.	(Repealed.) This section is duplicative of Sections 870 and 880.
12VAC35- 105-1055.	Description of level of care provided.	(Repealed.) This is blended into an ASAM level of care.
12VAC35- 105-1060.	Cooperative agreements with community agencies.	(Repealed.) ASAM sections have language establishing expectations related to affiliations and coordination of services.
12VAC35- 105-1080.	Direct-care training for providers of detoxification services.	(Repealed.) A1 is still a licensed service but is an ASAM level of care, and the staffing requirements in those new sections are sufficient.
FORMS	FORMS (12VAC35- 105)	(Repealed.) The information collected in these outdated forms are now incorporated into the DBHDS licensing online web-based system.