



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

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**12 VAC 30-40 – More Liberal Income Disregards and Eligibility under §1931 of the Act  
Department of Medical Assistance Services  
November 25, 2008**

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### **Summary of the Proposed Amendments to Regulation**

The proposed regulations will add to Medicaid eligibility rules a disregard for income earned from temporary employment with the United States Census Bureau in completing a decennial census.

### **Result of Analysis**

The benefits likely exceed the costs for all proposed changes.

### **Estimated Economic Impact**

The United States Census Bureau has advised states that it will start hiring temporary workers in 2009 to conduct the upcoming decennial census. Under current regulations, an existing Medicaid recipient may experience interruption in his or her eligibility due to the temporary income earned from the Census Bureau. In order to maintain uninterrupted eligibility of existing recipients, the proposed regulations will add to Medicaid eligibility rules a disregard for income earned from temporary employment with the United States Census Bureau in completing a decennial census.

The Department of Medical Assistance Services has no estimate for the number of Medicaid recipients who may be temporarily hired by the Census Bureau. However, temporary interruption in the Medicaid coverage is potentially more costly than uninterrupted coverage due to the possibility of emergency care and deterioration of chronic conditions if care is not continuous. There may also be some administrative savings from eliminating disenrollment and reenrollment of the same individuals during the temporary employment with the Census Bureau.

## **Businesses and Entities Affected**

The proposed regulations apply to Medicaid enrollees. The number of Medicaid enrollees who may be temporarily hired by the Census Bureau is not known.

## **Localities Particularly Affected**

The proposed regulations apply throughout the Commonwealth.

## **Projected Impact on Employment**

The proposed regulations will remove a disincentive from regulations that may discourage some Medicaid enrollees to obtain temporary employment with the Census Bureau. Thus, the proposed changes are expected to increase labor supply.

## **Effects on the Use and Value of Private Property**

The proposed regulations are not expected to have any significant effect on the use and value of private property.

## **Small Businesses: Costs and Other Effects**

The proposed regulations are not anticipated to create any small business costs and other affects.

## **Small Businesses: Alternative Method that Minimizes Adverse Impact**

The proposed regulations are not expected to have any adverse effect on small businesses.

## **Real Estate Development Costs**

The proposed regulations are not expected to create any real estate development costs.

## **Legal Mandate**

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to

be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.