



COMMONWEALTH of VIRGINIA
Office of the Attorney General
Richmond 23219

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MEMORANDUM

TO: VICTORIA P. SIMMONS
Regulatory Coordinator
Department of Medical Assistance Services

FROM: A. CAMERON O'BRION
Assistant Attorney General

DATE: April 1, 2004

SUBJECT: Proposed Changes to MEDALLION; 12 VAC 30, Chapter 120

I have received the attached proposed regulations concerning changes to the MEDALLION primary care case management (PCCM) system. You asked the Office of the Attorney General to review and determine if the Department of Medical Assistance Services has the legal authority to promulgate the attached proposed regulations and to identify any federal or state mandates regarding this regulation.

This proposed regulation reflects several changes to the MEDALLION PCCM system. This regulation revises and updates the MEDALLION regulations to address several operational and waiver changes in the MEDALLION program. Some of these changes arise from changes in federal law set forth in the Balanced Budget Act (BBA). Other changes are being made to clarify existing regulations. Finally, certain amendments in this package are being made in order to accommodate changes in other programs that have an impact on managed care, such as changes to the Medicaid school health program. Revisions are being made in the following sections of the MEDALLION regulations: 1) Definitions (12 VAC 30-120-260), 2) the enrollment/disenrollment process (12 VAC 30-120-280), 3) providers of services (12 VAC 30-120-290), 4) referral exemptions (12VAC 30-120-310), 5) the maximum number of clients a Primary Care Provider (PCP) may serve (12 VAC 30-120-320), and finally, 6) PCP Sanctions (12 VAC 30-120-350).

Based on my review, it is my view that the Director, acting pursuant to Va. Code § 32.1-324, has the authority to promulgate these regulatory changes subject to the provisions of Article 2 of the Administrative Process Act and has not exceeded that authority. The Code of Virginia

Victoria P. Simmons

April 1, 2004

Page 2

(1950) as amended, section 32.1-325, grants to the Board of Medical Assistance Services the authority to administer the Plan for Medical Assistance. The Code of Virginia (1950) as amended, section 32.1-324, authorizes the Director of the Department of Medical Assistance Services (DMAS) to administer and amend the Plan for Medical Assistance according to the Board's requirements. The Medicaid authority was established by § 1902 (a) of the Social Security Act [42 U.S.C. 1396a], which provides the governing authority for DMAS to administer the State's Medicaid system.

If you have any questions, please contact me at (703) 277-3540.

cc: Kim Piner
Senior Assistant Attorney General