



Economic Impact Analysis Virginia Department of Planning and Budget

12 VAC 30-80 – Methods and Standards for Establishing Payment Rates – Other Types of Care Fee for Service Reimbursement
Department of Medical Assistance Services
December 16, 2008

Summary of the Proposed Amendments to Regulation

The proposed changes will clarify that all private and governmental providers of hearing aids are reimbursed according to the same Medicaid reimbursement methodology and also service limitations are published on the Department of Medical Assistance Services website.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The proposed changes will clarify that all private and governmental providers of hearing aids are reimbursed according to the same Medicaid reimbursement methodology and also service limitations are published on the Department of Medical Assistance Services website.

Pursuant to a request by the Centers for Medicare and Medicaid Services (CMS), the proposed language will specifically state that the private and governmental providers will be reimbursed the same for the same hearing aids and that service limitations are also published. Currently, the Medicaid reimbursement is the same for all providers. Thus, this is a mere clarification of an existing practice and no significant economic effect is expected other than complying with a CMS request.

Businesses and Entities Affected

There are approximately 520 licensed hearing aid specialists in Virginia.

Localities Particularly Affected

The proposed regulations apply throughout the Commonwealth.

Projected Impact on Employment

No effect on employment is expected.

Effects on the Use and Value of Private Property

No effect on the use and value of private property is expected.

Small Businesses: Costs and Other Effects

No costs and other effects on small businesses are expected.

Small Businesses: Alternative Method that Minimizes Adverse Impact

No adverse impact on small businesses is expected.

Real Estate Development Costs

No real estate development costs are expected.

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.