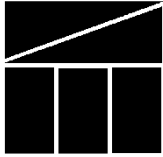


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes  Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



## Virginia Department of Planning and Budget Economic Impact Analysis

---

**12 VAC 30-50 Amount, Duration, and Scope of Medical and Remedial Care and Services**  
**Department of Medical Assistance Services**  
**Town Hall Action/Stage: 4774 / 7855**  
July 14, 2017

---

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

Pursuant to Chapter 780 of the 2016 Acts of the Assembly, the Director of the Department of Medical Assistance Services (DMAS) proposes to implement peer support services to children and adults who have mental health conditions and/or substance use disorders.

### **Result of Analysis**

The benefits likely exceed the costs for all proposed changes.

### **Estimated Economic Impact**

*What are peer support services?*

Peer support services are an evidence-based mental health model of care which consists of a qualified peer support provider who assists individuals with their recovery from mental illness and substance use disorders. Peer support providers are self-identified consumers who are in successful and ongoing recovery from mental illness and/or substance use disorders.

The provision of Peer Support Services facilitates recovery from both serious mental illnesses and substance use disorders. Recovery is a process in which people are able to live, work, learn and fully participate in their communities. For some individuals, recovery is the ability to live a fulfilling and productive life despite their disability. For others, recovery could mean the reduction or complete remission of symptoms. Peer Support Services are delivered by

peers who have been successful in the recovery process and can extend the reach of treatment beyond the clinical setting into an individual's community and natural environment to support and assist an individual with staying engaged in the recovery process.

### *Need*

The Commonwealth is experiencing a crisis of substance use of overwhelming proportions. More Virginians died from drug overdose in 2013 than from automobile accidents. In 2014, 80% of the people who died from drug overdoses (986 people) died from prescription opioid or heroin overdoses. Virginia's 1.1 million Medicaid/FAMIS members are affected disproportionately by this substance use epidemic as demonstrated by DMAS' claims history data showing 216,555 Medicaid members with a substance use diagnosis in fiscal year 2015.<sup>1</sup>

### *Program*

Peer Support Services would target individuals 21 years or older with mental health or substance use disorder or co-occurring mental health and substance use disorders. A Peer Support service called Family Support Partners would be provided to individuals under the age of 21 who have a mental health or substance use disorder or co-occurring mental health and substance use disorders which are the focus of the support with their families or caregivers.

Peer support providers would be trained and certified by the Virginia Department of Behavioral Health and Developmental Services, and then registered with the Board of Counseling at the Department of Health Professions. Supervision and care coordination are core components of peer support services.

### *Conclusion*

Research has provided evidence that peer-delivered services generate superior outcomes in terms of decreased substance abuse, engagement of "difficult-to-reach" clients, and reduced rates of hospitalization.<sup>2</sup> Further, peer support has been found to increase participants' sense of hope, control, and ability to effect changes in their lives; increase their self-care, sense of community belonging, and satisfaction with various life domains; and decrease participants'

---

<sup>1</sup> Source: Department of Medical Assistance Services

<sup>2</sup> See Rowe et al (2007) and Solomon et al (1995)

level of depression and psychosis.<sup>3</sup> To the extent that the implementation of peer support services are successful in reducing the incidences of substance abuse and overdoses, and has significant positive impact on mental health, the benefits of the proposed amendments likely exceed the estimated annual cost of \$2,898,654 from the state General Fund and \$2,898,654 pass through funds from the federal government.

### **Businesses and Entities Affected**

Based on current membership and data from the Governor's Action Plan program for those with serious mental illness, DMAS estimates approximately 4,600 current Medicaid members would benefit from peer supports. Community Service Boards have a network that could provide these services to approximately 10% of these. Currently there are approximately 5,891 provider entities with a unique National Provider Identifier that could be affected by the new regulations if they choose to participate in the service. At least half if not more of these providers are small businesses.

### **Localities Particularly Affected**

The proposed amendments do not disproportionately affect particular localities.

### **Projected Impact on Employment**

The proposed amendments create peer support provider positions for people who are in successful and ongoing recovery from mental illness and/or substance use disorders. These are individuals who may otherwise have difficulty finding employment.

---

<sup>3</sup> See Davison et al (2012)

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

The proposed amendments potentially benefit firms that provide mental health and drug treatment services by providing additional business and revenue. The value of these firms may thus be positively affected.

## **Real Estate Development Costs**

The proposed amendments do not affect real estate development costs.

## **Small Businesses:**

### **Definition**

Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

### **Costs and Other Effects**

The proposed amendments do not significantly affect costs for small businesses.

### **Alternative Method that Minimizes Adverse Impact**

The proposed amendments do not adversely affect small businesses.

## **Adverse Impacts:**

### **Businesses:**

The proposed amendments do not adversely affect businesses.

### **Localities:**

The proposed amendments do not adversely affect localities.

### **Other Entities:**

The proposed amendments do not adversely affect other entities.

## References

- Davidson, L., C. Bellamy, K. Guy, and R. Miller. 2011. Peer support among persons with severe mental illnesses: a review of evidence and experience. *World Psychiatry* 11:123-128
- Rowe M., C. Bellamy et al. 2007. Reducing alcohol use, drug use, and criminality among persons with severe mental illness: outcomes of a Group- and Peer-Based Intervention. *Psychiatric Services* 58:955-61.
- Solomon P, J. Draine, and M. Delaney. 1995. The working alliance and consumer case management. *Journal of Mental Health Administration* 22:126-34.

## Legal Mandates

**General:** The Department of Planning and Budget has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order Number 17 (2014). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

**Adverse impacts:** Pursuant to Code § 2.2-4007.04(C): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance within the 45-day period.

If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

lsg