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Fast-Track Regulation Agency Background Document

Agency name	Department of Medical Assistance Services
Virginia Administrative Code (VAC) citation(s)	12 VAC 30-60-70
Regulation title(s)	Utilization Control: Home Health Services
Action title	Home Health Accrediting Organizations
Date this document prepared	March 29, 2017

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 17 (2014) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Brief Summary

Please provide a brief summary (preferably no more than 2 or 3 paragraphs) of the proposed new regulation, proposed amendments to the existing regulation, or the regulation proposed to be repealed. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

12VAC30-60-70 (Utilization Control: Home Health Services) identifies the requirements for licensure, certification, or accreditation that Home Health Agencies (HHAs) must meet to participate as a provider of home health services in Virginia Medicaid. This regulatory action updates regulations to comply with a Virginia Code section relating to exemptions from licensure requirements for HHAs.

Statement of Final Agency Action

Please 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.

I hereby approve the foregoing Regulatory Review Summary entitled Home Health Accrediting Organizations with the attached amended regulations (12 VAC 30-60-70) and adopt the action stated therein. I certify that this fast track regulatory action has completed all the requirements of the Code of Virginia § 2.2-4012.1, of the Administrative Process Act.

/March 29, 2017/

/Signature/

Date

Cynthia B. Jones, Director

Dept. of Medical Assistance Services

Legal Basis

Please identify the state and/or federal legal authority to promulgate this proposed regulation, including: 1) the most relevant citations to the Code of Virginia or General Assembly chapter number(s), if applicable; and 2) promulgating entity, i.e., agency, board, or person. Your citation should include a specific provision authorizing the promulgating entity to regulate this specific subject or program, as well as a reference to the agency/board/person's overall regulatory authority.

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

This change serves to bring accreditation requirements in line with the exemptions from state licensure requirements set forth in §32.1-162.8 of the Code of Virginia for HHAs.

Purpose

*Please explain the need for the new or amended regulation. Describe the rationale or justification of the proposed regulatory action. **Describe the specific reasons the regulation is essential to protect the health, safety or welfare of citizens.** Discuss the goals of the proposal and the problems the proposal is intended to solve.*

The purpose of this action is to bring the accreditation requirements in line with: 1) the state licensure requirements outlined in §32.1-162.8 of the Code of Virginia; and 2) the CMS list of approved accreditation organizations for Medicare HHAs. Consistency among approved accreditation organizations will clarify and streamline requirements for providers and the Virginia Department of Medical Assistance Services (DMAS).

This regulation is essential to protect the health, safety, or welfare of citizens in that it provides consistency between the regulations and the Code with regard to the licensure requirements for HHAs. This consistency will help ensure that HHAs are appropriately licensed to provide services to Medicaid members.

Rationale for Using Fast-Track Process

Please explain the rationale for using the fast-track process in promulgating this regulation. Why do you expect this rulemaking to be noncontroversial?

This regulatory change is expected to be non-controversial in that it is not a change in process; instead it simply updates the regulations so that they are in accordance Virginia Code provisions that have been in effect since July 1, 2010. Conversations with the Virginia Association for Home Care and Hospice, the HHA provider association, have yielded support for this regulatory change.

Substance

Please 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.

Virginia regulations identify the requirements that HHAs must meet to participate as a provider of home health services in Virginia Medicaid and establish several licensure exemptions for HHAs after initial licensure. The current list of exemptions in Virginia regulations includes accreditation by the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) or the Community Health Accreditation Program (CHAP). This language was written in the VAC in 2005, but different language was entered into the Code of Virginia in 2010. (The Code of Virginia uses broader language that establishes an exemption for HHAs accredited by any organization recognized by the Centers for Medicare and Medicaid Services for purposes of Medicare certification.) The discrepancy between the VAC and Code language has not yet been rectified, and this regulatory change will bring the Virginia Administrative Code into alignment with §32.1-162.8 of the Code of Virginia. (Both JCAHO and CHAP are approved accreditation organizations by Medicare and would not be negatively impacted by this regulatory change.)

There are three main reasons to make this regulatory change are:

1. Accreditation organizations (e.g. JCAHO and CHAP) may change from time to time. New accreditation organizations may arise and others may no longer offer accreditation for certain providers, programs or facilities. The revised language for 12VAC30-60-70 allows for that flexibility.
2. Since many HHAs provide services under Medicare and Medicaid aligning the Virginia Medicaid accreditation requirements to the Medicare requirements will streamline HHA requirements and ensure consistency. The revised language for 12VAC30-60-70 ensures consistency.
3. Lastly, the Virginia Department of Health (VDH) oversees licensing, and exemptions from licensing, for HHAs. Virginia Medicaid can simplify its HHA requirements by

mirroring the VDH language for accreditation requirements in order to qualify for an exemption from licensing as found in § 32.1-162.8 of the Code of Virginia.

- a. Section 32.1-162.8 of the Code of Virginia exempts from licensure “any home care organization located in the Commonwealth that after initial licensure” is “certified by the Department of Health under provisions of Title XVIII or Title XIX of the Social Security Act; or accredited by any organization recognized by the Centers for Medicare and Medicaid Services for the purposes of Medicare certification; or licensed for hospice services under Article 7 (§ [32.1-162.1](#) et seq.)” of the chapter. The revised language for 12VAC30-60-70 provides for simplicity.

Conversations with the Virginia Association for Home Care and Hospice, the HHA provider association, have yielded support for this regulatory change, simply brings Virginia Medicaid in line with VDH and Medicare requirements and allowances.

JCAHO and CHAP, which are currently approved accreditation organizations under 12VAC30-60-70 B are also approved accreditation organizations by Medicare and would not be negatively impacted by this regulatory change.

Issues

Please identify the issues associated with the proposed regulatory action, 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, please indicate.

The primary advantage to the agency and to the public (including Medicaid providers and Medicaid members) is the alignment of Virginia Code requirements with Virginia regulations, so that the licensure requirements for HHAs are clear. There are no disadvantages to the agency or the public.

Requirements More Restrictive Than Federal

Please identify and describe any requirement of the proposal which is more restrictive than applicable federal requirements. Include 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 statement to that effect.

There are no requirements more restrictive than federal contained in these recommendations.

Localities Particularly Affected

Please identify any locality particularly affected by the proposed regulation. Locality particularly affected means any locality which bears any identified disproportionate material impact which would not be experienced by other localities.

There will be no localities that are more affected than others as these requirements will apply statewide.

Regulatory Flexibility Analysis

Pursuant to § 2.2-4007.1B of the Code of Virginia, please 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) the establishment of less stringent compliance or reporting requirements; 2) the establishment of less stringent schedules or deadlines for compliance or reporting requirements; 3) the consolidation or simplification of compliance or reporting requirements; 4) the establishment of 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 proposed regulation.

This regulatory action is not expected to affect small businesses as it does not impose compliance or reporting requirements, nor deadlines for reporting, nor does it establish performance standards to replace design or operational standards.

Economic Impact

Please identify the anticipated economic impact of the proposed new regulations or amendments to the existing regulation. When describing a particular economic impact, please specify which new requirement or change in requirement creates the anticipated economic impact.

Projected cost to the state to implement and enforce the proposed regulation, including: a) fund source / fund detail; and b) a delineation of one-time versus on-going expenditures	There are no costs to the state as a result of this regulatory action.
Projected cost of the new regulations or changes to existing regulations on localities.	There are no costs to localities as a result of this regulatory action.
Description of the individuals, businesses, or other entities likely to be affected by the new regulations or changes to existing regulations.	This will impact Home Health Agencies (HHAs) that have Medicaid provider agreements with DMAS.
Agency’s best estimate of the number of such entities that will be affected. Please 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.	There are 255 HHA with Medicaid provider agreements. It is estimated that most of these providers are small businesses.
All projected costs of the new regulations or changes to existing regulations for affected	There are no projected costs related to this regulatory action. There are no reporting,

<p>individuals, businesses, or other entities. Please be specific and include all costs including: a) the projected reporting, recordkeeping, and other administrative costs required for compliance by small businesses; and b) specify any costs related to the development of real estate for commercial or residential purposes that are a consequence of the proposed regulatory changes or new regulations.</p>	<p>recordkeeping, or other administrative costs and no costs related to the development of real estate.</p>
<p>Beneficial impact the regulation is designed to produce.</p>	<p>Will simplify the standards and provide HHAs consistency with the requirements between state agencies and Medicare and Medicaid.</p>

Alternatives

Please describe any viable alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action. 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 regulation.

There are no viable alternatives. The accreditation option is already provided in the regulation, but revisions to the regulatory standard will allow DMAS to offer consistency between state and federal agencies, ensure flexibility for providers, and allow for the evolution of best practices.

Public Participation Notice

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.

Family Impact

Please assess the impact of the proposed regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one’s spouse, and one’s children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

These changes do not strengthen or erode the authority or rights of parents in the education, nurturing, and supervision of their children; nor encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one’s spouse, and one’s

children and/or elderly parents. It does not strengthen or erode the marital commitment, but may decrease disposable family income depending upon which provider the recipient chooses for the item or service prescribed.

Detail of Changes

*Please list all changes that are being proposed and the consequences of the proposed changes; explain the new requirements and what they mean rather than merely quoting the proposed text of the regulation. If the proposed regulation is a new chapter, describe the intent of the language and the expected impact. Please describe the difference between existing regulation(s) and/or agency practice(s) and what is being proposed in this regulatory action. If the proposed regulation is intended to replace an emergency regulation, please list separately: (1) all differences between the **pre-emergency** regulation and this proposed regulation; and 2) only changes made since the publication of the emergency regulation.*

Current section number	Proposed new section number, if applicable	Current requirement	Proposed change, intent, rationale, and likely impact of proposed requirements
12VAC30-60-70	N/A	HHA may be accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) or by the Community Health Accreditation Program (CHAP) established by the National League of Nursing.	HHAs may be accredited by any organization recognized by the Centers for Medicare and Medicaid Services (CMS) for purposes to Medicare certification.