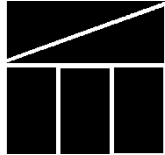


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes<sup>1</sup>  Not Needed

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

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**12 VAC 30-60 Standards Established and Methods Used to Assure High Quality Care**  
**12 VAC 30-80 Methods and Standards for Establishing Payment Rates - Other Types of Care**  
**12 VAC 30-130 Amount, Duration, and Scope of Selected Services**  
**Department of Medical Assistance Services**  
**Town Hall Action/Stage: 5229 / 8540**  
November 22, 2019

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### Summary of the Proposed Amendments to Regulation

The Director of the Department of Medical Assistance Services (DMAS) proposes to update this regulation to reflect the changes that have already occurred in the provision of Addiction and Recovery Treatment Services (ARTS).

### Background

The ARTS program provides a comprehensive continuum of addiction and recovery treatment services including inpatient withdrawal management services, residential treatment services, partial hospitalization, intensive outpatient treatment, outpatient treatment, and peer recovery supports.

According to DMAS, in the last several years there have been changes in a number of laws, regulations, and guidance from other entities that have affected how the ARTS program operates. For example, the Board of Counseling and the Board of Medicine have amended the scope of practice for the professions they regulate that provide services to ARTS recipients.

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<sup>1</sup> Adverse impact is indicated if there is any increase in net cost or reduction in net revenue for any entity, even if the benefits exceed the costs for all entities combined.

Similarly, the federal Centers for Medicare and Medicaid has issued a Parity Rule that affected the service limits in this program and guidance on certain terms used in this regulation.

### **Estimated Benefits and Costs**

The proposed amendments update the regulation to reflect the changes that have occurred in this program due to external laws, regulations, and guidance.<sup>2</sup> The proposed amendments also make clarifying changes to language that has prompted questions from providers of addiction and recovery treatment services.

Since the proposed amendments simply reflect the changes on how the ARTS program currently operates, no significant economic effect is expected other than improving the clarity of the rules this program currently operates under.

### **Businesses and Other Entities Affected**

This regulation primarily applies to 3,465 ARTS providers and the Medicaid clients they serve.

### **Localities<sup>3</sup> Affected<sup>4</sup>**

The proposed amendments should not affect any locality more than others. The proposed amendments do not appear to introduce costs for local governments.

### **Projected Impact on Employment**

The proposed amendments would not affect employment.

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

The proposed amendments would not affect the use and value of private property.

### **Adverse Effect on Small Businesses<sup>5</sup>:**

The proposed amendments do not adversely affect small businesses.

### **Legal Mandates**

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<sup>2</sup> The references to external laws, regulations, and guidance can be found at:

[https://townhall.virginia.gov/L/GetFile.cfm?File=64\5229\8540\AgencyStatement\\_DMAS\\_8540\\_vA.pdf](https://townhall.virginia.gov/L/GetFile.cfm?File=64\5229\8540\AgencyStatement_DMAS_8540_vA.pdf)

<sup>3</sup> “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

<sup>4</sup> § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

<sup>5</sup> 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.”

**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 14 (as amended, July 16, 2018). 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(D): 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.