



Virginia Department of Planning and Budget **Economic Impact Analysis**

12 VAC 30-121 Medicare-Medicaid Demonstration Waivers
12 VAC 30-50 Amount, Duration, and Scope of Medical and Remedial Care Services
Department of Medical Assistance Services
Town Hall Action/Stage: 5696 / 9224
April 24, 2021

Summary of the Proposed Amendments to Regulation

The Director of the Department of Medical Assistance Services (DMAS) proposes to repeal the regulations associated with the Commonwealth Coordinated Care Program (CCC), which consist of all of 12 VAC 30-121 *Medicare-Medicaid Demonstration Waivers* and Section 600 of 12 VAC 30-50 *Amount, Duration, and Scope of Medical and Remedial Care Services*.

Background

CCC was a managed-care program launched in 2014 to improve quality, access, and health care experiences for dual-eligible recipients of Medicare and Medicaid. The program reduced Medicare and Medicaid costs by streamlining benefits into one plan and provided individuals with services that were more coordinated and person-centered.

DMAS then implemented a new managed care program for long-term services and supports, known as CCC Plus, in 2017. CCC Plus operates statewide across six regions as a mandatory Medicaid managed care program, and serves individuals (adults and children) with disabilities and complex care needs. Nearly half of the CCC Plus participants are dually eligible for Medicare and Medicaid, and many individuals (dual and non-dual) receive care through nursing facilities or through one of the DMAS home and community based services.

Once CCC Plus was implemented, all members who had been served by the old CCC program were transitioned into the new program. CCC ended on December 31, 2017. According to DMAS, the regulations associated with CCC were not repealed when the CCC Plus

regulations¹ were promulgated in order to allow Medicaid providers the opportunity to file an appeal. DMAS believes sufficient time has now passed to allow for appeals, and thus now proposes to repeal the regulations associated with CCC.

Estimated Benefits and Costs

Since the text proposed for repeal is on a program that no longer exists, the proposal would have no impact beyond eliminating potential confusion among readers of the Virginia Administrative Code.

Businesses and Other Entities Affected

The proposal potentially affects readers of the Virginia Administrative Code. The proposal does not produce any cost.

Small Businesses² Affected:

The proposal does not adversely affect small businesses.

Localities³ Affected⁴

The proposal does not disproportionately affect any particular locality. The proposal does not introduce costs for local governments.

Projected Impact on Employment

The proposal does not affect employment.

Effects on the Use and Value of Private Property

The proposal does not substantively affect the use and value of private property. The proposal does not affect real estate development costs.

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 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

¹ See <https://townhall.virginia.gov/L/ViewStage.cfm?stageid=8620>

² 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.”

³ “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.

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

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.