



Virginia  
Regulatory  
Town Hall

## Exempt Action Final Regulation Agency Background Document

<b>Agency Name:</b>	Dept. of Medical Assistance Services (12 VAC 30)
<b>VAC Chapter Number:</b>	Chapter 12VAC30-10-20 and 12VAC30-30-10
<b>Regulation Title:</b>	Organization for Administration; Mandatory Coverage: Categorically needy and other required special groups
<b>Action Title:</b>	Central Processing Unit: Medicaid Eligibility Determination
<b>Date:</b>	5/10/2001; Effective 8/2/2001

Where an agency or regulation is exempt in part or in whole from the requirements of the Administrative Process Act (§ 9-6.14:1 *et seq.* of the *Code of Virginia*) (APA), the agency may provide information pertaining to the action to be included on the Regulatory Town Hall. The agency must still comply the requirements of the Virginia Register Act (§ 9-6.18 *et seq.* of the *Code of Virginia*) and file with the Registrar and publish their regulations in a style and format conforming with the *Virginia Register Form, Style and Procedure Manual*. The agency must also comply with Executive Order Fifty-Eight (99) that requires an assessment of the regulation's impact on the institution of the family and family stability.

This agency background document may be used for actions exempt pursuant to § 9-6.14:4.1(C) at the final stage. Note that agency actions exempt pursuant to § 9-6.14:4.1(C) of the APA do not require filing with the Registrar at the proposed stage.

In addition, agency actions exempt pursuant to § 9-6.14:4.1(B) of the APA are not subject to the requirements of the Virginia Register Act (§ 9-6.18 *et seq.* of the *Code of Virginia*) and therefore are not subject to publication. Please refer to the *Virginia Register Form, Style and Procedure Manual* for more information.

### Summary

*Please provide a brief summary of the proposed new regulation, amendments to an existing regulation, or the regulation being repealed. There is no need to state each provision or amendment or restate the purpose and intent of the regulation, instead give a summary of the regulatory action and alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.*

The purpose of this regulatory action is to amend the Plan for Medical Assistance concerning entities that determine Medicaid eligibility following action by the 2000 General Assembly in establishing the Family Access to Medical Insurance Security Plan (FAMIS). When the General

Assembly created the FAMIS program, it mandated that any central processing unit created to determine eligibility for FAMIS would also determine eligibility for Medicaid on behalf of FAMIS applicants who qualify for Medicaid. This regulation is necessary to ensure that the regulations of the Department of Medical Assistance Services (DMAS) comply with the mandate of the General Assembly. Providing Medicaid eligibility determinations at the Central Processing Unit (CPU) established to determine eligibility for FAMIS will insure that children applying for FAMIS are screened for Medicaid eligibility as part of the eligibility determination process. Those found Medicaid eligible will be enrolled in Medicaid expeditiously without unnecessary administrative delay. Medicaid eligibility promotes access to needed health and medical care for indigent children. This access to medical and health care promotes the public health, safety and welfare.

**Statement of Final Agency Action**

*Please provide a statement of the final action taken by the agency .including the date the action was taken, the name of the agency taking the action, and the title of the regulation.*

I hereby approve the foregoing Regulatory Review Summary with the attached amended State Plan pages and adopt the action stated therein. Because this final regulation is exempt from the public notice and comment requirements of the Administrative Process Act (Code 9-6.14:4.1 C), the Department of Medical Assistance Services will receive, consider and respond to petitions by any interested person at any time with respect to reconsideration or revision.

Date	Eric S. Bell, Director Department of Medical Assistance Services
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**Additional Information**

*Please indicate that the text of the proposed regulation, the reporting forms the agency intends to incorporate or use in administering the proposed regulation, a copy of any documents to be incorporated by reference are attached.*

*Please state that the Office of the Attorney General (OAG) has certified that the agency has the statutory authority to promulgate the proposed regulation and that it comports with applicable state and/or federal law. Note that the OAG's certification is not required for Marine Resources Commission regulations.*

*If the exemption claimed falls under § 9-6.14:4.1(C) (4)(c) of the APA please include the federal law or regulations being relied upon for the final agency action.*

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 the Department of Medical Assistance Services (DMAS) to administer and amend the Plan for Medical Assistance according to the Board's requirements. Section 9-6.14:4.1 C contains agency exemptions otherwise subject to the public notice and comment requirements of Article 2 of the APA. The Code also provides, in the Administrative Process Act (APA) § 9-6.14:1 et seq., for the exemption of certain regulatory actions by state agencies. This action was mandated by the 2000 General Assembly and is therefore exempt from Article 2 of the APA.

Section 32.1-351 authorized the Department of Medical Assistance Services to establish a central processing unit for the Virginia Children's Medical Security Insurance Plan and mandated that any such central processing unit determine a child's eligibility for Title XIX and enroll eligible children in Medicaid.

This final exempt action also contains a technical correction that is permitted by § 9-6.14:4.1(C)(3). The technical correction is removal of the sentence in 12 VAC 30-10-20 that refers to 12 VAC 30-20-50, which was repealed by DMAS in November 1995.

The sections of the State Plan affected by this action are Section 1.1(a), Attachment 1.2D, and Attachment 2.2-A (12VAC30-30-10a, 12VAC30-30-10).

Currently, all Medicaid eligibility determinations are performed by local departments of social services and by state employees in state institutions under the supervision of the Virginia Department of Social Services (VDSS). This regulatory action will permit state staff employed by the Department of Medical Assistance Services (DMAS) to determine Medicaid eligibility in a Central Processing Unit (CPU) that determines eligibility for the Family Access to Medical Insurance Security Plan (FAMIS).

The Department of Medical Assistance Services will administer the FAMIS program by establishing a Central Processing Unit at the state level to process applications and determine eligibility for FAMIS benefits. As a result of those determinations, certain children will be screened and identified as potentially eligible for Medicaid. Children who are eligible for Medicaid are not eligible for FAMIS. Once a potentially Medicaid eligible child is identified, the parent will be sent a Medicaid application and advised of the child's potential eligibility for Medicaid. If the parent completes the Medicaid application and returns it to the Central Processing Unit, the Medicaid staff at the CPU will complete the determination of Medicaid eligibility and enroll the child in Medicaid. Parents have the choice to return the application to the CPU or to the department of social services in the locality where the child resides.

The advantage of providing streamlined Medicaid eligibility determinations at the CPU is that such co-located processing will reduce the burden on families seeking health insurance coverage for their children and will reduce the cost of eligibility determinations by permitting the use of information submitted with the FAMIS application to be considered also for the Medicaid application.

The provision that any central processing unit created to determine eligibility for FAMIS also determine eligibility for Medicaid on behalf of FAMIS applicants who qualify for Medicaid is

designed to afford FAMIS applicants who are screened as Medicaid eligible to have their Medicaid eligibility determined without going to their local departments of social services. The FAMIS application has the majority of the information necessary to determine Medicaid eligibility. However, Medicaid eligibility requires more detailed information and has more strict verification documentation. When a FAMIS application is received, it will be screened against general Medicaid criteria. If the application screening indicates that the child may be Medicaid eligible, a Medicaid application will be sent to the family with an explanation that the child may be Medicaid eligible, but explaining that additional information and verifications are necessary to make the determination. The parent is given the choice to apply for Medicaid and provide the additional necessary information to the CPU or to the local department of social services.

During planning and public comments on the Title XXI program, the Department has received numerous complaints about the complexity and inconvenience of having to go to local departments of social services to apply for children's health insurance. Some parents and advocates allege that this requirement and the dislike of the "welfare stigma" attached to going to local departments of social services have inhibited achievement of the child health insurance goals of enrolling all uninsured low-income children. Commenters have requested a separate application process that is more like applying for private insurance coverage and less like "welfare".

Since local departments of social services administer an array of public assistance programs, they operate by office management rules necessitated by the dictates of the more traditional public assistance programs and the large numbers of individuals seeking public assistance. This situation results in families who are only applying for health insurance for their children being subjected to competing staff priorities and conflicts. A uniquely dedicated CPU will eliminate these problems for families seeking only health insurance for their children.

DMAS anticipates no negative impact from affording the affected families the choice to have their eligibility determined in the CPU or to file the Medicaid application with the local agency. Families desiring the more streamlined approach may use the CPU; however, if they desire other services or want to have their eligibility determined locally, they are permitted to do so. The agency projects no negative issues involved in implementing this regulatory change.

One technical change is made in the regulations to remove reference to the Medical Assistance Appeals Board which no longer exists.

Recipients will not be adversely impacted by this regulation. The provision of streamlined service by the CPU will afford them increased efficiency and convenience when applying for FAMIS and Medicaid. Applicants for FAMIS who are potentially eligible for Medicaid will be advised of their potential eligibility and given an opportunity to apply.

Local departments of social services will be spared the additional workload of cases processed by the CPU. Advocates and outreach workers seeking to refer individuals to the FAMIS program will be able to make referrals to the state level CPU rather than local agencies in multiple localities. For example, outreach workers in the Richmond area, must provide potential

applicants with multiple addresses and telephone numbers depending on where they reside. There are no localities that are uniquely affected by these regulations as they apply statewide.

No new forms will be required for implementation of this regulation. The Medicaid application forms are already in use.

### Family Impact Statement

*Please provide an analysis of the regulatory action that assesses the impact on the institution of the family and family stability including the extent to which 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.*

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This regulatory action will not have any negative affects on the institution of the family or family stability. It is expected that the streamlined service by the Central Processing Unit will afford families increased efficiency and convenience when applying for Medicaid. It will not increase or decrease disposable family income or erode the marital commitment. It will encourage economic self-sufficiency, self-pride, and the assumption of family responsibilities.