

Office of Regulatory Management
Economic Review Form

Agency name	DBHDS
Virginia Administrative Code (VAC) Chapter citation(s)	12 VAC 35 - 105
VAC Chapter title(s)	Rules and Regulations for Licensing Providers by the Department of Behavioral Health and Developmental Services
Action title	Amendments to align with enhanced behavioral health services
Date this document prepared	September 1, 2022

Cost Benefit Analysis

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct Costs & Benefits</p>	<p>Describe: This regulatory change aligns DBHDS licensing regulations with DMAS behavioral health regulations and Medicaid services. The substantive provisions of the regulation include: the creation of a service definition and license for Mental Health Intensive Outpatient Service; a revised definition of Substance Abuse Intensive Outpatient Service; the creation of ACT as a newly licensed service in place of the previously licensed PACT service; removal of the provisions of the regulations related to intensive community treatment (ICT) as it will no longer be a licensed service.</p> <p>Direct Costs:</p> <ul style="list-style-type: none"> • ICT providers are required to shift from a 40-hour-a-week model to 24/7 availability, utilizing additional staff resources: \$8,052,695 per year, \$80,526,950 over ten years. • Staff training on new licensure requirements: \$30,502 one-time cost. • PACT/ICT providers need to employ an LMHP or resident, requiring a higher salary than a QMHP-A as they transition to ACT teams. However, the regulation does not apply to QMHP-As who served as team leads prior to July 1, 2020. Of the 42 providers in operation, only 1 was established after July 1, 2020, therefore only 1 team experienced this cost: \$11,145 per year, \$111,450 over ten years. <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Under new regulations, ACT teams are able to employ a psychiatric nurse practitioner instead of a psychiatrist: \$5,639,760 per year, \$56,397,600 over ten years. • The ACT model is better aligned with evidence-based practices than the former ICT/PACT model. Under an improved model, it is likely that rates of hospitalization and incarceration among individuals
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	receiving ACT services to decrease. This result would benefit the Commonwealth through reduced costs to the Department of Corrections and DBHDS Mental Health Facilities. However, the new regulations and Medicaid billing changes have not been in place long enough to garner sufficient data on this result, therefore an exact dollar amount cannot be determined.		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) \$80,668,902	(c) \$70,880,279	
Direct Benefits	(b) \$56,937,600	(d) \$50,025,996	
(3) Benefits-Costs Ratio	0.71	(4) Net Benefit	-\$20,854,283
(5) Indirect Costs & Benefits	There are no indirect costs & benefits identified in this analysis associated with this regulation.		
(6) Information Sources	<p>Average salary data for all professions and sources can be found in table 1.</p> <p>Salary costs for ICT, PACT, Small ACT, Medium ACT, and Large ACT can be found in tables 2 through 6.</p> <ul style="list-style-type: none"> ICT 24/7 Staff Costs: ICT providers are required to shift from a 40-hour-a-week model to 24/7 availability, utilizing additional staff resources. 12 ICT teams transitioned to ACT teams – 11 Small ACT and 1 Medium ACT. Costs were calculated by determining the additional hours needed to provide 24/7 service coverage - 2 staff members will be needed to serve patients between 5:00 pm and 9:00 am, and on Saturdays and Sundays, totaling 256 hours per week (128 hours covered x 2 employees), or 13,312 hours. To find the average hourly wage for a Small and Medium ACT provider, the average salary for each team (see tables 4 and 5) was divided by 2080 hours (40 hours a week x 52 weeks a year). <p>Tables 7 and 8 show the costs per year for ICT teams transitioning to Small and Medium ACT teams. The average hourly salary for each team is multiplied by the additional hours needed each week. That number is then multiplied by the number of weeks in each year (52), and the number of teams in Virginia (11 Small, 1 Medium). The total cost is \$7,400,673+ \$652,202 = \$8,052,695 per year.</p>		

	<ul style="list-style-type: none"> • Staff Training: The cost of training was calculated by multiplying the average hourly salary for each ACT team by the training hours needed, by the number of employees per team, and by the number of teams in Virginia. Please see table 11. • LMHP as Team Lead: Assuming that the provider hired the least expensive LMHP (Counselor), they would experience a salary increase of \$11,145 per year. This figure is calculated by subtracting the average salary of a QMHP (\$42,065) from the average salary of a Counselor (\$53,210). All salary data is shown in Table 1. • Psychiatric NP Benefit: All 41 PACT/ICT teams were able to realize savings from employing a psychiatric nurse practitioner instead of a psychiatrist. The difference between the average salaries of the positions is \$134,820, multiplied by 42, resulting in a benefit of \$5,639,760. See Table 12.
(7) Optional	<ul style="list-style-type: none"> • This regulatory action resulted in changes to the maximum number of patients ACT Teams are able to serve, as well as changes to the patient-to-staff ratio required for each team. Before alignment, ICT teams could serve 80 individuals, with a ratio of 1:10 staff to patients. PACT teams could serve 120 individuals, with a ratio of 1:10 staff to patients. Under this regulatory action, Small ACT teams can serve up to 50 individuals, with a ratio of 1:8 staff to patients; Medium ACT teams can serve up to 74 individuals, with a ratio of 1:9 staff to patients; and Large ACT teams can serve up to 120 individuals, with a ratio of 1:9 staff to patients. Table 9 shows the calculations of the total number of patients able to be served before and after the regulatory change. It is important to note that these numbers reflect potential capacity if every team was operating at the highest possible patient volume. Additionally, case load varies due to a variety of factors, and it would be impossible for providers to consistently serve exactly the maximum number allowed per each license type. <p>The ACT model under this regulatory change allows for small, medium, and large sized teams. This change offers providers greater flexibility in starting and operating ACT teams, allowing for downsized staff requirements for smaller patient volumes. Prior to this regulatory change, all PACT teams, regardless of patient volume, were required to have at least 10 staff members (12 including a program assistant and psychiatrist). Under the ICT/PACT model, Virginia had 28 PACT teams in operation, able to serve a maximum population of 120. After this regulatory change, only 14 PACT teams became licensed as Large ACT teams, which are licensed to serve 120 individuals. The remaining providers opted to become licensed as Small or Medium ACT teams, which are</p>

	<p>allowed to serve 50 and 74 individuals, respectively. We can deduce from these decisions that while providers were able to serve more individuals in the PACT/ICT model by regulation, in practice, many providers were not operating at a high volume, and therefore, chose to become licensed at a team size that reduced their overall salary burden. The reduction in the maximum number of patients served under this regulatory change did not create a cost for providers. The ability for providers to choose a license that scales staffing requirements with the number of patients served allows for greater flexibility in the market, and therefore, likely has a beneficial impact. Additional data on the number of patients served by team type before and after this regulatory change is needed to conduct a full analysis of this benefit.</p> <p>Similarly, the change in staff ratios likely resulted in a beneficial impact, if any, to providers. Table 10 shows the staff ratio required for each provider by team type, as well as the average salary for each team. The “Salary” per individual reflects the average salary multiplied by the staff ratio. For a Small ACT team, for example, \$52,558.13 was multiplied by 1/8, to calculate a salary cost of \$6,569.77 per individual served. The table also shows the average salary cost per individual served before and after this regulatory change. The average salary cost per individual served is \$223 less after this regulatory change. While staffing ratios increased, the regulation also reduced the overall salary burden, especially for smaller teams, resulting in a small benefit to providers. Additional data on the number of individuals served by each team type before and after this regulatory change is needed to conduct a full analysis of this benefit.</p> <ul style="list-style-type: none"> • Most of the newly funded behavioral health services are consistent with existing DBHDS licensed services. For these services, including functional family therapy, multisystemic family therapy, intensive outpatient services, partial hospitalization programs, mobile crisis intervention services, 23-hour temporary observation services, crisis stabilization services, and residential crisis stabilization unit services; only very minimal changes are included in this action and they do not result in additional costs or direct benefits. The increase in rates for these services and the establishment of new services by DMAS result in independent costs and benefits to the Commonwealth, providers, and patients, however, those costs and benefits are not a result of this regulatory change.
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Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • Describe the current requirement associated with the first proposed impactful change described in Table 1a here. <p>Table is not needed, as this regulation was mandated by the General Assembly, and required to align with DMAS Medicaid Services. DBHDS did not exercise agency discretion in these regulations.</p>		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a)	(c)	
Direct Benefits	(b)	(d)	
(3) Benefits-Costs Ratio		(4) Net Benefit	
(5) Indirect Costs & Benefits			
(6) Information Sources			
(7) Optional			

Table 1c: Costs and Benefits under an Alternative Approach

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • Describe first alternative proposed impactful change here. <p>Table is not needed, as this regulation was mandated by the General Assembly, and required to align with DMAS Medicaid Services. DBHDS did not exercise agency discretion in these regulations.</p>		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a)	(c)	

Direct Benefits	(b)	(d)	
(3) Benefits-Costs Ratio		(4) Net Benefit	
(5) Indirect Costs & Benefits			
(6) Information Sources			
(7) Optional			

Impact on Local Partners

Table 2: Impact on Local Partners

<p>(1) Direct Costs & Benefits</p>	<p>Of the 42 ACT Teams operating in Virginia, 36 are operated by public mental health providers (CSBs), and 6 are operated privately. Depending on their existing status and level of fidelity to the current model these teams may be impacted by the changes proposed.</p> <p>Direct Costs:</p> <ul style="list-style-type: none"> • ICT providers are required to shift from a 40-hour-a-week model to 24/7 availability, utilizing additional staff resources: \$6,901,159 • Staff training on new licensure requirements: \$26,140 one-time cost. • PACT/ICT providers need to employ an LMHP or resident, requiring a higher salary than a QMHP-A as they transition to ACT teams. However, the regulation does not apply to QMHP-As who served as team leads prior to July 1, 2020. Of the 42 providers in operation, only 1 was established after July 1, 2020, therefore only 1 team experienced this cost: \$9,551 <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Under new regulations, ACT teams are able to employ a psychiatric nurse practitioner instead of a psychiatrist: \$4,816,355 per year, • The ACT model is better aligned with evidence-based practices than the former ICT/PACT model. Under an improved model, it is likely that rates of hospitalization and incarceration among individuals receiving ACT services to decrease. This result would benefit the Commonwealth through reduced costs to the Department of
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	Corrections and DBHDS Mental Health Facilities. However, the new regulations and Medicaid billing changes have not been in place long enough to garner sufficient data on this result, therefore an exact dollar amount cannot be determined.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$6,936,851
Direct Benefits	(b) \$4,816,355
(3) Indirect Costs & Benefits	There are no indirect costs & benefits identified in this analysis associated with this regulation.
(4) Information Sources	Of the 42 ACT Teams operating in Virginia, 36 are operated by public mental health providers (CSBs). This represents 85.7% of the full industry. Costs to local partners (CSBs) were determined by calculating the proportional costs and benefits realized by this portion of the industry. See tables 15 and 16.
(5) Assistance	
(6) Optional	

Economic Impacts on Families

Table 3: Impact on Families

(1) Direct Costs & Benefits	Families are not directly impacted by this regulatory change.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a)
Direct Benefits	(b)

(3) Indirect Costs & Benefits	
(4) Information Sources	
(5) Optional	

Impacts on Small Businesses

Table 4: Impact on Small Businesses

<p>(1) Direct Costs & Benefits</p>	<p>Of the 42 ACT Teams operating in Virginia, 36 are operated by public mental health providers (CSBs), and 6 are operated privately. Assuming that all 6 private providers meet the definition of “small business” as defined in § 2.2-4007.1, they would experience the same costs and benefits described in table 1a.</p> <p>Of the 42 ACT Teams operating in Virginia, 36 are operated by public mental health providers (CSBs), and 6 are operated privately. Depending on their existing status and level of fidelity to the current model these teams may be impacted by the changes proposed.</p> <p>Direct Costs:</p> <ul style="list-style-type: none"> • ICT providers are required to shift from a 40-hour-a-week model to 24/7 availability, utilizing additional staff resources: \$1,151,535 • Staff training on new licensure requirements: \$4,361 one-time cost. • PACT/ICT providers need to employ an LMHP or resident, requiring a higher salary than a QMHP-A as they transition to ACT teams. However, the regulation does not apply to QMHP-As who served as team leads prior to July 1, 2020. Of the 42 providers in operation, only 1 was established after July 1, 2020, therefore only 1 team experienced this cost: \$1,593 <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Under new regulations, ACT teams are able to employ a psychiatric nurse practitioner instead of a psychiatrist: \$823,404 • The ACT model is better aligned with evidence-based practices than the former ICT/PACT model. Under an improved model, it is likely that rates of hospitalization and incarceration among individuals receiving ACT services to decrease. This result would benefit the Commonwealth through reduced costs to the Department of Corrections and DBHDS Mental Health Facilities. However, the
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	new regulations and Medicaid billing changes have not been in place long enough to garner sufficient data on this result, therefore an exact dollar amount cannot be determined.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$1,157,490
Direct Benefits	(b) \$823,404
(3) Indirect Costs & Benefits	There are no indirect costs or benefits to small businesses.
(4) Alternatives	No alternatives are available, this action was mandated by the General Assembly.
(5) Information Sources	Of the 42 ACT Teams operating in Virginia, 36 are operated by public mental health providers (CSBs), and 6 are operated privately. This represents 14.3% of the full industry. Costs to small businesses are determined by calculating the proportional costs and benefits realized by this portion of the industry. See tables 13 and 14.
(6) Optional	

Changes to Number of Regulatory Requirements

Table 5: Total Number of Requirements

Chapter number	Number of Requirements			
	Initial Count	Additions	Subtractions	Net Change
105	1,034*	10**	0	10

(*2020 Baseline Total 968 + 66 Post 2020 in three actions [DOJ primarily; provider statement; CSB grace period].)

(**All amendments are state mandates on the regulant due to General Assembly mandate to promulgate regulations “to align with the implementation plan for changes being made to the Medicaid behavioral health regulations.” Only those changes that were necessary to align DBHDS licensing regulations with anticipated changes to Medicaid behavioral health regulations by removing provisions that would conflict with newly funded behavioral health services and establishing new licensed services for those newly funded behavioral health services that cannot be nested under an existing DBHDS licenses.)

(Note: Changes duplicative of changes in the ASAM action are counted here.)

Appendix

Table 1

Position	Salary	Salary Data Source
Psychiatrist	\$ 246,600.00	Bureau of Labor & Statistics, Annual Mean Wage in VA
Psychiatric Nurse Practitioner	\$ 112,320.00	Bureau of Labor & Statistics, Annual Mean Wage in VA
Psychologist (LMHP)	\$ 108,910.00	Bureau of Labor & Statistics, Annual Mean Wage in VA
Registered Nurse	\$ 76,680.00	Bureau of Labor & Statistics, Annual Mean Wage in VA
Social Worker (LMHP)	\$ 57,420.00	Bureau of Labor & Statistics, Annual Mean Wage in VA
Certified Substance Abuse Counselor (CSAC)	\$ 53,210.00	Bureau of Labor & Statistics, Annual Mean Wage in VA
Co-Occurring Disorder Specialist - LMHP or Resident	\$ 53,210.00	Bureau of Labor & Statistics, Annual Mean Wage in VA
Counselor (LMHP)	\$ 53,210.00	Bureau of Labor & Statistics, Annual Mean Wage in VA
LPN	\$ 48,430.00	Bureau of Labor & Statistics, Annual Mean Wage in VA
QMHP	\$ 42,065.00	Zip Recruiter, Average Annual Pay in VA
Peer Specialist (QPPMH or QMPH)	\$ 42,065.00	Zip Recruiter, Average Annual Pay in VA
Vocational Specialist (QMHP)	\$ 42,065.00	Bureau of Labor & Statistics, Annual Mean Wage in VA
Substance Abuse Specialist (QMHP)	\$ 42,065.00	Bureau of Labor & Statistics, Annual Mean Wage in VA
Generalist Clinical Staff - QMHP	\$ 42,065.00	Bureau of Labor & Statistics, Annual Mean Wage in VA
Peer Recovery Specialist	\$ 34,691.00	Zip Recruiter, Average Annual Pay in VA
Program Assistant	\$ 34,474.00	Zip Recruiter, Average Annual Pay, Behavioral Health Assistant
Generalist Clinical Staff	\$ 34,474.00	Zip Recruiter, Average Annual Pay, Behavioral Health Assistant

Table 2

ICT Team

Required Position	Positions needed	Salary
QMHP-A	1	\$ 42,065.00
LPN	1	\$ 48,430.00
Vocational Specialist - QMHP*	1	\$ 42,065.00
Substance Abuse Specialist -QMHP*	1	\$ 42,065.00
Peer Specialist (QPPMH/QMHP)	1	\$ 42,065.00
Program Assistant	1	\$ 34,474.00
Psychiatrist	1	\$ 246,600.00
Total	7	\$ 497,764.00
ICT Average Salary		\$ 71,109.14
* Regulation provides that at least 80% of ICT Teams shall be QMHPs, these positions must meet that requirement to reach required percentage		

Salary costs were calculated assuming that providers would hire mental health professionals with the lowest salary of the positions allowed under regulation. For example, providers would choose to hire able to hire an LPN over an RN.

Table 3

PACT Team		
Required Position	Positions needed	Salary
Team Leader - QMHP-A	1	\$ 42,065.00
RN	1	\$ 76,680.00
LPN	1	\$ 48,430.00
LPN	1	\$ 48,430.00
Vocational Specialist - QMHP*	1	\$ 42,065.00
Substance Abuse Specialist - QMHP*	1	\$ 42,065.00
Peer Specialist (QPPMH/QMHP)**	4	\$ 42,065.00
Program Assistant	1	\$ 34,474.00
Psychiatrist	1	\$ 246,600.00
Total	12	\$ 622,874.00
PACT ACT Average Salary		\$ 51,906.17
* Regulation provides that at least 80% of PACT Teams shall be QMHPs, these positions must meet that requirement to reach required percentage		
**Regulation provides that PACT teams have a minimum of 10 employees not including the psychiatrist and program assistant		

Salary costs were calculated assuming that providers would hire mental health professionals with the lowest salary of the positions allowed under regulation. For example, providers would choose to hire able to hire an LPN over an RN.

Table 4

Small ACT Team		
Required Position	Positions needed	Salary
Team Leader - LMHP	1	\$ 53,210.00
LPN	1	\$ 48,430.00
Vocational Specialist - QMHP	1	\$ 42,065.00
Co-Occurring Disorder Specialist - LMHP, QMHP or CSAC	1	\$ 53,210.00
ACT Peer Recovery Specialist	1	\$ 34,691.00
Program Assistant	1	\$ 34,474.00
Psychiatric NP	1	\$ 112,320.00
Generalist Clinical Staff (QMHP)	1	\$ 42,065.00
Total	8	\$ 420,465.00
Small ACT Team Average Salary		\$ 52,558.13

Salary costs were calculated assuming that providers would hire mental health professionals with the lowest salary of the positions allowed under regulation. For example, providers would choose to hire able to hire an LPN over an RN.

Table 5

Medium ACT Team		
Required Position	Positions needed	Salary
Team Leader - LMHP	1	\$ 42,065.00
RN	1	\$ 76,680.00
LPN	1	\$ 48,430.00
Vocational Specialist - QMHP	1	\$ 42,065.00
Co-Occurring Disorder Specialist - LMHP, QMHP or CSAC	1	\$ 42,065.00
Peer Recovery Specialist	1	\$ 34,691.00
Program Assistant	1	\$ 34,474.00
Psychiatric NP	1	\$ 112,320.00

Generalist Clinical Staff - QMHP*	1	\$ 42,065.00
Generalist Clinical Staff - Other	1	\$ 34,474.00
Total	10	\$ 509,329.00
Medium ACT Average Salary		\$ 50,932.90
*Regulation provides that Medium ACT Teams require 2 Generalist Clinical Staff, 50% of whom must be a LMHP or QMHP		

Salary costs were calculated assuming that providers would hire mental health professionals with the lowest salary of the positions allowed under regulation. For example, providers would choose to hire able to hire an LPN over an RN.

Table 6

Large ACT Team		
Required Position	Positions needed	Salary
Team Leader - LMHP	1	\$ 42,065.00
RN	1	\$ 76,680.00
LPN	1	\$ 48,430.00
LPN	1	\$ 48,430.00
Vocational Specialist - QMHP	1	\$ 42,065.00
Co-Occurring Disorder Specialist - LMHP, QMHP or CSAC	1	\$ 42,065.00
Peer Recovery Specialist	1	\$ 34,691.00
Program Assistant	1	\$ 34,474.00
Psychiatric NP	1	\$ 112,320.00
Generalist Clinical Staff - QMHP*	1	\$ 42,065.00
Generalist Clinical Staff - QMHP*	1	\$ 42,065.00
Generalist Clinical Staff - Other	1	\$ 34,474.00
Total	12	\$ 599,824.00
Large ACT Average Salary		\$ 49,985.33
*Regulation provides that Large ACT Teams require 3 Generalist Clinical Staff, 50% of whom must be a LMHP or QMHP		

Salary costs were calculated assuming that providers would hire mental health professionals with the lowest salary of the positions allowed under regulation. For example, providers would choose to hire able to hire an LPN over an RN.

Table 7

Salary Cost Additional Hours ICT to Small ACT Teams	
Small ACT Hourly Average Wage	\$25.27
Additional Hours Needed	256
Staff Members Needed	2
Total Staffed Hours	512
Cost Per Week	\$12,938.24
Cost Per Year	\$672,788.48
Number of ICT Teams Transitioned	11
Total Cost	\$7,400,673.28

Table 8

Salary Cost Additional Hours ICT to Medium ACT Teams	
Medium ACT Hourly Average Wage	\$24.49
Additional Hours Needed	256
Staff Members Needed	2
Total Staffed Hours	512
Cost Per Week	\$12,538.88
Cost Per Year	\$652,021.76
Number of ICT Teams Transitioned to ACT	1
Total Cost	\$652,021.76

Table 9

Team Type	Maximum Served by Team	Ratio Required	Number of Teams	Maximum Population Served
PACT	120	1:10	28	3360
ICT	80	1:10	13	1040
Pre-regulatory change				4400
ACT Small	50	1:08	17	850
ACT Medium	74	1:09	11	814
ACT Large	120	1:09	14	1680
Post-regulatory change				3344

Table 10

Cost to Serve 1 Individual			
Team Type	Ratio Required	Average Salary	Salary per individual
PACT	1:10	\$51,906.17	\$5,190.62
ICT	1:10	\$71,109.14	\$7,110.91
Pre-regulatory Average			\$6,150.77
ACT Small	1:08	\$52,558.13	\$6,569.77
ACT Medium	1:09	\$50,932.90	\$5,659.21
ACT Large	1:09	\$49,985.33	\$5,553.93
Post-regulatory Average			\$5,927.63

Table 11

Team Type	Average Hourly Salary	Training Hours Needed	Number of Employees per Team	Number of Teams in VA	Cost to Train
Small ACT	\$ 25.27	3	8	17	\$ 10,309.48
Medium ACT	\$ 24.49	3	10	11	\$ 8,080.70
Large ACT	\$ 24.03	3	12	14	\$ 12,111.83
Total					\$ 30,502.01

Table 12

Savings Through Psychiatric NP	
Salary of Psychiatrist	\$246,600.00
Salary of Psychiatric NP	\$112,320.00
Number of Teams Able to Realize Savings	42
Total Savings Per Year	\$5,639,760.00

Table 13

Small Business Costs		
Full Industry Costs	Percentage of Industry Provided by Private Business	Private Industry Cost

\$8,052,695	14.3%	\$1,151,535.39
\$30,502	14.3%	\$4,361.79
\$11,145	14.3%	\$1,593.74
Total		\$1,157,490.91

Table 14

Small Business Benefits		
Full Industry Benefits	Percentage of Industry Provided by Private Business	Private Industry Benefit
\$5,639,760	14.6%	\$ 823,404.96

Table 15

Local Partner Costs		
Full Industry Costs	Percentage of Industry Provided by CSBs	CSB Cost
\$8,052,695	85.7%	\$6,901,159.62
\$30,502	85.7%	\$26,140.21
\$11,145	85.7%	\$9,551.27
Total		\$6,936,851.09

Table 16

Local Partner Benefits		
Full Industry Benefits	Percentage of Industry Provided by CSBs	CSB Benefit
\$5,639,760	85.4%	\$ 4,816,355.04

COST BENEFIT ANALYSIS WORKSHEET

INTERIM v. July 28, 2022

Discount Rate:	3%
Time horizon:	10 years

DO NOT CHANGE THIS NUMBER unless you wish to use a different discount rate

Notes:

1. Year 0 represents the current fiscal year
2. Options 1 & 2 below correspond to the two options in the grocery cart example. Option 3 below provides an alternative option.
3. Replace the values in the green cells below with the expected costs and benefits for your analysis. Insert zero for any cells that are not applicable.
4. The sections for options 2 and 3 must be filled out if the agency has any discretion over the proposed regulatory action.

Year	Option 1		Option 2		Option 3	
	Cost	Benefit	Cost	Benefit	Cost	Benefit
0	8,094,342	5,693,760				
1	8,063,840	5,693,760				
2	8,063,840	5,693,760				
3	8,063,840	5,693,760				
4	8,063,840	5,693,760				
5	8,063,840	5,693,760				
6	8,063,840	5,693,760				
7	8,063,840	5,693,760				
8	8,063,840	5,693,760				
9	8,063,840	5,693,760				
TOTAL	80,668,902	56,937,600	0	0	0	0

Present Value						
Year	Option 1		Option 2		Option 3	
	Cost	Benefit	Cost	Benefit	Cost	Benefit
0	8,094,342	5,693,760	0	0	0	0
1	7,828,971	5,527,922	0	0	0	0
2	7,600,943	5,366,915	0	0	0	0
3	7,379,556	5,210,597	0	0	0	0
4	7,164,617	5,058,832	0	0	0	0
5	6,955,939	4,911,487	0	0	0	0
6	6,753,339	4,768,434	0	0	0	0
7	6,556,640	4,629,548	0	0	0	0
8	6,365,670	4,494,707	0	0	0	0
9	6,180,262	4,363,793	0	0	0	0
TOTAL	70,880,279	50,025,996	0	0	0	0

	Option 1	Option 2	Option 3
Benefit-Cost Ratio	0.71	#DIV/0!	#DIV/0!
Net Benefit	-20,854,283	0	0

discount rate; if so, please make a note of this on the Economic Impact form and provide a rationale

example where costs and benefits vary from year to year.

(0) for years where no costs or benefits are expected.

dry changes. Use "Option 2" for the status quo and "Option 3" for one other alternative.