



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

12 VAC 5-217 Regulations of the Patient Level Data System
Department of Health
October 2, 2014

Summary of the Proposed Amendments to Regulation

The Board of Health (Board) proposes to: 1) update definitions for consistency with the Code of Virginia, 2) repeal obsolete language, 3) move text for improved organization, 4) amend language for clarity, and 5) place in the regulation the current policy that inpatient hospitals who submit data pursuant to this regulation are not assessed fees if the data is processed, verified, and timely in accordance with standards established by the Board.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Updating definitions for consistency with the Code of Virginia, repealing obsolete language, improving organization of text, and amending language to improve clarity are all moderately beneficial in that they may reduce some potential confusion amongst the interested public.

Inpatient hospitals are required to submit specified patient level data for each hospital inpatient, including a separate record for each infant, if applicable. Inpatient hospitals are defined as a hospital providing inpatient care and licensed pursuant to Article 1 (§ 32.1-123 et seq.) of Chapter 5 of Title 32.1 of the Code of Virginia, a hospital licensed pursuant to Article 2 (§ 32.2-403 et seq.) of Chapter 4 of Title 37.2 Chapter 8 (§ 37.1-179 et seq.) of Title 37.1 of the Code of Virginia, a hospital operated by the Department of Behavioral Health and Developmental Services for the care and treatment of individuals with mental illness, or a hospital operated by the University of Virginia or Virginia Commonwealth University_Health System Authority.

It is current Board policy to not assess fees to inpatient hospitals who submit data that is processed, verified, and timely in accordance with standards established by the Board. Establishing this policy in regulation does not change what occurs in practice, but does provide a modest benefit in that it provides clarity for interested parties.

Businesses and Entities Affected

The proposed amendments concern 105 licensed hospitals in the Commonwealth, as well as the nonprofit organization Virginia Health Information.

Localities Particularly Affected

The proposed amendments do not disproportionately affect particular localities.

Projected Impact on Employment

The proposed amendments will not significantly affect employment.

Effects on the Use and Value of Private Property

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

Small Businesses: Costs and Other Effects

The proposed amendments will not significantly affect costs for small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed amendments will not adversely affect small businesses.

Real Estate Development Costs

The proposed amendments will not affect real estate development costs.

Legal Mandate

General: The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia and Executive Order Number 17 (2014). Section 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:

- the projected number of businesses or other entities to whom the proposed regulatory action would apply,

- the identity of any localities and types of businesses or other entities particularly affected,
- the projected number of persons and employment positions to be affected,
- the projected costs to affected businesses or entities to implement or comply with the regulation, and
- the impact on the use and value of private property.

Small Businesses: If the proposed regulatory action will have an adverse effect on small businesses, § 2.2-4007.04 requires that such economic impact analyses include:

- an identification and estimate of the number of small businesses subject to the proposed regulation,
- 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,
- a statement of the probable effect of the proposed regulation on affected small businesses, and
- a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation.

Additionally, pursuant to § 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 (JCAR) is notified at the time the proposed regulation is submitted to the *Virginia Register of Regulations* for publication. This analysis shall represent DPB's best estimate for the purposes of public review and comment on the proposed regulation.

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