



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

12 VAC 30-100 State Programs
Department of Medical Assistance Services
March 31, 2015

Summary of the Proposed Amendments to Regulation

The Department of Medical Assistance Services (DMAS) administers the Human Immunodeficiency Virus (HIV) Premium Assistance Program under the authority of the Code of Virginia § 32.1-330.1. Participants in the HIV premium assistance program must be unable to work or have a substantial likelihood of being unable to work within three months of becoming eligible to receive the assistance. In addition, a physician must certify this condition.

DMAS is proposing to amend regulations for the HIV Premium Assistance program in 3 areas: (1) to refer to individual/spousal income, rather than family, when evaluating individuals for program eligibility; (2) to expand the list of countable liquid assets that DMAS may evaluate during eligibility determination; and (3) to include a provision for coverage of family members if the participants' health insurance is the sole source of health insurance for the family.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Currently, DMAS counts family income to determine if an individual can qualify for HIV premium assistance. The agency proposes that only the individual's and spouse's income will be considered when evaluating an individual for this assistance. Sometimes these individuals have to move into their adult employed children's homes and under the current regulations these children's incomes count in determining their parent's eligibility.

Countable liquid assets are now limited to the following: a) savings accounts, b) checking accounts, c) money market certificates, d) certificates of deposit, e) mutual funds, and f) stocks

and bonds. DMAS proposes to add “All other liquid assets as provided in COV § 6.2-1100” to the list of countable liquid assets. Under this portion of the Code of Virginia liquid assets are defined as:

(i) cash on hand; (ii) cash on deposit in Federal Home Loan Banks, Federal Reserve Banks, savings institutions, or in commercial banks that is withdrawable upon not more than 30 days' notice and that is not pledged as security for indebtedness; (iii) the liquid asset fund of the United States League of Saving Institutions; (iv) obligations of, or obligations that are fully guaranteed as to principal and interest by, the United States; or (v) any other asset that the Commissioner designates as a liquid asset. Any deposits in financial institutions under the control or in the possession of any supervisory authority are not liquid assets.

This is intended to more fully reflect all assets that an individual may acquire in determining eligibility for HIV premium assistance.

When the section of this regulation on health insurance premium payments was initially drafted, DMAS did not address coverage of family members in cases in which the participant's policy was the sole source of health insurance. The agency proposes to include a provision for coverage of family members if the participants' health insurance is the sole source of health insurance for the family.

All of the funding for the HIV Premium Assistance Program is spent each year. The funding is the limiting factor as toward how much is spent, not the number of people who qualify. The proposed amendments will just change who receives how much. In that sense, the proposed amendments may be considered beneficial in that they help enable the funds to be distributed to those who are most needy. Those who lose out on premium assistance may feel otherwise.

Businesses and Entities Affected

The proposed amendments affect individuals with HIV. There are currently 8 individuals in the HIV Premium Assistance Program.

Localities Particularly Affected

The proposed amendments do not disproportionately affect particular localities.

Projected Impact on Employment

The proposed amendments are unlikely to significantly affect employment.

Effects on the Use and Value of Private Property

The proposed amendment does not significantly affect the use and value of private property.

Small Businesses: Costs and Other Effects

The proposed amendments do 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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