

Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



Virginia Department of Planning and Budget Economic Impact Analysis

12 VAC 30-40 Eligibility Conditions and Requirements

Department of Medical Assistance Services

Town Hall Action/Stage: 4734 / 7787

February 14, 2017

Summary of the Proposed Amendments to Regulation

On behalf of the Board of Medical Assistance Services, the Director of the Department of Medical Assistance Services proposes to amend the regulation to reflect that Chapter 567 of the 2016 Acts of Assembly (Chapter 567)¹ added supportive housing² as a third approved residential setting for auxiliary grant³ recipients.

Result of Analysis

The proposed amendment creates a net benefit.

Estimated Economic Impact

Prior to Chapter 567, the only approved residential settings for auxiliary grant recipients were assisted living facilities and adult foster homes. The legislation added supportive housing as

¹ See <http://leg1.state.va.us/cgi-bin/legp504.exe?161+ful+CHAP0567>

² “Supportive housing” is defined in Code of Virginia § 51.5-160 as “a residential setting with access to supportive services for an auxiliary grant recipient in which tenancy ... is provided or facilitated by a provider licensed to provide mental health community support services, intensive community treatment, programs of assertive community treatment, supportive in-home services, or supervised living residential services that has entered into an agreement with the Department of Behavioral Health and Developmental Services.”

³ The Auxiliary Grants Program is a program to supplement income of an individual receiving Supplemental Security Income (SSI) or an adult who would be eligible for SSI except for excess income, who resides in an assisted living facility, adult foster care, or now due to Chapter 567, supportive housing.

a third approved residential setting option for auxiliary grant recipients. Auxiliary grant recipients automatically qualify for Medicaid. The proposed amendment does not in practice affect who qualifies for Medicaid, or where they may reside. Nevertheless, amending the regulation is moderately beneficial in that it improves clarity for the public.

Businesses and Entities Affected

The proposed amendment affects readers of this regulation who may have been misled into thinking that assisted living facilities and adult foster homes were the only approved residential settings for auxiliary grant recipients. Chapter 567 capped the number of auxiliary grant recipients in supportive housing at 60.

Localities Particularly Affected

The proposed amendment does not disproportionately affect specific localities.

Projected Impact on Employment

The proposed amendment does not affect total employment.

Effects on the Use and Value of Private Property

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

Real Estate Development Costs

The proposed amendment does not affect real estate development costs.

Small Businesses:

Definition

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.”

Costs and Other Effects

The proposed amendment does not affect costs for small businesses.

Alternative Method that Minimizes Adverse Impact

The proposed amendment does not adversely affect small businesses.

Adverse Impacts:**Businesses:**

The proposed amendment does not adversely affect businesses.

Localities:

The proposed amendment does not adversely affect localities.

Other Entities:

The proposed amendment does not adversely affect other entities.

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 Number 17 (2014). 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 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(C): 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.

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