



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

12 VAC 30-120 Waivered Services
Department of Medical Assistance Services
Town Hall Action/Stage: 5794 / 9361
October 22, 2021

Summary of the Proposed Amendments to Regulation

The director of the Department of Medical Assistance Services (DMAS) is proposing to repeal the currently obsolete regulation associated with the Alzheimer's Assisted Living Waiver (AAL waiver).

Background

The AAL waiver was originally developed in 2006 to provide care and support to aging Virginia residents who had been diagnosed with Alzheimer's or other related memory disorders. According to DMAS, the AAL waiver ended on June 30, 2017, and the regulation has had no effect since then. DMAS adds that the AAL waiver became obsolete once the federal home and community-based services (HCBS) program took effect. The HCBS program established new reimbursement criteria with the goal of enabling Medicaid members to receive services in community settings rather than in skilled nursing facilities. Thus, the agency is now proposing to repeal this regulation in its entirety.

Estimated Benefits and Costs

Since the AAL waiver ended on June 30, 2017, and the regulation has had no effect since then, the proposed repeal of this regulation is not anticipated to create any significant economic effect other than eliminating obsolete regulatory text.

Businesses and Other Entities Affected

The proposed repeal of this regulation would not directly affect any business or entity. No adverse economic impact¹ on any entity is indicated.

Small Businesses² Affected:

The proposed repeal does not adversely affect small businesses.

Localities³ Affected⁴

The proposed repeal does not introduce costs for local governments.

Projected Impact on Employment

The proposed repeal does not affect total employment.

Effects on the Use and Value of Private Property

The proposed repeal does not affect the use and value of private property or real estate development costs.

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 14 (as amended, July 16, 2018). 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(D): 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

¹ Adverse impact is indicated if there is any increase in net cost or reduction in net revenue for any entity, even if the benefits exceed the costs for all entities combined.

² 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.”

³ “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

⁴ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

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.