

Office of Regulatory Management
Economic Review Form

Agency name	Department of Medical Assistance Services
Virginia Administrative Code (VAC) Chapter citation(s)	12VAC30-10 and 12VAC30-20
VAC Chapter title(s)	State Plan under Title XIX of the Social Security Act Medical Assistance Program; General Provisions and Administration of Medical Assistance Services
Action title	Third Party Liability Update
Date this document prepared	November 30, 2022

Cost Benefit Analysis

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

<p>(1) Direct Costs & Benefits</p>	<ul style="list-style-type: none"> • Describe first proposed impactful change here. <p>In accordance with a CMS directive, DMAS has to comply with the following third party liability (TPL) requirements:</p> <p>(1) apply cost avoidance procedures to claims for prenatal services, including labor, delivery, and postpartum care services.</p> <p>(2) make payments without regard to potential third party liability for pediatric preventive services, unless the state has made a determination related to cost-effectiveness and access to care that warrants cost avoidance for up to 90 days.</p> <p>(3) have flexibility to make payments without regard to potential third party liability for up to 100 days for claims related to child support enforcement beneficiaries.</p> <p>In practice, Virginia was already in compliance with the first and third requirement, but must make changes to ensure that it is in compliance regarding pediatric preventive services. Virginia had been collecting funds for these services from third party insurers, but will now begin paying those claims before collecting from these insurers. This is a change from a “cost avoidance” model to a “pay and chase” model for pediatric preventive claims.</p> <p>Direct costs: DMAS is not aware of any quantifiable direct costs at this time.</p> <p>Direct benefits: DMAS is not aware of any quantifiable direct benefits at this time.</p>	
<p>(2) Quantitative Factors</p>	<p>Estimated Dollar Amount</p>	<p>Present Value</p>

Direct Costs	(a) \$0	(c) \$0	
Direct Benefits	(b) \$0	(d) \$0	
(3) Benefits-Costs Ratio	Undefined (zero divided by zero)	(4) Net Benefit	\$0
(5) Indirect Costs & Benefits	DMAS is not aware of either any quantifiable indirect costs or indirect benefits.		
(6) Information Sources	DMAS' Fiscal and Budget Divisions.		
(7) Optional	<p>There are no direct or indirect costs or benefits resulting from these changes.</p> <p>From a qualitative perspective, the benefit of this regulatory action is that DMAS' regulations will reflect current TPL law. Specifically, DMAS' regulations will ensure the agency pays claims for pediatric preventive services before collecting fees from third party insurers.</p>		

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct Costs & Benefits	The changes being made by this regulatory action are non-discretionary.		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) See response to (1) above	(c) See response to (1) above	
Direct Benefits	(b) See response to (1) above	(d) See response to (1) above	
(3) Benefits-Costs Ratio	See response to (1) above	(4) Net Benefit	See response to (1) above
(5) Indirect Costs & Benefits	See response to (1) above		
(6) Information Sources	See response to (1) above		

(7) Optional	See response to (1) above
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Table 1c: Costs and Benefits under an Alternative Approach

(1) Direct Costs & Benefits	The changes being made by this regulatory action are non-discretionary.		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) See response to (1) above	(c) See response to (1) above	
Direct Benefits	(b) See response to (1) above	(d) See response to (1) above	
(3) Benefits-Costs Ratio	See response to (1) above	(4) Net Benefit	See response to (1) above
(5) Indirect Costs & Benefits	See response to (1) above		
(6) Information Sources	See response to (1) above		
(7) Optional	See response to (1) above		

Impact on Local Partners

- (1) Describe the direct costs and benefits (as defined on page 1) for local partners in terms of real monetary costs and FTEs. Local partners include local or tribal governments, school divisions, or other local or regional authorities, boards, or commissions. If local partners are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
- (3) Indirect Costs & Benefits: Describe any indirect benefits and costs (as defined on page 1) for local partners that are associated with all significant changes. If there are no indirect costs or benefits, include a specific statement to that effect.

- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (5) Assistance: Identify the amount and source of assistance provided for compliance in both funding and training or other technical implementation assistance.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 2: Impact on Local Partners

(1) Direct Costs & Benefits	Local partners will not incur any direct costs or benefits of the regulatory changes contained in the regulatory action.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$0
Direct Benefits	(b) \$0
(3) Indirect Costs & Benefits	DMAS is not aware of any quantifiable indirect costs. DMAS is not aware of any quantifiable indirect benefits.
(4) Information Sources	DMAS' Fiscal and Budget Divisions.
(5) Assistance	N/A
(6) Optional	There are no direct or indirect costs or benefits resulting from these changes.

Economic Impacts on Families

- (1) Describe the direct costs and benefits (as defined on page 1) to a typical family of three (average family size in Virginia according to the U. S. Census) arising from any proposed regulatory changes that would affect the costs of food, energy, housing, transportation, healthcare, and education. If families are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.

- (3) Indirect Costs & Benefits: Describe any indirect costs and benefits (as defined on page 1) to a typical family of three that are most likely to result from the proposed changes.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (5) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 3: Impact on Families

(1) Direct Costs & Benefits	Families will not incur any direct costs or benefits of the regulatory change as they are not subject to the mandates contained in this regulatory action.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$0
Direct Benefits	(b) \$0
(3) Indirect Costs & Benefits	DMAS is not aware of any quantifiable indirect costs. DMAS is not aware of any quantifiable indirect benefits.
(4) Information Sources	DMAS' Fiscal and Budget Divisions.
(5) Optional	There are no direct or indirect costs or benefits resulting from these changes.

Impacts on Small Businesses

- (1) Describe the direct costs and benefits (as defined on page 1) for small businesses. For purposes of this analysis, “small business” means the same as that term is defined in § 2.2-4007.1. If small businesses are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe the indirect benefits and costs (as defined on page 1) for small businesses that are most likely to result from the proposed changes.
- (4) Alternatives: Add a qualitative discussion of any equally effective alternatives that would make the regulatory burden on small business more equitable compared to other affected business sectors, and how those alternatives were identified.

- (5) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 4: Impact on Small Businesses

(1) Direct Costs & Benefits	Direct Costs: DMAS is not aware of any quantifiable direct costs at this time. Direct Benefits: DMAS is not aware of any quantifiable direct benefits at this time.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$0
Direct Benefits	(b) \$0
(3) Indirect Costs & Benefits	DMAS is not aware of any quantifiable direct costs at this time. DMAS is not aware of any quantifiable direct benefits at this time.
(4) Alternatives	Because the change being made by this regulatory action are non-discretionary, there are not alternatives for DMAS to consider.
(5) Information Sources	DMAS' Fiscal and Budget Divisions.
(6) Optional	

Changes to Number of Regulatory Requirements

For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this

stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed.

Table 5: Total Number of Requirements

	Number of Requirements			
Chapter number	Initial Count	Additions	Subtractions	Net Change
10	241	6	0	247
20	376	19	11	384