

Office of Regulatory Management
Economic Review Form

Agency name	Department of Medical Assistance Services
Virginia Administrative Code (VAC) Chapter citation(s)	12VAC30-50-165
VAC Chapter title(s)	Durable Medical Equipment Suitable for Use in the Home
Action title	Complex Rehabilitation Technology
Date this document prepared	4/16/2024
Regulatory Stage (including Issuance of Guidance Documents)	Fast-Track

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

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

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>This regulatory action allows DME providers to bill Medicaid directly for CRT. Medicaid currently reimburses nursing facilities (NFs) a per diem rate that covers care for Medicaid members enrolled in a NF. The majority of the member’s DME needs must be provided by the facility under this per diem. There are a few exceptions to this rule because of the high costs associated with certain types of equipment, including CRT. Consequently, NFs are not required to pay for CRT items, but members can use their patient pay to cover these costs. (Patient pay refers to the member’s obligation to pay toward the cost of long-term care if the member’s income exceeds certain thresholds).</p> <p>However, many DME providers are not willing to accept members’ patient pay because the DME provider has to recoup the cost of the item via the patient pay each month until the item has been paid in full, which can sometimes take years. If a DME company doesn’t accept the patient pay adjustment, or if the Medicaid member doesn’t have a patient pay amount, the member must pay out of pocket for the needed equipment if they are able. This has created access issues for some members who reside in NFs.</p> <p>HB 1512 of the 2023 General Assembly provides a means for members residing in NFs to obtain CRT by allowing DME providers to bill Medicaid directly for the items instead of using the patient pay adjustment process. Adding coverage of CRT for NF members through the DME program will ensure the mobility needs of those who have complex medical conditions are met, will allow members to maintain a higher level of independence, and provide them with access to the same equipment available to those in the community. CRTs have also been shown to increase continuity of care and prevent complications like bedsores or falls.</p> <p>Direct costs: The costs for state fiscal year 2024 were found to be \$1,147,888 in general funds and \$1,242,549 in non-general funds.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>
	<p>(a)</p>	<p>(b)</p>
<p>(3) Net Monetized Benefit</p>		
<p>(4) Other Costs & Benefits (Non-Monetized)</p>		

(5) Information Sources	
-------------------------	--

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

(1) Direct & Indirect Costs & Benefits (Monetized)	Not making the change would allow access issues to continue. Many DME providers are not willing to accept members' patient pay because the DME provider has to recoup the cost of the item via the patient pay each month until the item has been paid in full, which can sometimes take years. If a DME company doesn't accept the patient pay adjustment, or if the Medicaid member doesn't have a patient pay amount, the member must pay out of pocket for the needed CRT equipment if they are able.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	N/A	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		

(5) Information Sources	
-------------------------	--

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	No impacts on local partners.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Assistance		
(5) Information Sources		

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	From a qualitative perspective, the direct benefit to families is that members of their family who have complex medical conditions who are also Medicaid members who reside in nursing facilities will have access to CRT without having to use their patient pay to cover the costs.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Information Sources		

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	No impacts on small businesses.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Alternatives		
(5) Information Sources		

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
12VAC30-50-165	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	131	0	0	0
				Grand Total of Changes in Requirements:	(M/A): 0 (D/A): 0 (M/R):0 (D/R):0