



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

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### **12 VAC 30-10 State Plan Under Title XIX of the Social Security Act Medical Assistance Program; General Provisions**

**Department of Medical Assistance Services**

**Town Hall Action/Stage: 5640/9123**

May 3, 2021

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### **Summary of the Proposed Amendments to Regulation**

On behalf of the Board of Medical Assistance Services, the Department of Medical Assistance Services (DMAS) proposes to use verified income information provided by applicants for the Supplemental Nutritional Assistance Program (SNAP) as part of the Medicaid application process.<sup>1</sup> Since SNAP income thresholds are lower than Medicaid income thresholds, the proposed amendment would not change the income thresholds or other eligibility criteria for Medicaid. Rather, the proposed amendment would use verified income data already present in the Virginia Case Management System (VaCMS), an enterprise eligibility determination system used by the Department of Social Services (DSS), thereby reducing the paperwork burden for Medicaid-eligible SNAP enrollees.

### **Background**

Applications for SNAP and Medicaid are processed by DSS staff, who use VaCMS for case management. Functionality in VaCMS supports the use of SNAP income in making Medicaid eligibility decisions by showing local DSS eligibility staff whether the applicant's case file has current, verified SNAP income information that can thus be used to make a Medicaid eligibility determination. Currently, ex parte eligibility renewals for Medicaid are completed using information that is already available in an applicant's case file. The proposed amendment would allow the same process to also be implemented for initial Medicaid applications. Without

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<sup>1</sup> 'Medicaid' as used throughout the document includes other public health insurance programs that specifically cover pregnant women, mothers and children.

the proposed change, local DSS staff would have to request additional income verification from individuals applying for Medicaid. This additional step could result in a denial or loss of coverage if the individual does not provide the information in time, even if income information for that individual already exists in VaCMS.

In particular, DMAS proposes to add the following language into 12 VAC 30-10-60 *Application; determination of eligibility and furnishing Medicaid:*

*Supplemental Nutrition Assistance Program (SNAP) income will be used to support Medicaid eligibility determinations for individuals currently enrolled in SNAP. The Medicaid agency will not alter SNAP procedures while using the reported income to determine Medicaid eligibility using Medicaid rules. The Medicaid agency will obtain all information necessary for a Medicaid eligibility determination that is not in the case record for SNAP from the Medicaid eligibility application.*

This language has already been approved by the Centers for Medicare and Medicaid Services as part of a State Plan Amendment, with an effective date of October 1, 2019. Therefore, in practice, SNAP income is already in use for Medicaid eligibility determinations, and the proposed amendment would conform the regulation to current practice.

### **Estimated Benefits and Costs**

The proposed amendment would directly benefit individuals applying for SNAP and Medicaid at the same time, or those applying for Medicaid who had previously been enrolled in SNAP, by reducing the number of times they have to provide the same income verification information. According to DMAS, DSS' local eligibility workers would also benefit by the removal of unnecessary steps in the benefits determination process. Lastly, since the proposed amendment would not change the income thresholds or other eligibility criteria for either SNAP or Medicaid, it would not significantly affect enrollment rates for either program or have budget implications for the state's general fund allocations. While it is possible that some individuals who might have failed to provide income verification in a timely manner and thus be denied Medicaid would instead become enrolled, that marginal cost is likely negligible relative to overall Medicaid enrollment rates, and the benefit to those individuals from having health insurance likely outweighs the costs.

## **Businesses and Other Entities Affected**

As mentioned previously, local DSS employees who conduct eligibility verifications would benefit from having a more streamlined process, and applicants for Medicaid who have also applied for SNAP would benefit from lower paperwork requirements. An estimate of the number of applicants for Medicaid who also apply for SNAP is not available.

## **Small Businesses<sup>2</sup> Affected**

The proposed amendment would not affect any small businesses.

## **Localities<sup>3</sup> Affected<sup>4</sup>**

The proposed amendment does not introduce new costs for local governments and is unlikely to affect any locality in particular, although some marginal savings in local DSS staff time may result.

## **Projected Impact on Employment**

The proposed amendment is unlikely to affect employment.

## **Effects on the Use and Value of Private Property**

The proposed regulation is unlikely to affect the use and value of private property. Real estate development costs are not affected.

## **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.

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<sup>2</sup> 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.”

<sup>3</sup> “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.

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

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.