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Exempt Action Final Regulation Agency Background Document

Agency name	DEPT OF MEDICAL ASSISTANCE SERVICES
Virginia Administrative Code (VAC) citation(s)	12 VAC 30-20-150, and 30-20-160
Regulation title(s)	Copayments and Deductibles for Categorically Needy and QMBs for Services Other Than under 42 CFR 447.53 and Copayments and Deductibles for Medically Needy and QMBs for Services Other Than Under 42 CFR 447.53
Action title	Reduction in Inpatient Cost Sharing to Comply With Federal Regulation
Final agency action date	
Date this document prepared	June 29, 2018

When a regulatory action is exempt from executive branch review pursuant to § 2.2-4002 or § 2.2-4006 of the Virginia Administrative Process Act (APA) or an agency's basic statute, the agency is not required, however, is encouraged to provide information to the public on the Regulatory Town Hall using this form. Note: While posting this form on the Town Hall is optional, the agency must comply with requirements of the Virginia Register Act, Executive Orders 17 (2014) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Brief Summary

Please provide a brief summary of the proposed new regulation, proposed amendments to the existing regulation, or the regulation proposed to be repealed. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

This regulatory action decreases the cost sharing amount charged per inpatient hospitalization from \$100 to \$75 in order to comply with federal rules at 42 CFR 447.52(b)(2).

Statement of Final Agency Action

Please provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.

I hereby approve the foregoing Agency Background Summary with the attached amended regulations entitled “Reduction in Cost Sharing to Comply with Federal Regulation” and adopt the action stated therein. I certify that this final exempt regulatory action has completed all the requirements of the Code of Virginia § 2.2-4006(A), of the Administrative Process Act.

June 29, 2018

/signature/

Date

Jennifer S. Lee, M.D., Director

Dept. of Medical Assistance Services

Legal Basis

Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant citations to the Code of Virginia or General Assembly chapter number(s), if applicable, and (2) promulgating entity, i.e., agency, board, or person. Your citation should include a specific provision authorizing the promulgating entity to regulate this specific subject or program, as well as a reference to the agency/board/person’s overall regulatory authority.

The *Code of Virginia* (1950) as amended, § 32.1-325, grants to the Board of Medical Assistance Services the authority to administer and amend the Plan for Medical Assistance. The *Code of Virginia* (1950) as amended, § 32.1-324, authorizes the Director of DMAS to administer and amend the Plan for Medical Assistance according to the Board's requirements. The Medicaid authority as established by § 1902 (a) of the *Social Security Act* [42 U.S.C. 1396a] provides governing authority for payments for services.

The new requirement was published in the Federal Register on July 15, 2013 (78 FR 42307) but the rate change was not slated to go into effect until July 1, 2017. This action seeks to make the change in the Virginia Administrative Code.

The amended regulatory text is necessary as a result of changes to the Code of Federal Regulations at 42 CFR §447.52(b)(2), regarding maximum allowable cost sharing.

The *Code of Virginia*, § 2.2-4006.A.4.c, permits agencies to pursue final exempt actions for regulatory changes that are "[n]ecessary to meet the requirements of federal law or regulations, provided such regulations do not differ materially from those required by federal law or regulation...".

Substance

Please briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. (Provide more detail about these changes in the "Detail of changes" section.) Please be sure to define any acronyms.

Under current DMAS regulations, DMAS requires members to share the cost of inpatient hospitalization by paying \$100 toward the cost of their care. This cost must be changed to \$75 for DMAS to be in compliance with federal rules.

Family Impact

Please assess the impact of the proposed regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

These changes do not strengthen or erode the authority or rights of parents in the education, nurturing, and supervision of their children; nor encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents. It does not strengthen or erode the marital commitment, and do not increase or decrease disposable family income.