



Economic Impact Analysis Virginia Department of Planning and Budget

12 VAC 30-120 –Waiver Services: Home and Community Based Services Mental Retardation Waiver Department of Medical Assistance Services October 19, 2005

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

The proposed regulations mainly clarify definitions and requirements in this regulation to reflect what is followed in practice. One of the proposed changes slightly broadens the type of situations that that are considered at-risk for crisis stabilizations services.

Estimated Economic Impact

Almost all of the proposed changes are clarifications of the definitions and the requirements in this regulation. None of the proposed clarifications are expected to create any significant economic impact other than making these regulations more accessible to and understandable by public. Improved clarity of the regulations, however, could provide some economic benefits in terms of avoided confusions and costs that may be associated.

One of the proposed changes slightly broadens the type of situations that that are considered at-risk for crisis stabilizations services. Currently, in order to receive crisis stabilization services, a recipient must be at risk of disruption of community status. The proposed

language will allow provision of crisis stabilization services if there is an immediate threat of losing a community service. The proposed broader scope of situations that allows provision of crisis stabilization services may increase expenditures depending on the number of new cases under the revised criteria. However, increased utilization of crisis stabilization services may also prevent these cases requiring institutionalization and provide some cost savings. Even though there may be some additional costs and benefits associated with this particular change, they are not expected to be significant.

Businesses and Entities Affected

These regulations affects approximately 750 mental retardation waiver providers and up to 6751 individuals that may receive waiver services.

Localities Particularly Affected

The proposed regulations apply throughout the Commonwealth.

Projected Impact on Employment

The proposed regulations are not anticipated to have any significant impact on employment.

Effects on the Use and Value of Private Property

No significant impact of the use and value of private property is expected.

Small Businesses: Costs and Other Effects

All of the 750 mental retardation waiver providers could be defined as small businesses. However, none of the proposed changes are likely to create any additional costs for these providers.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed regulations are not expected to create any adverse affect on small businesses.