Virginia
Regulatory
Town Hall

Notice of Intended Regulatory Action
Agency Background Document

Agency Name:	Department of Health (State Board of)
VAC Chapter Number:	12 VAC 5-200 and 210
Regulation Title:	Regulations Governing Eligibility Standards and Charges for Health Care Services to Individuals, and Charges and Payment Requirements By Income Levels
Action Title:	Comprehensive Revision of Charges and Eligibility Structure
Date:	December , 2002

This information is required prior to the submission to the Registrar of Regulations of a Notice of Intended Regulatory Action (NOIRA) pursuant to the Administrative Process Act § 9-6.14:7.1 (B). Please refer to Executive Order Twenty-Five (98) and Executive Order Fifty-Eight (99) for more information.

Purpose

Please describe the subject matter and intent of the planned regulation. This description should include a brief explanation of the need for and the goals of the new or amended regulation.

The existing regulations need to be updated to correct deficiencies that the Agency has identified in administering the existing regulations, to adjust to changing practice and to adjust to changes in the medical care environment.

Basis

Please identify the state and/or federal source of legal authority to promulgate the contemplated regulation. The discussion of this authority should include a description of its scope and the extent to which the authority is mandatory or discretionary. The correlation between the proposed regulatory action and the legal authority identified above should be explained. Full citations of legal authority and, if available, web site addresses for locating the text of the cited authority must be provided.

Subsection A of Section 32.1-11of the Code of Virginia, provides that "[t]he [State] Board [of Health] may formulate a program of . . . preventive, curative and restorative medical care services . . . on a regional, district or local basis."

Subsection B of that section provides that

> [t]he Board shall define the income limitations within which a person shall be deemed to be medically indigent. Persons so deemed to be medically indigent shall receive the medical care services of the Department without charge. The Board may also prescribe the charges to be paid for the medical care services of the Department by persons who are not deemed to be medically indigent and may, in its discretion and within the limitations of available funds, prescribe a scale of such charges based upon ability to pay. Funds received in payment of such charges are hereby appropriated to the Board for the purpose of carrying out the provisions of this title.

Further, Subsection C of the same section provides that "[t]he Board shall review periodically the program and charges adopted pursuant to this section."

The intended regulatory action would revise and update the Board's regulations pertaining to the eligibility of persons for services rendered in local health departments across Virginia, within the scope of the law, set forth above. The authority to accomplish this action is clearly mandatory.

Substance

Please detail any changes that would be implemented: this discussion should include a summary of the proposed regulatory action where a new regulation is being promulgated; where existing provisions of a regulation are being amended, the statement should explain how the existing regulation will be changed. The statement should set forth the specific reasons the agency has determined that the proposed regulatory action would be essential to protect the health, safety or welfare of citizens. In addition, a statement delineating any potential issues that may need to be addressed as the regulation is developed shall be supplied.

The anticipated regulations will reflect the following:

- A distinction will be made between services and goods. Services are generally sliding scale and goods are flat rate with a local option for sliding scale. This will allow charging the Agency's cost for lab and pharmacy services. Charge tables are eliminated and rates are tied first to Medicaid, then Medicare if no Medicaid rate exists, and then a cost study if no Medicaid or Medicare charges are available. This will make maintenance of charges simpler.
- Applicants who do not apply for Medicaid or a children's medical insurance program within 30 days of receiving services may be assessed the established charge for the medical care and related goods and services provided. This will encourage patients to obtain appropriate funding for their care.
- Denial of services. Denial of services is clarified and restricted to better protect patients

- Flat rate charges are authorized for mass encounters, but patients have the option of appearing at a different time and possible a different place for eligibility determination and possibly discounted service. This simplifies access to services such as flu shots while allowing indigent or low income patients the right of access to discounted services.
- Establishes contracted prices. Districts will be able to establish prices for certain procedures and for a defined population when they contract with a community organization. This enhances public health activities by improving access based on community need.
- Ties the list of non-chargeable sexually transmitted diseases to the Code citation for venereal diseases (§32.1-57)
- Application to Medicaid, Medicare, etc. will be required before issuing a waiver. The authority to grant waivers cannot be delegated beyond the health director. Waivers can be granted for up to 180 days. Makes this process more orderly and practical.
- Definition of a family is adjusted to reflect household economic realities. Unrelated adults living together and sharing income are in the same economic unit.
- Acknowledge that the Commissioner of Health may interpret and implement these Regulations in a Guidance Document

Alternatives

Please describe, to the extent known, the specific alternatives to the proposal that have been considered or will be considered to meet the essential purpose of the action.

The alternative is to leave the regulations unchanged and continue with deficiencies in eligibility determination and charging for medical care.

Family Impact Statement

Please provide a preliminary analysis of the potential 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.

No longer required by executive order.