

Office of Regulatory Management
Economic Review Form

Agency name	Virginia Department for Aging and Rehabilitative Services
Virginia Administrative Code (VAC) Chapter citation(s)	22VAC30-60
VAC Chapter title(s)	State Plan for Aging Services (ID: 5100)
Action title	New State Plan for Aging Services (October 1, 2023 – September 30, 2023)
Date this document prepared	September 29, 2023
Regulatory Stage (including Issuance of Guidance Documents)	Guidance Document Update

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>The Virginia State Plan for Aging Services is required by the Older Americans Act (OAA, specifically 42 U.S.C. § 3027) and state law (specifically § 51.5-136 of the Code of Virginia). DARS creates one comprehensive plan that serves these dual purposes. The State Plan for Aging Services must also conform to current ACL Guidance, which includes additional federal requirements for: 1) the plan development process, 2) specified plan sections, 3) identified key topic areas for inclusion, and 4) stakeholder engagement. For the state requirements under the Code of Virginia, the plan also serves as Virginia’s Strategic Plan for Aging and incorporates information and activities that are undertaken by various state agencies to address and respond to the needs of Virginia’s older adult population.</p> <p>The new State Plan for Aging Services has been approved by the DARS Commissioner Kathy Hayfield, Secretary of Health and Human Resources John Littel, and Governor Glenn Youngkin, as well as the federal Administration for Community Living (ACL). [For state official approvals, please review the Verification of Intent section in the State Plan for Aging Services. A separate ACL approval letter can be provided to ORM upon request and will also be added to the DARS website.]</p> <p>With the new plan now approved, DARS is now seeking to replace the old plan filed on the Town Hall website with the new plan before it is set to take effect on October 1, 2023.</p> <p>Direct Costs: \$0</p> <p>Indirect Costs: \$0</p> <p>Direct Benefits: The direct benefit of the new State Plan for Aging Services is Virginia will continue to receive federal OAA funding (roughly \$34.7 million annually) for aging services. With the new State Plan for Aging Services in place and in alignment with federal requirements and guidance, the federal funding will continue to be allocated to Virginia through DARS and then subsequently allocated to Virginia’s network of 25 Area Agencies on Aging (AAAs), which provide important services for older adults across the Commonwealth.</p> <p>Indirect Benefits: \$0</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>

	(a) \$0	(b) \$34.7 million
(3) Net Monetized Benefit	\$34.7 million	
(4) Other Costs & Benefits (Non-Monetized)	<p>Non-Monetized Indirect Benefits: AAAs supplement the federal funding they receive with state funding, private donations, and other grant opportunities. Ensuring that AAAs have ongoing federal funding, with an approved State Plan for Aging Services, helps preserve continuity of operations and maximize all the funding they are eligible to receive.</p> <p>In addition, ensuring that the State Plan for Aging Services filed on the Town Hall website is updated and consistent with the one approved by ACL provides the public and stakeholders with a clear and publicly accessible location for the State Plan for Aging Services, which meets the federal requirements as well as the state requirements.</p> <p>Ensuring the public and other key stakeholders can access and easily locate the current plan on the DARS website and on the Virginia Town Hall website advances ORM’s goals of streamlined access and transparency.</p>	
(5) Information Sources	<p>42 U.S.C. § 3027 § 51.5-136 of the Code of Virginia ACL Guidance</p>	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>The new State Plan for Aging Services has been approved by the DARS Commissioner Kathy Hayfield, Secretary of Health and Human Resources John Littel, and Governor Glenn Youngkin, as well as the federal Administration for Community Living (ACL).</p> <p>Direct Costs: Virginia needs to have clear and singular State Plan for Aging Services to represent the Commonwealth’s intentions for receiving OAA funding. By not approving the updated State Plan for Aging Services for inclusion on the Town Hall website, it could raise questions about how Virginia will fulfill its OAA obligations with the roughly \$34.7 million in federal OAA funding the Commonwealth receives each year.</p> <p>Indirect Costs: \$0</p> <p>Direct Benefits: \$0</p> <p>Indirect Benefits: \$0</p>
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$34.7 million	(b) \$0
(3) Net Monetized Benefit	\$0	
(4) Other Costs & Benefits (Non-Monetized)	<p>Non-Monetized Indirect Costs: If the State Plan for Aging Services is not updated on Town Hall to match the one that has been approved by ACL, the plan filed on Town Hall will be outdated and inaccurate. In addition, it means that the public and stakeholders do not have a clear and publicly accessible location for the State Plan for Aging Services, which meets the federal requirements as well as the state requirements.</p> <p>Ensuring the public and other key stakeholders can access and easily locate the current plan on the DARS website and on the Virginia Town Hall website advances ORM's goals of streamlined access and transparency.</p>	
(5) Information Sources	<p>42 U.S.C. § 3027 § 51.5-136 of the Code of Virginia ACL Guidance</p>	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>There are not alternative approaches. A new State Plan for Aging Services is required by federal and state law with federal funding contingent on a new State Plan for Aging Services.</p> <p>Direct Costs: N/A</p> <p>Indirect Costs: N/A</p> <p>Direct Benefits: N/A</p> <p>Indirect Benefits: N/A</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit	N/A	

(4) Other Costs & Benefits (Non-Monetized)	N/A
(5) Information Sources	42 U.S.C. § 3027 § 51.5-136 of the Code of Virginia ACL Guidance

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)	Direct Costs: \$0 Indirect Costs: \$0 Direct Benefits: \$0 Indirect Benefits: \$0	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$34.7 million
(3) Other Costs & Benefits (Non-Monetized)	<p>Non-Monetized Direct Benefits: For context, as permitted by federal law, some AAAs that receive federal and state funding as AAAs are considered local partners and small businesses and they are legally organized as non-profit organizations (e.g., Jefferson Area Board for Aging and Southern Area Agency on Aging), while some AAAs are also organized under local governments (e.g., Arlington Agency on Aging or Fairfax Area Agency on Aging) and as a joint exercise of powers between several local governments (e.g., District Three Governmental Cooperative).</p> <p>DARS consulted extensively with AAAs on the development of the new State Plan for Aging Services. No objections to the State Plan for Aging Services were received during that process. DARS and the AAAs are prepared to move forward with implementing it accordingly.</p> <p>Non-Monetized Indirect Benefits: AAAs supplement the federal funding they receive with state funding, private donations, and other</p>	

	grant opportunities. Ensuring that AAAs have ongoing federal funding, with an approved State Plan for Aging Services, helps preserve continuity of operations and maximize all the funding they are eligible to receive.
(4) Assistance	N/A
(5) Information Sources	42 U.S.C. § 3027 § 51.5-136 of the Code of Virginia ACL Guidance

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)	Direct Costs: \$0 Indirect Costs: \$0 Direct Benefits: \$0 Indirect Benefits: \$0	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$0
(3) Other Costs & Benefits (Non-Monetized)	<p>Non-Monetized Direct Benefits: AAAs provide an array of vital aging services and home and community-based services (HCBS) to older adults and caregivers across the Commonwealth. AAAs are funded through federal and state funding, some of which is allocated by ACL to DARS, which in turn allocates it to AAAs to provide these important aging services. Receiving these aging services can be life changing for older adults and their families, ensuring that they can continue to live in their homes and be fully integrated into their communities.</p> <p>Non-Monetized Indirect Benefits: AAAs often pair and supplement the federal funding they receive through the ACL with state funding, private donations, and other grant opportunities to provide more comprehensive support to older adults and caregivers. Ensuring that AAAs have ongoing</p>	

	federal and state funding helps preserve continuity of operations and maximize all the funding they are eligible to receive, which translates to improved and increased services for older adults and families.
(4) Information Sources	42 U.S.C. § 3027 § 51.5-136 of the Code of Virginia ACL Guidance

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)	Direct Costs: \$0 Indirect Costs: \$0 Direct Benefits: \$0 Indirect Benefits: \$0	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$34.7 million
(3) Other Costs & Benefits (Non-Monetized)	<p>Non-Monetized Direct Benefits: For context, as permitted by federal law, some AAAs that receive federal and state funding as AAAs are considered local partners and small businesses and they are legally organized as non-profit organizations (e.g., Jefferson Area Board for Aging and Southern Area Agency on Aging), while some AAAs are also organized under local governments (e.g., Arlington Agency on Aging or Fairfax Area Agency on Aging) or as a joint exercise of powers between several local governments (e.g., District Three Governmental Cooperative).</p> <p>DARS consulted extensively with AAAs on the development of the new State Plan for Aging Services. No objections to the State Plan for Aging Services were received during that process. DARS and the AAAs are prepared to move forward with implementing it accordingly.</p> <p>Non-Monetized Indirect Benefits: AAAs supplement the federal funding they receive with state funding, private donations, and other</p>	

	grant opportunities. Ensuring that AAAs have ongoing federal funding, with an approved State Plan for Aging Services, helps preserve continuity of operations and maximize all the funding they are eligible to receive.
(4) Alternatives	There are not alternative approaches. A new State Plan for Aging Services is required by federal and state law with federal funding contingent on a new State Plan for Aging Services in place.
(5) Information Sources	42 U.S.C. § 3027 § 51.5-136 of the Code of Virginia ACL Guidance

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved	Authority of Change	Initial Count	Additions	Subtractions	Net Change
	Statutory:				
	Discretionary:				

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Length	New Length	Net Change in Length
State Plan for Aging Services	Body of the Plan: 76 pages	Body of the Plan: 37 pages	-39 pages for the Body of the Plan
	ACL Required Sections: 100 pages	ACL Required Sections: 74 pages	-26 pages for the ACL Required Sections
	Total Page Count: 104	Total Page Count: 182	+78 in Total Page Count*

*This increase is due to the inclusion of optional appendices that provide background on the development of the new State Plan for Aging Services.