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Fast-Track Regulation
Agency Background Document

Agency name	State Board of Health
Virginia Administrative Code (VAC) Chapter citation(s)	12VAC5-215 and 12VAC5-216
VAC Chapter title(s)	Rules and Regulations Governing Health Data Reporting the Methodology to Measure the Efficiency and Productivity of Health Care Institutions
Action title	Amend Regulations Following 2024 Periodic Review
Date this document prepared	11/7/2025

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19, the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code.*

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

This Fast Track regulatory action amends two existing regulatory chapters - the Rules and Regulations Governing Health Data Reporting (12VAC5-215) and the Methodology to Measure the Efficiency and Productivity of Health Care Institutions (12VAC5-216). These chapters govern the collection and reporting of financial and operational data submitted by health care providers used to evaluate the Commonwealth's medical care facilities. The intent of the proposed changes is to (i) clarify the current practices associated with the reporting of financial and operation data by health care providers; (ii) align the Regulations with current practices conducted by medical care facilities when collecting and reporting patient level health data, and those conducted by the nonprofit organization when measuring the efficiency and productivity of medical care facilities; (iii) make the Regulations easier to read and understand by conforming provisions to the *Form and Style Guidelines* published by the Virginia Registrar

of Regulations; and (iv) update the Regulations to meet the objectives of Executive Order 19. The Regulations were last amended in 1996 (Chapter 215) and 1997 (Chapter 216), respectively.

This fast-track action combines two existing regulatory chapters (12VAC5-215 & 12VAC5-216) into a single chapter and reorganizes regulatory content that results in greater clarity of the requirements and practices related to the submission of financial and operational data used to evaluate the efficiency and productivity of the Commonwealth's medical care facilities. Chapter 216 is repealed under this regulatory action, and relevant provisions have been incorporated into Chapter 215 to specify the filing requirements associated with and applicable to medical care facilities, due dates, fee structures, utilization data, and financial information that is periodically published and used to measure the efficiency and productivity of medical care facilities. Several sections within Chapter 215 have been repealed and applicable provisions have been amended and/or relocated to new sections within the amended regulatory chapter. Outdated definitions have been removed, and new definitions have been added to make the provisions clearer and easier to understand.

Acronyms and Definitions

Define all acronyms used in this form, and any technical terms that are not also defined in the "Definitions" section of the regulation.

"ACPD" means the All-Payer Claims Database.

"Board" means State Board of Health.

"Chapter 215" means the *Rules and Regulations Governing Health Data Reporting* (12VAC5-215).

"Chapter 216" means the provisions governing the *Methodology to Measure the Efficiency and Productivity of Health Care Institutions* (12VAC5-216).

"Commissioner" means the State Health Commissioner.

"Computed tomography" or "CT" or "CT scan" means a medical imaging technique using x-rays to create detailed, cross-sectional images of the inside of the body, showing organs, soft tissues, bones, and blood vessels.

"COPN" means Certificate of Public Need.

"DBHDS" means the Department of Behavioral Health and Developmental Services.

"DMAS" means the Department of Medical Assistance Services.

"ERISA plan" means any self-funded employee welfare benefit plan governed by the requirements of the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002(1).

"Magnetic Resonance Imaging" or "MRI" means a medical imaging technique that uses a powerful magnetic field and radio waves to create detailed images of the body's internal structures, particularly soft tissues like the brain, spinal cord, and organs.

"Magnetic Source Imaging" or "MSI" means a diagnostic brain imaging technique that combines the results of magnetoencephalography and magnetic resonance imaging to create detailed functional maps of brain activity.

"OIM" means Office of Information Management.

"Patient Intensity Rating System Service Intensity Index" or "PIRS SII" means a system that is comprised of several methodologies used by the DMAS to classify the intensity of resident services in nursing homes. A combination of patient-based methodologies are used, including case-mix index and/or and/or Resource Utilization Groups (RUG-III).

"Positron Emission Tomographic scanning" or "PET" means a nuclear medicine imaging technique that uses radioactive tracers to visualize and measure physiological processes in the body.

"Regulations" means both the *Rules and Regulations Governing Health Data Reporting* (12VAC5-215) and the provisions governing the *Methodology to Measure the Efficiency and Productivity of Health Care Institutions* (12VAC5-216).

"System" means the Virginia Patient Level Data System.

"VDH" means the Virginia Department of Health.

Statement of Final Agency Action

Provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) that the agency has "adopted final amendments" to the regulation; 3) the name of the agency taking the action; and 4) the title of the regulation. A suggested statement is, "On [insert date] the Board/Department of [insert name] adopted final amendments to the [title of regulation(s)]."

On December 12, 2025 the State Board of Health adopted final amendments to the Rules and Regulations Governing Health Data Reporting (12VAC5-215) and the Methodology to Measure the Efficiency and Productivity of Health Care Institutions (12VAC5-216

Mandate and Impetus

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, "mandate" has the same meaning as defined in the ORM procedures, "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

Consistent with Virginia Code § 2.2-4012.1, also explain why this rulemaking is expected to be noncontroversial and therefore appropriate for the fast-track rulemaking process.

The Virginia Department of Health Office of Information Management (OIM) completed a periodic review of the Rules and Regulations Governing Health Data Reporting and the Regulations Outlining the Methodology to Measure Efficiency and Productivity of Health Care Institutions in 2024. OIM determined that updates were needed to Chapter 215 as the provisions were last amended in 1996, and do not accurately reflect the current practices and needs associated with the reporting of financial and operational data by the Commonwealth's health care providers. It was also determined that significant changes were needed to Chapter 216, and recommended that Chapter 216 be repealed and incorporated into Chapter 215 to better reflect changes in the health care industry, technology, and economic conditions that have occurred over time. Further amendments have been made to conform the Regulations to the *Form and Style Guidelines* published by the Virginia Registrar of Regulations and to align the Regulations with recent statutory changes.

The rulemaking is expected to be noncontroversial as the amendments made under this regulatory action will align the Regulations with current practices that are already executed by health care providers and medical care facilities, the Board, the VDH, and the nonprofit organization with which the State Health Commissioner contracts to provide health data reporting services in accordance with Chapter 7.2 (§ 32.1-276.2 et seq.) of Title 32.1 of the Code of Virginia.

Legal Basis

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia and Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

The Regulations are promulgated under the authority of §§ 32.1-12, 32.1-276.2, 32.1-273.4, and 32.1-276.6 of the Code of Virginia.

- § 32.1-12 of the Code of Virginia authorizes the Board to make, adopt, promulgate and enforce such regulations and provide for reasonable variances and exemptions that may be necessary to carry out the provisions of Title 32.1 and other laws of the Commonwealth administered by the Board, the State Health Commissioner, or the Department of Health.

- § 32.1-276.2 of the Code of Virginia requires that the Board administer the health care data reporting initiatives established by Chapter 7.2 (§ 32.1-276.2 et seq.) of Title 32.1 of the Code of Virginia.

- § 32.1-276.4 of the Code of Virginia directs the Commissioner to "negotiate and enter into contracts or agreements with a nonprofit organization for the compilation, storage, analysis, and evaluation of data submitted by health care providers pursuant to this chapter; for the operation of the All-Payer Claims Database pursuant to §32.1-276.7:1, and for the development and administration of a methodology for the measurement and review of the efficiency and productivity of health care providers.

- § 32.1-276.5 of the Code of Virginia requires health care providers to submit data pursuant to regulations of the Board and requires such submission to be consistent with the recommendations of the nonprofit organization in its strategic plans submitted to and approved by the Board.

- § 32.1-276.6 of the Code of Virginia requires the Board to promulgate regulations specifying the format for submission of outpatient data.

- § 32.1-276.7 of the Code of Virginia requires the nonprofit organization to develop, administer, and modify the methodology used to measure the efficiency and productivity of the Commonwealth's health care providers, and requires that data submitted by health care providers for evaluation be provided in accordance with Virginia law and regulations established by the Board.

Purpose

Explain the need for the regulatory change, including a description of: (1) the rationale or justification, (2) the specific reasons the regulatory change is essential to protect the health, safety or welfare of citizens, and (3) the goals of the regulatory change and the problems it is intended to solve.

The establishment of effective health care data collection, analysis, reporting, and evaluation initiatives is essential to improving the quality and efficiency of health care, fostering competition among health care providers and increasing consumer choice with regard to the Commonwealth's health care services. Amendments to the Regulations are needed to better align regulatory requirements with current practices, to conform regulatory language to the *Form and Style Guidelines* published by the Virginia Registrar of Regulations, and to identify opportunities for regulatory reduction. Proposed changes incorporating Chapter 215 and Chapter 216 will fulfil the Board's statutory mandate to provide an effective health care data reporting system for the Commonwealth, protect the welfare citizens of the Commonwealth when comparing health care providers and services, and will result in more efficient and effective regulations than currently exists.

Substance

Briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both. A more detailed discussion is provided in the "Detail of Changes" section below.

All sections have been amended to conform to the *Form and Style requirements.* The following sections of Chapter 215 have been fully repealed:

- 12VAC5-215-20, 12VAC5-215-30, and 12VAC5-215-40 are repealed in accordance with §§ 2.2-4104 and 30-150 of the Code of Virginia and 1VAC7-10-40 (C) as the provisions are non-regulatory in nature, contain purpose statements, and/or are duplicative to statute.

- 12VAC5-215-60 (Schedule of charges); 12VAC5-215-70 (Survey of Rates); 12VAC5-215-80 (Commercial diversification survey); 12VAC5-215-90 (Affiliates); 12VAC5-215-120 (IRS Forms); 12VAC5-215-170 (Analysis of Historical Filing Data and Schedule of Charges); and 12VAC5-215-180 (Rate Publication) are repealed as the provisions are outdated, no longer reflect current industry practices, and/or are duplicative to statute

- All sections of Chapter 216 have been repealed. Applicable provisions have been amended and relocated to Chapter 215.

12VAC5-215 - Rules and Regulations Governing Health Data Reporting

- 12VAC5-215-10. Definitions. Definitions for terms no longer used throughout the Regulations have been removed, and new definitions have been added to make the amended Regulations easier to understand.

- 12VAC5-215-15. Medical care facilities. This new section has been added to specify the types of medical care facilities required to report health data and which are subject to efficiency and productivity evaluation by the Board of Health pursuant to Chapter 7.2 (§ 32.1-273.2 et seq.) of Title 32.1 of the Code of Virginia.

- 12VAC5-215-35. Eliminating duplication in reporting. Existing requirements in 12VAC5-216-30 have been repealed, amended, and incorporated into this new section of the amended regulatory chapter. Two subsections organize regulatory content and emphasize the responsibility of the nonprofit organization to obtain the data used to evaluate Virginia's medical care facilities.

- 12VAC5-215-45: Categories of information. This new section contains provisions from 12VAC5-216-40 which have been repealed, amended, and incorporated into this section to better organize content within the regulatory chapter. No changes were made to existing requirements.

- 12VAC5-215-50. Annual historical filing. This section has been repealed and replaced with language specifying the current requirements and responsibilities applicable to the Board, nonprofit organization, and medical care facilities when annual historical filings and financial statements are submitted for evaluation.

- 12VAC5-215-55. Efficiency and productivity indicator. This new section incorporates provisions from 12VAC5-216-50 and 12VAC5-216-80 that define and clarify how case-mix index is used by the nonprofit organization to evaluate medical care facilities, and specify the systems used to rank and evaluate medical care facilities, including nursing homes.

- 12VAC5-215-65. Public access to data. This new section contains provisions from 12VAC5-216-70 that require the nonprofit organization to publish an annual report of the data, analyses, and evaluation of the efficiency and productivity of Virginia's medical care facilities, and to maintain a publicly accessible electronic database of the data contained in annual historical filings.

- 12VAC5-215-75. Electronic submission of data. This new section includes provisions in 12VAC5-216-60 that require medical care facilities to electronically submit financial and operational data to the nonprofit organization for evaluation. Amendments specify that a "secure web data collection tool" developed by the Board may be used by medical care facilities to submit the required information.

- 12VAC5-215-85. Fees charged to medical care facilities; schedule. This new section contains provisions from 12VAC5-215-140 & 12VAC5-215-150 that have been amended to specify the criteria upon which the fees paid by medical care facilities when submitting annual historical filings are based, and clarify that fee payments are made to the nonprofit organization rather than the paid directly to the Board.

- 12VAC5-215-95. Late charges. This new section incorporates provisions from 12VAC-215-160 (A)(B) that authorize the Board to impose or waive late charges upon medical care facilities for the late submission of annual historical filings, financial statements, and fee payments.

- 12VAC5-215-100. Financial statement (healthcare institution). This section has been repealed. Provisions requiring medical care facilities to submit annual historical filings comprised of financial and operational data for evaluation have been amended and relocated to 12VAC5-215-50.

- 12VAC5-215-105. Ranking; other peer groupings. This new section outlines the requirements associated with the peer grouping and ranking procedures used by the nonprofit organization when evaluating Virginia's medical care facilities. Amendments retain provisions located in 12VAC5-216-90 which are repealed, amended to conform to current practice, and relocated to this section under this regulatory action.

- 12VAC5-215-110. Deadline. This section has been repealed. Requirements directing medical care facilities to submit audited consolidated financial statements and schedules related to liabilities, assets, expenses, and revenue have been amended and relocated to 12VAC5-215-10 and 12VAC5-215-50.

- 12VAC5-215-115. Exemptions from ranking procedure. This new section identifies the types of facilities that are exempt from the procedure used to rank the Commonwealth's medical care facilities. Applicable requirements currently located in 12VAC5-216-100 have been amended and relocated to this section of the amended regulations.

- 12VAC5-215-125. Historical financial and statistical data. This new section includes existing requirements relocated from 12VAC-215-200 and 12VAC5-215-210. There are no changes to the requirements, which outline the responsibilities of the Board to disclose evaluation data submitted

by medical care facilities and to restrict disclosure of certain types of information; however, technical amendments were made to correct citations to the Code of Virginia.

- 12VAC5-215-130. Filing. This section has been repealed as the provisions do not reflect industry practice whereby medical care facilities submit data and fee payments to the nonprofit organization, rather than the Board, for analysis and evaluation.

- 12VAC5-215-135. Continuing Care Retirement Community reporting. This new section requires continuing care retirement communities with nursing home beds to report utilization data to the nonprofit organization for evaluation, and outlines the requirements applicable to continuing care retirement communities approved for a COPN before 7/1/2013 and which seek a three-year open admission period.

- 12VAC5-215-140. Fees. This section has been repealed. Applicable provisions have been amended and relocated to 12VAC5-215-85, including an existing provision requiring medical care facilities to submit fee payments to the Board that has been updated to direct such payments to the nonprofit organization.

- 12VAC5-215-150. Schedule. This section has been repealed. Applicable provisions have been amended and relocated to 12VAC5-215-85.

- 12VAC5-215-160. Late fees. This existing section has been repealed and applicable provisions in subsections A and B have been relocated to 12VAC5-215-95. Provisions authorizing the Board impose the penalty for the late submission of the survey of rates, commercial diversification survey, or IRS forms have been repealed as the information is not submitted for evaluation under current practice.

- 12VAC5-215-190. Annual report publication. This section has been repealed. Existing provisions have been amended and relocated to 12VAC5-215-65. A requirement directing the Board to publish an annual report evaluating Virginia's medical care facilities has been amended to instruct the Board to direct the nonprofit organization to publish such report to align with current practice.

- 12VAC5-215-200. Comparison report. This section has been repealed. Existing provisions have been amended and relocated to 12VAC5-215-65. Amendments update a provision directing the Board to publish information for consumers to compare medical care facilities by requiring that the information be made accessible using an electronic database.

- 12VAC5-215-210. Statistical data. This section has been repealed and existing requirements have been relocated to 12VAC5-215-125. Amendments require the Board to release historical financial and statistical information reported by medical care facilities, and correct a citation to statute.

12VAC5-216 - Methodology to Measure Efficiency and Productivity of Health Care Institutions

- 12VAC5-216-10. Purpose; limitations; activities. This section has been repealed in accordance with §§ 2.2-4104 and 30-150 of the Code of Virginia and 1VAC7-10-40 (C) as the provisions are non-regulatory in nature, contain purpose statements, and/or are duplicative to statute.

- 12VAC5-216-20. Filing. This section has been repealed and amended provisions have been relocated to 12VAC5-215-50.

- 12VAC5-216-30. Eliminating duplication in reporting. This section has been repealed and amended provisions have been relocated to 12VAC5-215-35.

- 12VAC5-216-40. Categories of information. This section has been repealed and amended provisions have been relocated to 12VAC5-215-45.
- 12VAC5-216-50. Efficiency and productivity indicators. This section has been repealed and amended provisions have been relocated to 12VAC5-215-55.
- 12VAC5-216-60. Electronic submission of data. This section has been repealed and amended provisions have been relocated to 12VAC5-215-75.
- 12VAC5-216-70. This section has been repealed and amended provisions have been relocated to 12VAC5-215-65.
- 12VAC5-216-80. This section has been repealed and amended provisions have been relocated to 12VAC5-215-55.
- 12VAC5-216-90. This section has been repealed and amended provisions have been relocated to 12VAC5-215-105.
- 12VAC5-216-100. This section has been repealed and amended provisions have been relocated to 12VAC5-215-115.

Issues

Identify the issues associated with the regulatory change, including: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, include a specific statement to that effect.

The primary advantages to the public, regulated entities and businesses, or the Commonwealth is that the Regulations will (i) reflect the current practices and technologies used to collect, analyze, and evaluate the data submitted by medical care facilities for efficiency and productivity evaluations; (ii) be streamlined by removing outdated provisions and provisions that are duplicative to statute; and (iii) align with statutory updates to the Code of Virginia that have occurred since the Regulations were promulgated. Updating the requirements related to fee payments simplifies and modernizes the procedure used to submit fee payments at the time annual historical filings are made, resulting in a better ability of the nonprofit organization and Board to maintain and track fee payment registers and accurately assess the need to enforce late charges upon medical care facilities for late fee payment submissions. Restructuring the regulations will make the provisions easier to locate, read, follow, and understand. There are no known disadvantages to the public, businesses, individuals, or the Commonwealth as a result of the proposed changes to the Regulations.

Requirements More Restrictive than Federal

Identify and describe any requirement of the regulatory change which is more restrictive than applicable federal requirements. Include a specific citation for each applicable federal requirement, and a rationale for the need for the more restrictive requirements. If there are no applicable federal requirements, or no requirements that exceed applicable federal requirements, include a specific statement to that effect.

There are no requirements in this regulation that are more restrictive than applicable federal requirements.

Agencies, Localities, and Other Entities Particularly Affected

Consistent with § 2.2-4007.04 of the Code of Virginia, identify any other state agencies, localities, or other entities particularly affected by the regulatory change. Other entities could include local partners such as tribal governments, school boards, community services boards, and similar regional organizations. "Particularly affected" are those that are likely to bear any identified disproportionate material impact which would not be experienced by other agencies, localities, or entities. "Locality" can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulation or regulatory change are most likely to occur. If no agency, locality, or entity is particularly affected, include a specific statement to that effect.

Other State Agencies Particularly Affected:

No other state agencies are particularly affected by the regulatory changes.

Localities Particularly Affected:

No localities are particularly affected by the regulatory changes.

Other Entities Particularly Affected:

No other entities are particularly affected by the regulatory changes.

Economic Impact

Consistent with § 2.2-4007.04 of the Code of Virginia, identify all specific economic impacts (costs and/or benefits), anticipated to result from the regulatory change. When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo.

Impact on State Agencies

For your agency: projected costs, savings, fees or revenues resulting from the regulatory change, including: a) fund source / fund detail; b) delineation of one-time versus on-going expenditures; and c) whether any costs or revenue loss can be absorbed within existing resources	This analysis has been reported in Tables 1a, 1b, and 1c on the ORM Economic Review Form.
For other state agencies: projected costs, savings, fees or revenues resulting from the regulatory change, including a delineation of one-time versus on-going expenditures.	This analysis has been reported in Tables 1a, 1b, and 1c on the ORM Economic Review Form.
For all agencies: Benefits the regulatory change is designed to produce.	This analysis has been reported in Tables 1a, 1b, and 1c on the ORM Economic Review Form.

Impact on Localities

If this analysis has been reported on the ORM Economic Impact form, indicate the tables (1a or 2) on which it was reported. Information provided on that form need not be repeated here.

Projected costs, savings, fees or revenues resulting from the regulatory change.	This analysis has been reported in Table 3 on the ORM Economic Review Form.
Benefits the regulatory change is designed to produce.	This analysis has been reported in Table 3 on the ORM Economic Review Form.

Impact on Other Entities

If this analysis has been reported on the ORM Economic Impact form, indicate the tables (1a, 3, or 4) on which it was reported. Information provided on that form need not be repeated here.

Description of the individuals, businesses, or other entities likely to be affected by the regulatory change. If no other entities will be affected, include a specific statement to that effect.	This analysis has been reported in Table 4 on the ORM Economic Review Form.
Agency's best estimate of the number of such entities that will be affected. Include an estimate of the number of small businesses affected. Small business means a business entity, including its affiliates, that: a) is independently owned and operated and; b) employs fewer than 500 full-time employees or has gross annual sales of less than $6 million.	This analysis has been reported in Table 4 on the ORM Economic Review Form.
All projected costs for affected individuals, businesses, or other entities resulting from the regulatory change. Be specific and include all costs including, but not limited to: a) projected reporting, recordkeeping, and other administrative costs required for compliance by small businesses; b) specify any costs related to the development of real estate for commercial or residential purposes that are a consequence of the regulatory change; c) fees; d) purchases of equipment or services; and e) time required to comply with the requirements.	This analysis has been reported in Table 4 on the ORM Economic Review Form.
Benefits the regulatory change is designed to produce.	This analysis has been reported in Table 4 on the ORM Economic Review Form.

Alternatives to Regulation

Describe any viable alternatives to the regulatory change that were considered, and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the regulatory change. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in § 2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulatory change.

No viable alternatives for achieving the purpose of these Regulations were identified under the Periodic Review conducted in 2024, or as part of this fast-track regulatory action. The Regulations specify the (i) requirements for a system to review and measure the efficiency and productivity of health care providers as required by § 32.1-276.4 of the Code of Virginia; and (ii) the format for submission of outpatient data and other health information required to be reported as outlined in § 32.1-276.6 of the Code of Virginia. Amending the Regulations is the least burdensome and most efficient approach to accomplish the statutory requirements while ensuring that the Regulations reflect statutory changes enacted since the

Regulations were established, and the current practices related to the capture, compilation, storage, evaluation, and reporting of health data in the Commonwealth.

Regulatory Flexibility Analysis

Consistent with § 2.2-4007.1 B of the Code of Virginia, describe the agency's analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) establishing less stringent compliance or reporting requirements; 2) establishing less stringent schedules or deadlines for compliance or reporting requirements; 3) consolidation or simplification of compliance or reporting requirements; 4) establishing performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the regulatory change.

There are no viable alternatives for achieving the purpose of the Regulations as (i) the Board is required to promulgate regulations specifying the format for the submission of outpatient data, including the information that is required to be reported; and (ii) the Regulations specify the requirements for a system to review and measure the efficiency and productivity of health care providers as required by § 32.1-274.4 of the Code of Virginia. Amending the regulations is the least burdensome and most efficient approach to accomplish the statutory requirements.

Public Participation

Indicate how the public should contact the agency to submit comments on this regulation, and whether a public hearing will be held, by completing the text below.

Consistent with § 2.2-4011 of the Code of Virginia, if an objection to the use of the fast-track process is received within the 30-day public comment period from 10 or more persons, any member of the applicable standing committee of either house of the General Assembly or of the Joint Commission on Administrative Rules, the agency shall: 1) file notice of the objections with the Registrar of Regulations for publication in the Virginia Register and 2) proceed with the normal promulgation process with the initial publication of the fast-track regulation serving as the Notice of Intended Regulatory Action.

If you are objecting to the use of the fast-track process as the means of promulgating this regulation, please clearly indicate your objection in your comment. Please also indicate the nature of, and reason for, your objection to using this process.

The Virginia Department of Health is providing an opportunity for comments on this regulatory proposal, including but not limited to (i) the costs and benefits of the regulatory proposal and any alternative approaches, (ii) the potential impacts of the regulation, and (iii) the agency's regulatory flexibility analysis stated in this background document.

Anyone wishing to submit written comments for the public comment file may do so through the Public Comment Forums feature of the Virginia Regulatory Town Hall web site at: https://townhall.virginia.gov. Comments may also be submitted by mail, email or fax to Rilee Bennett 8701 Park Central Drive, Suite 100-200, Richmond, VA 23227, (phone) 804-662-6258, (fax) 804-662-6244, rilee.bennett@vdh.virginia.gov. In order to be considered, comments must be received by 11:59 pm on the last day of the public comment period.

Detail of Changes

List all regulatory changes and the consequences of the changes. Explain the new requirements and what they mean rather than merely quoting the text of the regulation. For example, describe the intent of the language and the expected impact. Describe the difference between existing requirement(s) and/or agency practice(s) and what is being proposed in this regulatory change. Use all tables that apply, but delete inapplicable tables.

If an existing VAC Chapter(s) is being amended or repealed, use Table 1 to describe the changes between existing VAC Chapter(s) and the proposed regulation. If existing VAC Chapter(s) or sections are being repealed and replaced, ensure Table 1 clearly shows both the current number and the new number for each repealed section and the replacement section.

Table 1: Changes to Existing VAC Chapter(s)

Current chapter-section number	New chapter-section number, if applicable	Current requirements in VAC	Change, intent, rationale, and likely impact of new requirements
12VAC5-215-10		**This section contains definitions applicable to the regulatory chapter (Chapter 215), as amended.**	**CHANGE:** Several terms used in the body of the Regulations have been incorporated into the definitions section; adding several new definitions: "annual historical filing," continuing care retirement community," "medical care facility," and "nonprofit organization." The existing definition of "hospital" has been updated to better specify the types of facilities that are considered hospitals for purposes of the regulatory chapter. Three existing definitions have been removed from the Regulations – (i) "consumer" has been removed as the term will not appear in the amended Regulations; (ii) the definition of "health care institution" has been removed as the term is replaced throughout the Regulations with "medical care facility;" and (iii) "late charge" has been removed as it will only appear in one section of the amended Regulations (12VAC5-215-95). Further changes to the section conform the definitions to the *Form and Style Guidelines.* **INTENT:** The intent is to clarify and promote a better understanding of the terms used throughout the regulatory chapter. Where possible, definitions have been updated to align with statutory definitions and descriptions. **RATIONALE:** The rationale is that the definitions will provide better clarity and uniformity for the public, government organizations, and regulated entities when financial and/or operational data

			are submitted for evaluation of Virginia's medical care facilities. **LIKELY IMPACT:** The likely impact is that readers will better understand the terminologies throughout the regulatory chapter, making the Regulations easier to follow and implement.
	12VAC5-215-15	**This section has been added to specify the types of medical care facilities required to report data for analysis and evaluation.**	**CHANGE:** This new section has been added to specify the types of medical care facilities required to submit financial and/or utilization data to the nonprofit organization for analysis and evaluation. Examples include general and rehabilitative hospitals, sanitariums, nursing homes, extended care facilities, mental hospitals, psychiatric hospitals and intermediate care facilities providing medical or psychiatric or psychological treatment and rehabilitation for substance abuse, and any facility licensed in Virginia as a hospital. The amended regulations clarify that the following entities are exempt from the review requirements of this section: Intermediate care facilities established to treat persons diagnosed with an intellectual disability that have 12 beds or less and which are determined by any DBHDS plan as needing residential services; Specialized centers, clinics, or portions of a physician's office that provide nuclear medicine imaging for the specific purpose of nuclear cardiac imaging; Specialized centers, clinics, or portions of a physician's office that provide outpatient surgery, non-invasive diagnostic medical imaging tests (e.g., MRI, CT, PET, MSI), cardiac catheterization, radiation therapy or stereotactic radiotherapy, proton beam therapy, and nuclear medicine imaging. **INTENT:** The intent is to mirror statutory terms and definitions related to the Commonwealth's health data reporting initiatives, the regulation and evaluation of the Commonwealth's medical care facilities, and provisions regulating Virginia hospitals licensed and/or operated by the DBHDS, in the Regulations. Replacing the term "health care institution" with "medical care facility" aligns the Regulations Chapters 4 (§ 32.1-102.1 et seq.) and 5 (§ 32.1-123 et seq.) of Title 32.1 and Article 2 (§ 37.2-403 et seq.) of Chapter 4 of Title 37.2 of the Code of Virginia. **RATIONALE:** The rationale is that the Regulations should utilize consistent

			terminology throughout Code and Regulation to avoid confusion by health care providers, medical care facilities, the nonprofit organization, the Board, VDH, and the public. **LIKELY IMPACT:** The likely impact is that the Regulations will mirror the terms and definitions used in the Code of Virginia, making the provisions easier to read and understand.
12VAC5-215-20		This section provides the Board authority to collect, analyze, and make public the data and findings relating to hospitals that operate in the Commonwealth, and direct the Board to maintain the regulations promulgated under Chapter 215.	**CHANGE:** The section has been repealed to conform to Executive Order 19 by removing language duplicative to statute (§§ 32.1-276.2 32.1-276.7 (A), 32.1-276.8 (E) (iii) of the Code of Virginia); and removing non-regulatory language from the provisions as permitted by §§ 2.2-4104 and 30-150 of the Code of Virginia and 1VAC7-10-40 (C). **INTENT:** The intent is to streamline the Regulations by removing non-regulatory and duplicative language. **RATIONALE:** The rationale is that the Regulations should not contain duplicative provisions or provisions that are non-regulatory in nature. Removing non-regulatory language is considered to be a minor change to the Virginia Administrative Code pursuant to § 30-150 of the Code of Virginia. **LIKELY IMPACT:** The likely impact is that removing non-regulatory language will streamline the Regulations, and make them easier to read and understand.
12VAC5-215-30		This section outlines the purpose, administration, application, and effective date of the rules and regulations promulgated under Chapter 215.	**CHANGE:** This section has been repealed to conform to Executive Order 19 by reducing the number of requirements in the Regulations, removing provisions duplicative to statute (§§ 2.2-4015 (A), 2.2-4013 (D), 32.1-12, 32.1-276.8 (E) (iii) of the Code of Virginia), and eliminating non-regulatory language. The Virginia Code Commission and Registrar of Regulations are permitted to remove purpose statements and effective dates from the Regulations under the conditions set forth in §§ 2.2-4104 and 30-150 of the Code of Virginia and 1VAC7-10-40 (C). **INTENT:** The intent is to streamline the Regulations by removing non-regulatory language and duplicative statutory provisions. **RATIONALE:** The rationale is that the Regulations should not contain

			duplicative provisions or provisions that are non-regulatory in nature. Removing non-regulatory language is considered to be a minor change to the Virginia Administrative Code pursuant to § 30-150 of the Code of Virginia. **LIKELY IMPACT:** The likely impact is that removing non-regulatory language and duplicative statutory references will streamline the Regulations, and make the Regulations easier to read and understand.
	12VAC5-215-35	This section has been added to specify the responsibilities of the nonprofit organization when obtaining and evaluating the data submitted by medical care facilities that is used to measure the efficiency and productivity to avoid duplication in data reporting.	**CHANGE:** Existing requirements in 12VAC5-216-30 have been repealed under this action and relocated to this new section of the Regulations to better organize content with the amended regulatory chapter. Subsection A instructs the nonprofit organization to obtain the data used for the evaluation of medical care facilities directly from the respective agency or entity. Subsection B requires the nonprofit organization to obtain such data using Virginia's Patient Level Data System or other databases that are available and host the information (e.g., a database operated and maintained by a public or private entity from which data is used by the Board for evaluation of a medical care facility). Further amendments conform the Regulations to the *Form and Style Guidelines.* **INTENT:** The intent is to specify the responsibilities of the nonprofit organization to eliminate duplication in the reporting of the financial and operational data submitted by health care providers that is used to measure the efficiency and productivity of medical care facilities. **RATIONALE:** The rationale is that clarifying the responsibilities of the nonprofit organization to eliminate duplication in reporting will support the Commonwealth's health data reporting and efficiency and productivity measurement initiatives through timely and accurate data reporting. **LIKELY IMPACT:** The likely impact is that duplication in the reporting of data by medical care facilities will be eliminated; resulting in more accurate and timely submission of data for evaluation.
12VAC5-215-40		This section authorizes the Board to enforce the regulations in Chapter 215.	**CHANGE:** The section has been repealed under this regulatory action to conform to Executive Order 19 as it duplicates existing statute (§§ 32.1-276.7

			(A) and 32.1-276.8 (E) (iii) of the Code of Virginia). **INTENT:** The intent is to streamline the Regulations by removing non-regulatory language and duplicative statutory provisions. **RATIONALE:** The rationale is that the Regulations should not contain provisions that only duplicate statute. **LIKELY IMPACT:** The likely impact is that removing duplicative statutory references will streamline the Regulations; making the Regulations easier to read and understand.
	12VAC5-215-45	This new section clarifies the responsibilities of the Board and the nonprofit organization when categorizing the data reflecting charges, costs, efficiency, productivity, resource utilization, financial viability, and community support services that are filed by medical care facilities.	**CHANGE:** Existing provisions outlining the categories of data to be filed by health care providers have been removed and relocated to this new section from 12VAC5-216-40 which has been repealed under this regulatory action to better organize regulatory content. The provisions instruct the Board to direct the nonprofit organization to assemble specific information (charges, costs and elements of costs, efficiency, productivity, resource utilization, financial viability, and community support services) from the financial and operational data and information submitted by health care providers for medical care facility evaluation. Further amendments conform the Regulations to the *Form and Style Guidelines.* **INTENT:** The intent is to specify the (i) requirement to categorize the data used for evaluation purposes; (ii) categories of information to be assembled by the nonprofit organization for evaluation; and (iii) responsibilities of the Board and the nonprofit organization when categorizing the financial and operational data submitted by health care providers for medical care facility evaluation. **RATIONALE:** The rationale is that the Regulations should clearly define the responsibilities applicable to the Board and nonprofit organization in regard to the categorization of data and information that is submitted by health care providers for medical care facility for evaluation. **LIKELY IMPACT:** The likely impact is the data submitted by health care providers for medical care facility evaluation will be categorized efficiently and consistently, as the requirement to categorize the data and the responsibilities of the Board and

			the nonprofit organization will be clearly communicated in the Regulations.
12VAC5-215-50		This section specifies the requirements that are applicable to medical care facilities when submitting an annual historical filing for evaluation.	**CHANGE:** This section is amended to clarify the requirements applicable to the Board, nonprofit organization, and medical care facilities when annual historical filings and financial information are submitted for evaluation. Existing provisions are retained that specify the types of financial documents (e.g., unconsolidated certified financial statements and unconsolidated unaudited financial statements) to be submitted in the annual historical filing, and which outline the cost-allocation methodologies used by the nonprofit organization to assess facilities that participate and do not participate in the Medicare or Medicaid programs. Existing provisions located in this section and also in 12VAC5-215-110 requiring medical care facilities to submit the annual historical filing within 120 days of the facility's fiscal year end are also retained under the changes. The requirement that certain investor-owned institutions (e.g. proprietorships, partnerships, S-corporations) that report imputed income tax in the annual historical filing has been amended to remove outdated rate amounts for individuals and corporations as the rates were applicable in 1989 and are outdated. Notable amendments clarify that medical care facilities submit the annual historical filing directly to the nonprofit organization, and add a new provision requiring parent companies of medical care facilities to submit the annual historical filing to the nonprofit organization within 150 days of the parent company's fiscal year, in accordance with § 32.1-276.5 (A) of the Code of Virginia. Changes also incorporate provisions from 12VAC5-216-20 and 12VAC5-215-100 requiring medical care facilities to submit annual historical filings and financial statements for evaluation. Further updates conform the amended Regulations to the *Form and Style Guidelines.* **INTENT:** The intent is to update the provisions to remove outdated requirements and align the Regulations with current practice. Conforming the Regulations to the *Form and Style Guidelines* is intended to make the provisions easier to read and understand. **RATIONALE:** The rationale is that the Regulations should only contain provisions that are currently applicable.

			Conforming regulatory language to *Style Guide* requirements will make the provisions easier to follow and understand. **LIKELY IMPACT:** The likely impact is reporting entities, the nonprofit organization, the Board, VDH, and the public will have a better understanding of the current requirements related to the submission of annual historical filings. Conforming the provisions to the *Form and Style Guidelines* will streamline regulatory language and make the section easier to read, follow, and understand.
	12VAC5-215-55	This new section clarifies the process by which the nonprofit organization will evaluate and rank medical care facilities using efficiency and productivity indicators.	**CHANGE:** This new section describes the manner in which the data submitted by medical care facilities is used by the nonprofit organization to rank and evaluate each facility. Amendments relocate provisions in 12VAC5-216-50 and 12VAC5-216-80 to this section and specify that the data is formed into indicators, rather than "ratio indicators," that are used by the nonprofit organization to evaluate and rank each facility. The changes (i) define "case-mix index" as the measurement of a medical care facility's resource consumption; (ii) specify the electronic systems and tools used by the nonprofit organization to calculate each facility's case-mix index; and (iii) permit the nonprofit organization to utilize the Nursing Facility Price Based Reimbursement methodology available from the DMAS to calculate the case-mix index of each nursing home in accordance with 12VAC30-90-44. Existing language requiring nursing homes that have a PIRS SII number from DMAS to report the four quarterly PIRS SII scores on the annual historical filing have been removed. Further amendments conform the Regulations to the *Form and Style Guidelines.* **INTENT:** The intent is to combine applicable requirements currently located in different regulatory chapters and sections into one cohesive section that better clarifies the requirements currently applicable to the Board and the nonprofit organization when evaluating and ranking medical care facilities. **RATIONALE:** The rationale is that combining applicable provisions into one section will make the requirements easier to locate and understand. **LIKELY IMPACT:** The likely impact is that the Board, nonprofit organization,

			reporting entities, and the public will have a better understanding of how the data and indicators are used to measure the productivity and efficiency of Virginia's medical care facilities. Combining requirements currently located across different regulatory chapters and sections into one section of the Regulations will make the requirements easier to locate, read, and understand.
12VAC5-215-60		This section requires medical care facilities to submit an annual schedule of charges, which outlines the charges imposed by a medical care facility, to the Board for evaluation.	**CHANGE:** This section is repealed under this regulatory action, removing the requirement that medical care facilities submit an annual schedule of charges outlining the charges imposed by the facility to the Board for evaluation. Amendments are made in response to statutory changes enacted under Chapter 902 of the 1996 Acts of Assembly, which defunded and abolished the Virginia Health Services Cost Review Council (VHSCRC) and transferred its duties related to the compilation, storage, analysis, evaluation, and dissemination of the Commonwealth's health data to the State Health Commissioner and the Board of Health. These changes established Chapter 7.2 (32.1-276.2 et seq.) of Title 32.1 of the Code of Virginia which were effective beginning July 1, 1999. The schedule of charges was last collected before enactment of the new statutory chapter. Repealing this section also complies with statutory changes enacted under Chapters 821 and 854 of the 2011 Acts of Assembly which repealed § 9-159 (A)(3) of the Code of Virginia and required the Commonwealth's medical care facilities to file an annual schedule of charges to be effective on the first day of the facility's fiscal year. **INTENT:** The primary intent is to conform the Regulations to statutory changes enacted in 1996 and 2011, and to remove outdated requirements from the Regulations. Amendments are intended to ensure that the Regulations only contain requirements that are currently applicable. **RATIONALE:** The rationale is that the Regulations should not include requirements that are no longer applicable or essential. **LIKELY IMPACT:** The likely impact is that the Regulations will only reflect requirements that are currently applicable to medical care facilities, the Board, and the nonprofit organization.

	12VAC5-215-65	This new section requires publication of an annual report containing data and analysis of medical care facilities. Provisions identify the responsibilities of the Board and the nonprofit organization when publishing the annual report evaluating medical care facilities, and when making the published data available to the public.	**CHANGE:** This new section includes existing requirements from 12VAC5-215-190, 12VAC5-215-200, and 12VAC5-216-70 that have been repealed and relocated to this section to better organize regulatory content within the amended chapter. Amendments instruct the Board to direct the nonprofit organization to publish an annual report of the data submitted by medical care facilities for evaluation, including an analysis of the (i) efficiency and productivity; (ii) admission and patient day comparison costs; (iii) operating costs and profits; (iv) deductions from revenue; and (v) utilization of each medical care facility. Updates also require the nonprofit organization to maintain a publicly accessible electronic database containing information from the annual historical filings submitted by medical care facilities has been repealed under this regulatory action and relocated to this section to better organize regulatory content within the amended chapter. Further amendments conform the Regulations to the *Form and Style Guidelines.* **INTENT:** The intent is to identify the responsibilities of the Board and nonprofit organization in regard to the publication of and access to the data submitted by medical care facilities that is used to evaluate each facility's efficiency and productivity. Conforming the Regulations to *Style Guide* requirements is expected to make the Regulations easier to read and understand. **RATIONALE:** The rationale is that the public should have access to the data and analyses used to evaluate medical care facilities, and that the Regulations should clearly communicate this requirement. **LIKELY IMPACT:** The likely impact is that the Board, the nonprofit organization, medical care facilities, and the public will have access to the published data and analysis used in the evaluation of medical care facilities. Amendments conforming the Regulations to the *Style Guide* requirements will make the regulations easier to read and understand.
12VAC5-215-70		This section requires medical care facilities to submit an annual survey of rates outlining the rates charged by medical care facilities (e.g.,	**CHANGE:** This section is repealed under this regulatory action. The requirement that medical care facilities submit an annual survey of rates, which outlines the rates charged by a medical care facility, to the Board has been repealed in

		private and semi-private rooms, etc.).	response to statutory changes enacted under Chapter 902 of the 1996 Acts of Assembly, which defunded and abolished the Virginia Health Services Cost Review Council (VHSCRC) and transferred its duties related to the compilation, storage, analysis, evaluation, and dissemination of the Commonwealth's health data to the State Health Commissioner and the Board of Health. The statutory changes established Chapter 7.2 (32.1-276.2 et seq.) of Title 32.1 of the Code of Virginia which were effective beginning July 1, 1999. The survey of rates was last collected prior to enactment of the new statutory chapter. **INTENT:** The primary intent is to conform the Regulations to statutory changes enacted in 1996 and to remove outdated requirements from the Regulations. Amendments are intended to ensure that the Regulations only contain requirements that are currently applicable. **RATIONALE:** The rationale is that the Regulations should not include requirements that are no longer applicable or essential. **LIKELY IMPACT:** The likely impact is that the Regulations will only reflect requirements that are currently applicable to medical care facilities, the Board, and the nonprofit organization.
	12VAC5-215-75	This new section requires medical care facilities to submit financial and operational data to the Board electronically for evaluation, and permits the Board to charge a fee to a medical care facility to cover the cost of data entry for non-electronic data submissions.	**CHANGE:** This new section incorporates existing provisions from 12VAC5-216-60, which are repealed under this action, that require electronic submission of financial and operational data by medical care facilities for evaluation. Provisions authorizing the Board to provide an exception for medical care facilities that are unable to submit the required information electronically, or to impose a fee upon a medical care facility for the cost of data entry for non-electronic data submissions are retained under the changes. Amendments expand upon an existing requirement that electronic data submissions be made using software developed by the Board by specifying that medical care facilities use a "secure web data collection tool developed by the Board" for such purpose. Further changes conform the Regulations to the *Form and Style Guidelines.* **INTENT:** The intent is to update the Regulations to reflect current requirements and permissions that are

			relevant and applicable to the submission of financial and operational data by medical care facilities for evaluation. **RATIONALE:** The rationale is that the Regulations should reflect the current requirements and Board authorities related to the electronic submission of financial and operational data by medical care facilities used for evaluation. **LIKELY IMPACT:** The likely impact is that relocating the existing provisions into Chapter 215 will make the requirements easier to locate, follow, and understand. *Form and Style* changes will enhance readability of the Regulations.
12VAC5-215-80		This section requires hospitals or the corporation that controls a hospital to respond to a Board survey (commercial diversification survey) that is used to determine the extent of a hospital's commercial diversification.	**CHANGE:** This section has been repealed under this regulatory action. The requirement that hospitals, or any corporation that controls a hospital, complete a Board survey to determine the extent of commercial diversification by hospitals in the Commonwealth has been repealed in response to statutory changes enacted under Chapter 902 of the 1996 Acts of Assembly. The legislation defunded and abolished the Virginia Health Services Cost Review Council (VHSCRC) and transferred its duties related to the compilation, storage, analysis, analysis, evaluation, and dissemination of the Commonwealth's health data to the State Health Commissioner and the Board of Health. Statutory changes established Chapter 7.2 (32.1-276.2 et seq.) of Title 32.1 of the Code of Virginia which were effective beginning July 1, 1999. The commercial diversification survey was last collected before enactment of the new statutory chapter. An existing section (12VAC5-215-90) requiring the submission of affiliate information (e.g., a corporation which controls a hospital that has 25% or greater interest) as part of the commercial diversification survey is also repealed under this regulatory action. **INTENT:** The primary intent is to conform the Regulations to statutory changes enacted in 1996 and to remove outdated requirements from the Regulations. Amendments are intended to ensure that the Regulations only contain requirements that are currently applicable. **RATIONALE:** The rationale is that the Regulations should not include

			requirements that are no longer applicable or essential. **LIKELY IMPACT:** The likely impact is that the Regulations will only reflect requirements that are currently applicable to medical care facilities, the Board, and the nonprofit organization.
	12VAC5-215-85	This new section outlines the fee schedule and amount charged by the Board to medical care facilities to cover the costs of the Board's annual review expenses.	**CHANGE:** This new section clarifies the fees charged by the Board to medical care facilities when annual historical filings are submitted. Amendments conform the Regulations to current practice conducted by medical care facilities, the Board, and the nonprofit organization, and incorporate existing provisions located in 12VAC5-215-140 & 12VAC5-215-150 which are repealed, amended, and relocated to this section to better organize content within the amended regulatory chapter. Changes retain requirements that (i) instruct the Board to establish and review fees annually; (ii) establish fees based upon the Board's annual expenses and upon a medical care facility's adjusted patient days as submitted in the last annual historical filing; and (iii) limit the fee maximum changed to a medical care facility to 11 cents per adjusted patient day. A new requirement directing the Board to determine new fee schedules for hospitals and nursing homes before a facility's new fiscal year has been added to the Regulations. Updates to existing provisions require medical care facilities to pay fees to the nonprofit organization instead of the Board, and remove the requirement that facilities pay 50% of each fee to the Board no later than 30 days before the beginning of the facility's fiscal year end. Further amendments conform the Regulations to the *Form and Style Guidelines.* **INTENT:** The intent is to (i) streamline the regulations by combining existing requirements located across different sections of the regulatory chapter into one cohesive section; (ii) update the Regulations to remove requirements that are no longer applicable; and (iii) ensure consistency in the review and establishment of fees that support the Commonwealth's health data reporting and medical care facility evaluation initiatives. **RATIONALE:** The rationale is that streamlining the provisions and removing fee requirements that are no longer applicable will result in a better

			understanding of Board fee schedules and rates charged to medical care facilities at the time financial and/or operational data are submitted in a medical care facility's annual historical filing. Incorporating provisions that ensure consistency in the establishment and review of fee rates imposed by the Board and removing existing language requiring medical care facilities to pay fifty percent of the required fees to the nonprofit organization before the start of the new fiscal year will provide medical care facilities additional time to make any necessary adjustments to comply with fee schedule changes. **LIKELY IMPACT:** The likely impact is that the provisions related to the fees charged to medical care facilities when annual historical filings are submitted will be easier to locate. Requiring the Board to determine and communicate fee rate changes before the beginning of the next fiscal year, and removing the condition at medical care facilities pay fifty percent of fees within 30 days of the facility's fiscal year end will provide medical care facilities time to prepare for a new fee rate's implementation.
12VAC5-215-90		This section requires respondents to the commercial diversification survey (hospitals or a board or corporation that controls a hospital) to include certain information about affiliates that have a 25% or greater interest in a hospital.	**CHANGE:** This section has been repealed under this regulatory action, removing The requirement that hospitals, or any corporation that controls a hospital, include affiliate information in the response to the commercialization survey. The changes are made to conform the Regulations to statutory changes enacted under Chapter 902 of the 1996 Acts of Assembly, which defunded and abolished the Virginia Health Services Cost Review Council (VHSCRC) and transferred its duties related to the compilation, storage, analysis, evaluation, and dissemination of the Commonwealth's health data to the State Health Commissioner and the Board of Health. The statutory changes established Chapter 7.2 (32.1-276.2 et seq.) of Title 32.1 of the Code of Virginia which were effective beginning July 1, 1999. The commercial diversification survey, and any affiliate information required by regulation, was last collected prior to enactment of the new statutory chapter. The existing section (12VAC5-215-80) outlining the requirement to submit the commercial diversification survey is also repealed under this regulatory action.

			INTENT: The primary intent is to conform the Regulations to statutory changes enacted in 1996 and to remove outdated requirements from the Regulations. Amendments are intended to ensure that the Regulations only contain requirements that are currently applicable. **RATIONALE:** The rationale is that the Regulations should not include requirements that are no longer applicable or essential. **LIKELY IMPACT:** The likely impact is that the Regulations will only reflect requirements that are currently applicable to hospitals, corporations that own a hospital, and their affiliates.
	12VAC5-215-95	This new section authorizes the Board to charge a late fee to medical care facilities for the late submission of the annual historical filing, financial statements, or fee payments.	**CHANGE:** This new section specifies the conditions under which the Board imposes a "late charge" upon medical care facilities and publicly held companies that submit an annual historical filing, financial statement, or fee payment after the due date. The amended provisions include two requirements located in 12VAC5-215-160 (A)(B) that authorize the Board to (i) impose a late charge of $10.00 on medical care facilities for each working day that a submission is late; and (ii) waive the late charge if requested by a medical care facility before the due date. Existing provisions authorizing the Board to impose a late charge on a medical care facility for the late submission of the schedule of charges, survey of rates, commercial diversification survey, or IRS forms are not retained as the information is no longer collected due to statutory changes enacted under Chapter 902 of the 1996 Acts of Assembly. The statutory changes (i) defunded and abolished the Virginia Health Services Cost Review Council (VHSCRC) and transferred its duties related to the compilation, storage, analysis, evaluation, and dissemination of the Commonwealth's health data to the State Health Commissioner and the Board; and (ii) established Chapter 7.2 (32.1-276.2 et seq.) of Title 32.1 of the Code of Virginia which became effective beginning July 1, 1999. The surveys, schedules, and forms were last collected prior to enactment of Chapter 7.2 (32.1-276.2 et seq) of Title 32.1 of the Code of Virginia. Further amendments conform the Regulations to the *Form and Style Guidelines.*

			INTENT: The intent is to streamline the late charges imposed upon medical care facilities imposed in response to the late submission of financial and operational data to the Board, and to remove late charges associated with surveys or financial information (e.g., survey of rates or charges, etc.) that are no longer submitted for evaluation. **RATIONALE:** The rationale is that the Regulations should not impose late charges on medical care facilities for the late submissions of surveys, information, and other documents that are no longer submitted to the Board for evaluation. **LIKELY IMPACT:** The likely impact is that the Regulations will correctly outline the late charges imposed by the Board under current industry practice, and will only authorize imposition of such charges for the late submission of data and information that is filed under current law and industry practice.
12VAC5-215-100		This section requires hospitals to submit audited consolidated financial statements and consolidating financial schedules to the Board for evaluation.	**CHANGE:** This section has been repealed under this regulatory action. Applicable provisions have been amended and incorporated into other sections of the amended Regulations – e.g., including assets and liabilities in the definition of annual historical filing in 12VAC5-215-10 (as amended); requiring the submission of audited and unaudited financial statements to 12VAC5-215-50. **INTENT:** The intent is to streamline regulatory language so that it is easier to locate, read, and follow, and ensure that the Regulations only contain currently applicable and essential requirements. **RATIONALE:** The rationale is that readers should be able to easily locate, follow, and understand regulatory language. Combining Chapters 215 and 216 and restructuring regulatory content within the amended regulatory chapter supports this objective. **LIKELY IMPACT:** The likely impact is that improvements to regulatory language and restructuring of the amended regulatory chapter will provide health care providers, medical care facilities, the nonprofit organization, the Board, and the public with provisions that are more easily located, read, followed, and understood.
	12VAC5-215-105	This new section clarifies the procedures used by the nonprofit organization to	**CHANGE:** Existing requirements from 12VAC5-216-90 have been repealed and incorporated into this new section to

		group and rank Virginia's medical care facilities.	better organize content in the regulatory chapter. The provisions specify that medical care facilities are grouped into geographic peer groups for evaluation and clarify how each medical care facility's indicators, which are derived from the data submitted by each facility, are used to score each medical care facility. Further amendments conform the Regulations to the *Form and Style Guidelines.* **INTENT:** The intent is to update the Regulations to reflect the current process used to group and rank Virginia's medical care facilities. Combining Chapters 215 and 216 will better clarify the requirements and responsibilities that are applicable to the Commonwealth's heath data reporting initiatives and the evaluation of medical care facilities. **RATIONALE:** The rationale is that combining requirements that are currently located in different chapters into one chapter of the Regulations will make the requirements easier to locate, follow, and understand. **LIKELY IMPACT:** The likely impact is that the Regulations will only reflect the current process used to rank and group Virginia's medical care facilities. Restructuring the Regulations into one regulatory chapter will make the provisions easier to locate, follow, and understand.
12VAC5-215-110		This section requires hospitals and corporations that control hospitals to submit the commercial diversification survey, affiliate information, and financial statements to the Board for evaluation within 120 days of a hospital's fiscal year end.	**CHANGE:** This section has been repealed under this regulatory action in response statutory changes enacted under Chapter 902 of the 1996 Acts of Assembly, which defunded and abolished the Virginia Health Services Cost Review Council (VHSCRC) and transferred its duties related to the compilation, storage, analysis, evaluation, and dissemination of the Commonwealth's health data to the State Health Commissioner and the Board of Health. The statutory changes established Chapter 7.2 (32.1-276.2 et seq.) of Title 32.1 of the Code of Virginia which were effective beginning July 1, 1999. The schedule of charges, survey of rates, commercial diversification survey and affiliate information were last collected prior to enactment of the new statutory chapter. Provisions requiring medical care facilities to submit audited consolidated financial statements and schedules that include total assets, liabilities, expenses, and revenue have been incorporated into other sections of

			the amended Regulations (12VAC5-215-10 and 12VAC5-215-50). **INTENT:** The intent is to remove provisions that are outdated, and for which alternative methods of data collection, analysis, and cost evaluation are utilized in current industry practice. **RATIONALE:** The rationale is that the Regulations should accurately reflect the framework in which a (i) medical care facility submits financial and operational data for evaluation; and (ii) medical care facility's costs, quality, efficiency, and productivity are evaluated. **LIKELY IMPACT:** The likely impact is that the removal of outdated requirements will ensure the Regulations reflect statutory changes enacted under Chapter 902 of the 1996 Acts of Assembly and current industry practice.
	12VAC5-215-115	This new section specifies the conditions under which certain types of medical care facilities are exempt from the established ranking procedure used by the nonprofit organization to evaluate the efficiency and productivity of each facility, and permits the nonprofit organization to utilize peer groupings of such facilities for analysis.	**CHANGE:** This new section provides an exemption from the ranking procedure used by the nonprofit organization. Existing exemptions for psychiatric hospitals, rehabilitation hospitals, ambulatory surgery hospitals, children's specialty hospitals, and subacute care hospitals located in 12VAC5-216-100, which is repealed and incorporated into Chapter 215 under this regulatory action, have been retained. The changes remove an existing exemption for continuing care retirement communities and exempt two new facility types – critical access hospitals and long-term acute care hospitals – from the ranking procedure used by the nonprofit organization as these facility types are only scored for efficiency but are not ranked. Further amendments conform the Regulations to the *Form and Style Guidelines*. **INTENT:** The intent is to update the Regulations to specify the types of medical care facilities that are currently exempt from the nonprofit organization's ranking procedure. Relocating applicable requirements from Chapter 216 to Chapter 215 is anticipated to make the requirements easier to locate. **RATIONALE:** The rationale is that Regulations should accurately convey the types of facilities that are exempt from the procedure used to rank Virginia's medical care facilities. Amendments that repeal Chapter 216 and which incorporate applicable requirements from

			12VAC5-216-100 into the new section will make the requirements easier to locate and follow. **LIKELY IMPACT:** The likely impact is that the Regulations will accurately specify the facilities that are exempt from Virginia's ranking procedure. Restructuring the regulatory chapter and conforming the provisions to *Style Guide* requirements will make the provisions easier to locate, follow, read and understand.
12VAC5-215-120		This section requires tax-exempt medical care facilities or corporations that control a medical care facility to submit an IRS Form 990 within 120 days of the facility's fiscal year end.	**CHANGE:** This section is repealed under this action in response to statutory changes enacted under Chapter 902 of the 1996 Acts of Assembly, which defunded and abolished the Virginia Health Services Cost Review Council (VHSCRC) and transferred its duties related to the compilation, storage, analysis, evaluation, and dissemination of the Commonwealth's health data to the State Health Commissioner and the Board of Health. The statutory changes established Chapter 7.2 (32.1-276.2 et seq.) of Title 32.1 of the Code of Virginia which were effective beginning July 1, 1999. IRS documentation required to be submitted pursuant to this section was last collected before enactment of the statutory changes, and the Regulations were last amended before the statutory changes become effective in 1999. **INTENT:** The intent is to remove provisions that are outdated, and for which alternative methods of data collection, analysis, and cost evaluation are utilized in current industry practice. **RATIONALE:** The rationale is that the Regulations should accurately reflect the framework in which a medical care facility's financial information is obtained for purposes of evaluation. **LIKELY IMPACT:** The likely impact is that, by removing the outdated provisions, the Regulations will reflect the statutory changes enacted under Chapter 902 of the 1996 Acts of Assembly and current industry practice.
	12VAC5-215-125	This new section requires the Board to release the data submitted by medical care facilities for evaluation and adhere to statutory requirements and restrictions related to the disclosure of the information.	**CHANGE:** This new section incorporates existing provisions located in 12VAC5-215-210, which is repealed under this action, that require the Board to (i) disclose the data submitted by medical care facilities for evaluation; and (ii) adhere § 32.1-276.9 of the Code of Virginia by maintaining the confidentiality

			of patient level data, personal identifier elements (e.g., information identifying a patient, physician, or employer), and disclosure of information; and which also exempt unpublished patient level data from disclosure in response to Virginia Freedom of Information Act requests. While no substantive changes were made to existing requirements, technical updates were made to conform regulatory language to the *Form and Style Guidelines* and replace an outdated statutory citation with a citation to § 32.1-276.9 of the Code of Virginia which requires confidentiality of certain information. **INTENT:** The intent is to ensure that (i) personal information included in data submissions remain confidential; (ii) the provisions clarify the responsibilities applicable to the Board when disclosing the data submitted by medical care facilities for evaluation; and (iii) the public is provided with the information used to evaluate each facility. Relocating existing provisions is intended to better organize regulatory content and make the provisions easier to locate. **RATIONALE:** The rationale is that relocating the requirements and correcting the statutory reference will result in requirements that are easier to locate and read. The public, Board, nonprofit organization, and reporting entities will be better enabled to connect restrictions on the disclosure of certain data to the Code of Virginia. **LIKELY IMPACT:** The likely impact is that the Board, nonprofit organization, medical care facilities, and the public will be able to more easily locate, read, and understand the requirements and responsibilities related to the disclosure of patient level data and data used to evaluate Virginia's medical care facilities.
12VAC5-215-130		This section of the Regulations requires medical care facilities to submit all annual historical filings, including the filing of financial and operational data and fee payments, to the Board.	**CHANGE:** This section is repealed under the action as the requirements do not align with current industry practice for the submission of medical care facility data and fee payments for evaluation. Under current practice, the information and fee payments are submitted electronically to the nonprofit organization rather than the Board. In accordance with § 32.1-276.7 of the Code of Virginia, the submission of data for evaluation is required to be provided pursuant to regulations

			established by the Board. The amendments to Chapter 215, including this section, have been made to specify that that submission of financial and operational data to the nonprofit organization are considered to be "filed" with the Board. Further changes conform the Regulations to the *Form and Style Guidelines.* **INTENT:** The intent is to clarify current industry practice under which medical care facilities electronically submit financial and operational data to the nonprofit organization for analysis and evaluation, and to specify that annual historical filings and submission of financial information made to the nonprofit organization are considered to be "filed with" the Board. **RATIONALE:** The rationale is that the Regulations should reflect current industry practice by which financial and operational data are submitted by medical care facilities to the nonprofit organization for analysis. The amendments will provide process clarity to readers and support the current data submission framework utilized by the nonprofit organization and the Board. **LIKELY IMPACT:** The likely impact is that the Regulations will more accurately reflect the current technologies and industry practices related to the submission and analysis of the information used for evaluation, and will clearly communicate that submissions made to the nonprofit organization satisfy the statutory requirement of being filed with the Board.
	12VAC5-215-135	This new section provides the requirements applicable to continuing care retirement communities (CCRC) when reporting utilization data on nursing home beds to the nonprofit organization for evaluation, and specifies the information to be submitted by certain CCRCs approved for a COPN before July 1, 2013.	**CHANGE:** This new section is established to clarify requirements applicable to continuing care retirement communities (CCRCs) when reporting utilization data for evaluation, including CCRCs approved for a Certificate of Public Need (COPN) before 7/1/2013 and which are seeking a three-year open admission period. Provisions are organized into two subsections: Subsection A conforms the Regulations to Chapter 515 of the 2013 Acts of Assembly and § 32.1-276.5 (D) of the Code of Virgina by requiring CCRCs with nursing home beds to report utilization data to the nonprofit organization for evaluation; and Subsection B directs CCRCs approved for a COPN before 7/1/2013 and which are seeking a three-year open application period to submit

			the facility's contract holder occupancy rate to the nonprofit organization for evaluation. The contract holder occupancy rate that is submitted must be for the six-month period preceding the application for an open admission period. **INTENT:** The intent is to (i) align the Regulations with statutory changes enacted under Chapter 515 of the 2013 Acts of Assembly, which established § 32.1-276.5 of the Code of Virginia which outlines the requirements for data submissions by medical care facilities; and (ii) specify the information to be submitted by CCRCs that have been approved for a COPN prior to July 1, 2013, and which seek a three-year open application period. There are no existing provisions in Chapters 215 or 216 related outlining the requirement that CCRCs submit utilization data as required by law. **RATIONALE:** The rationale is that the Regulations should clearly convey the requirement that CCRCs provide utilization data for evaluation as required by law. Provisions should be updated to (i) include the statutory requirement that CCRCs submit data related to the utilization of nursing home beds; and (ii) clearly outline the responsibility of CCRCs approved for a certificate of public need prior to July 1, 2013, and which seeks a three-year open admission period, to report such utilization data by submitting the facility's contract holder occupancy rate. **LIKELY IMPACT:** The likely impact is that establishing regulations requiring CCRCs to report utilization data for evaluation will align the Regulations with Virginia law that requires CCRCs submit such data. CCRCs will have a better understanding of the requirement to report utilization data, including the use of nursing home beds. Establishing these provisions will make the requirements easier to locate, follow, and understand.
12VAC5-215-140		This section outlines the fees established by the Board and charged annually to medical care facilities. Fees are based upon each medical care facility's adjusted patient days as reported in the annual historical filing submitted by each facility.	**CHANGE:** This section is repealed under this regulatory action. Several existing requirements have been retained and relocated to 12VAC5-215-85, such as the requirements that (i) direct the Board to determine a fee charged to hospitals based upon the Board's proportionate costs of operation for review of filings in the current fiscal year and anticipated costs for the next fiscal year; (ii) require the Board to establish and review fees

			before the beginning of each fiscal year; and (iii) restrict the fee maximum charged to medical care facilities per adjusted patient day to 11 cents. An existing requirement in 12VAC5-215-140 instructing medical care facilities to submit fee payments to the Board has been repealed and amended to instruct that such fee payment submissions be made to the nonprofit organization. These changes support a framework by which medical care facilities and the nonprofit organization can streamline data and fee payment submissions using modern technologies, facilitating the simultaneous submission of evaluation data and fee payments. **INTENT:** The intent is to streamline fee payment requirements for medical care facilities when annual historical filings and/or financial statements are submitted for evaluation, and align the Regulations with current industry practice as medical care facilities currently submit the required fee payments to the nonprofit organization. **RATIONALE:** The rationale is that the Regulations should support a simplified fee payment procedure that (i) allows medical care facilities to submit annual historical filings, financial statements, and fee payments under the same system transaction; and (ii) facilitates better maintenance and tracking of fee payment records by the nonprofit organization on behalf of the Board. **LIKELY IMPACT:** The likely impact is that the Regulations will contain requirements that reflect current industry practice, support simplified fee structures, and provide medical care facilities and the nonprofit organization the opportunity to leverage modern technologies for the submission, evaluation, and tracking of fee payments and data used to evaluate Virginia's medical care facilities.
12VAC5-215-150		This section outlines the schedule of fees paid by medical care facilities when annual historical filings are submitted, and requires fee payments to be made to the Board no later than 30 days before the beginning of the facility's fiscal year.	**CHANGE:** This section has been repealed under this regulatory action. An existing requirement directing medical care facilities to submit fee payments at the same time the annual historical filing is submitted has been retained and relocated to 12VAC-215-85. The requirement instructing medical care facilities to pay fifty percent of each fee to the Board no later than 30 days before the beginning of a medical care facility's fiscal year is not retained in the amended

			Regulations. Further updates conform the Regulations to the *Form and Style Guidelines*. **INTENT:** The intent is to conform the Regulations to current industry practice, which has evolved in response to technological advancements for the electronic submission of fee payments and data since the Regulations were established. The changes are intended to reflect a simplified fee payment structure that facilitates a streamlined electronic process by which medical care facilities submit operational and/or financial data at the same time fee payments are made. **RATIONALE:** The rationale is that the Regulations should support processes that allow for the streamlined submission of data and fee payments when Virginia's medical care facilities are evaluated. Removing the condition that medical care facilities pay a portion of required fees before the end of the fiscal year streamlines the fee schedule imposed by the Board as the required fees will be due at the time the annual historical filing is submitted by a medical care facility. Relocating the provisions to a new section of the amended Regulations will make the requirements easier to locate and follow. **LIKELY IMPACT:** The likely impact is that the Regulations will reflect requirements that provide for medical care facilities and the nonprofit organization to utilize modern technologies to submit, evaluate, and track data and fee payments related to the evaluation of Virginia's medical care facilities; resulting in a more robust and accurate database of payment information that meets industry expectations.
12VAC5-215-160		This section specifies the late charges imposed by the Board on medical care facilities for the late submission of annual historical filings and financial statements, the schedule of charges, the survey of rates, the commercial diversification survey, and IRS forms that are required to be submitted to the Board.	**CHANGE:** This section has been repealed, and applicable provisions related to late charges imposed by the Board upon medical care facilities have been amended and relocated to 12VAC5-215-95 under this regulatory action to align with current practice. Provisions outlining late charges for schedules, surveys, and forms that are no longer submitted for evaluation have been removed in the amended Regulations. Further changes conform the Regulations to the *Form and Style Guidelines*.

			INTENT: The intent is to streamline the late charges imposed upon medical care facilities for late submission of data and financial information to the Board that is needed for evaluation, and to remove fees that are associated with schedules, surveys, and forms that are no longer submitted by medical care facilities when filing financial information for evaluation. **RATIONALE:** The rationale is that the Regulations should not impose late charges on medical care facilities for the late submissions of schedules, surveys, forms, information, and other documentation that are no longer submitted for evaluation purposes, and for which alternative methods of submission are required (e.g. electronic submission of data). **LIKELY IMPACT:** The likely impact is that the Regulations will align the late charges imposed by the Board with current industry practice. The Regulations will only authorize the Board to impose late charges upon medical care facilities for the late submission of data and financial information to the Board that is submitted under current practice, and will not include late charges for non-submission of information that is no longer provided for evaluation.
12VAC5-215-170		This section requires that the data contained in annual historical filings and the annual schedule of charges submitted by medical care facilities be analyzed as directed by the Board.	**CHANGE:** This section is repealed under this regulatory action. Subsection A, which authorizes the Board to determine how the annual historical filing submitted by medical care facilities is evaluated, is repealed as the requirement is duplicative to statute (§§ 32.1-276.4 (A) and 32.1-276.7 (A)) which require (i) the nonprofit organization to develop and administer the methodology to evaluate Virginia's medical care facilities; and (ii) authorize the Board to regulate the methodology used to complete such evaluations. Subsection B, which requires that the annual schedule of charges submitted by medical care facilities be analyzed as directed by the Board, has also been repealed as the schedule of charges was last collected prior to the enactment of Chapter 902 of the 1996 Acts of Assembly, which became effective July 1, 1999. The statutory changes established Chapter 7.2 (32.1-276.2 et seq.) of Title 32.1 of the Code of Virginia, and defunded and abolished the Virginia Health Services Cost Review Council (VHSCRC) by transferring its duties related to the compilation, storage, analysis,

			evaluation, and dissemination of the Commonwealth's health data to the State Health Commissioner and the Board of Health. **INTENT:** The intent is to ensure that the Regulations reflect changes to industry practice that derived from statutory changes, and to meet the objectives of Executive Order 19 by removing requirements that are duplicative to statute. **RATIONALE:** The rationale is that the Regulations should not contain duplicative requirements and should be simplified to provide clarity to the procedures, requirements, and responsibilities that are applicable to the evaluation of Virginia's medical care facilities. **LIKELY IMPACT:** The likely impact is that removing duplicative and outdated requirements will result in Regulations that are better organized and accurately reflect current and modern industry practice. Restructuring the regulatory chapter will make requirements easier to locate, read, and understand.
12VAC5-215-180		**This section requires the Board to periodically publish the rates charged by Virginia's medical care facilities (semi-private and private room rates), and requires the data to be summarized geographically.**	**CHANGE:** This section has been repealed as the provisions no longer reflect current practice. The requirement that the Board conduct a survey of rates is repealed under this regulatory action as the survey of rates is no longer conducted nor retained by the Board for public inspection in response to the enactment of Chapter 902 of the 1996 Acts of Assembly. The statutory changes (i) defunded and abolished the Virginia Health Services Cost Review Council (VHSCRC) and transferred its duties related to the compilation, storage, analysis, evaluation, and dissemination of the Commonwealth's health data to the State Health Commissioner and the Board of Health; and (ii) established Chapter 7.2 (32.1-276.2 et seq.) of Title 32.1 of the Code of Virginia which were effective beginning July 1, 1999. The required documentation to be submitted in accordance with 12VAC5-215-60 through 12VAC5-215-120, including the survey of rates, was last collected prior enactment of the new statutory chapter. **INTENT:** The intent is to combine Chapters 215 and 216 to better clarify the requirements and responsibilities applicable to medical care facilities, the Board, and the nonprofit organization that

			are associated with the Commonwealth's heath data reporting initiatives and the evaluation of medical care facilities. **RATIONALE:** The rationale is that the amended Regulations should not contain outdated requirements, such as publication of the rates charged by medical care facilities using a survey of rates that has not been conducted in several decades. **LIKELY IMPACT:** The likely impact is that the Regulations will no longer contain outdated requirements, which reduces the burden on medical care facilities when working to meet statutory mandates and regulatory requirements.
12VAC5-215-190		This section requires the Board to periodically publish an annual report outlining certain costs (admission comparison, patient day comparison, operating profits and losses, utilization etc.).	**CHANGE:** This section has been repealed and existing requirements directing the Board to publish an annual report evaluating Virginia's medical care facilities have been amended and relocated to 12VAC5-215-65. The amended provisions outline the requirement that the nonprofit organization publish an annual report that includes an evaluation of respective costs, profits/losses, revenue, deductions, and utilization for Virginia's medical care facilities. Further amendments conform the Regulations to the *Form and Style Guidelines*. **INTENT:** The intent is to update the Regulations to reflect current practice which streamlines the evaluation and publication process. Currently, the data used to evaluate medical care facilities is submitted to and compiled, analyzed, and evaluated by the nonprofit organization, which utilizes technologies to make such evaluations available, and is the holder of the data as it is submitted directly to the nonprofit organization rather than the Board. **RATIONALE:** The rationale is that the Regulations should reflect the streamlined procedure used by the nonprofit organization and the Board when evaluating Virginia's medical care facilities and when making such evaluations available to the public. Restructuring the regulations will make the requirements easier to locate. **LIKELY IMPACT:** The likely impact is that the responsibilities of the nonprofit organization and the Board in regard to publication of medical care facility

			evaluation will be easier to locate, follow, and understand.
12VAC5-215-200		This section requires the Board to periodically publish and distribute information that can be used by customers to compare the costs of services provided by hospitals, nursing homes, and certified nursing facilities.	**CHANGE:** This section has been repealed and existing requirements have been amended and relocated to 12VAC5-215-65. Updates remove the requirement that the Board publish and disseminate information to consumers to compare Virginia's medical care facilities, and replaces it with language instructing that the information from annual historical filings be contained in an electronic database that is publicly accessible. The change has been made as the nonprofit organization maintains and utilizes an electronic database for this purpose. Further amendments conform the provisions to the *Form and Style Guidelines*. **INTENT:** The intent is to update the Regulations to reflect the modern technologies used by the nonprofit organization and the Board to disseminate information to the public, as these technologies did not exist at the time the Regulations were established (1996). **RATIONALE:** The rationale is that the Regulations should incorporate and specify the technologies utilized by the nonprofit organization and the Board when making evaluation data available to the public for comparison. **LIKELY IMPACT:** The likely impact is that the Regulations will support requirements that reflect the use of modern technologies and the current processes used to make the financial and operational data submitted by medical care facilities available to the public for comparison.
12VAC5-215-210		This section requires the Board to release historical and financial fiscal data reported by medical care facilities in accordance with Chapter 7.2 (§ 32.1-276.2 of the Code of Virginia), and restricts the release of "personal information" as defined in § 2.1-379(2) of the Code of Virginia.	**CHANGE:** This section has been repealed under this regulatory action and incorporated into 12VAC5-215-125 to better organize regulatory content in the amended Regulations. The changes require the Board to release historical financial and statistical data reported by medical care facilities. Amended language removes an existing provision prohibiting the release of personal information, as the statute (§ 2.1-379 (2) of the Code of Virginia) upon which the definition of "personal information" is based has been repealed, and instead requires compliance with § 32.1-276.9 of the Code of Virginia, which outlines the confidentiality and disclosure

			requirements applicable the release of patient level health data, including the requirement that reports published by the nonprofit organization, State Health Commissioner, or any other person reveal a patient's identity. **INTENT:** The intent is to combine Chapters 215 and 216 to better clarify the applicable requirements and responsibilities associated with the Commonwealth's heath data reporting initiatives and the evaluation of medical care facilities. **RATIONALE:** The rationale is that combining requirements that are currently located in different chapters into one chapter of the Regulations is intended to make the requirements easier to locate, follow, and understand. Updating statutory references will align the Regulations with statutory changes since the provisions were last amended in 1996. **LIKELY IMPACT:** The likely impact is that the Regulations will be better organized and the provisions will be easier to locate and follow.
FORMS (12VAC-215)		This section provides the forms used by medical care facilities when submitting the annual historical filing.	**CHANGE:** This section has been repealed as the forms required by Chapter 215 are no longer used by medical care facilities when submitting the annual historical filing. **INTENT:** The intent is to ensure that the Regulations only contain forms that are currently used for the purpose of submitting financial and operational data or information as required by Chapter 7.2 (§ 32.1-276.2 et seq.) of the Code of Virginia. **RATIONALE:** The rationale is that the Regulations should not direct readers to forms that are outdated and are no longer in use. Medical care facilities currently submit information electronically. **LIKELY IMPACT:** The likely impact is clearer regulations that are easier to understand and interpret.
12VAC5-216-10		This section outlines the purpose of the regulatory chapter, its limitations, and clarifies the activities conducted by the Board (e.g., collecting, analyzing, and publishing information regarding medical care	**CHANGE:** This section has been repealed to conform to Executive Order 19 by reducing the number of requirements in the Regulations, removing duplicative statutory provisions, and eliminating non-regulatory language. The Virginia Code Commission and Registrar of Regulations are permitted to remove purpose statements, effective

		facility practices that relate to such facility's efficiency and productivity).	dates, and provisions that duplicate statute from the Regulations under the conditions set forth in §§ 2.2-4104 and 30-150 of the Code of Virginia and 1VAC7-10-40 (C). **INTENT:** The intent is to streamline the Regulations by removing non-regulatory language and duplicative statutory provisions. **RATIONALE:** The rationale is that the Regulations should not contain duplicative provisions or provisions that are non-regulatory in nature. Removing non-regulatory language is considered to be a minor change to the Virginia Administrative Code pursuant to § 30-150 of the Code of Virginia. **LIKELY IMPACT:** The likely impact is that removing non-regulatory language and duplicative statutory references will streamline the Regulations, and make the Regulations easier to read and understand.
12VAC5-216-20		This section requires health care institutions to submit an annual historical filing in accordance with § 32.1-276.7 of the Code of Virginia, and clarifies that the annual historical filing will be used to collect audited financial information and other information required to be reported by medical care facilities pursuant to Chapter 7.2 (§ 32.1-276.2 et seq.) of Title 32.1 of the Code of Virginia.	**CHANGE:** This section, which requires medical care facilities to submit an annual historical filing and audited financial information to the Board within 120 days after the end of a medical care facility's fiscal year, has been repealed under this action to better organize regulatory content in the amended Regulations. The provisions have been relocated to 12VAC5-215-75. **INTENT:** The intent is to combine Chapters 215 and 216 to better clarify the applicable requirements and responsibilities associated with the Commonwealth's heath data reporting initiatives and the evaluation of medical care facilities. **RATIONALE:** The rationale is that combining requirements that are currently located in different chapters into one chapter of the Regulations is intended to make the requirements easier to locate, follow, and understand. Existing provisions requiring medical care facilities to submit an annual historical filing and financial statements to the Board are retained to comply with § 32.1-276.7 of the Code of Virginia, which requires the nonprofit organization to administer and modify the methodology used to review and measure the efficiency and productivity of medical care facilities.

			LIKELY IMPACT: The likely impact is that the Regulations will be better organized and the provisions will be easier to locate.
12VAC5-216-30		This section requires that the information provided by public and private entities that is used by the Board to evaluate such entity's efficiency and productivity be received directly from the appropriate public or private entity, and also allows for data to be provided from Virginia's Patient Level Data System or other databases that are available through the public or private entity.	**CHANGE:** This section is repealed under this action to better organize regulatory content in the amended Regulations. Applicable existing requirements have been retained and relocated to 12VAC5-215-35 in the amended Regulations, which instructs the Board to direct the nonprofit organization to eliminate duplication in reporting by obtaining data directly from the entity from which it is sourced, Virginia's Patient Level Data System, and from other available databases (e.g., a database operated and maintained by a public or private entity from which data is used by the Board for evaluation of a medical care facility). **INTENT:** The intent is to combine Chapters 215 and 216 to better clarify the applicable requirements and responsibilities followed by the Board and the nonprofit organization when collecting the health data used to evaluate the efficiency and productivity of medical care facilities. **RATIONALE:** The rationale is that combining requirements that are currently located in different chapters into one chapter of the Regulations is intended to make the requirements easier to locate, follow, and understand. **LIKELY IMPACT:** The likely impact is that the Regulations will be better organized and the provisions will be easier to locate.
12VAC5-216-40		This section outlines the categories of information to be assembled from the filings of financial and operational data or information submitted by medical care facilities for evaluation.	**CHANGE:** This section has been repealed under this regulatory action to better organize regulatory content in the amended Regulations. Applicable existing requirements have been to 12VAC5-215-45 of the amended Regulations, which outlines the categories of data to be filed by medical care facilities. **INTENT:** The intent is to combine Chapters 215 and 216 to better clarify the applicable requirements and responsibilities associated with the Commonwealth's heath data reporting initiatives and the evaluation of medical care facilities.

			RATIONALE: The rationale is that combining requirements that are currently located in different chapters into one chapter of the Regulations is intended to make the requirements easier to locate, follow, and understand. **LIKELY IMPACT:** The likely impact is that the requirements related to health data reporting and the evaluation of medical care facilities, specifically the categories of data reported by medical care facilities, will be easier to locate within the Regulations.
12VAC5-216-50		This section outlines the procedure used to evaluate medical care facilities. The provisions clarify how individual data elements are used to form ratio indicators and a case-mix index which are used to rank each medical care facility subject to review.	**CHANGE:** This section has been repealed under this regulatory action to better organize regulatory content in the amended Regulations. Applicable existing requirements have been relocated to 12VAC5-215-55 in the amended Regulations, which requires the nonprofit organization to evaluate and rank medical care facilities using indicators such as a facility's case-mix index. **INTENT:** The intent is to combine Chapters 215 and 216 to better clarify the applicable requirements and responsibilities associated with the Commonwealth's heath data reporting initiatives and the evaluation of medical care facilities. **RATIONALE:** The rationale is that combining applicable requirements that are currently located in different chapters into one chapter of the Regulations is intended to make the requirements easier to locate, follow, and understand. **LIKELY IMPACT:** The likely impact is that the requirements related to health data reporting and the evaluation of medical care facilities will be easier to locate.
12VAC5-216-60		This section requires that medical care facilities submit the information used for evaluation electronically using software developed by the Board, and permits medical care facilities that do not have access to a computer to apply for an exemption to submit electronically. The Board is authorized to impose a fee upon a medical care facility that	**CHANGE:** This section has been repealed under this regulatory action to better organize regulatory content in the amended Regulations. Applicable existing requirements have been retained and relocated to 12VAC5-215-85 which outlines the requirements related to the electronic submission of data by medical care facilities to the Board for evaluation. **INTENT:** The intent is to combine Chapters 215 and 216 to better clarify the applicable requirements and responsibilities associated with the Commonwealth's heath data reporting

		provides a non-electronic submission to cover the cost of data entry.	initiatives and the evaluation of medical care facilities. **RATIONALE:** The rationale is that combining requirements that are currently located in different chapters into one chapter of the Regulations is intended to make the requirements easier to locate, follow, and understand. **LIKELY IMPACT:** The likely impact is that the requirements related to health data reporting and the evaluation of medical care facilities will be easier to locate.
12VAC5-216-70		This section requires the Board to publish an annual report incorporating the data collected from health care institutions and an analysis of such data, and to make such information available to the public using an electronic database.	**CHANGE:** This section has been repealed under this regulatory action to better organize regulatory content in the amended Regulations. Applicable existing requirements have been retained and relocated to 12VAC5-215-65 which direct the nonprofit organization to maintain a publicly accessible electronic database containing information derived from the annual historical filings submitted by medical care facilities. **INTENT:** The intent is to combine Chapters 215 and 216 to better clarify the applicable requirements and responsibilities associated with the Commonwealth's heath data reporting initiatives and the evaluation of medical care facilities. **RATIONALE:** The rationale is that combining requirements that are currently located in different chapters into one chapter of the Regulations is intended to make the requirements easier to locate, follow, and understand. **LIKELY IMPACT:** The likely impact is that the requirements related to health data reporting and the evaluation of medical care facilities will be easier to locate.
12VAC5-216-80		This section requires that medical care institutions are measured using indicators referenced in 12VAC5-216-50 (e.g., ratio indicators and a medical care facility's case-mix index).	**CHANGE:** The section has been repealed and applicable provisions requiring indicators to be used to measure the efficiency and productivity of medical care facilities has been relocated to 12VAC5-215-55. Further amendments conform the provision to the *Form and Style Guidelines* in the amended Regulations. **INTENT:** The intent is to combine Chapters 215 and 216 to better clarify the applicable requirements and responsibilities associated with the Commonwealth's heath data reporting

			initiatives and the evaluation of medical care facilities. **RATIONALE:** The rationale is that combining requirements that are currently located in different chapters into one chapter of the Regulations is intended to make the requirements easier to locate, follow, and understand. **LIKELY IMPACT:** The likely impact is that the requirements related to health data reporting and the evaluation of medical care facilities will be easier to locate, follow, and understand.
12VAC5-216-90		This section outlines the procedure used to group and rank medical care facilities for analysis (e.g., geographical peer grouping, and using ratio indicators and quartile scores to rank such facilities).	**CHANGE:** This section has been repealed under this regulatory action and incorporated into 12VAC5-215-105 to better organize regulatory content in the amended Regulations. Amendments clarify the grouping and ranking procedures applicable to medical care facilities, direct the Board to group medical care facilities without geographic peer groups, and specify how the ratio indicators are used to score medical care facilities. **INTENT:** The intent is to ensure that the requirements applicable to the procedures used to group and rank medical care facilities are located in the new regulatory chapter that combines the requirements applicable to the Commonwealth's health data reporting initiatives and evaluation of medical care facilities. **RATIONALE:** The rationale is that including the requirements into the new regulatory chapter will make the requirements easier to locate, follow, and understand. **LIKELY IMPACT:** The likely impact is that the amended regulatory chapter will include the current requirements related to the evaluation of medical care facilities. Relocating the requirements to the amended regulatory chapter will streamline the Regulations so that medical care facilities, government agencies, public and private entities, and the public will have a better understanding of how medical care facilities are grouped and ranked.
12VAC5-216-100		This section specifies the types of medical care facilities that are exempt from the established ranking procedure, and	**CHANGE:** The section has been repealed under this regulatory action and incorporated into 12VAC5-215-125 to better organize regulatory content in the amended Regulations.

		requires the exemption to remain in place until the Board develops and adopts a resource utilization adjustor to be used during evaluation.	**INTENT:** The intent is to combine Chapters 215 and 216 to better clarify the applicable requirements and responsibilities associated with the Commonwealth's heath data reporting initiatives and the evaluation of medical care facilities. **RATIONALE:** The rationale is that combining requirements that are currently located in different chapters into one chapter of the Regulations is intended to make the requirements easier to locate, follow, and understand. **LIKELY IMPACT:** The likely impact is that the requirements related to health data reporting and the evaluation of medical care facilities, including the types of medical care facilities that are exempt from the ranking procedure, will be easier to locate.
FORMS (12VAC5-216)		This section contains the forms that are used by the Board, nonprofit organization, and medical care facilities when submitting financial and operational data or information for evaluation.	**CHANGE:** The forms in this section have been repealed as the information is provided electronically, and the regulatory chapter has been repealed. **INTENT:** The intent is to remove forms that are no longer used by medical care facilities, the Board, or the nonprofit organization when submitting or evaluating a medical care facility's financial and operation data or information. **RATIONALE:** The rationale is that the Regulations should not contain forms that are no longer used or for which alternative submission processes are used. Additionally, the forms have been repealed under this regulatory action as the regulatory chapter in which they are contained has also been repealed. **LIKELY IMPACT:** The likely impact is that the Regulations will only reference the forms used by medical care facilities, the nonprofit organization, and the Board when submitting and evaluating the financial and operational information provided by medical care facilities.

If a new VAC Chapter(s) is being promulgated and is not replacing an existing Chapter(s), use Table 2.