



Economic Impact Analysis Virginia Department of Planning and Budget

12 VAC 30-100 – State Programs
Department of Medical Assistance Services
May 20, 2013

Summary of the Proposed Amendments to Regulation

The proposed changes will remove a currently obsolete program known as the Health Insurance for the Working Uninsured from the Virginia Administrative Code.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The proposed changes will remove a currently obsolete program known as the Health Insurance for the Working Uninsured from the Virginia Administrative Code.

According to the Department of Medical Assistance Services (DMAS), in 1998, General Assembly mandated the establishment of the Health Insurance for the Working Uninsured program. The goal of the program was to create a greater safety net, through public and private partnerships, to assist working individuals who either could not afford health insurance or otherwise had no sustainable access to health insurance. In addition to the public funds that may be appropriated, DMAS was tasked with creating a network of hospitals, managed care organizations, and other health care providers to donate funds to DMAS that would cover the cost of insurance for the working uninsured. In response to the legislative mandate, these regulations were promulgated to establish the rules for the program.

However, no public funds were appropriated to the program and an insufficient number of health care providers expressed interest in the program to make it viable. Due to the lack of funding, the program has never started. In addition, the program regulations contained a sunset provision terminating the program two years after its start. Thus, these regulations have been

obsolete for about twelve years. Since this program has never started, the repeal of the program language is not anticipated to have any significant economic impact, but removal of obsolete regulatory text would help improve clarity of the Virginia Administrative Code.

Businesses and Entities Affected

The proposed changes are not anticipated to directly affect any businesses or entities.

Localities Particularly Affected

No locality will be particularly affected.

Projected Impact on Employment

No impact on employment is expected.

Effects on the Use and Value of Private Property

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

Small Businesses: Costs and Other Effects

No costs and other effects on small businesses are expected.

Small Businesses: Alternative Method that Minimizes Adverse Impact

No adverse impact on small businesses is expected.

Real Estate Development Costs

No impact on real estate development costs is expected.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 14 (10). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, a determination of the public benefit, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has an adverse effect on small businesses,

Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.