



Virginia Department of Planning and Budget **Economic Impact Analysis**

12 VAC 30-135 Demonstration Waiver Services
Department of Medical Assistance Services
Town Hall Action/Stage: 5657 / 9146
March 22, 2021

Summary of the Proposed Amendments to Regulation

The Director of the Department of Medical Assistance Services (DMAS) proposes to repeal this regulation.

Background

The Governor's Access Plan (GAP) was a Medicaid program implemented in 2015 to provide low-income individuals with a serious mental illness access to medical and behavioral health care. On June 7, 2018, Governor Northam signed the 2018 Appropriation Act authorizing DMAS to amend Virginia's Medicaid State Plan to expand coverage to newly eligible adults ages 19 to 64 with income up to 138 percent of the Federal Poverty Level¹ who were not eligible for Medicare. This expansion was effective on January 1, 2019. The majority of individuals enrolled in the GAP program were eligible under the Medicaid Expansion benefit; thus the Commonwealth no longer requires GAP and has transitioned GAP members to full Medicaid coverage effective March 31, 2019. The few individuals who did not meet Medicaid Expansion eligibility due to immigration/citizenship status and federal requirements were transitioned to the community services boards for continuing care.

The 12 VAC 30-135 *Demonstration Waiver Services* regulation formerly consisted of three parts. The first two parts have already been repealed. DMAS proposes to repeal the remainder of the regulation, which addresses the third part on GAP.

¹ See the following for specifics on the Federal Poverty Level: <https://www.healthcare.gov/glossary/federal-poverty-level-fpl/>

Estimated Benefits and Costs

Since the text proposed for repeal is on a program that no longer exists, the proposal would have no impact beyond eliminating potential confusion among readers of the Virginia Administrative Code.

Businesses and Other Entities Affected

The proposal potentially readers of the Virginia Administrative Code. The proposal does not produce any cost.

Small Businesses² Affected:

The proposal does not adversely affect small businesses.

Localities³ Affected⁴

The proposal does not disproportionately affect any particular locality. The proposal does not introduce costs for local governments.

Projected Impact on Employment

The proposal does not affect employment.

Effects on the Use and Value of Private Property

The proposal does not substantively affect the use and value of private property. The proposal does not affect real estate development costs.

Legal Mandates

General: The Department of Planning and Budget has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 14 (as amended, July 16, 2018). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

Adverse impacts: Pursuant to Code § 2.2-4007.04(D): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and

² Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

³ “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

⁴ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance within the 45-day period.

If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.