



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

12 VAC 30-141 Family Access to Medical Insurance Security Plan
Department of Medical Assistance Services
Town Hall Action/Stage: 6396 / 10218
March 4, 2026

The Department of Planning and Budget (DPB) 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 19. The analysis presented below represents DPB’s best estimate of the potential economic impacts as of the date of this analysis.¹

Summary of the Proposed Amendments to Regulation

In accordance with Executive Order 19 (2022) (EO 19),² the director of Department Medical Assistance Services (DMAS) proposes to make clarifications and remove language that DMAS has determined is redundant, duplicative, obsolete, or outdated . These changes involve appeals, payments and copayments, and prior authorizations. Accordingly, DMAS would remove redundant language in six sections that is addressed in two other DMAS regulations and would update and remove duplicative language in nine sections. Obsolete and/or outdated language would also be removed in seven sections.

Background

This regulation sets out rules for the Family Access to Medical Insurance Security Plan (FAMIS). According to DMAS, the proposed changes are editorial in nature and would not affect any of the current practices.

¹ Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the analysis 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.

² <https://townhall.virginia.gov/EO-19-Development-and-Review-of-State-Agency-Regulations.pdf>

Estimated Benefits and Costs

Because the proposed amendments do not change any of the existing rules in practice, no significant economic effect is expected other than updating the regulatory language to align with current practices and removing outdated and unnecessary language from the Virginia Administrative Code.

Businesses and Other Entities Affected

This regulation primarily applies to FAMIS providers and recipients. According to DMAS, there are 92,977 children and 5,008 pregnant/postpartum women enrolled in FAMIS as of February 1, 2026.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.³ An adverse impact is indicated if there is any increase in net cost or reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.⁴ As no proposed amendment increases costs or reduces net revenue for any entity, no adverse impact is indicated.

Small Businesses⁵ Affected:⁶

The proposed amendments do not adversely affect small businesses.

³ 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 Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance.

⁴ Statute does not define “adverse impact,” state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation. As a result, DPB has adopted a definition of adverse impact that assesses changes in net costs and benefits for each affected Virginia entity that directly results from discretionary changes to the regulation.

⁵ 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.”

⁶ 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.

Localities⁷ Affected⁸

The proposed amendments do not introduce costs for localities, nor do they disproportionately affect any locality.

Projected Impact on Employment

The proposed amendments do affect total employment.

Effects on the Use and Value of Private Property

No impact on the use and value of private property nor on real estate development costs is expected.

⁷ “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.

⁸ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.