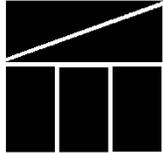


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



Virginia Department of Planning and Budget Economic Impact Analysis

12 VAC 30-50 Amount, Duration, and Scope of Medical and Remedial Care Services
12 VAC 30-141 Family Access to Medical Insurance Security Plan
Department of Medical Assistance Services
Town Hall Action/Stage: 4284/7183
July 31, 2015

Summary of the Proposed Amendments to Regulation

Pursuant to the 2015 Acts of Assembly, Chapter 665¹, Item 301 LLLL(2), the Board of Medical Assistance Services (Board) proposes to add adult pregnant women to the individuals eligible to receive full dental services (excluding orthodontia) through Medicaid and FAMIS MOMS. An emergency regulation for this purpose is currently in effect. This proposed regulation would replace the emergency regulation.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Prior to the legislation and emergency regulation, the Department of Medical Assistance Services (DMAS) only covered comprehensive dental services including orthodontia (12 VAC 30-50-190 and 42 CFR 440.100) for individuals under the age of 19 who were covered through the Family Access to Medical Insurance Security (FAMIS) plan and for individuals up to the age of 21 as a required element of the Early and Periodic Screening, Diagnosis, and Treatment program (12 VAC 30-50-130(B) and 42 CFR 440.40(b)). Only emergency dental care with the

¹ This is the 2015 Appropriation Act.

associated diagnostic tests was covered for adults (ages 21 and older). The Board proposes to cover dental care, excluding orthodontia, for adult pregnant women enrolled in Medicaid and FAMIS MOMS.

Peer-reviewed studies have found that improved oral health during pregnancy decreases transmission of potentially cariogenic bacteria to infants.² Both the American Congress of Obstetricians and Gynecologists³ and the American Dental Association⁴ have published position papers supporting the need for and safety of oral health care during pregnancy. Thus, providing dental services through Medicaid for adult pregnant women will provide significant health benefits for both the women and their babies.

DMAS calculates that approximately 45,000 adult women are pregnant and enrolled in Medicaid and FAMIS MOMS at any point within a year. The agency also estimates that the state share of the costs of this program would be approximately \$1.6 million for fiscal year 2016.

Businesses and Entities Affected

The proposed amendment affects dental practices, the dental benefits administrator DentaQuest, and the approximate 45,000 women who are pregnant and enrolled in Medicaid and FAMIS MOMS at any point within a year.

Localities Particularly Affected

The proposed amendment does not disproportionately affect particular localities.

Projected Impact on Employment

The proposed amendment may moderately increase staffing needs for dental practices.

Effects on the Use and Value of Private Property

The proposed amendment will create additional business for dental practices.

² Meyer K, Geurtsen W, Gunay H. "An early oral health care program starting during pregnancy: results of a prospective clinical long-term study." *Clin Oral Investig* 2010;14:257-64.

Gomez SS, Weber AA. "Effectiveness of a caries preventive program in pregnant women and new mothers on their offspring." *Int J Paediatr Dent* 2001;11:117-22.

Kohler B, Andreen I, Jonsson B. "The effect of caries-preventive measures in mothers on dental caries and the oral presence of the bacteria *Streptococcus mutans* and *Lactobacilli* in their children." *Arch Oral Biol* 1984;29:879-83.

³ "Oral health care during pregnancy and through the lifespan." Committee Opinion No. 569. American College of Obstetricians and Gynecologists. *Obstet Gynecol* 2013;122:417-22.

⁴ "Pregnant dental patients: Health groups spread word that dental care is safe, necessary." American Dental Association. *ADA News* May 20, 2013.

Real Estate Development Costs

The proposed amendment will not affect real estate development costs.

Small Businesses:

Definition

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.”

Costs and Other Effects

The proposed amendment is unlikely to increase costs for small businesses.

Alternative Method that Minimizes Adverse Impact

The proposed amendment will not adversely affect small businesses.

Adverse Impacts:

Businesses:

The proposed amendment will not adversely affect businesses.

Localities:

The proposed amendment will not adversely affect localities.

Other Entities:

The proposed amendment will cost the Commonwealth (taxpayers) approximately \$1.6 million annually.

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 Number 17 (2014). 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(C): 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 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.

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