

Office of Regulatory Management
Economic Review Form

Agency name	Department of Behavioral Health and Developmental Services (DBHDS)
Virginia Administrative Code (VAC) Chapter citation(s)	12VAC35-105
VAC Chapter title(s)	Rules and Regulations for Licensing Providers by the Department of Behavioral Health and Developmental Services
Action title	Valid discharge plans
Date this document prepared	September 26, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Fast Track

Cost Benefit Analysis

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Mandated Change: Chapter 808 (HB434) of the 2024 Acts of Assembly directed DBHDS to amend its regulation governing substance abuse (substance use disorder) treatment provider responsibilities related to discharging individuals from service (12VAC35-105-693).</p> <ul style="list-style-type: none"> • Direct Costs: This non-discretionary regulatory change imposes no direct costs on the regulated community of substance abuse (substance use disorder) treatment providers. • Indirect Costs: This mandated action increases the overall compliance burden on treatment providers, most of which are small businesses that will need to absorb the non-discretionary regulatory requirements with existing resources. However, data is needed to quantify the impact (e.g., staff resources to coordinate care with payors; administrative expenses for additional reporting and recordkeeping; legal services to mitigate potential sanctions if failure to comply with the regulation). • Direct Benefits: This legislatively mandated action is intended to improve post-discharge service coordination for individuals leaving treatment programs through discharge or the individual's withdrawal from a program. An exact benefit cannot be calculated without data on whether the non-discretionary regulatory change leads to better outcomes (e.g., prevention of future relapse or a reduction in employment disruptions associated with poor mental or physical well-being). • Indirect Benefits: The outcome of this regulatory action is limited to the legislative mandate's stated goals.
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0.00	(b) \$0.00
(3) Net Monetized Benefit	\$0.00	
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Chapter 808 of the 2024 Acts of Assembly mandates that DBHDS take the specific non-discretionary regulatory action outlined in Table 1a. However, here is an analysis:</p> <p>Status Quo: Existing regulation (12VAC35-105-693) enumerates discharge planning requirements applicable to all providers licensed by DBHDS, not just substance abuse (substance use disorder) treatment providers, and includes a comprehensive service coordination prior to an individual’s scheduled discharge date.</p> <ul style="list-style-type: none"> • Direct Costs: Regulation 12VAC35-105-693 imposes no direct costs on the regulated community of DBHDS-licensed providers. • Indirect Costs: These amendments will not change existing compliance obligations related to discharge planning nor current costs for DBHDS-licensed providers within the business context of expenses related to staffing, administration, operations, and risk management. • Direct Benefits: The discharge regulation applicable to all providers mandates that individuals meet the medical and clinical criteria for discharge, consistent with their individualized services plans. Section 693 also already ensures that providers involve individuals in the discharge planning process and coordinate appropriate follow-up care in advance (including giving detailed instructions to the individual, authorized representative, and successor provider as applicable). • Indirect Benefits: The outcome of the existing regulation appears to promote recovery, self-determination, and wellness for individuals discharged from licensed service providers; however, this goal is difficult to quantify, and an exact benefit cannot be calculated. 	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0.00	(b) \$0.00

(3) Net Monetized Benefit	\$0.00
(4) Other Costs & Benefits (Non-Monetized)	
(5) Information Sources	

Impact on Local Partners

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Mandated Change: This non-discretionary regulatory action is not expected to affect direct or indirect costs and benefits to local partners.</p> <ul style="list-style-type: none"> Indirect Benefit: An indirect benefit, and the original intent of the legislation, may be to facilitate individuals returning to their localities of residence. 	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0.00	(b) \$0.00
(3) Other Costs & Benefits (Non-Monetized)	\$0.00	
(4) Assistance		
(5) Information Sources		

Impacts on Families

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Mandated Change: This non-discretionary regulatory action is not expected to affect direct or indirect costs and benefits to families.</p> <ul style="list-style-type: none"> Direct Benefit: Attention to the requirements for discharge planning added by this action will help to ensure individuals leaving a treatment program have an understanding of next steps and resources available, which should have a positive impact on families.
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0.00	(b) \$0.00
(3) Other Costs & Benefits (Non-Monetized)	\$0.00	
(4) Information Sources		

Impacts on Small Businesses

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	Mandated Change: This non-discretionary regulatory action is not expected to affect direct or indirect costs and benefits to small businesses generally or to the majority of DBHDS-licensed providers. However, an unknown number of licensed inpatient and residential substance abuse treatment providers that meet the definition of “small business” in § 2.2-4007.1 will experience the same costs and benefits outlined in Table 1a.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0.00	(b) \$0.00
(3) Other Costs & Benefits (Non-Monetized)	\$0.00	
(4) Alternatives	N/A (mandated change)	
(5) Information Sources		

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
12VAC35-105-693	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	5	0	5
	(D/R):	21	0	0	0
				Grand Total of Changes in Requirements:	(M/A): 0 (D/A): 0 (M/R): 5 (D/R): 0

Key:

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
N/A				

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden
12VAC35-105-693	Mandated Change: A new subsection is added to 12VAC35-105-693 enumerating additional care coordination requirements applicable to substance use disorder treatment providers, as directed by Chapter 808 of the 2024 Acts of Assembly.	This non-discretionary regulatory action requires substance abuse disorder treatment facilities to meet more stringent regulatory standards for discharging individuals, while allowing all other categories of DBHDS-licensed service providers to comply with existing discharge regulations.