



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

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**18 VAC 95-20 Regulations Governing the Practice of Nursing Home Administrators**  
**Department of Health Professions**  
August 21, 2012

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### **Summary of the Proposed Amendments to Regulation**

In addition to clarifying changes, the Board of Long-Term Care Administrators (Board) proposes to: 1) allow credit of 1,000 hours towards an administrator-in-training program for an applicant who has served as an assisted living administrator, 2) include acceptance of continuing education courses approved or offered by government agencies, and 3) add violating or cooperating with others in violating any of the provisions of Chapters 1 (§ 54.1-100 et seq.), 24 (§ 54.1-2400 et seq.) as grounds for possible disciplinary action by the Board.

### **Result of Analysis**

The benefits likely exceed the costs for all proposed changes.

### **Estimated Economic Impact**

The current regulations state that the administrator-in-training program consists of 2,000 hours of continuous training in: 1) a nursing home licensed by the Virginia Board of Health or by a similar licensing body in another jurisdiction, 2) an institution operated by the Virginia State Mental Health, Mental Retardation and Substance Abuse Services Board in which long-term care is provided, 3) a certified nursing home owned or operated by an agency of any city, county, or the Commonwealth or of the United States government, or 4) a certified nursing home unit that is located in and operated by a licensed hospital as defined in § 32.1-123 of the Code of Virginia, a state-operated hospital, or a hospital licensed in another jurisdiction. The regulations do allow applicants who have been employed full time for four of the past five consecutive years immediately prior to application as an assistant administrator or director of nursing in one of the

above-described types of facilities to request approval to receive a maximum 1,000 hours of credit toward the total 2,000 required hours of continuous training.

In addition to experience in the above-described types of facilities, the Board proposes to allow applicants who have been employed full time for four of the past five consecutive years immediately prior to application as *the licensed administrator of an assisted living facility* to request approval to receive a maximum 1,000 hours of credit toward the total 2,000 required hours of continuous training. The Board believes this experience is sufficient to be at least equivalent to the training. Since this proposed amendment would significantly reduce the burden for those with experience as a licensed administrator of an assisted living facility to pursue becoming a licensed nursing home administrator, it may encourage some such individuals to pursue licensure who may otherwise not have, consequently moderately adding to the pool of qualified applicants. Given the potential reduction in cost in acquiring licensure without significant risk to the competency of licensees, this proposed change should produce a net benefit.

Under the current regulations, in order for continuing education to be approved by the Board, it must be related to health care administration and be approved by the National Association of Long Term Care Administrator Boards or by an accredited institution. The Board proposes to also allow continuing education offered or approved by a government agency. The proposed amendment will allow administrators who attend training offered by state or federal agencies to count such courses as continuing education. This may moderately reduce the cost of obtaining continuing education for licensees.

The current regulations list several causes under which the Board may refuse to admit a candidate to an examination, refuse to issue or renew a license or approval to an applicant, suspend a license for a stated period of time or indefinitely, reprimand a licensee, place a licensee on probation with such terms and conditions and for such time as it may designate, impose a monetary penalty, or revoke a license. The Board proposes to add to the list of causes violating or cooperating with others in violating any of the provisions of Chapters 1 (§ 54.1-100 et seq.) and 24 (§ 54.1-2400 et seq.). Other boards within the Department of Health Professions already include similar references to violations of Chapters 1 and 24 as grounds for discipline. Adding this language will enable the Board to more easily take action if there is evidence that the

applicant or licensee has materially misrepresented facts in an application for licensure or willfully refused to furnish the Board with records in the course of an investigation.

### **Businesses and Entities Affected**

The proposed amendments potentially affect the 790 licensed nursing home administrators, approximately 100 applicants for licensure, 223 preceptors, and 67 administrators-in-training, as well as nursing homes and providers of continuing education.<sup>1</sup>

### **Localities Particularly Affected**

The proposed amendments do not disproportionately affect particular localities.

### **Projected Impact on Employment**

The proposal amendments are unlikely to significantly affect total employment.

### **Effects on the Use and Value of Private Property**

The proposal to allow administrator-in-training program applicants who have been employed full time for four of the past five consecutive years as the licensed administrator of an assisted living facility to request approval to receive a maximum 1,000 hours of credit toward the total 2,000 required hours of continuous training may encourage some such individuals to pursue nursing home administration, increasing the supply of qualified nursing home administrators. The potential moderate increase in supply of qualified nursing home administrators may moderately increase the value of some private nursing homes.

### **Small Businesses: Costs and Other Effects**

The proposal to allow administrator-in-training program applicants who have been employed full time for four of the past five consecutive years as the licensed administrator of an assisted living facility to request approval to receive a maximum 1,000 hours of credit toward the total 2,000 required hours of continuous training may encourage some such individuals to pursue nursing home administration, increasing the supply of qualified nursing home administrators. The potential moderate increase in supply of qualified nursing home administrators may moderately reduce costs for some small private nursing homes.

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<sup>1</sup> Source for numbers: Department of Health Professions

## **Small Businesses: Alternative Method that Minimizes Adverse Impact**

The proposed amendments are unlikely to adversely affect small businesses.

## **Real Estate Development Costs**

The proposed amendments are unlikely to significantly affect real estate development costs.

## **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, 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 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.