

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

**18 VAC 95-20; 30 Regulations Governing the Practice of Nursing Home Administrators;
Regulations Governing the Practice of Assisted Living Facility Administrators
Department of Health Professions
Town Hall Action/Stage: 4723/7896
June 22, 2017**

Summary of the Proposed Amendments to Regulation

As a result of periodic reviews,¹ the Board of Long-Term Care Administrators (Board) proposes to generally update the regulatory language. There are numerous proposed changes, but the most notable changes are accepting the Health Services Executive (HSE) credential as a qualification for licensure and adding grounds for disciplinary action that would be considered unprofessional conduct but are not explicitly listed in the regulation.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

According to the Board, the HSE credential is a new credential approved by the National Association of Long-Term Care Administrator Boards. The Board proposes to accept the HSE credential as a new pathway for licensure as a nursing home administrator. Currently, there are three pathways: degree and practical experience, certificate program, and administrator-in-training program. Under the proposed regulation, individuals who prefer the HSE option would be allowed to pursue it. This would be beneficial for potential administrators who would prefer

¹ <http://townhall.virginia.gov/L/ViewPReview.cfm?PRid=1506>
<http://townhall.virginia.gov/L/ViewPReview.cfm?PRid=1507>

this path over the three existing paths to licensure. The Board staff believes that possessing the new credential indicates that the applicant would be at least as well qualified to safely perform the duties of a nursing home administrator than an applicant who completed one of three existing pathways. Thus, the benefits of the proposed acceptance of the new credential for licensure should exceed the cost.

The Board also proposes to explicitly state additional grounds for disciplinary action that would be considered unprofessional conduct even without the proposed language. Since this change is simply a clarification, no significant economic impact is expected. However, clarification of what is considered unprofessional conduct would improve the clarity of regulation and may improve its enforcement.

Businesses and Entities Affected

The proposed amendments potentially affect the 891 nursing home administrators and 615 assisted living administrators in Virginia.

Localities Particularly Affected

The proposed regulation will not affect any particular locality more than others.

Projected Impact on Employment

The proposed regulation is not anticipated to have a significant impact on employment.

Effects on the Use and Value of Private Property

No effect on the use and value of private property is expected.

Real Estate Development Costs

No impact on real estate development costs is expected.

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 regulation does not directly apply to small businesses. However, if a nursing home or an assisted living administrator works for a small business it may be beneficial to that small business as the proposed regulation allows a new pathway to administrator licensure.

Alternative Method that Minimizes Adverse Impact

The proposed regulation does not introduce an adverse impact on small businesses.

Adverse Impacts:

Businesses:

The proposed regulation does not have an adverse impact on businesses.

Localities:

The proposed regulation will not adversely affect localities.

Other Entities:

The proposed regulation will not adversely affect other entities.

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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