

Office of Regulatory Management
Economic Review Form

Agency name	State Board of Health
Virginia Administrative Code (VAC) Chapter citation(s)	12VAC5-220-10 <i>et seq.</i>
VAC Chapter title(s)	Virginia Medical Care Facilities Certificate of Public Need Rules and Regulations
Action title	Amend Regulation after Enactment of Chapters 712 and 772 of the 2022 Acts of Assembly
Date this document prepared	December 12, 2022

Cost Benefit Analysis

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

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> Creates a new process that is exempt from the requirement to obtain a certificate of public need (COPN) to allow hospitals and nursing homes to temporarily increase their bed inventory during disasters or other public health emergencies. <p>Direct Costs: VDH is not aware of any quantifiable direct costs at this time.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct costs at this time.</p>		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) \$0	(c) \$0	
Direct Benefits	(b) \$0	(d) \$0	
(3) Benefits-Costs Ratio	0.00	(4) Net Benefit	\$0
(5) Indirect Costs & Benefits	VDH is not aware of any quantifiable indirect costs or indirect benefits at this time.		
(6) Information Sources	VDH Division of Certificate of Public Need; VDH Division of Acute Care Services; VDH Division of Long-Term Care Services		

(7) Optional	<p>VDH has numerous challenges and constraints that limit a cost benefit analysis, including limited data availability and insufficient analytical models.</p> <p>The qualitative benefit of this regulatory change is creation of an expeditious process by which hospitals and nursing homes can request temporary beds during disasters or emergencies.</p>
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Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> Hospitals and nursing homes are exempt from the requirement to obtain a COPN to temporarily increase their bed inventory for a period of no more than 30 days during disasters that cause the evacuation of a hospital or nursing home. <p>Direct Costs: VDH is not aware of any quantifiable direct costs at this time.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct costs at this time.</p>		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) \$0	(c) \$0	
Direct Benefits	(b) \$0	(d) \$0	
(3) Benefits-Costs Ratio	0.00	(4) Net Benefit	\$0
(5) Indirect Costs & Benefits	VDH is not aware of any quantifiable indirect costs or indirect benefits at this time.		
(6) Information Sources	VDH Division of Certificate of Public Need; VDH Division of Acute Care Services; VDH Division of Long-Term Care Services		
(7) Optional	<p>VDH has numerous challenges and constraints that limit a cost benefit analysis, including limited data availability and insufficient analytical models.</p> <p>The qualitative benefit of this regulatory change is creation of an expeditious process by which hospitals and nursing homes can request temporary beds during disasters or emergencies.</p>		

Table 1c: Costs and Benefits under an Alternative Approach

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> Creates a new process that is exempt from the requirement to obtain a COPN to allow hospitals and nursing homes to temporarily increase their bed inventory during disasters or other public health emergencies, but that requires less information to be disclosed initially. <p>Direct Costs: VDH is not aware of any quantifiable direct costs at this time.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct costs at this time.</p>		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) \$0	(c) \$0	
Direct Benefits	(b) \$0	(d) \$0	
(3) Benefits-Costs Ratio	0.00	(4) Net Benefit	\$0
(5) Indirect Costs & Benefits	VDH is not aware of any quantifiable indirect costs or indirect benefits at this time.		
(6) Information Sources	VDH Division of Certificate of Public Need; VDH Division of Acute Care Services; VDH Division of Long-Term Care Services		
(7) Optional	<p>VDH has numerous challenges and constraints that limit a cost benefit analysis, including limited data availability and insufficient analytical models.</p> <p>The qualitative benefit of this regulatory change is decreased by not requiring hospitals to disclose all necessary information initially as that slows VDH’s evaluation of their request and any subsequent approval and operationalized of temporary beds during disasters or emergencies.</p>		

Impact on Local Partners

Table 2: Impact on Local Partners

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> Creates a new process that is exempt from the requirement to obtain a COPN to allow hospitals and nursing homes to temporarily increase their bed inventory during disasters or other public health emergencies. <p>Direct Costs: VDH is not aware of any quantifiable direct costs at this time.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct costs at this time.</p>
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$0
Direct Benefits	(b) \$0
(3) Indirect Costs & Benefits	VDH is not aware of any quantifiable indirect costs or indirect benefits at this time.
(4) Information Sources	VDH Division of Certificate of Public Need
(5) Assistance	None.
(6) Optional	<p>VDH has numerous challenges and constraints that limit a cost benefit analysis, including limited data availability and insufficient analytical models.</p> <p>The qualitative benefit of this regulatory change is creation of an expeditious process by which hospitals and nursing homes can request temporary beds during disasters or emergencies.</p>

Economic Impacts on Families

Table 3: Impact on Families

(1) Direct Costs & Benefits	Families will not incur any direct costs or benefits of the regulatory change as they are not subject to the mandates contained in 12VAC5-220.
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(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$0
Direct Benefits	(b) \$0
(3) Indirect Costs & Benefits	VDH is not aware of any quantifiable indirect costs or indirect benefits at this time.
(4) Information Sources	VDH Division of Certificate of Public Need
(5) Optional	<p>VDH has numerous challenges and constraints that limit a cost benefit analysis, including limited data availability and insufficient analytical models.</p> <p>The qualitative benefit of this regulatory change is creation of an expeditious process by which hospitals and nursing homes can request temporary beds during disasters or emergencies. Additionally, for families, the ability of hospitals and nursing homes to ask for and be granted temporary beds during disasters or emergencies will have the qualitative benefit of keeping ill family members within their community, which may reduce the burden and stress on the family.</p>

Impacts on Small Businesses

Table 4: Impact on Small Businesses

(1) Direct Costs & Benefits	<p>VDH is not aware of any small business that would be affected by this regulatory change. To the extent there may be one, please see the analysis below.</p> <ul style="list-style-type: none"> • Creates a new process that is exempt from the requirement to obtain a COPN to allow hospitals and nursing homes to temporarily increase their bed inventory during disasters or other public health emergencies. <p>Direct Costs: VDH is not aware of any quantifiable direct costs at this time.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct costs at this time.</p>
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(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$0
Direct Benefits	(b) \$0
(3) Indirect Costs & Benefits	VDH is not aware of any quantifiable indirect costs or indirect benefits at this time.
(4) Alternatives	The State Board of Health was not able to identify any alternatives for small businesses that would be more equitable while still protecting the health, safety, and welfare of the public, and has put forth thoughtful consideration about the burdens of the new regulatory requirements and has limited these amendments to those necessary to achieve that purpose. VDH cannot ensure compliance with the statutory minimum of safe staffing of hospital and nursing home temporary beds if in an disaster or emergency, it does not have knowledge of how many hospitals or nursing homes are operating temporary beds, how many temporary beds there are, what temporary beds are being used for, how the temporary beds are staffed, where they are physically located (both generally in the Commonwealth and specifically within the facility), and whether that location is a fire risk to staff and patients.
(5) Information Sources	VDH Division of Certificate of Public Need; VDH Division of Acute Care Services; VDH Division of Long-Term Care Services
(6) Optional	<p>VDH has numerous challenges and constraints that limit a cost benefit analysis, including limited data availability and insufficient analytical models.</p> <p>The qualitative benefit of this regulatory change is creation of an expeditious process by which hospitals and nursing homes can request temporary beds during disasters or emergencies.</p>

Changes to Number of Regulatory Requirements

Table 5: Total Number of Requirements

Chapter number	Number of Requirements			
	Initial Count	Additions	Subtractions	Net Change

220	217	5	0	222
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