

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 5-410 Rules and Regulations for the Licensure of Hospitals in Virginia

Department of Health

Town Hall Action/Stage: 4373/7243

July 27, 2015

Summary of the Proposed Amendments to Regulation

The federal Centers for Medicare and Medicaid Services (CMS) issued a final rule on May 12, 2014, which enables a qualified dietitian or qualified nutrition professional to become privileged to independently order both standard and therapeutic diets within the hospital and critical access hospital settings. This rule change became effective on July 11, 2014. The State Board of Health (Board) proposes to amend this regulation to reflect this change.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The current regulation requires that all patient diets be ordered in writing by a member of the medical staff. The Board proposes to amend this requirement to state that all patient diets be ordered in writing by a practitioner responsible for the care of the patient or by a dietitian as authorized by the medical staff. The proposed new language will permit medical staff to use their time more efficiently. Permitting a qualified dietician authorized by the medical staff to do the ordering will enable the medical staff to spend the time they otherwise would have spent on the ordering of diets on other productive healthcare tasks such as diagnosing, treating patients, etc.

Businesses and Entities Affected

The proposed amendments affect qualified dietitians, the 106 licensed hospitals and critical access hospitals within the Commonwealth, and patients served by hospitals throughout Virginia.

Localities Particularly Affected

The proposed amendments do not disproportionately affect particular localities.

Projected Impact on Employment

The proposal to permit authorized dietitians not on the medical staff to order both standard and therapeutic diets within the hospital may encourage hospitals to employ more dietitians for this purpose.

Effects on the Use and Value of Private Property

The proposed amendments are unlikely to significantly affect the use and value of private property.

Real Estate Development Costs

The proposed amendments do 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 amendments are unlikely to significantly affect small businesses.

Alternative Method that Minimizes Adverse Impact

The proposed amendments will not adversely affect small businesses.

Adverse Impacts:**Businesses:**

The proposed amendments will not adversely affect businesses.

Localities:

The proposed amendments will not adversely affect localities.

Other Entities:

The proposed amendments 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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