



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 90-20 – Board of Nursing/Department of Health Professions Advanced Certification for Nurse Aides May 8, 2002

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 9-6.14:7.1.G of the Administrative Process Act and Executive Order Number 25 (98). Section 9-6.14:7.1.G 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. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

The proposed changes will create an advanced certification program for certified nurse aides, establish requirements for the advanced certificate renewal and reinstatement, and establish criteria for the advanced certification programs.

Estimated Economic Impact

Pursuant to §54.1-3025.1 of the Code of Virginia, the proposed regulations will establish requirements for career advancement certification for certified nurse aides. Nurse aides provide basic patient care under supervision of nursing staff and perform duties including feeding, bathing, dressing, grooming, and moving patients, changing linens, etc. The proposed certification will create a new group of certified nurse aides; so that there will be those with an advanced certification and those with basic certification. For advanced certification, nurse aides will have to receive education on leadership and mentoring skills, cognitively impaired patient care, restorative care, and wound care. The purpose of the proposed changes is to establish a

certification program that is indicative of enhanced competency and to broaden the scope of responsibilities that may be performed by certified nurse aides.

Advanced certification will be available for certified nurse aides in Virginia with three years of experience. An applicant will be required to be on the Nurse Aide Registry without findings of abuse, neglect, or misappropriation of patient property and must be free of any disciplinary action taken within the preceding five years. For qualification, the certified nurse aides will be required to provide a recommendation from one of their nursing supervisors, complete 120 hours of training with a competency evaluation in an approved program, and pay an application fee of \$25.

Advanced certification for certified nurse aides will be renewed biennially. The renewal applicant will be required to submit a renewal fee of \$20 to Department of Health Professions (the department) and attest to completing three hours of continuing education and training per year. The employer will be required to verify completion of the education and training requirements. Certificates that are not renewed within 90 days after the expiration date will be subject to \$30 reinstatement fee.

The proposed changes will also establish criteria and requirements for advanced nurse aide certification education programs for eligibility, hours of training, qualifications for instructional personnel, curriculum content, competency evaluation, on-site review, record keeping, and closure. An approval from the Board of Nursing (the board) will be required. Advanced certification program has to be an approved nurse aide program for basic certification.

Each application for certification program is likely to impose costs on the department. These costs include the staff time to review the program and to determine if the requirements are met, costs of convening a committee to consider approval, which involve copying documents, staff support, per diem, travel expenses, etc., and the staff time associated with the paper review and the onsite review that will be conducted biennially. The number of programs that will seek board approval is not known. However, the department believes that anywhere from zero to up to 100 programs may be interested in offering advanced certification for nurse aides. The total costs to the department associated with 100 programs would be about \$41,500 per biennium.¹

¹ Source: Department of Health Professions

Similarly, each application for advanced nurse aide certification is also likely to impose costs on the department. These costs include staff time to review an application, costs of arranging informal conferences to hear cases related to eligibility issues, staff time to identify incomplete renewal applications and ensure compliance, costs associated with reinstatement, costs of investigation, review, informal conferences, and disciplinary hearings related to expanded scope of practices. The number of nurse aides who will seek advanced certification is not known. However, based on the experience with similar programs in other states, the department believes that anywhere from zero to up to 3,400 (about 10% of the total) certified nurse aides may seek certification from the board. The estimated total costs associated with 3,400 advanced nurse aide certifications are approximately \$147,900 per biennium.

The department expects to receive about \$153,000 in initial application and renewal fees if 3,400 nurse aides seek advanced certification. When compared to total costs, the revenues are expected to fall short about \$36,400 for 3,400 nurse aides and 100 education programs.

There is likely to be exchange of resources between nurse aides and education programs. The associated parties to the exchange may be different as the employers may pay the cost of the training program provided by an independent entity or they may provide the training at their facility at their expense. Independent entities such as proprietary schools and community colleges may also offer the training program for \$400 to \$500.² Some of the long-term care facilities that offer the basic training program for certified nurse aides are expected to seek approval for advanced certification. In all of these cases, it is expected that the employer or some other entity will be absorbing the costs of providing the education program. Given the market valuation of \$400 to \$500 for registering in an education program, about \$1.3 million to \$1.7 million may be transferred from 3,400 nurse aides or their employers to education programs in exchange for additional skills and knowledge offered. In addition, the time devoted to fulfill the 120 hours of education and training are additional costs to each nurse aide or the employer and should be valued at the current wage rate. The median hourly wage rate for nurse aides in Virginia is estimated to be \$8.43.³ Given the high estimate of 3,400 applicants, the value of the time spent on education and training may reach up to \$3.4 million. It should be noted that the

² Ibid.

³ Source: 2000 State Occupational Employment and Wage Estimates, Bureau of Labor Statistics, U.S. Department of Labor.

application for advanced nurse aide certification is voluntary and by making this choice a nurse aide reveals that expected benefits exceed the expected costs. Similarly, education programs will offer advanced certification programs if net benefits are expected.

The costs associated with fulfilling the 3-hour continuing education requirement are not expected to be significant. There are already 12-hour and 8-hour continuing education requirements for nurse aides working at long-term care facilities and assisted living facilities, respectively. These nurse aides may satisfy the continuing education requirement by taking the credits in advanced competency areas approved by the board without any increase in the number of continuing education credits already required. The certified nurse aides will need to ensure that 3-hours of credits per year already required are directed toward competency areas identified in the proposed curriculum content.

The proposed changes will affect patient health and safety. If the proposed certification improves the skills in the required competency areas and motivation of nurse aides, there is likely to be a positive impact on health and safety of patients. Also, task delegation from supervising nurses to nurse aides is likely to reduce the time devoted by nurse aides and increase the time devoted by certified nurses for patient care. Nurses may be relieved of some responsibilities and may be able to focus on more important responsibilities, which may have a positive impact on patients as well. However, whether advanced nurse aides will be able to perform delegated tasks as well as nurses and the resulting effects on patient health and safety are not known.

The proposed certification will provide a career advancement opportunity for nurse aides. The department indicates that the long-term care facilities are currently experiencing a severe retention problem. According to Virginia Health Care Association, 85% of the nurse aides are changing jobs within a year. Nurse aides interested in assuming additional responsibilities and/or possibly improving income will have an option to reach their goals through this certification. Similarly, nurse aide employers will have an option to assign additional responsibilities probably with accompanying pay raises if it is beneficial for them. Since the proposed changes provide additional options for nurse aides and long-term care facilities, they are likely to produce net benefits for both the employers and the employees.

The success of the proposed changes in promoting retention will likely depend mainly on the compensation increases offered to nurse aides with advanced certification. The ability of employers to offer higher wages seems to be significantly limited because Medicare and Medicaid patients dominate the composition of the customers and the reimbursement rates are subject to availability of federal and state funds. Both the department and the Virginia Health Care Association are not aware of any available funds that can be used for this purpose at this time.

Businesses and Entities Affected

There are approximately 35,000 persons certified as nurse aides by the board of nursing. The number of nurse aides who will choose to seek advanced certification is not known, but may be up to 3,400. Similarly, of the 235 basic nurse aide education programs, how many will be interested in seeking approval is not known, but up to 100 programs may be interested.

Localities Particularly Affected

The proposed regulations apply to all localities in the Commonwealth.

Projected Impact on Employment

The department indicates that the current employees will absorb the additional responsibilities. Thus, no additional employment at the department is expected. However, the proposed changes are expected to increase the demand for instructional personnel and other types of labor at the educational programs that may choose to offer advanced nurse aide certification programs. Increased demand for labor may increase the employment at the advanced certification education programs. Finally, depending on the advanced certification's success, which is likely to be directly related to accompanying pay raises, there may be a positive impact on employment in the nurse aide profession. First, if the proposed regulations create significant incentives for career advancement and reduce nurse aide turnover rate, the amount of time nurse aides are unemployed in between the jobs is likely to decrease and there is likely to be a positive effect on nurse aide employment. Second, career advancement opportunities may make nurse aide profession more attractive relative to other employment opportunities and provide additional incentives for entry into this profession.

Effects on the Use and Value of Private Property

The proposed changes may generate additional revenues for nurse aide education programs. To the degree the revenues increase the profits, there is likely to be a positive impact on the value of privately owned nurse aide education programs.