



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 95-20 – Rules Governing the Practice of Nursing Home Administrators Department of Health Professions October 6, 2005

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.H 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 Board of Long-Term Care Administrators (board) proposes to amend the educational requirements for initial licensure that have been problematic or confusing. The board proposes to eliminate the field "nursing home administration", add a new section that specifies the content areas that must be included within a degree program in a health care related field, and specify the content of the internship required for licensure.

Estimated Economic Impact

Under the current regulation, qualifications for initial licensure of nursing home administrators require one of the following (18 VAC95-20-220):

1. Degree and practical experience. The applicant shall hold a baccalaureate or higher degree in "nursing home administration" or "a health care administration field", together with a minimum of 320-hour internship and a passing grade on the state examination and the national examination.

2. Certificate program. The applicant shall hold a baccalaureate or higher degree and successfully complete a program with a minimum of 21 semester hours of study in “nursing home administration” or “health care administration”, together with a minimum of 400-hour internship and a passing grade on the state examination and the national examination.

3. Administrator-in-training (A.I.T) program. The applicant shall successfully complete an A.I.T. program which meets the requirements of Part IV (18VAC95-20-300 et seq.) of 18 VAC 95-20 and received a passing grade on the state examination and the national examination.

The terms “nursing home administration” and “health care administration” in the first two sets of requirements cause confusion for some applicants. According to the board, there is no college or university offering a degree in “nursing home administration”. Also, a degree in a “health care administration” field is not clearly defined. While there are schools offering degrees in long term care administration, there are other related degree programs that may qualify an individual to be licensed as a nursing home administrator, for example, Gerontology. The lack of specificity of the current regulation has caused denial of applications from individuals who believed their program of study would qualify them for licensure as a nursing home administrator. According to the Department of Health Professions, among the 66 applications for nursing home administrators in 2005 fiscal year, 3 were denied due to the confusion in the educational requirement.

In order to rectify the lack of specificity and set a clearer standard for applicants and educational programs, the board proposes to eliminate the degree title “nursing home administration”, replace “health care administration” field with “health care related field”, and add a section (18VAC95-20-221) that specifies the coursework required to meet the educational requirements for a degree in a “health care related field”. A degree in a health care related field will require successful completion of a minimum of 21 semester hours of coursework concentrated on the administration and management of health care services, which include a minimum of three semester hours in Resident Care and Quality of Life, Human Resources, Finance, or Physical Environment and Atmosphere, six semester hours in Leadership and Management, and three semester hours for an internship. The proposed regulation also specifies the content of the internship required for licensure.

This regulatory change clarifies the confusing requirement and replaces the requirement of field title with more specific coursework requirements. It may encourage more individuals to

apply for licensure and will potentially reduce the current shortage of nursing home administrators. While at the same time, the specific coursework requirements will make sure that the licensed nursing home administrators will be adequately prepared in all aspects of operating a facility with safety and integrity. As a result, the aging residents will benefit. The proposed regulation will also benefit persons who are pursuing an education in preparation for licensure. The specific coursework requirements will guide them to select the courses that are required for licensure and therefore will save the tuition and time in case of denial and re-application. In addition, the proposed amendment will benefit the educational programs that are seeking specificity in the qualifications for licensure in order to guide students to coursework that will qualify them for licensure.

The proposed regulation will create no direct cost for the public. For the Department of Health Professional (DHP), there will be some one-time costs (less than \$1,000) for mailings to the Public participation Guidelines mailing lists, conducting a public hearing, and sending notice of final regulations to regulated entities.

Businesses and Entities Affected

This regulatory change will affect the 280 nursing homes¹ in Virginia, the persons who are pursuing an education in preparation for licensure, as well as the educational programs that are seeking specificity in the qualifications for licensure in order to guide students to coursework that will qualify them for licensure. The aging residents will also benefit from the increased supply of qualified nursing home administrators.

Localities Particularly Affected

The proposed regulatory change applies to localities throughout the Commonwealth.

Projected Impact on Employment

The proposed regulation may encourage more individuals to pursue nursing home administrator licensure and will potentially increase the number of licensed nursing home administrators employed, particularly since there is a current shortage of nursing home administrators.

¹ This is the number of nursing care facilities (NAICS 623110) calculated using Virginia Employment Commission database (Quarter 4 of 2004).

Effects on the Use and Value of Private Property

The proposed regulatory change may modestly increase the supply of licensed nursing home administrators. This increase in supply may modestly reduce the market salary of nursing home administrators. Thus, the proposal may modestly reduce costs for nursing homes, and commensurately increase their value.

Small Businesses: Costs and Other Effects

This regulatory change will affect the educational programs that are seeking specificity in the qualifications for licensure in order to guide students to coursework that will qualify them for licensure. This proposal will also modestly reduce costs for nursing homes because of the potential reduced market salary of nursing home administrators due to increased supply. According to the database provided by Virginia Employment Commission, 277 out of the 280 nursing homes are small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

This regulatory change will positively affect small businesses.