



Virginia  
Regulatory  
Town Hall

## Proposed Regulation Agency Background Document

<b>Agency Name:</b>	Department of Health
<b>VAC Chapter Number:</b>	12 VAC 5-507 & 5-510
<b>Regulation Title:</b>	Guidelines for Nursing Scholarships and Loan Repayment Programs Requiring Service in a Long-Term-Care Facility and Guidelines for General Assembly Nursing Scholarships and Loan Repayment Program
<b>Action Title:</b>	Guidelines for Nursing Scholarships and Loan Repayment Programs Requiring Service in a Long-Term-Care Facility and Guidelines for General Assembly Nursing Scholarships and Loan Repayment Program
<b>Date:</b>	April 6, 2001

This information is required pursuant to the Administrative Process Act (§ 9-6.14:9.1 *et seq.* of the *Code of Virginia*), Executive Order Twenty-Five (98), Executive Order Fifty-Eight (99), and the *Virginia Register Form, Style and Procedure Manual*. Please refer to these sources for more information and other materials required to be submitted in the regulatory review package.

### Summary

*Please provide a brief summary of the proposed new regulation, proposed amendments to an existing regulation, or the regulation proposed to be repealed. There is no need to state each provision or amendment or restate the purpose and intent of the regulation; instead give a summary of the regulatory action and alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.*

HB 1368 passed by the 2000 General Assembly amended the current nursing scholarship program, the Mary Marshall Nursing Scholarship Program, to include a loan repayment component. In addition, it established a nursing scholarship and loan repayment program requiring service in a long-term-care facility in the Commonwealth. Participants in either programs will receive scholarship or educational loan repayment in exchange for service

anywhere in the Commonwealth or in a specific long-term-care facility within the Commonwealth of Virginia..

## Basis

*Please identify the state and/or federal source of legal authority to promulgate the regulation. The discussion of this statutory authority should: 1) describe its scope and the extent to which it is mandatory or discretionary; and 2) include a brief statement relating the content of the statutory authority to the specific regulation. In addition, where applicable, please describe the extent to which proposed changes exceed federal minimum requirements. Full citations of legal authority and, if available, web site addresses for locating the text of the cited authority must be provided. Please state that the Office of the Attorney General has certified that the agency has the statutory authority to promulgate the proposed regulation and that it comports with applicable state and/or federal law.*

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Legal authority to promulgate these regulation is §§32.1-122.6:01, 54.1-3011.1, and 54.1-3011.2 of the Code of Virginia are amended and reenacted as follows: 32.1-122.6:01, Board of Health to award certain scholarships and loan repayment funds. The Board of Health shall award the nursing scholarships available from the Nursing Scholarship and Loan Repayment Fund established in §54.1-3011.2 pursuant to the procedures for the administration of the scholarships awarded through §23-35.9.

See the following web site addresses:

<http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+23-35.10>

<http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+32.1-122.6C01>

<http://leg1.state.va.us/cgi-bin/legp504.exe?001+sum+HB1368>

## Purpose

*Please provide a statement explaining the need for the new or amended regulation. This statement must include the rationale or justification of the proposed regulatory action and detail the specific reasons it is essential to protect the health, safety or welfare of citizens. A statement of a general nature is not acceptable, particular rationales must be explicitly discussed. Please include a discussion of the goals of the proposal and the problems the proposal is intended to solve.*

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HB 1368 passed by the 2000 General Assembly amended the current scholarship program, the Mary Marshall Nursing Scholarship Program to include a loan repayment component. In addition, it established a nursing scholarship and loan repayment program requiring service in a long-term-care facility in the Commonwealth. Participants in either program will receive scholarship or educational loan repayment in exchange for service anywhere in the Commonwealth or in a specific long-term-care facility within the Commonwealth of Virginia. By providing these scholarship or loan repayment funds to eligible recipients, the nursing shortage, which has been documented nationwide, especially in long-term care facilities, will be lessened. In addition, the programs have as a goal retention of these nursing professionals by requiring at least a year of service and if funding allows, up to five years of service.

## Substance

*Please identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. Please note that a more detailed discussion is required under the statement providing detail of the regulatory action's changes.*

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The Mary Marshall Nursing Scholarship Program has been in existence since the 1970's. The regulations for this program have been revised to include a Loan Repayment Program for registered nurses and licensed practical nurses. The loan repayment portion of the program will repay educational loans for qualifying applicants in exchange for service in the nursing profession in the Commonwealth. Specific changes to these regulations are listed below in the section titled "Detail of Changes".

In addition to amending the current scholarship regulations, a new nursing scholarship and loan repayment program requiring service in a long-term-care facility within the Commonwealth of Virginia was established. This program is for registered nurses, licensed practical nurses, and certified nurse aides. Scholarships will be given to qualifying applicants in exchange for service in the nursing profession in a long-term-care facility in the Commonwealth. The loan repayment portion of the program will repay educational loans for qualifying applicants in exchange for service in the nursing profession in a long-term-care facility in the Commonwealth. Currently, there is no funding for this program because all the funds appropriated by the General Assembly and fees collected by the Board of Nursing is used by the Mary Marshall Nursing Scholarship Program, 12 VAC 5-510.

## Issues

*Please provide a statement identifying the issues associated with the proposed regulatory action. The term "issues" means: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, please include a sentence to that effect.*

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The primary advantage to the citizens of the Commonwealth is that they will receive adequate, quality care by contributing to the increase of students deciding to go into the nursing profession. Therefore, relieving the nursing shortage in Virginia. Another advantage is that hospitals and doctors will be able to retain nurses because of the obligation created by accepting these scholarship or loan repayment funds. In addition, as the population gets older, more citizens will become residents of nursing homes or long-term care facilities and more nursing positions will be required. These regulations have no disadvantages to the citizens of the Commonwealth.

## Fiscal Impact

*Please identify the anticipated fiscal impacts and at a minimum include: (a) the projected cost to the state to implement and enforce the proposed regulation, including (i) fund source / fund detail, (ii) budget activity with a cross-reference to program and subprogram, and (iii) a delineation of one-time versus on-going expenditures; (b) the projected cost of the regulation on localities; (c) a description of the*

*individuals, businesses or other entities that are likely to be affected by the regulation; (d) the agency's best estimate of the number of such entities that will be affected; and e) the projected cost of the regulation for affected individuals, businesses, or other entities.*

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The Mary Marshall Nursing Scholarship Program has two funding sources. The first being from the General Fund (0100), Program-Higher education Student Financial Assistance (10800), Subprogram-Scholarships (10810). The second source of funds is from licensing fees collected by the Board of Nursing. For every fee collected, \$1 goes towards the scholarship fund. There is no separate funding from the Loan Repayment Program. After scholarships have been awarded, any balance of funds will be used for loan repayment.

Currently, the scholarship and loan repayment program requiring service in a long term care facility has no funding.

### Detail of Changes

*Please detail any changes, other than strictly editorial changes, that are being proposed. Please detail new substantive provisions, all substantive changes to existing sections, or both where appropriate. This statement should provide a section-by-section description - or cross-walk - of changes implemented by the proposed regulatory action. Where applicable, include citations to the specific sections of an existing regulation being amended and explain the consequences of the proposed changes.*

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Chapter 510 changes are detailed below:

1. The office administering the program was changed from the Office to Public Health Nursing to the Center for Primary Care and Rural Health.
2. Applicants in graduate nursing programs are no longer eligible for these funds. This is to allow more funds to be used for those applicants to get into the profession, not for those in the profession wanting to go into supervision, management, etc.
3. The date the applications are due was changed from June 15 to June 30.
4. The loan repayment component was added to these regulations, 510-80 through 510-290. This includes: (1) who administers the program, (2) who is eligible to apply, (3) how applicants are selected to participate, (4) the amount of loan repayment, (5) loans that qualify for loan repayment, (6) repayment restrictions, (7) release of information is required, (8) effective date of start of service, (9) repayment policy, (10) disbursement procedure, (11) compensation during service, (12) tax implications, (13) monitoring during service, and (14) terms of service. In addition, the loan repayment contract is described in Article 3 which covers breach of contract, collection procedures, waiver procedures, cash reimbursement, and penalties. Article 4 covers reporting requirements and compliance with the Administrative Process Act.

Chapter 507 are new regulations.

After executive review, a decision was made to change the emergency regulations. This reduced the amount given for loan repayment to be more in line with the amount awarded for scholarships.

## Alternatives

*Please describe the specific alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action.*

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The agency looked at loan repayment programs on the federal level and in other states to promulgate regulations for the loan repayment portion of the current regulations, 12 VAC 5-510. With input from the Scholarship Selection Committee, the current scholarship regulations were revised to include loan repayment. With this addition, the regulations were made as unintrusive as possible. Applicants must complete an application package. This application package is essential to determine qualified applicants, reduce potential fraud in the program, and still have nurses commit to work in the nursing profession in the Commonwealth.

To promulgate the new regulations, the agency used the Mary Marshall Nursing Scholarship and Loan Repayment regulations, 12 VAC 5-510, to develop this new program, 12 VAC 5-507. In addition, scholarship and loan repayment programs on the federal level and in other states were reviewed. The agency, with input from the Scholarship Selection Committee, felt that using the Mary Marshall Nursing Scholarship regulations was prudent because one application package could be used by citizens. When funding becomes available, application packages would be in place and the program could start right away. These regulations were written to be as unintrusive as possible. Applicants must complete an application package. This application package is essential to determine qualified applicants, reduce potential fraud in the program, and still have nurses commit to work in the nursing profession in a long-term-care facility in the Commonwealth.

## Public Comment

*Please summarize all public comment received during the NOIRA comment period and provide the agency response.*

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No public comment has been received as of April 6, 2001.

## Clarity of the Regulation

*Please provide a statement indicating that the agency, through examination of the regulation and relevant public comments, has determined that the regulation is clearly written and easily understandable by the individuals and entities affected.*

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The regulations have been extensively reviewed by personnel at all levels of the agency, by the Office of the Attorney General, and the Department of Planning and Budget, because they were

first proposed as emergency regulations. After making suggested changes from all reviewers, the regulations are easily understandable.

**Periodic Review**

*Please supply a schedule setting forth when the agency will initiate a review and re-evaluation to determine if the regulation should be continued, amended, or terminated. The specific and measurable regulatory goals should be outlined with this schedule. The review shall take place no later than three years after the proposed regulation is expected to be effective.*

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After the 60 day comment period, the agency will review all public comments and determine if the regulations should be amended. Review will take place no later than three years after the effective date of this regulation.

**Family Impact Statement**

*Please provide an analysis of the proposed regulatory action that assesses the potential impact on the institution of the family and family stability including the extent to which the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.*

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Overall this will have a positive impact on the institution of the family and family stability. Helping nursing students with their educational expenses will save disposable family income and increase their potential earnings for the future.