Economic Impact Analysis
Virginia Department of Planning and Budget

18 VAC 90-60 – Regulations Governing the Registration of Medication Aides
Department of Health Professions
February 28, 2006

Summary of the Proposed Regulation

In response to legislation passed during the 2005 General Assembly session (Chapters 610 and 924, 2005 Acts of Assembly), the Board of Nursing proposes to promulgate these Regulations Governing the Registration of Medication Aides which will specify training standards, registration requirements and disciplinary action grounds and practices for medication aides who work in assisted living facilities.

Result of Analysis

The benefits likely exceed the costs for this proposed regulatory change.

Estimated Economic Impact

Up until the 2005 General Assembly Session, all medication aides have worked solely under the mandates and restrictions enumerated in the Drug Control Act (§54.1-3408). This act allows individuals who have completed a Board of Nursing approved training program to administer drugs to residents of assisted living facilities, facilities licensed or certified by the Mental Health, Mental Retardation and Substance Abuse Services Board, facilities approved by the Department of Juvenile Justice and residents of the Center for the Blind and Vision Impaired, so long as certain conditions are met. Medication aides may only administer medicines in accordance with a physician's instructions and may only administer medicines that would, in a home setting, be self-administered. This means that medication aides may administer oral and topical medications, aerosolized medications and insulin injections but they may not administer medicines that require intramuscular or intravenous injection; medication aides may not administer any medications in medical settings other than those specifically enumerated in the Drug Control Act.

Currently, medication aides must successfully complete a Board of Nursing approved 32 hour training course which follows a curriculum developed by the Department of Social Services. The current training regimen primarily consists of classroom training. The Department of Health Professions (DHP) reports that current training costs can be as little as $50 or as much as several hundred dollars per medication aide and that the cost of training is usually borne by either the facility for which the medication aide will work or by the pharmacy that serves that facility.

Chapters 610 and 924 of the 2005 Acts of Assembly require, and this proposed regulation implements, a training and registration regimen for medication aides working in assisted living facilities. The Board of Nursing proposes to expand training requirements for registered medication aides to include 40 hours of classroom training, 20 hours of practical training and an additional eight hours of training on insulin administration and to require a competency exam after this training. Medication aides who currently work at assisted living facilities will not have to meet these training requirements but will have to attend an eight hour refresher course and pass the competency exam before they are able to register.

Although the text of Chapters 610 and 924 does not explicitly state that current training requirements are inadequate to prepare medication aides for working in assisted living facilities, the fact that they, and not other medication aides, are the subject of new legislative requirements strongly implies this. DHP reports that medication aides in assisted living facilities work with an increasingly older and frailer population that comes ever asymptotically closer to mirroring the population of nursing homes; it is, therefore, appropriate to require greater competency and accountability from these medication aides than from others. DHP reports that the extra hours of training that medication aides will receive will cover pharmacology and drug interactions with an emphasis on handling patients who must take many medications each day.

Residents of assisted living facilities will certainly benefit from this regulatory change if the extra training medication aides receive reduces the number of illnesses or deaths that can be attributed to medication not being administered or being administered improperly. The general public will likely also benefit from the proposed regulation if it reduces the problem of improperly administered medication that may contribute to Medicaid and Medicare patients needing more invasive and expensive care.

DHP reports that the training that the proposed regulation requires will cost approximately $155 per potential registered medication aide. DHP also expects that, once extra training materials are added, the medication aide training manual will cost several dollars more than its current price of $10. Registration for medication aides will cost $75 initially and the biannual registration renewal fee is $50. The Board of Nursing has not yet developed or contracted for the required competency exam but estimates that fees for this exam will be approximately the same as those paid for the nursing aide exam. Nursing aides pay $80 combined to take both the written and skills portions of that exam. The totality of the training and registration costs that will be incurred either by the medication aide, by the assisted living facility for which the medication aide intends to work or by the pharmacy that serves that assisted living facility will certainly be greater under the proposed regulation; this greater cost may be offset by savings realized because of a possible reduction in the number of medication errors. To the extent that more training is correlated with greater competency, registered medication aides may also be able to command a higher salary.

The Board of Nursing also proposes to impose a $500 fee for training program approval. This fee may reduce the number of training program past what it would be if there were no fee for program approval, but it will also offset the cost of program review that DHP will incur.

Businesses and Entities Affected

To date, approximately 35,000 individuals have completed the training mandated for medication aides by the Drug Control Act; DHP estimates that between 5,000 and 15,000 of these individuals will need to be registered under the requirements of the proposed regulation. There are 625 assisted living facilities licensed by the Department of Social Services. All of these individuals and entities, plus all entities that choose to start approved training programs, are affected by this regulatory change.

Localities Particularly Affected

The proposed regulation will affect all localities in the Commonwealth.

Projected Impact on Employment

The impact of this regulation on employment for medication aides is uncertain. Increasing training costs will tend to reduce employment opportunities for medication aides,

albeit only minimally given the modest nature of the cost increase. Any negative impact increased training costs may have on employment will be mitigated if increased training results in a reduction of costs associated with medication errors.

Effects on the Use and Value of Private Property

To the extent that having better trained medication aides makes assisted living facilities more attractive to current and potential residents, the value of assisted living facilities will increase.

Small Businesses: Costs and Other Effects

The majority of the cost associated with this regulation will likely be borne by small businesses. The benefits of the regulation will likely, however, exceed the costs for these small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed regulation likely minimizes the adverse impact on the regulated community given the constraints mandated by the Legislature.

Legal Mandate

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. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a

description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.