



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 90-20 – Regulations Governing the Practice of Nursing
18 VAC 90-25 – Regulations Governing the Certification of Nurse Aides
18 VAC 90-30 – Regulations Governing the Licensure of Nurse Practitioners
18 VAC 90-40 – Regulations Governing the Prescriptive Authority of Nurse Practitioners
18 VAC 90-50 – Regulations Governing the Certification of Massage Therapists
18 VAC 90-60 – Regulations Governing the Registration of Medication Aides
Department of Health Professions
January 21, 2010

Summary of the Proposed Amendments to Regulation

The Board of Nursing (Board) proposes to increase most fees paid by licensees, registrants and certificate holders that are subject to the Board's authority and to establish new fees to cover the cost of continued approval of nursing education programs.

Result of Analysis

There is insufficient information to accurately gauge whether benefits are likely to outweigh costs for these proposed changes.

Estimated Economic Impact

Under current regulations, registered nurses (RNs) and licensed practical nurses (LPN) pay the same licensure fees. Currently, schools that are planning on starting a nursing education program, and are applying for Board approval, must currently submit, at least 12 months in advance of the expected opening, a statement of intent and \$1,200 application fee.

With these proposed regulations, the Board intends to separate most licensure fees paid by RNs from those paid by LPNs (all fees except the fee for reinstatement of a suspended or revoked license), raise the application fee for approval of nursing programs and establish new fees for survey visits for nursing program that are being newly approved and site visits for nursing programs whose NCLEX (National Council Licensure Examination) passage rates fall below 80%. Board staff reports that these new fees are needed to cover the costs associated with

required staff on-site visits. The Board also proposes to raise all fees set in chapter 18 VAC 90-20 except the fee on returned checks. Below is a comparison table for current and proposed fees:

FEE TYPE	CURRENT FEE	PROPOSED FEE	% INCREASE
Application for Licensure by Examination – RN	\$130	\$190	46.15%
Application for Licensure by Endorsement – RN	\$130	\$190	46.15%
Application for Licensure by Examination – LPN	\$130	\$170	30.77%
Application for Licensure by Endorsement – LPN	\$130	\$170	30.77%
Reapplication for Licensure by Examination	\$25	\$50	100%
Biennial License Renewal – RN	\$95	\$140	47.36%
Biennial Inactive License Renewal – RN	\$50	\$70	40%
Biennial License Renewal – LPN	\$95	\$120	26.32%
Biennial Inactive License Renewal – LPN	\$50	\$60	20%
Late Renewal – RN	\$35	\$50	42.86%
Late Renewal – LPN	\$35	\$40	14.29%
Reinstatement of Lapsed License – RN	\$145	\$225	55.17%

Reinstatement of Lapsed License – LPN	\$145	\$200	37.93%
Reinstatement of a Suspended or Revoked License	\$185	\$300	62.16%
Duplicate License	\$5	\$15	200%
Replacement Wall Certificate	\$15	\$25	66.67%
Verification of License	\$25	\$35	40%
Transcript of All or Part of Applicant/Licensee Records	\$25	\$35	40%
Returned Check Charge	\$35	\$35	unchanged
Application of Clinical Nurse Specialist (CNS) Registration	\$95	\$130	36.84%
Biennial Renewal of CNS Registration	\$60	\$80	33.33%
Reinstatement of Lapsed CNS Registration	\$105	\$125	19.05%
Verification of CNS Registration to Another Jurisdiction	\$25	\$35	40%
Late Renewal of CNS Registration	\$20	\$35	75%
Application for Approval of a Nursing Education Program	\$1,200	\$1,650	37.5%

Survey Visit For Nursing Education Program	N/A	\$2,200	New Fee
Site Visit for NCLEX Passage Rate for Nursing Education Program	N/A	\$1,500	New Fee

The Board also proposes to require certified nurse aides to renew their certification annually, rather than biennially, and proposes to change the renewal fee from \$50 every two years to \$30 every year. This change will affectively raise the cost of renewal by \$10 (20%) every two years. Additionally, the Board proposes to raise fees in 18 VAC 90-30 (covering nurse practitioners), 18 VAC 90-40 (covering prescriptive authority for nurse practitioners), 18 VAC 90-50 (covering certified massage therapists) and 18 VAC 90-60 (medication aides).

Below is a comparison table of current and proposed fees for nurse practitioners:

FEE TYPE	CURRENT FEE	PROPOSED FEE	% INCREASE
Application for Licensure	\$85	\$125	47.06%
Biennial Licensure Renewal	\$50	\$80	60%
Late Renewal	\$20	\$25	30.77%
Reinstatement of Licensure	\$85	\$150	76.47%
Reinstatement of Suspended or Revoked License	\$85	\$200	135%
Verification of Licensure to Another Jurisdiction	\$25	\$35	40%
Duplicate License	\$5	\$15	200%
Duplicate Wall Certificate	\$15	\$25	66.67%
Returned Check Charge	\$35	\$35	unchanged

A comparison table of current and proposed fees for prescriptive authority:

FEE TYPE	CURRENT FEE	PROPOSED FEE	% INCREASE
Initial Issuance of Prescriptive Authority	\$50	\$75	50%
Biennial Renewal	\$25	\$35	40%
Late Renewal	\$25	\$30	20%
Reinstatement of Lapsed Authorization	\$60	\$90	50%
Reinstatement of Revoked or Suspended Authorization	\$85	\$85	unchanged
Duplicate of Authorization	\$5	\$15	200%
Returned Check Charge	\$35	\$35	unchanged

And a comparison table of current and proposed fees for massage therapists:

FEE TYPE	CURRENT FEE	PROPOSED FEE	% INCREASE
Application and Initial Certification	\$105	\$140	33.33%
Biennial Renewal	\$70	\$95	35.71%
Late Renewal	\$25	\$30	20%
Reinstatement of Certification	\$120	\$150	25%
Reinstatement after Revocation or Suspension	\$150	\$200	33.33%
Duplicate Certificate	\$5	\$15	200%
Replacement Wall	\$15	\$25	66.67%

Certificate			
Verification of Certification	\$25	\$35	40%
Transcript of All or Part of Applicant/Certificate Holder Records	\$25	\$35	40%
Returned Check Charge	\$35	\$35	unchanged

The Board proposes to increase the annual renewal fee (from \$25 to \$30) and the duplicate registration fee (from \$5 to \$15) for medication aides.

Board staff reports that the Board expects to run a deficit of \$687,532 for FY2010 and that, absent approval of these fee increases, there will be deficit spending “through the fiscal years going forward”. Board staff further reports that these fee increases are needed to cover 1)the costs associated with the increased number of disciplinary actions, particularly involving certified nurse aides, 2)the costs associated with on-site inspections of nursing education programs for which the Board is currently not reimbursed and 3)increasing costs for information technology (IT) services.

Board staff reports that investigation of voluminous complaints against certified nurse aides has increased the Board’s disciplinary costs. The Board feels, however that trying to only adjust certified nurse aide fees to pay for these increased costs would have a significant and chilling effect on individuals’ decisions to work in this field. The Board, instead, proposes to increase all nursing fees incrementally to cover these costs. As an alternative to the portion of fee increases that will be used to cover increased disciplinary costs, the Board may wish to consider measures that have costs falling to certified nurse aides or their employers. The Board might, for instance, look in to requiring employers of certified nurse aides to carry surety bonds that would make them responsible for poor behavior on the part of their employees. Such an action would likely require the cooperation of other regulatory bodies in the Commonwealth that set requirements for facilities that hire certified nurse aides.

The Department of Health Professions (DHP) reports that a portion of the expected expenditure increases over their forecast horizon are needed to cover increased costs for services

from the Virginia Information Technologies Agency (VITA). DHP reports that its VITA services costs have almost doubled over the last two years, and are expected to increase approximately \$500,000 this year. For comparison, DHP's VITA expenditures for FY 2005 were, in total, \$476,600. For FY 2010, the agency has budgeted \$1,587,788 for VITA costs.. A large portion of the increase in costs, at least for FY 2010 and FY 2011, can be attributed to the planned move of DHP's licensing servers from DHP to Northrop Grumman. DHP anticipates that this will increase the costs for maintaining these servers by approximately \$80,000 per month (\$960,000 per year). The Board is and will be responsible for a proportional share of these costs. Although it is likely beyond the capacity of DHP to control the very rapid growth of these costs, licensees of this Board (and all other DHP boards) would benefit from increased scrutiny of services provided to DHP through VITA.

The Board does not believe that these fee increases are large enough to affect either regulated entities' choice to be employed in their current fields or the cost of nursing care in Virginia. One would expect to see, however, some marginal decrease in the number of individuals choosing to be licensed, certified or registered as the cost of licensure, certification and registration increases even if those increases are moderate; Particularly, individuals who are making little to no extra money at the tasks licensed, certified and registered by the Board, when compared to their next best option for employment, will likely choose their next best option if their costs for doing their current jobs increase. To the (likely minimal) extent that individuals who are currently licensed or registered find that these proposed fee increases cause them to leave their current professions, total employment for this group in these professions may decrease by some small amount.

Businesses and Entities Affected

DHP reports that the Board currently regulates 91,316 registered nurses, 29,828 licensed practical nurses, 5,887 licensed nurse practitioners (3,456 of whom are authorized to prescribe medication), 5,335 certified massage therapists, 436 clinical nurse specialists, 3,577 medication aides, 46,281 certified nurse aides, 99 advanced certified nurse aides, 68 professional schools of nursing and 80 practical schools of nursing. All of these entities, as well as any individuals or

entities who may wish to become licensed, certified or registered in the future, will be affected by these proposed regulations.

Localities Particularly Affected

No locality will be particularly affected by this proposed regulatory action.

Projected Impact on Employment

This regulatory action may decrease the number of individuals who choose to work in professional fields that are regulated by the Board.

Effects on the Use and Value of Private Property

To the extent that the proposed fee increases for nursing schools increase costs for affected proprietary nursing schools, profits will likely decrease. If this happens, the value of these businesses will marginally decrease. Proposed fee increases that would affect only new nursing schools may slightly decrease the chance of new programs starting in the future.

Small Businesses: Costs and Other Effects

DHP reports that there are 13 proprietary RN programs and 23 proprietary LPN programs in the Commonwealth; all of these are likely small businesses. Existing nursing program small businesses in the Commonwealth will incur costs for increased fees only if the NCLEX passage rates of their graduates fall below 80%.

Small Businesses: Alternative Method that Minimizes Adverse Impact

There are several actions that the Board could take that might mitigate the necessity of raising fees overall (including fees that fall on proprietary nursing schools). The Board could slightly lengthen the time that it takes to process both license applications and complaints so that staff costs could be cut. This option would benefit current licensees but would slightly delay licensure, and the ability to legally work, for new applicants. Affected small businesses would also likely benefit from increased scrutiny of the IT costs that are driving increases in both agency and Board expenditures.

Real Estate Development Costs

This regulatory action will likely have no effect on real estate development costs in the Commonwealth.

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 36 (06). 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.