

Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



Virginia Department of Planning and Budget Economic Impact Analysis

18 VAC 90 -27 Regulations Governing Nursing Education Programs
Department of Health Professions
Town Hall Action/Stage: 4570 / 7860
April 27, 2017

Summary of the Proposed Amendments to Regulation

The Board of Nursing (Board) proposes to require that each registered nursing (RN) education program be accredited or be a candidate for accreditation in order to maintain Board-approved status. Additionally, the Board proposes to expand the number of approved accrediting organizations for nursing education programs.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The Regulations Governing Nursing Education Programs set out the requirements for RN education programs and licensed practical nursing education programs in Virginia.

Required Accreditation for RN Programs

Under the current regulation RN education programs do not need to be accredited in order to maintain board-approved status. Non-accredited RN education programs are reevaluated at least every five years by submission of a comprehensive self-evaluation report and a survey visit by representatives of the Board. Accredited RN education programs are reevaluated at least every 10 years by submission of a comprehensive self-evaluation report as provided by the Board. As evidence of compliance with specific requirements of this chapter, the Board may

accept the most recent study report, site visit report, and final decision letter from the accrediting body. According to the Department of Health Professions, all 33 bachelors' degree RN education programs in the Commonwealth are accredited. Of the 45 associates' degree RN education programs in Virginia, 26 are currently accredited and 19 are currently unaccredited.

The Board proposes to require that all RN education programs be accredited or be in accreditation candidacy status in order to maintain board approval. For programs that are not currently accredited and did not plan to pursue accreditation without the Board's proposed requirement, this proposal will introduce several thousand dollars of fees in acquiring and maintaining accreditation. For information on those fees, please see the appendices at the end of this document for fee schedules from three Board-recognized accrediting organizations. For at least some of the currently non-accredited programs, there would be further additional cost in changing the program to meet the accrediting organization's requirements.

On the other hand, there would be some savings to offset costs for accreditation in that an accredited program only has to be reevaluated by the board every 10 years by submission of a report, and an accredited program may use its reports from the accredited body as evidence of compliance with Board regulations. A non-accredited program has to be reevaluated every 5 years and requires submission of a full report and a survey visit from a Board representative. Both the Board and the accredited programs would realize some savings by the longer period between reevaluation for continued approval by the Board. The cost for a survey visit by the Board is \$2,200; an accredited program would realize that savings every 5 years.

There is some evidence that RNs from accredited nursing education programs perform better than RNs from unaccredited programs. Members of the Virginia Hospital & Healthcare Association were surveyed concerning the accreditation of nursing education programs. When asked whether they saw a difference in clinical practice between RNs from accredited nursing programs and non-accredited nursing programs, 86% chose "Yes, RNs from accredited nursing school programs demonstrate a stronger and more in depth clinical practice than nurses from non-accredited nursing school programs, versus 14% who chose "No, we do not see a difference in clinical practice between RNs from accredited and non-accredited nursing school programs." When asked to evaluate the effect of nursing program accreditation on delivering quality clinical outcomes to patients within their institution, a) 74% chose "Accredited nursing school program

RNs have a large impact on clinical outcomes,” b) 20% chose “Accredited nursing school program RNs have a moderate impact on clinical outcomes,” and c) 6% chose “Accredited nursing school program RNs do not have an impact on clinical outcomes.” This implies, but does not establish,¹ that the healthcare provided by graduates of accredited nursing programs is superior to that provided by graduates of non-accredited nursing programs and makes a positive difference in patient health outcomes. To the extent that this is accurate, the benefits of the proposed amendments likely exceed the costs.

Additional Accrediting Organizations

Under the current regulation "Accreditation" is defined as “having been accredited by the Accreditation Commission for Education in Nursing, the Commission on Collegiate Nursing Education, or a national nursing accrediting organization recognized by the board.” The Board proposes to amend the definition to “having been accredited by an agency recognized by the U.S. Department of Education to include the Accreditation Commission for Education in Nursing, the Commission on Collegiate Nursing Education, the Commission for Nursing Education Accreditation, or a national nursing accrediting organization recognized by the board.” The proposed new language is underlined. Additional options for accreditation can be beneficial for nursing education programs in that they may find options that are either more affordable or available, or match their mission better.

Businesses and Entities Affected

The proposed amendments potentially affect the 78 pre-licensure RN education programs in the Commonwealth, as well as nursing students, employers of nurses such as hospitals, and patients. The 19 currently unaccredited RN education programs would be particularly affected.²

Localities Particularly Affected

The proposed amendments do not disproportionately affect particular localities.

¹ Research that includes data on patients and their health outcomes linked with their nurses and their educational background, controlling for factors unrelated to the nurses’ educational background that could affect health outcomes, would be needed to more firmly establish the actual impact.

² Data source: Department of Health Professions

Projected Impact on Employment

The proposal to require accreditation for RN education programs to maintain Board-approved status may lead to the closing of a few propriety programs. This would eliminate employment at those programs. Most of the students who would have enrolled in those programs would likely enroll in a different Virginia program instead. Given the increased demand, at least some of the potential reduction in employment at the closing programs may be counterbalanced by increased employment at the programs with the potential increased demand.

Effects on the Use and Value of Private Property

The proposal to require accreditation for RN education programs to maintain Board-approved status may lead to the closing of a few propriety programs. If this were to happen, the property currently used to house these closing RN education programs would likely be used for a different purpose going forward.

Real Estate Development Costs

The proposed amendments do not affect real estate development costs.

Small Businesses:

Definition

Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

Costs and Other Effects

Most of the RN education programs are either part of universities, community colleges, or national propriety college chains. There may be a few smaller propriety programs. For these programs, if they are not already accredited or in candidacy status, the proposal to require accreditation for RN education programs to maintain Board-approved status would increase costs through accreditation fees and potentially in changing the program to meet the accrediting organization’s requirements.

Alternative Method that Minimizes Adverse Impact

There is no clear alternative method that reduces adverse impact while still meeting the policy goal of increased minimum skills training for Board-approved RN education programs.

Adverse Impacts:

Businesses:

The proposal to require accreditation for RN education programs to maintain Board-approved status would increase costs for proprietary RN education programs that are not already accredited.

Localities:

The proposed amendments do not adversely affect localities.

Other Entities:

The proposed amendments do not adversely affect other entities.

Legal Mandates

General: The Department of Planning and Budget has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order Number 17 (2014). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

Adverse impacts: Pursuant to Code § 2.2-4007.04(C): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance within the 45-day period.

If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

Appendix A



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2017 SCHEDULE OF ACCREDITATION FEES Effective January 1, 2017 through December 31, 2017

ANNUAL ACCREDITATION FEES

Fee for Each Nursing Program	\$ 2,875.00
Fee for Each Additional Program (within the same nursing education unit)	1,200.00

CANDIDACY FEE

Fee for Each Nursing Program	\$ 2,500.00
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ACCREDITATION REVIEW FEE

Processing Fee for Initial or Continuing Accreditation (per program)	\$ 1,000.00
*Site Visit Fee (per evaluator per day)	915.00

SERVICE FEES

Focused Visit Fee (plus expenses related to visit)	\$ 2,350.00
Follow-Up Visit Fee (per evaluator per day)	915.00
Reprocessing/Reschedule Site Visit Fee	1,250.00
Administrative Appeal Fee	2,500.00
Notice of Intent to Appeal Fee (per program)	5,000.00
Appeal Process Fee (per program)	10,000.00

**ADVISORY FEES

Advisory Review Fee (video/tele-conference)	\$ 1,000.00
Fee for each additional program (within the same nursing education unit)	500.00
Advisory Review Fee (on-site)	3,000.00
Fee for each additional program (within the same nursing education unit)	500.00

SELF-STUDY FORUM

<u>*Registration Fee (per attendee)</u>	
1 or 2 attendee(s)	\$ 475.00
3 or more attendees from the same nursing program	425.00

Payment of fees to the ACEN is an obligation for recognition of accreditation status.

The ACEN invoices programs for all evaluation processes and an annual accreditation fee.

Per Policy #7 Voluntary Withdrawal from ACEN Accreditation, the ACEN will deem as a voluntary withdrawal from accreditation any refusal or failure of an accredited program to pay its fees and expenses when due.

*Effective May 1st, 2016 through December 31st, 2017

**Effective January 1st, 2017 through December 31st, 2017

Appendix B



CCNE Fee Structure Nursing Education Programs

ANNUAL FEE

The annual fee applies to all nursing degree programs that hold accreditation by CCNE.

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
One degree program (e.g., baccalaureate) with or without a certificate program	\$2,567	\$2,618	\$2,670
Two degree programs (e.g., baccalaureate & master's) with or without a certificate program	\$3,096	\$3,158	\$3,221
Three degree programs (e.g., baccalaureate, master's & DNP) with or without a certificate program	\$3,625	\$3,698	\$3,772

In general, CCNE invoices accredited programs for the annual fee in May and the deadline for payment is July. New applicant programs are assessed a prorated annual fee 2-3 months after accreditation is granted. The annual fee will increase by 2% in FY 2019. Failure to pay the annual fee by the given deadline may result in an adverse action.

EVALUATION FEE

Programs are assessed a flat fee for hosting the on-site evaluation. This fee is intended to cover the team travel, lodging, and other expenses associated with the accreditation review process. This fee is based on the size of the evaluation team, not on the length of the on-site evaluation. An evaluation team typically comprises 3-5 individuals, depending on the number of program levels and the complexity of the program(s) under review.

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Fee per team member	\$1,750	\$1,750	\$1,750

CCNE invoices the program for the evaluation fee in advance of the on-site evaluation. Failure to pay the evaluation fee by the given deadline may result in cancellation of the on-site evaluation or an adverse action.

NEW APPLICANT FEE

The new applicant fee applies to any program requesting new applicant status. This one-time fee must be submitted with the application for initial accreditation.

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
One degree program (e.g., baccalaureate) with or without a certificate program	\$3,500	\$3,500	\$3,500
Two degree programs (e.g., baccalaureate & master's) with or without a certificate program	\$5,500	\$5,500	\$5,500
Three degree programs (e.g., baccalaureate, master's & DNP) with or without a certificate program	\$7,500	\$7,500	\$7,500

NEW PROGRAM FEE

The fee to schedule the evaluation of a new degree or certificate program for accreditation applies to any institution that already has a CCNE-accredited degree program. This one-time fee must be submitted with the letter of intent to request an accreditation review of the new program.

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Fee to add a new degree/certificate program	\$2,000	\$2,000	\$2,000

Appendix C



ACCREDITATION FEES

— 2015 - 2017 —

PRE-ACCREDITATION CANDIDACY APPLICANT FEES

One applicant program*	\$3200
Two applicant programs	\$4700
Three applicant programs	\$6200
Four applicant programs	\$7000
Institutional systems (1-2 programs)**	\$7700

(single state, multi-campus; multi-state; or multi-institutional consortia)

ACCREDITATION FEES (FLAT FEE, INITIAL OR CONTINUING)

One - two programs	\$6500
Three programs	\$7500
Four programs	\$8000
Institutional systems (1-2 programs)**	\$9000

ANNUAL FEES

One accredited program	\$2600
Two accredited programs	\$3100
Three - four accredited programs	\$3600
Institutional systems (1-2 programs)**	\$4100

ADDITIONAL NEW PROGRAM FEES

Per program added	\$1500
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(to an already CNEA accredited nursing academic unit)

APPEAL FEES

Fee for appealing adverse actions	\$12000
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Please contact **CNEA** staff for international program fees.

NLN CNEA annual fees are due by January 15th of the respective calendar year. In accordance with NLN CNEA policy, payment of the annual fees is a requirement for maintaining NLN CNEA accreditation. Failure of the nursing academic unit to pay annual fees may result in loss of NLN CNEA accreditation status.

*Program is defined as a postsecondary program which leads to an academic degree, diploma or certificate.

Please contact **CNEA staff before filing application to verify fee structure for your institutional system nursing unit.