

Office of Regulatory Management
Economic Review Form

Agency name	State Board of Health
Virginia Administrative Code (VAC) Chapter citation(s)	12VAC5-410-10 et seq.
VAC Chapter title(s)	Regulations for the Licensure of Hospitals in Virginia
Action title	Amend Regulation After Periodic Review
Date this document prepared	November 28, 2022

Cost Benefit Analysis

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • Hospitals must report specified changes to the Virginia Department of Health (VDH) at least 30 calendar days prior to initiating the change. Direct Costs: VDH is not aware of any quantifiable direct costs at time. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time. • Hospitals have to permit inspectors access to their facilities, records, and persons under their control for the purposes of inspection and have to submit plans of correction for cited deficiencies, and have to implement corrections within 45 business days. Direct Costs: VDH is not aware of any quantifiable direct costs at time. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time. • Hospitals have to meet minimum requirements if they intended to operate a newborn safety device. Direct Costs: VDH is not aware of any quantifiable direct costs at time. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.
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	<ul style="list-style-type: none">• Hospitals have to base their patient rights on analogous federal requirements. Direct Costs: No more than \$1,250 one-time in total and potentially \$0 in total, as all but one licensed hospital already has to meet the analogous federal requirements. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time. • Hospitals have to meet the minimum requirements for allowing a person with a disability access to a designated support person. Direct Costs: \$1,250 one-time per hospital to update existing policies and procedures about designated support persons. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time. • General hospitals have to meet minimum discharge planning standards. Direct Costs: \$1,250 one-time per general hospital to update existing policies and procedures about discharge planning. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time. • Hospitals have to meet the minimum requirements for information disclosure about financial assistance and payment plans. Direct Costs: \$1,250 one-time per hospital to update existing policies and procedures about financial assistance and payment plans. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time. • Hospitals have to quarterly report sexual assault nurse examiner (SANE) employment information on the first day of each calendar quarter to the Office of Family Health Services. Direct Costs: \$5,000 annually per general hospital to track and report this information. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.
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	<ul style="list-style-type: none">• Hospitals have to meet minimum requirements for parent or guardian electronic access to minor patient’s medical records. Direct Costs: VDH is not aware of any quantifiable direct costs at time. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.• General hospitals have to report fetal death information as required by law to the Office of Vital Records. Direct Costs: VDH is not aware of any quantifiable direct costs at time. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.• Hospital construction, renovation, or alterations have to comply with the applicable sections of the 2022 guidelines from The Facility Guidelines Institute. Direct Costs: VDH is not aware of any quantifiable direct costs at time. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.• General hospitals providing newborn service can store breast milk for up to 96 hours. Direct Costs: VDH is not aware of any quantifiable direct costs at time. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.• Updates to current clinical standards for infection prevention and control for general hospitals with obstetric and gynecological services Direct Costs: VDH is not aware of any quantifiable direct costs at time. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.
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	<ul style="list-style-type: none"> General hospitals with long-term care nursing units that are certified nursing facilities have to meet minimum statutory requirements <p>Direct Costs: \$1,250 one-time per topic per general hospital to update existing policies and procedures about immunization, and visitation; \$5,000 one-time per topic per general hospital to create policies and procedures about mandated reporting, regarding the sex offender registry, and information and notices about the family council. Only eight hospitals have long-term care nursing units that are certified nursing facilities.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p>		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) \$9,896,250	(c) \$8,846,234	
Direct Benefits	(b) \$0	(d) \$0	
(3) Benefits-Costs Ratio	0.00	(4) Net Benefit	-\$8,846,234
(5) Indirect Costs & Benefits	<p>VDH is not aware of any quantifiable benefits at this time.</p> <p>As a result of the mandate to comply with the 2022 edition of the applicable design and construction guidelines, VDH anticipates that there may be a quantifiable indirect cost equal to 1.4% increase in construction costs for a 160-bed general hospital, a 2.7% increase in construction costs for a 12-bed general hospital that is certified as a critical access hospital, a 0.7% – 1.3% increase in construction costs for a multi-specialty outpatient surgical hospital.</p> <p>VDH is not aware of any other quantifiable costs at this time.</p>		
(6) Information Sources	The Facility Guidelines Institute; Division of Acute Care Services, Office of Licensure and Certification.		
(7) Optional	VDH has numerous challenges and constraints that limit a cost benefit analysis, including limited data availability, limited statutory discretion, and insufficient analytical models.		

	<p>The regulatory change is designed to conform the regulation to the Code of Virginia, and to promote the health, safety, and welfare of hospital patients by incorporating current clinical and industry practices as well as by requiring reasonable timely information from hospitals, access to information to ensure hospital compliance, remedial action within a reasonable and consistently applied timeframe if noncompliance does occur.</p>
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Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

<p>(1) Direct Costs & Benefits</p>	<p>Nondiscretionary changes have been omitted from this analysis.</p> <ul style="list-style-type: none"> • Hospitals must report specified changes to the Virginia Department of Health (VDH) at least 30 business days prior to initiating the change. Direct Costs: VDH is not aware of any quantifiable direct costs at time. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time. • Hospitals have to permit inspectors access to their facilities, records, and persons under their control for the purposes of inspection and have to submit plans of correction for cited deficiencies, and have to implement corrections within 45 business days. Direct Costs: VDH is not aware of any quantifiable direct costs at time. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time. • Hospitals have to quarterly report sexual assault nurse examiner (SANE) employment information. Direct Costs: \$5,000 annually per general hospital to track and report this information. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time. • General hospitals providing newborn service can store breast milk for up to 48 hours.
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	<p>Direct Costs: VDH is not aware of any quantifiable direct costs at time.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none"> Clinical standards for infection prevention and control for general hospitals with obstetric and gynecological services reference material from pre-1996 <p>Direct Costs: VDH is not aware of any quantifiable direct costs at time.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p>		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) \$0	(c) \$0	
Direct Benefits	(b) \$0	(d) \$0	
(3) Benefits-Costs Ratio	0.00	(4) Net Benefit	\$0
(5) Indirect Costs & Benefits	<p>VDH is not aware of any quantifiable benefits at this time from the discretionary regulatory changes.</p> <p>VDH is not aware of any quantifiable costs at this time from the discretionary regulatory changes.</p>		
(6) Information Sources	Division of Acute Care Services, Office of Licensure and Certification		
(7) Optional	<p>VDH has numerous challenges and constraints that limit a cost benefit analysis, including limited data availability, limited statutory discretion, and insufficient analytical models.</p> <p>The regulatory change is designed to conform the regulation to the Code of Virginia, and to promote the health, safety, and welfare of hospital patients by incorporating current clinical and industry practices as well as by requiring reasonable timely information from hospitals, access to information to ensure hospital compliance, remedial action within a reasonable and consistently applied timeframe if noncompliance does occur.</p>		

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Table 1c: Costs and Benefits under an Alternative Approach

<p>(1) Direct Costs & Benefits</p>	<p>Nondiscretionary changes have been omitted from this analysis.</p> <ul style="list-style-type: none"> • Hospitals must report specified changes to the Virginia Department of Health (VDH) within an unspecified time frame at the hospital's discretion prior to initiating the change. <p>Direct Costs: VDH is not aware of any quantifiable direct costs at time.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none"> • Hospitals have to permit inspectors access to their facilities, records, and persons under their control for the purposes of inspection and have to submit plans of correction for cited deficiencies, and have to implement corrections within an unspecified time frame at the hospital's discretion. <p>Direct Costs: VDH is not aware of any quantifiable direct costs at time.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none"> • Hospitals have to quarterly report sexual assault nurse examiner (SANE) employment information on a day of their choosing within a quarter to any person at VDH. <p>Direct Costs: \$5,000 annually per general hospital to track and report this information.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none"> • General hospitals providing newborn service can store breast milk for a length of time to be determined by the hospital. <p>Direct Costs: VDH is not aware of any quantifiable direct costs at time.</p>
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	<p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none"> • Infection prevention and control for general hospitals with obstetric and gynecological services do not reference any clinical standards <p>Direct Costs: VDH is not aware of any quantifiable direct costs at time.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p>	
(2) Quantitative Factors	Estimated Dollar Amount	Present Value
Direct Costs	(a) \$0	(c) \$0
Direct Benefits	(b) \$0	(d) \$0
(3) Benefits-Costs Ratio	0.00	(4) Net Benefit \$0.00
(5) Indirect Costs & Benefits	<p>VDH is not aware of any quantifiable benefits at this time from the discretionary regulatory changes.</p> <p>VDH is not aware of any quantifiable costs at this time from the discretionary regulatory changes.</p>	
(6) Information Sources	Division of Acute Care Services, Office of Licensure and Certification	
(7) Optional	<p>VDH has numerous challenges and constraints that limit a cost benefit analysis, including limited data availability, limited statutory discretion, and insufficient analytical models.</p> <p>The regulatory change is designed to conform the regulation to the Code of Virginia, and to promote the health, safety, and welfare of hospital patients by incorporating current clinical and industry practices as well as by requiring reasonable timely information from hospitals, access to information to ensure hospital compliance, remedial action within a reasonable and consistently applied timeframe if noncompliance does occur.</p>	

Impact on Local Partners

Table 2: Impact on Local Partners

<p>(1) Direct Costs & Benefits</p>	<ul style="list-style-type: none"> • Hospitals must report specified changes to the Virginia Department of Health (VDH) at least 30 calendar days prior to initiating the change. Direct Costs: VDH is not aware of any quantifiable direct costs at time. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time. • Hospitals have to permit inspectors access to their facilities, records, and persons under their control for the purposes of inspection and have to submit plans of correction for cited deficiencies, and have to implement corrections within 45 business days. Direct Costs: VDH is not aware of any quantifiable direct costs at time. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time. • Hospitals have to meet minimum requirements if they intended to operate a newborn safety device. Direct Costs: VDH is not aware of any quantifiable direct costs at time. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time. • Hospitals have to base their patient rights on analogous federal requirements. Direct Costs: VDH is not aware of any quantifiable direct costs at time. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time. • Hospitals have to meet the minimum requirements for allowing a person with a disability access to a designated support person. Direct Costs: \$1,250 one-time per hospital to update existing policies and procedures about designated support persons.
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	<p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none">• General hospitals have to meet minimum discharge planning standards. <p>Direct Costs: \$1,250 one-time per general hospital to update existing policies and procedures about discharge planning.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none">• Hospitals have to meet the minimum requirements for information disclosure about financial assistance and payment plans. <p>Direct Costs: \$1,250 one-time per hospital to update existing policies and procedures about financial assistance and payment plans.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none">• Hospitals have to quarterly report sexual assault nurse examiner (SANE) employment information. <p>Direct Costs: \$5,000 annually per general hospital to track and report this information.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none">• Hospitals have to meet minimum requirements for parent or guardian electronic access to minor patient's medical records. <p>Direct Costs: VDH is not aware of any quantifiable direct costs at time.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none">• General hospitals have to report fetal death information as required by law to the Office of Vital Records. <p>Direct Costs: VDH is not aware of any quantifiable direct costs at time.</p>
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	<p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none">• Hospital construction, renovation, or alterations have to comply with the applicable sections of the 2022 guidelines from The Facility Guidelines Institute. <p>Direct Costs: VDH is not aware of any quantifiable direct costs at time.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none">• General hospitals providing newborn service can store breast milk for up to 96 hours. <p>Direct Costs: VDH is not aware of any quantifiable direct costs at time.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none">• Updates to current clinical standards for infection prevention and control for general hospitals with obstetric and gynecological services <p>Direct Costs: VDH is not aware of any quantifiable direct costs at time.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none">• General hospitals with long-term care nursing units that are certified nursing facilities have to meet minimum statutory requirements <p>Direct Costs: \$1,250 one-time per topic per general hospital to update existing policies and procedures about immunization, and visitation; \$5,000 one-time per topic per general hospital to create policies and procedures about mandated reporting, regarding the sex offender registry, and information and notices about the family council. Only eight hospitals have long-term care nursing units that are certified nursing facilities.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p>
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(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$112,500
Direct Benefits	(b) \$0
(3) Indirect Costs & Benefits	<p>VDH is not aware of any quantifiable benefits at this time.</p> <p>As a result of the mandate to comply with the 2022 edition of the applicable design and construction guidelines, VDH anticipates that there may be a quantifiable indirect cost equal to 1.4% increase in construction costs for a 160-bed general hospital, a 2.7% increase in construction costs for a 12-bed general hospital that is certified as a critical access hospital, a 0.7% – 1.3% increase in construction costs for a multi-specialty outpatient surgical hospital.</p> <p>VDH is not aware of any other quantifiable costs at this time.</p>
(4) Information Sources	The Facility Guidelines Institute; Division of Acute Care Services, Office of Licensure and Certification.
(5) Assistance	None
(6) Optional	<p>VDH has numerous challenges and constraints that limit a cost benefit analysis, including limited data availability, limited statutory discretion, and insufficient analytical models.</p> <p>The regulatory change is designed to conform the regulation to the Code of Virginia, and to promote the health, safety, and welfare of hospital patients by incorporating current clinical and industry practices as well as by requiring reasonable timely information from hospitals, access to information to ensure hospital compliance, remedial action within a reasonable and consistently applied timeframe if noncompliance does occur.</p>

Economic Impacts on Families

Table 3: Impact on Families

(1) Direct Costs & Benefits	Families will not be affected by direct costs or benefits of the regulatory change as they are not subject to the requirements contained in this regulatory chapter and thus will incur no direct cost or benefit
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(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$0
Direct Benefits	(b) \$0
(3) Indirect Costs & Benefits	VDH is not aware of any quantifiable indirect costs or benefits for families. To the extent that the cost or benefit of regulatory changes may be passed on to families, VDH cannot quantify that cost or benefit at this time.
(4) Information Sources	Division of Acute Care Services, Office of Licensure and Certification.
(5) Optional	<p>VDH has numerous challenges and constraints that limit a cost benefit analysis, including limited data availability, limited statutory discretion, and insufficient analytical models.</p> <p>The regulatory change is designed to conform the regulation to the Code of Virginia, and to promote the health, safety, and welfare of hospital patients by incorporating current clinical and industry practices as well as by requiring reasonable timely information from hospitals, access to information to ensure hospital compliance, remedial action within a reasonable and consistently applied timeframe if noncompliance does occur.</p>

Impacts on Small Businesses

Table 4: Impact on Small Businesses

(1) Direct Costs & Benefits	<p>VDH is not aware of any general hospital that meets the definition of “small business” so regulatory changes that exclusively impact general hospitals have been omitted from this analysis.</p> <ul style="list-style-type: none"> Hospitals must report specified changes to the Virginia Department of Health (VDH) at least 30 calendar days prior to initiating the change. <p>Direct Costs: VDH is not aware of any quantifiable direct costs at time.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none"> Hospitals have to permit inspectors access to their facilities, records, and persons under their control for the purposes of inspection and
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	<p>have to submit plans of correction for cited deficiencies, and have to implement corrections within 45 business days.</p> <p>Direct Costs: VDH is not aware of any quantifiable direct costs at time.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none">• Hospitals have to meet minimum requirements if they intended to operate a newborn safety device. <p>Direct Costs: VDH is not aware of any quantifiable direct costs at time.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none">• Hospitals have to base their patient rights on analogous federal requirements. <p>Direct Costs: No more than \$1,250 one-time in total and potentially \$0 in total, as all but one licensed hospital already has to meet the analogous federal requirements.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none">• Hospitals have to meet the minimum requirements for allowing a person with a disability access to a designated support person. <p>Direct Costs: \$1,250 one-time per hospital to update existing policies and procedures about designated support persons.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none">• Hospitals have to meet the minimum requirements for information disclosure about financial assistance and payment plans. <p>Direct Costs: \$1,250 one-time per hospital to update existing policies and procedures about financial assistance and payment plans.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p>
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	<ul style="list-style-type: none"> Hospitals have to quarterly report sexual assault nurse examiner (SANE) employment information on the first day of each calendar quarter to the Office of Family Health Services. Direct Costs: \$5,000 annually per general hospital to track and report this information. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time. Hospitals have to meet minimum requirements for parent or guardian electronic access to minor patient’s medical records. Direct Costs: VDH is not aware of any quantifiable direct costs at time. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time. Hospital construction, renovation, or alterations have to comply with the applicable sections of the 2022 guidelines from The Facility Guidelines Institute. Direct Costs: VDH is not aware of any quantifiable direct costs at time. Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$173,750
Direct Benefits	(b) \$0
(3) Indirect Costs & Benefits	<p>VDH is not aware of any quantifiable benefits at this time.</p> <p>As a result of the mandate to comply with the 2022 edition of the applicable design and construction guidelines, VDH anticipates that there may be a quantifiable indirect cost equal to 1.4% increase in construction costs for a 160-bed general hospital, a 2.7% increase in construction costs for a 12-bed general hospital that is certified as a critical access hospital, a 0.7% – 1.3%</p>

	<p>increase in construction costs for a multi-specialty outpatient surgical hospital.</p> <p>VDH is not aware of any other quantifiable costs at this time.</p>
(4) Alternatives	Of the changes that are discretionary (see Tables 1b and 1c for identification of the discretionary changes), VDH could not identify an alternative that achieved the same purpose without compromising the health, safety, and welfare of patients or without compromising VDH’s ability to comply in a cost-efficient manner with statutory/legislative mandates placed on the agency.
(5) Information Sources	The Facility Guidelines Institute; Division of Acute Care Services, Office of Licensure and Certification.
(6) Optional	<p>VDH has numerous challenges and constraints that limit a cost benefit analysis, including limited data availability, limited statutory discretion, and insufficient analytical models.</p> <p>The regulatory change is designed to conform the regulation to the Code of Virginia, and to promote the health, safety, and welfare of hospital patients by incorporating current clinical and industry practices as well as by requiring reasonable timely information from hospitals, access to information to ensure hospital compliance, remedial action within a reasonable and consistently applied timeframe if noncompliance does occur.</p>

Changes to Number of Regulatory Requirements

Table 5: Total Number of Requirements

	Number of Requirements			
Chapter number	Initial Count	Additions	Subtractions	Net Change
410	3,841	86	24	62