

Office of Regulatory Management
Economic Review Form

Agency name	Board for Hearing Aid Specialists and Opticians
Virginia Administrative Code (VAC) Chapter citation(s)	18 VAC 80-20
VAC Chapter title(s)	Hearing Aid Specialist Regulations
Action title	Amendment to Expand Training Options for Applicants
Date this document prepared	August 15, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Final (Action 5709 / Stage 10452)

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

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

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Direct Costs:</p> <ol style="list-style-type: none"> 1. Adding a new training option of a registered apprenticeship for obtaining a hearing aid specialists license. 2. Adding stipulations that sponsors cannot refer permit holders to the exam until the permit holder has accrued six months of experience. The Board proposes a six-month training requirement because the pass rate for temporary permit holders at six months stands at approximately 20%. This rate decreases by about 10% for every three months less of training. While one or two individuals per year might succeed in passing the exam with less than six months of preparation, the overwhelming majority do not, resulting in both financial losses from exam fees and the emotional burden of failing a state licensing exam. 3. Creates a single non-renewable 18-month temporary permit in place of the current 12-month temporary permit that may be extended for an additional six months upon request by the applicant. <p>Direct Costs:</p> <p>One direct cost of revising the requirement that individuals wishing to take the exam must have at least six months of experience under a temporary permit is the loss of examination fees to the Board’s examination vendors. Individuals with nine months of training or less had below a 30 percent pass rate and the pass rate for those with six months of training was below 20 percent. With the examination pass rate being so low, applicants were taking the exam multiple times prior to passing.</p> <p>Exams fees are \$250 for the written portion (administered by International Licensing Examination for Hearing Healthcare Professionals (ILE)), \$90 for the practical portion (administered by DPOR) and \$35 for the rules/regulations portion of the exam (administered by PSI, Inc.) Total fee cost for all examinations is \$375.</p> <p>On average there are 70 examination candidates every year.</p> <p>Examination fee costs x number of examination candidates: \$26,250.</p> <p>Exam vendors charge the same fee for re-examination candidates as initial candidates. Applicants must pay additional fees for subsequent exam attempts. Reexamination data from 2023 indicates ILE administered 16 reexaminations; DPOR administered 15 reexaminations; and PSI administered three (3) reexaminations. Potential annual losses to examination vendors are anticipated to be \$5,455. This number is based</p>
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	<p>on an assumption that all temporary permit holders will pass all portions of the examination of the first attempt. This may be considered a transfer payment.</p> <p>Another direct cost to the applicant is the loss of earning potential sooner than later. Many temporary permit holders take the exam within two months of beginning their training program. Extending this process by four months would prevent them from earning a hearing aid specialist salary for that period. Based on the U.S. Bureau of Labor Statistics, the median annual salary for a hearing aid specialist is \$58,670. A temporary permit holder earning the median wage could potentially lose approximately \$19,557 during the additional four months of training. There is no available data indicating that temporary permit holders earn less than the average hearing aid specialist salary. On average, there are 46 temporary permit holders each year.</p> <p>Lost wages x number of temporary permit holders: \$899,622</p> <p>Total anticipated direct costs of the regulatory change: \$ 905,077 (lost revenue to examination vendors + lost wages of temporary permit holders).</p> <p>Indirect Costs: There are no new monetizable indirect costs to the proposed change.</p> <p>Direct Benefits:</p> <p>This modification adds an additional method of qualifying for licensure - registered apprenticeship. Registered apprenticeship offers several advantages over traditional training programs, including they are paid, on the job training, recognized by the federal government and transferrable to any other state with a registered apprenticeship program. Apprentices would be able to begin earning the mean annual wage of \$58,670 for a hearing aid specialist approximately two years earlier than an individual who is enrolled in a traditional training program.</p> <p>It is estimated that approximately 18 hearing aid applicants per year will come in through the apprenticeship pathway. This is based on an assumed 25% of total applicants (70 per year) choosing this new pathway.</p> <p>Number of hearing aid applicants selecting apprenticeship pathway x mean annual wage for hearing aid specialist: \$ 1,056,060</p> <p>Another direct benefit to the applicant is the reduction of the financial loss due to multiple examination fees. Applicants would be expected to save \$5,455 per year. Employers often use the exam to weed out potential</p>
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	<p>employees. Trainees will be able to hold onto their positions and salary longer and obtain more experience to pass their exams.</p> <p>Indirect Benefits: There are no new monetizable indirect benefits of the proposed changes.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$4,269,337 (5 years)	(b) \$2,925,910 (5 years)
(3) Net Monetized Benefit	-\$1,343,428 (5 years)	
(4) Other Costs & Benefits (Non-Monetized)	<p>Benefits: Another direct benefit to the applicant is the reduction of the financial loss due costs associated with traveling to an examination site multiple times to take the license examination.</p> <p>Employers often use the exam to weed out potential employees. Trainees will be able to hold onto their positions and salary longer and obtain more experience to pass their exams.</p> <p>By not needing to retake the exam due to an expected increase in the exam pass rate, candidates could experience a cost savings. Additionally, with adding a registered apprenticeship option, applicants have an additional pathway to be able to earn money while receiving on the job training.</p> <p>Reduces the burden on applicants to fill out a form and request an extension of their temporary permit and reduces staff time on processing such requests.</p> <p>Costs: The Virginia Department of Workforce Development Advancement (DWDA) administers registered apprenticeships in Virginia and would have primary oversight of these training programs. DWDA participated in Board’s Training Committee’s initial discussions about this registered apprenticeship option. DWDA would assume costs associated with implementation of the hearing aid specialist apprenticeship program.</p>	
(5) Information Sources	<p>Bureau of Labor and Statistics; ILE and DPOR Exam Pass Rate information</p> <p>https://www.bls.gov/oes/current/oes292092.htm</p>	

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: There are no additional direct costs to maintaining the regulation as is.</p> <p>Indirect Costs: There are no additional indirect costs to maintaining the regulation as is.</p> <p>Direct Benefits: There are no additional direct benefits to maintaining the regulation as is.</p> <p>Indirect Benefits: There are no additional indirect benefits to maintaining the regulation as is.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$0
(3) Net Monetized Benefit	\$0	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	N/A	

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	No viable alternatives for achieving the purpose of the proposed regulatory action could be determined.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	

(5) Information Sources	
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Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: There are no anticipated direct costs on local partners. Indirect Costs: There are no anticipated indirect costs on local partners. Direct Benefits: There are no anticipated direct benefits on local partners. Indirect Benefits: There are no anticipated indirect benefits on local partners.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	There are no anticipated non-monetizable costs or benefits to local partners.	
(4) Assistance	N/A	
(5) Information Sources		

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: There are no anticipated monetizable direct costs that will impact families.
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	<p>Indirect Costs:</p> <p>There are no anticipated monetizable indirect costs that will impact families.</p> <p>Direct Benefits:</p> <p>There are no anticipated monetizable direct benefits that will impact families.</p> <p>Indirect Benefits:</p> <p>There are no anticipated monetizable indirect benefits of this proposed change that will impact families.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Information Sources		

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs:</p> <p>There are no anticipated direct costs that will impact small businesses.</p> <p>Indirect Costs:</p> <p>There are no anticipated indirect costs that will impact small businesses.</p> <p>Direct Benefits:</p> <p>There are no anticipated direct benefits that will impact small businesses.</p>
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	<p>Indirect Benefits:</p> <p>There are no anticipated indirect benefits that will impact small businesses.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Alternatives	N/A	
(5) Information Sources		

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
20-30	(M/A):	2	0	0	0
	(D/A):	3	0	0	0
	(M/R):	0	0	0	0
	(D/R):	36	0	0	0
20-40	(M/A):	1	0	0	0
	(D/A):	6	0	0	0
	(M/R):	0	0	0	0
	(D/R):	45	1	0	+1
Grand Total of Changes in Requirements:					(M/A): 0 (D/A): 0 (M/R): 0 (D/R): +1

Key:

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself

(D/A): Discretionary requirements affecting agency itself

(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

(D/R): Discretionary requirements affecting external parties, including other agencies

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
N/A	N/A	N/A	N/A	N/A

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden

<p>20-30</p>	<p>Requires temporary permit holders to complete at least six months of experience before becoming eligible for the exam.</p>	<p>Increases the stringency of the current requirements for applicants that choose to obtain their training and experience through a temporary permit.</p> <p>Creates a longer amount of time before an applicant can test, however, the requirement is addressing the low exam pass rate and the multiple fees that applicants must pay to retest.</p> <p>This change affects one D/R requirement in section -30.</p>
<p>20-30 20-40</p>	<p>Allows for the Board to accept documentation of a registered apprenticeship through Virginia Department of Workforce Development and Advancement (VDWDA) as proof of meeting training and experience requirements to qualify for the license examination.</p> <p>Allows for a registered apprenticeship to be deemed as a temporary permit to allow individuals to work and gain experience to become a hearing aid specialist.</p>	<p>Creates a new pathway for individuals to enter the profession.</p> <p>Apprentices would be able to begin earning income for a hearing aid specialist approximately two years earlier than an individual who is enrolled in a traditional training program.</p> <p>This change affects one D/R requirement in section -30.</p>
<p>20-40</p>	<p>Extends the term of a temporary permit from 12 months to 18 months. Removes the option for a six (6) month extension of the initial term for a temporary permit.</p> <p>Currently, a temporary permit is valid for 12 months and may be extended for an additional period of six (6) months.</p>	<p>Reduces the administrative and paperwork burden for a temporary permit holder to extend a temporary permit by no longer requiring applicants to fill out and submit extension request forms.</p> <p>This change affects one D/A requirement and one D/R requirement in section -40.</p>

	However, a permit holder may have a permit for no longer than 18 months.	
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Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Word Count	New Word Count	Net Change in Word Count
N/A	N/A	N/A	N/A

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).