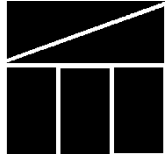


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes<sup>1</sup>  Not Needed

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

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**18 VAC 90-30 Regulations Governing the Licensure of Nurse Practitioners**  
**Department of Health Professions**  
**Town Hall Action/Stage: 5132 / 8578**  
June 4, 2019

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### Summary of the Proposed Amendments to Regulation

Pursuant to Chapter 776 of the 2018 Acts of Assembly,<sup>2</sup> the Boards of Nursing and Medicine (Boards) jointly propose to establish criteria for nurse practitioners wishing to work autonomously.

### Result of Analysis

The benefits likely exceed the costs for all proposed changes.

### Estimated Economic Impact

The 2018 General Assembly authorized nurse practitioners to work autonomously and required the Boards to promulgate regulations governing such practice. Consistent with the enabling legislation, the Boards, under an emergency regulation,<sup>3</sup> set the qualifications for authorization for a nurse practitioner to practice without a practice agreement with a patient care team physician, including the hours required for the equivalent of five years of full-time clinical experience, content of the attestation from the physician and nurse practitioner, submission of an attestation when the nurse practitioner is unable to obtain a physician attestation, requirements

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<sup>1</sup> Adverse impact is indicated if there is any increase in net cost for any entity, even if the benefits exceed the costs for all entities combined.

<sup>2</sup> <http://lis.virginia.gov/cgi-bin/legp604.exe?181+ful+CHAP0776>

<sup>3</sup> <https://townhall.virginia.gov/l/ViewStage.cfm?stageid=8395>

for autonomous practice, and the fee for authorization. The Boards now propose to make the emergency regulation permanent.

The main economic effects of autonomous practice fall on the nurse practitioners with the prerequisite experience, the doctors that used to have a practice agreement with a nurse practitioner, and the public in general. In a few cases, a nurse practitioner (or the employer of the nurse practitioner) practicing under the oversight of a doctor pursuant to a practice agreement may pay the doctor for such an arrangement. Anecdotally, the magnitude of such payments may range from \$500 to \$3,000 per month.<sup>4</sup> Thus, autonomous practice may relieve a nurse practitioner or his employer from such ongoing payments. This legislative change benefits qualifying nurse practitioners while taking away a possible stream of income from few doctors providing oversight. Whether loss of income by a supervising doctor is a net cost or not depends on specific circumstances. In some cases, the doctor may be better off because he can use the time he would gain from no longer providing oversight in more productive activities. In other cases, the physician may be worse off if the value of the time that would be freed up from reduced oversight is less than the amount he may have received in oversight payment.

According to the Department of Health Professions (DHP), the legislative requirements and the proposed rules ensure quality of services because nurse practitioners practicing autonomously are still required to consult and collaborate with other health care providers based on clinical conditions and to only practice within the scope of their training and limits of experience. Thus, no additional health risks are expected from this change. In addition, this change may improve access to care in rural areas where it is generally difficult to find a collaborating physician if interested nurse practitioners choose to work in those areas. However, according to DHP, the 440 applications received so far are from all over Virginia and do not dominantly come from rural areas.

Finally, the Boards propose to establish a one-time \$100 fee for autonomous practice applications. This fee will be used to cover the administrative expenses to evaluate and process applications. The legislation also requires liability insurance. The required fee and the insurance coverage should not negatively affect applicants as they are required from only those who are interested in such a practice and who would likely benefit from such an authority.

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<sup>4</sup> Source: DHP

**Businesses and Entities Affected**

There are approximately 4,000 persons who have held a license as a nurse practitioner for five years or more. However, it is unknown how many of that number have been actively engaged in full-time clinical practice. As of May 28, 2019, there were 440 applications received for autonomous practice and 372 of them were approved.

**Localities Particularly Affected**

The proposed changes have the potential to improve access to care in rural areas where supply of physicians are lacking. However, it may be too early to see the evidence for such an effect.

**Projected Impact on Employment**

The proposed amendments should not significantly affect total employment.

**Effects on the Use and Value of Private Property**

The proposed changes would allow a nurse practitioner to work autonomously. Autonomous practice may positively affect asset value of such a business.

**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**

The proposed amendments may reduce the cost for nurse practitioners to actively practice. This may reduce costs for small medical practices that employ nurse practitioners.

**Alternative Method that Minimizes Adverse Impact**

The proposed amendments should not adversely affect small businesses.

**Adverse Impacts:****Businesses:**

The proposed amendments should not adversely affect businesses.

**Localities:**

The proposed amendments should not adversely affect localities.

**Other Entities:**

The proposed amendments should not have a direct adverse effect 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 14 (as amended, July 16, 2018). 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.