



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 90-20 – Regulations Governing the Practice of Nursing Department of Health Professions June 3, 2003

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G 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. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

The Board of Nursing (board) proposes to: 1) amend these regulations so as to allow itself to accept evidence of accreditation by a nursing education accrediting body for the purpose of continued approval of a nursing program, 2) change required faculty qualifications for nursing programs, 3) change required curriculum for nursing programs, 4) require that education programs notify the board within 10 days if there is a change in their program director, governing body, or accreditation status, 5) require that nurses who have had their license lapse for more than one year complete 15 hours of continuing education in nursing or pass the National Council Licensing Examination during the period the Virginia license lapsed in order to have their license reinstated, 6) add to the list actions that are specified as unprofessional conduct, 7) delete the regulatory language pertaining to certified nurse aides, 8) establish a required minimum number of hours (24) to be spent on classroom instruction and practice in the content requirements for medication administration training programs, and 9) add clarifying language in several areas.

Estimated Economic Impact

Accreditation in Lieu of Site Visit

Under the current regulations, Department of Health Professions (department) staff conduct survey visits of nursing education programs every eight years in order to evaluate whether the programs should continue to hold approved status. According to the department, the information gathered by their site visits greatly overlaps with information obtained by accrediting bodies on their site visits. The proposed regulations allow the board to accept evidence of accreditation by a nursing education accrediting body recognized by the U.S. Department of Education for the purpose of continued approval of a program in lieu of a site visit. Under both the current and proposed regulations, programs must submit a comprehensive self-evaluation report.

This proposed amendment produces significant cost savings for both nursing education programs and the department. For example, Associate Dean Janet Younger of the Virginia Commonwealth University School of Nursing estimates that the following staff time is spent in connection with department site visits:

- preparation for visit:
 - 4 days full time by 1 secretary (approximate \$30,000 annual salary)¹
 - 4 days full time by 1 dean-level staff member (\$100,000 to \$140,000 annual salary)
 - 20 minutes of preparation by all 36 faculty (average faculty salary: \$80,000)
- visit:
 - 2 days full time by 1 dean (\$100,000 to \$140,000 annual salary)
 - 2 days full time by 2 faculty (approx. \$80,000 annual salary)
 - 2 days full time by 1 secretary (approx. \$30,000 annual salary)
 - 2 hours with each faculty member (approx. \$80,000 annual salary)
 - 1 hour each with 12 provost, vice-president, dean-level staff (\$100,000 to \$170,000 annual salary)

¹ All salary estimates were provided by VCU.

Combining the above information with assumptions of a 40-hour work week and a 50-week work year, the estimated savings for VCU by eliminating a site visit is \$8,890² in personnel time every eight years. Material costs are minimal.³ According to the department, there are 96 nursing education programs (38 in registered nursing and 58 in licensed practical nursing) in the Commonwealth. The proposal to accept national accreditation in lieu of a site visit primarily affects the 38 registered nurse programs because they are mainly the ones that have national accreditation; 36 out of 38 registered nursing programs in Virginia hold national accreditation. The two programs that are not yet accredited have been recently established and are undergoing the approval process with the board as well as the accrediting process. Smaller programs may incur smaller costs in personnel time spent in connection with site visits. Nevertheless, the potential aggregate savings for Virginia's nursing education programs is large.

The department would also save on expenses by acceptance of the report for national accreditation in lieu of the once every eight-year site visit. Depending on the content of the report filed with the Board, it retains the option of a site visit but would not be required to do so if the program has maintained accreditation. The department estimates that the revised regulation may result in four less site visits by staff each year for a total savings of approximately \$1,410 per year.⁴

The department is confident that it will receive sufficient information through receipt of the most recent report from the applicable accrediting agency as well the comprehensive self-evaluation report to determine whether a nursing program shall be qualified to continue to receive approved status. Given the significant cost savings for both nursing education programs and the department and the continued receipt of adequate information for judgment by the department, the proposal to allow the board to accept evidence of accreditation by a nursing

² Calculations: $40 \times 50 = 2,000$ hours in a work year; $32 / 2,000 = 0.016$ (4 days' percentage of work year); $\$30,000 \times 0.016 = \480 (value of secretary's four days of preparation); $\$120,000 \times 0.016 = \$1,920$ (value of dean-level staff member's four days of preparation); $(1/3) / 2,000 = 0.000167$ (20 minutes' percentage of work year); $36 \times \$80,000 \times 0.000167 = \480 (value of 36 professors' 20 minutes of preparation); $16 / 2,000 = 0.008$ (2 days' percentage of work year); $\$120,000 \times 0.008 = \960 (value of dean's two days during visit); $2 \times \$80,000 \times 0.008 = \$1,280$ (value of two professors' two days during visit); $\$30,000 \times 0.008 = \240 (value of secretary's two days during visit); $2 / 2,000 = 0.001$ (two hours' percentage of work year); $34 \times \$80,000 \times 0.001 = \$2,720$ (value of 34 faculty members' two hours during visit); $1 / 2,000 = 0.0005$ (1 hour's percentage of work year); $12 \times \$135,000 \times 0.0005 = \810 (value of twelve provost, vice-president, dean-level staff's one hour during visit); $\$480 + \$1,920 + \$480 + \$960 + \$1,280 + \$240 + \$2,720 + \$810 = \$8,890$ (value of personnel time spent on site visit).

³ Source: Associate Dean Janet Younger of the Virginia Commonwealth University School of Nursing

education accrediting body recognized by the U.S. Department of Education for the purpose of continued approval of a program in lieu of a site visit produces a net benefit for the Commonwealth.

Faculty Qualifications for Nursing Programs

The board proposes to amend the required minimum faculty qualifications for nursing programs. According to the department, all of the proposed amendments are consistent with requirements to achieve accreditation. The proposed regulations also include “grandfathering language” that exempts faculty hired prior to the effective date of the proposed regulations from the new educational requirements.

Program directors of baccalaureate degree programs in nursing are currently required to have a doctorate. The regulations do not specify that the Ph.D. be in any particular field. The proposed regulations maintain the doctorate requirement without specifying a field, but also require that the program director have at least one graduate degree in nursing. Program directors with a PhD in nursing or a PhD in another field and a master’s degree in nursing will not be affected by this proposed amendment. Directors with a PhD in a non-nursing field and who possess no graduate nursing degree will not be eligible for program director positions under the proposed regulations.

Faculty of baccalaureate degree programs in nursing are currently required to have a graduate degree. If the graduate degree is in something other than nursing, then their baccalaureate degree must be in nursing. Under the proposed regulations, faculty of baccalaureate degree programs in nursing are required to have a graduate degree in nursing, or another graduate degree with at least 18 graduate credit hours in nursing.

Under the current regulations, program directors of associate degree programs in nursing and the majority of the faculty are required to have a graduate degree. Other faculty members, both full-time and part-time, must have at least a baccalaureate degree. The degree may be in any field. The proposed regulations specify that the director’s graduate degree must be in nursing and that every full-time faculty member must hold either a graduate degree in nursing or

⁴ The Department of Health Professions estimates that it will save \$352.50 for each time that it accepts the report for national accreditation in lieu of a site visit. Calculation: 4 x \$352.50 = \$1,410

another graduate degree with at least 18 graduate credit hours in nursing. Part-time clinical members of the faculty must have at least a baccalaureate degree.

The proposed amendments to the required minimum faculty qualifications in registered nursing programs will not have an immediate impact since the proposed requirements are commensurate with requirements for accreditation, and all registered nursing programs in the Commonwealth are either accredited or are currently undergoing the accrediting process.⁵ However, Virginia law does not prohibit registered nursing programs from operating without accreditation, nor does it prohibit individuals who earn a degree at an unaccredited registered nursing program from working as registered nurses in Virginia. The proposed increase in the required minimum faculty qualifications in registered nursing programs could discourage the establishment of non-accredited registered nursing programs in the Commonwealth.

For practical nursing programs, the program director and the majority of the faculty must have at least a baccalaureate degree. The degree may be in any field. Under the proposed regulations, the director must have a baccalaureate degree in nursing. The requirement that the majority of the faculty have at least a baccalaureate degree in any field is not changed. Read literally, the requirement that the program director have a baccalaureate degree in nursing disqualifies an individual with a graduate degree in nursing, but an undergraduate degree in another field, from the position. Prohibiting such individuals from becoming directors is costly to both the individuals and the programs since the programs will no longer be permitted to consider potentially very capable candidates for the position. Holding other factors constant, a graduate degree in nursing demonstrates greater relevant knowledge than a baccalaureate degree. This will drive up hiring costs for the programs. There is no apparent benefit to prohibiting candidates with a graduate degree in nursing, but an undergraduate degree in another field, from qualifying to be a director of a practical nursing program.

The proposal to require that the director's baccalaureate degree be in nursing also disqualifies candidates who possess no degree in nursing from the position. Since this also prevents programs from considering candidates that they may consider under the current regulations, it also adds to programs' costs. On the other hand, holding other factors constant, no

⁵ According to the Department of Health Professions, 36 out of 38 registered nursing programs in Virginia hold national accreditation; and the other two programs have been recently established and are undergoing the accrediting process.

degree in nursing demonstrates less relevant knowledge than a baccalaureate degree in nursing. Thus, preventing individuals with no baccalaureate or higher degree in nursing from becoming director of a practical nursing program can be beneficial in that the public is assured that such programs have a director with relevant knowledge at least commensurate with that gained from a baccalaureate degree in nursing.

Notification of Program Changes

The board proposes to require education programs to notify the board within 10 days if there is a change to any of the following: the program director, the governing body of a program, or the accreditation status of a program. Under the current regulations changes only need to be reported once a year in the program's annual report. According to the department, the education programs may notify the board via email, letter, or fax. Thus, the education programs' costs of sending notification are small. The value to the board of having accurate up-to-date information likely exceeds the small cost of sending notification.

Continuing Education for Licensure Reinstatement

The board proposes to require that nurses who have had their license lapse for more than one year complete 15 clock hours of continuing education in nursing or pass the National Council of State Boards of Nursing licensing examination during the period the Virginia license lapsed in order to have their license reinstated. The continuing education must be in nursing and be provided by a regionally accredited educational institution or a professional nursing organization. The board may waive all or part of the continuing education requirement for a nurse who holds a current, unrestricted license in another state and who has engaged in active practice during the period the Virginia license was lapsed. There are no continuing education requirements for nurses who apply to renew their license on time.

According to the department, most nurses already obtain continuing education through in-service training in their employment setting. The proposed continuing education requirement will not affect these individuals if their annual in-service training equals or exceeds 15 hours. For those nurses who seek to reinstate their lapsed license who do not already obtain 15 hours of continuing education through in-service training, the American Nurses Association (ANA) offers continuing education courses in nursing online.⁶ Currently, 7.2 hours are available at no cost to

⁶ See <http://nursingworld.org/ce/cecatalog.cfm>

both members and nonmembers. ANA members can complete the remaining required 7.8 hours through ANA online courses for \$28 in fees. For nonmembers the cost is \$43. The annual ANA membership fee for Virginians is \$225.⁷ As stated above, instead of 15 hours of continuing education, the proposed requirement may alternatively be met by passing the National Council of State Boards of Nursing licensing examination. Exam takers must pay a \$200 fee to the National Council and a \$25 fee to the Virginia Board of Nursing. Thus, for those individuals seeking the lowest cost means of compliance, the proposed continuing education requirement will not cost individuals more than \$43 in terms of fees.

In addition to fees, nurses' time also has value. The median hourly wages for registered nurses and licensed practical nurses in Virginia are \$21.03 and \$14.09, respectively.⁸ Assuming that the value of a nurse's time is equal to her median hourly wage, then it would cost a registered or licensed practical nurse who is neither currently obtaining any continuing education nor is a member of ANA \$358.45⁹ or \$254.35,¹⁰ respectively, to comply with the proposed license reinstatement continuing education requirement. The cost is lower for individuals who either currently receive some continuing education or are members of ANA.

The benefit of the proposed continuing education requirement is more difficult to estimate than the cost. Since the continuing education hours must be in nursing, nurses who take the courses likely gain some useful knowledge. Nevertheless, the amount of useful nursing-related knowledge that is gained, i.e., not already known by the nurses, is not evident. Plus, it is not clear whether the additional knowledge makes a significant difference in the competence of the nurses concerned.

Certified Nurse Aides

The board proposes to repeal the regulatory language concerning certified nurse aides. New regulation, 18 VAC 90-25, is currently proposed that will contain an amended version of the regulatory language concerning certified nurse aides that is currently in these regulations. Analysis of the proposed amendments to certified nurse aide regulation is contained within the Economic Impact Analysis for those proposed regulations.

⁷ The annual membership fee for ANA differs by state.

⁸ Source: U.S. Department of Labor, Bureau of Labor Statistics, 2001 State Occupational Employment and Wage Estimates

⁹ Calculation: \$43 + (15 x \$21.03) = \$358.45

Medication Administration Training Programs

The current regulations include subject matter requirements for medical administration training programs, but do not specify a minimum amount of time to be spent on classroom instruction and practice. The board proposes to require that medical administration training programs consist of at least 24 hours of classroom instruction and practice. The board believes that appropriate training cannot be fully delivered in less than 24 hours. Since all approved medication administration training programs in Virginia currently meet this minimum requirement,¹¹ this proposal will have no immediate impact.

Businesses and Entities Affected

The proposed amendments affect the 84,675 registered nurses, 26,679 licensed practical nurses, and 451 clinical nurse specialists in the Commonwealth, as well as their patients and employers. In addition, the 38 registered nurse programs, the 58 licensed practical nurse programs, and their staff and students are affected as well.

Localities Particularly Affected

The proposed regulations affect all Virginia localities.

Projected Impact on Employment

The proposed requirement that the director of practical nursing programs have a baccalaureate degree in nursing may alter who is hired by such programs.

Effects on the Use and Value of Private Property

The proposal to allow the board to accept evidence of accreditation by a nursing education accrediting body recognized by the U.S. Department of Education for the purpose of continued approval of a program in lieu of a site visit will save nursing programs thousands of dollars in costs. The value of these programs will increase commensurately.

The requirement that directors of practical nursing programs have a baccalaureate degree in nursing increases hiring costs for such programs, consequently lowering their value by a small amount.

¹⁰ Calculation: $\$43 + (15 \times \$14.09) = \$254.35$

¹¹ Source: Department of Health Professions

The proposed requirement that nurses who have had their license lapse for more than one year complete 15 hours of continuing education in nursing or pass the National Council Licensing Examination during the period the Virginia license lapsed in order to have their license reinstated increases costs for these nurses. It will lower their net worth by a few hundred dollars or less. Providers of continuing education may encounter increased business due to this proposal, leading to moderate increases in their revenue and value.