

Office of Regulatory Management
Economic Review Form

Agency name	State Board of Health
Virginia Administrative Code (VAC) Chapter citation(s)	12 VAC 5-220
VAC Chapter title(s)	Virginia Medical Care Facilities Certificate of Public Need Rules and Regulations
Action title	Amend Regulations to Conform to Chapters 114, 135, and 325 of the 2025 Acts of Assembly
Date this document prepared	July 30, 2025
Regulatory Stage (including Issuance of Guidance Documents)	Final Exempt

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>CAH Swing Beds (Chapters 114 and 135 of the 2025 Acts of Assembly)</p> <p>Direct Costs: Critical Access Hospitals (CAHs) in the Commonwealth will have to bear the direct cost of reporting the daily swing bed census to VDH. VDH does not have sufficient data to determine these costs at this time.</p> <p>Indirect Costs: CAHs may have an indirect cost to hire specialized staff for long-term care patients if they are choosing to use their swing beds for those patients for a longer period of time. VDH does not have sufficient data to determine the cost to a CAH for hiring specialized staff for long-term care patients at this time.</p> <p>Direct Benefits: CAHs will have an increased financial reimbursement for caring for long-term care patients. VDH does not have sufficient data to determine this benefit as CAHs will individually determine how many long-term care patients they choose to treat.</p> <p>VDH is unaware at this time of any indirect benefits.</p> <p>TDOs Conditioned on COPN (Chapter 325 of the 2025 Acts of Assembly)</p> <p>Direct Costs: VDH is unaware at this time of any direct or indirect costs that are a result of this regulatory change.</p> <p>VDH cannot determine at this time what the specific costs will be for a psychiatric facility to accept Temporary Detention Order (TDO) patients as a condition of COPN approval which may vary from applicant to applicant and the proposed project.</p> <p>VDH is unaware at this time of any direct or indirect monetized benefits.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>
	<p>(a) \$0</p>	<p>(b) \$0</p>
<p>(3) Net Monetized Benefit</p>	<p>\$0</p>	

(4) Other Costs & Benefits (Non-Monetized)	<p>CAH Swing Beds (Chapters 114 and 135 of the 2025 Acts of Assembly)</p> <p>Non-monetized Costs: Patients may periodically lose access to acute care services which are essential in rural communities when a CAHs census of swing-beds is high and its acute care beds are low.</p> <p>Non-monetized Benefits: Patients in rural communities will have greater access to long-term care services from a CAH.</p> <p>TDOs Conditioned on COPN (Chapter 325 of the 2025 Acts of Assembly)</p> <p>Non-monetized Costs: Applicants for a new or expanded psychiatric project may have to accept TDO patients as a condition of their COPN.</p> <p>VDH is unaware of any non-monetized benefits at this time.</p>
(5) Information Sources	Division of Certificate of Public Need, Office of Licensure and Certification, Virginia Department of Health

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

(1) Direct & Indirect Costs & Benefits (Monetized)	The changes being made by this regulatory action are non-discretionary.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources	Division of Certificate of Public Need, Office of Licensure and Certification, Virginia Department of Health	

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

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>CAH Swing Beds (Chapters 114 and 135 of the 2025 Acts of Assembly)</p> <p>There is one local partner that operates a CAH in the Commonwealth, the Lee County Hospital Authority.</p> <p>Direct Costs: The Lee County Hospital Authority will have to bear the direct cost of reporting the daily swing bed census to VDH. VDH does not have sufficient data to determine these costs at this time.</p> <p>Indirect Costs: The Lee County Hospital Authority may have an indirect cost to hire specialized staff for long-term care patients if they are choosing to use their swing beds for those patients for a longer period of time. VDH does not have sufficient data to determine the cost to a CAH for hiring specialized staff for long-term care patients at this time.</p> <p>Direct Benefits: The Lee County Hospital Authority will have an increased financial reimbursement for caring for long-term care patients. VDH does not have sufficient data to determine this benefit as CAHs will individually determine how many long-term care patients they choose to treat.</p> <p>VDH is unaware at this time of any indirect benefits.</p> <p>TDOs Conditioned on COPN (Chapter 325 of the 2025 Acts of Assembly)</p> <p>Only three local partners would appear to be affected by this regulatory change; the Chesapeake Hospital Authority, the Lee County Hospital Authority, and VCU Medical Center.</p> <p>Direct Costs: VDH is unaware at this time of any direct or indirect costs that are a result of this regulatory change.</p> <p>VDH cannot determine at this time what the specific costs will be for a psychiatric facility to accept Temporary Detention Order (TDO) patients as a condition of COPN approval which may vary from applicant to applicant and the proposed project.</p> <p>VDH is unaware at this time of any direct or indirect monetized benefits.</p>
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)	<p>CAH Swing Beds (Chapters 114 and 135 of the 2025 Acts of Assembly)</p> <p>Non-monetized Costs: Patients in Lee County may periodically lose access to acute care services which are essential in rural communities when a CAHs census of swing-beds is high and its acute care beds are low.</p> <p>Non-monetized Benefits: Patients in Lee County will have greater access to long-term care services from Lee County Community Hospital if it chooses to utilize swing-beds for those services.</p> <p>TDOs Conditioned on COPN (Chapter 325 of the 2025 Acts of Assembly)</p> <p>Non-monetized Costs: Local partners that apply for psychiatric services may have to accept TDO patients as a condition of their COPN.</p> <p>VDH is unaware of any non-monetized benefits at this time.</p>	
(4) Assistance	No additional assistance will be required as a result of this regulatory change.	
(5) Information Sources	Division of Certificate of Public Need, Office of Licensure and Certification, Virginia Department of Health	

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)	The proposed regulatory changes are imposed almost completely on nursing homes, not families; therefore, at this time VDH is not aware of any direct monetized costs, indirect monetized costs, direct monetized benefits, or indirect monetized benefits for families.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)	<p>CAH Swing Beds (Chapters 114 and 135 of the 2025 Acts of Assembly)</p> <p>Non-monetized Costs: Patients and their families may periodically lose access to acute care services which are essential in rural communities when a CAHs census of swing-beds is high and its acute care beds are low.</p> <p>Non-monetized Benefits: Patients and their families in rural communities may have greater access to long-term care services from a CAH if it chooses to utilize swing-beds to provide those services.</p> <p>TDOs Conditioned on COPN (Chapter 325 of the 2025 Acts of Assembly)</p> <p>VDH is unaware at this time of any non-monetized costs on families.</p> <p>Non-monetized Benefits: Families of patients who are under a TDO will be able to have their family members treated in facilities with a condition on their COPN to accept TDO patients.</p>	
(4) Information Sources	<p>Division of Certificate of Public Need, Office of Licensure and Certification, Virginia Department of Health</p>	

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>CAH Swing Beds (Chapters 114 and 135 of the 2025 Acts of Assembly)</p> <p>There are two CAHs that are self-reportedly small businesses in the Commonwealth, Bath Community Hospital and Rappahannock General Hospital. VDH does not verify the accuracy of self-reported small business status.</p> <p>Direct Costs: CAHs that are small businesses in the Commonwealth will have to bear the direct cost of reporting the daily swing bed census to VDH. VDH does not have sufficient data to determine these costs at this time.</p>	
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	<p>Indirect Costs: CAHs that are small businesses may have an indirect cost to hire specialized staff for long-term care patients if they are choosing to use their swing beds for those patients for a longer period of time. VDH does not have sufficient data to determine the cost to a CAH for hiring specialized staff for long-term care patients at this time.</p> <p>Direct Benefits: CAHs that are small businesses will have an increased financial reimbursement for caring for long-term care patients. VDH does not have sufficient data to determine this benefit as CAHs will individually determine how many long-term care patients they choose to treat.</p> <p>VDH is unaware at this time of any indirect benefits.</p> <p>TDOs Conditioned on COPN (Chapter 325 of the 2025 Acts of Assembly)</p> <p>VDH does not have accurate data on the number of small businesses who may be affected by this regulatory change.</p> <p>Only three local partners would appear to be affected by this regulatory change; the Chesapeake Hospital Authority, the Lee County Hospital Authority, and VCU Medical Center.</p> <p>Direct Costs: VDH is unaware at this time of any direct or indirect costs that are a result of this regulatory change.</p> <p>VDH cannot determine at this time what the specific costs will be for a psychiatric facility to accept Temporary Detention Order (TDO) patients as a condition of COPN approval which may vary from applicant to applicant and the proposed project.</p> <p>VDH is unaware at this time of any direct or indirect monetized benefits.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)	<p>CAH Swing Beds (Chapters 114 and 135 of the 2025 Acts of Assembly)</p> <p>Non-monetized Costs: Patients of Bath Community Hospital or Rappahannock General Hospital may periodically lose access to acute care services which are essential in rural communities when a CAHs census of swing-beds is high and its acute care beds are low.</p>	

	<p>Non-monetized Benefits: Patients Bath Community Hospital or Rappahannock General Hospital may have greater access to long-term care services if either of those CAH’s chooses to utilize swing-bed to a greater degree.</p> <p>TDOs Conditioned on COPN (Chapter 325 of the 2025 Acts of Assembly)</p> <p>Non-monetized Costs: Small businesses that apply for psychiatric services may have to accept TDO patients as a condition of their COPN.</p> <p>VDH is unaware of any non-monetized benefits at this time.</p>
(4) Alternatives	The State Board of Health was not able to identify any alternatives for small businesses that would be more equitable while still protecting the health, safety, and welfare of the public. The State Board of Health has put forth thoughtful consideration about the burdens of the new substantive regulatory requirements that have a cost to regulants and has limited these amendments to those mandated by the General Assembly.
(5) Information Sources	Division of Certificate of Public Need, Office of Licensure and Certification, Virginia Department of Health

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
12VAC5-220-100	(M/A):	2	+7		+7
	(D/A):	0			
	(M/R):	3			
	(D/R):	0			
Grand Total of Changes in Requirements:				(M/A): +7	
				(D/A):	
				(M/R):	
				(D/R):	

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
12VAC5-220-100	CAH Swing-bed COPN exemption	\$0	Insufficient data to determine cost.	Insufficient data to determine cost.

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
12VAC5-220-100	CAH Swing-bed COPN exemption	Reducing the burden of requiring a COPN, but increasing the requirements on a CAH for reporting per day swing-bed counts to VDH
12VAC5-220-270	Commissioner condition COPN approval on acceptance of TDOs	Increased burden on medical care facilities with psychiatric beds to accept TDOs