

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	State Board of Health
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	12VAC5-371-10 et seq.
<b>VAC Chapter title(s)</b>	Regulations for the Licensure of Nursing Facilities
<b>Action title</b>	Amend Regulation to Incorporate Legislative Mandates from 2021, 2020, 2005, and 2004; to Update Terms to Match Statutory Language; and to Update Licensure Provisions
<b>Date this document prepared</b>	June 13, 2023

**Cost Benefit Analysis**

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

<p>(1) Direct Costs &amp; Benefits</p>	<ul style="list-style-type: none"> <li>Nursing facilities 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.</li> <li>Nursing facilities 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.</li> <li>Nursing facility 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.</li> </ul>
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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"> <li>Nursing facilities must have a policy addressing registration, reregistration, and verification with the Sex Offender and Crimes Against Minors Registry that meets statutory minimums.</li> </ul> <p>Direct Costs: \$1,250 one-time per topic per nursing facility to update existing policies and procedures about the Sex Offender and Crimes Against Minors Registry.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p> <ul style="list-style-type: none"> <li>Nursing facilities must utilize current clinical recommendations for influenza and pneumococcal vaccination.</li> </ul> <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"> <li>Nursing facilities must have a policy addressing visitation during public health emergencies related to COVID-19 that meets statutory minimums.</li> </ul> <p>Direct Costs: \$1,250 one-time per topic per nursing facility to update existing policies and procedures about visitation.</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	Present Value
Direct Costs	(a) \$715,000	(c) \$715,000
Direct Benefits	(b) \$0	(d) \$0
(3) Benefits-Costs Ratio	0.00	(4) Net Benefit -\$715,000

<p>(5) Indirect Costs &amp; Benefits</p>	<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 0.2% increase in construction costs for a 180-bed nursing facility that is multiple stories of non-combustible construction and a 0.4% increase in construction costs for a 180-bed nursing facility that is a single story of combustible construction.</p> <p>VDH is not aware of any other quantifiable costs at this time.</p>
<p>(6) Information Sources</p>	<p>The Facility Guidelines Institute; Division of Acute Care Services, Office of Licensure and Certification.</p>
<p>(7) Optional</p>	<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 nursing facility residents by incorporating current clinical and industry practices as well as by requiring reasonable timely information from nursing facilities, access to information to ensure nursing facility compliance, remedial action within a reasonable and consistently applied timeframe if noncompliance does occur.</p>

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

<p>(1) Direct Costs &amp; Benefits</p>	<p>Nondiscretionary changes have been omitted from this analysis.</p> <ul style="list-style-type: none"> <li>• Nursing facilities must report specified changes to the Virginia Department of Health (VDH) at least 30 calendar days prior to initiating the change, excluding nursing facility closures.</li> </ul> <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"> <li>• Nursing facilities 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.</li> </ul>
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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>	
(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 nursing facility residents by incorporating current clinical and industry practices as well as by requiring reasonable timely information from nursing facilities, access to information to ensure nursing facility compliance, remedial action within a reasonable and consistently applied timeframe if noncompliance does occur.</p>	

**Table 1c: Costs and Benefits under an Alternative Approach**

(1) Direct Costs & Benefits	<p>Nondiscretionary changes have been omitted from this analysis.</p> <ul style="list-style-type: none"> <li>Nursing facilities must report specified changes to the Virginia Department of Health (VDH) within an unspecified time frame at the nursing facility’s discretion prior to initiating the change.</li> </ul>
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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"> <li>Nursing facilities 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 calendar days.</li> </ul> <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 nursing facility residents by incorporating current clinical and industry practices as well as by requiring reasonable timely information from nursing facilities, access to</p>	

	information to ensure nursing facility compliance, remedial action within a reasonable and consistently applied timeframe if noncompliance does occur.
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**Impact on Local Partners**

**Table 2: Impact on Local Partners**

<p>(1) Direct Costs &amp; Benefits</p>	<ul style="list-style-type: none"> <li> <p>• Nursing facilities must report specified changes to the Virginia Department of Health (VDH) at least 30 calendar days prior to initiating the change.</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> </li> <li> <p>• Nursing facilities 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.</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> </li> <li> <p>• Nursing facility construction, renovation, or alterations have to comply with the applicable sections of the 2022 guidelines from The Facility Guidelines Institute.</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> </li> <li> <p>• Nursing facilities must have a policy addressing registration, reregistration, and verification with the Sex Offender and Crimes Against Minors Registry that meets statutory minimums.</p> <p>Direct Costs: \$1,250 one-time per topic per nursing facility to update existing policies and procedures about the Sex Offender and Crimes Against Minors Registry.</p> </li> </ul>
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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"> <li>Nursing facilities must utilize current clinical recommendations for influenza and pneumococcal vaccination.</li> </ul> <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"> <li>Nursing facilities must have a policy addressing visitation during public health emergencies related to COVID-19 that meets statutory minimums.</li> </ul> <p>Direct Costs: \$1,250 one-time per topic per nursing facility to update existing policies and procedures about visitation.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p>
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$2,500
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 0.2% increase in construction costs for a 180-bed nursing facility that is multiple stories of non-combustible construction and a 0.4% increase in construction costs for a 180-bed nursing facility that is a single story of combustible construction.</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 nursing facility residents by incorporating current clinical and industry practices as well as by requiring reasonable timely information from nursing facilities, access to information to ensure nursing facility 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.
(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 nursing facility residents by incorporating current clinical and industry practices as well as by requiring reasonable timely information from nursing facilities, access to</p>

	information to ensure nursing facility compliance, remedial action within a reasonable and consistently applied timeframe if noncompliance does occur.
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**Impacts on Small Businesses**

**Table 4: Impact on Small Businesses**

<p>(1) Direct Costs &amp; Benefits</p>	<ul style="list-style-type: none"> <li>• Nursing facilities 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.</li> <li>• Nursing facilities 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.</li> <li>• Nursing facility 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.</li> <li>• Nursing facilities must have a policy addressing registration, reregistration, and verification with the Sex Offender and Crimes Against Minors Registry that meets statutory minimums.  Direct Costs: \$1,250 one-time per topic per nursing facility to update existing policies and procedures about the Sex Offender and Crimes Against Minors Registry.</li> </ul>
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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"> <li>Nursing facilities must utilize current clinical recommendations for influenza and pneumococcal vaccination.</li> </ul> <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"> <li>Nursing facilities must have a policy addressing visitation during public health emergencies related to COVID-19 that meets statutory minimums.</li> </ul> <p>Direct Costs: \$1,250 one-time per topic per nursing facility to update existing policies and procedures about visitation.</p> <p>Direct Benefits: VDH is not aware of any quantifiable direct benefits at time.</p>
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$2,500 per nursing facility (see Response to #6 in this Table)
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 0.2% increase in construction costs for a 180-bed nursing facility that is multiple stories of non-combustible construction and a 0.4% increase in construction costs for a 180-bed nursing facility that is a single story of combustible construction.</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 does not have any data to indicate whether a currently licensed nursing facility meets the definition of “small business” so there may be no direct costs or direct benefits for small businesses.</p> <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 nursing facility residents by incorporating current clinical and industry practices as well as by requiring reasonable timely information from nursing facilities, access to information to ensure nursing facility 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**

Chapter number	Number of Requirements			
	Initial Count	Additions	Subtractions	Net Change
371	1,357	31	15	16