

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	State Board of Health
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	12 VAC 5-391
<b>VAC Chapter title(s)</b>	Regulations for the Licensure of Hospice
<b>Action title</b>	Amend Regulations to Incorporate the 2022 FGI Guidelines
<b>Date this document prepared</b>	July 13, 2023
<b>Regulatory Stage (including Issuance of Guidance Documents)</b>	Fast Track

**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)**

(1) Direct & Indirect Costs & Benefits (Monetized)	<ul style="list-style-type: none"> <li>• <b>Hospice facility construction, renovation, or alterations must comply with the applicable sections of the 2022 guidelines from the Facility Guidelines Institute.</b></li> </ul> <p><b>Direct Costs:</b> VDH is not aware of any quantifiable direct costs at this time.</p> <p><b>Indirect Costs:</b> 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 a 0.2% increase in construction costs for a model facility that is multiple stories of non-combustible construction and a 0.4% increase in construction costs for a model facility that is a single story of combustible construction, based on projections developed by FGI. VDH is unable to quantify a cost due to the cost variance between potential projects.</p> <p><b>Direct Benefits:</b> VDH is not aware of any quantifiable direct benefits at this time.</p> <p><b>Indirect Benefits:</b> VDH is not aware of any quantifiable indirect benefits at this time.</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)	<p>VDH is not aware of any non-monetized costs at this time.</p> <p>The non-monetized benefit to the regulants is that there will be a reduced confusion among the regulants regarding which edition of the FGI Guidelines is the controlling edition. The FGI Guidelines standardize space and equipment requirements and promotes safe practices and methods in planning, design, and construction.</p>	
(5) Information Sources	The Facility Guidelines Institute.	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	There are no non-discretionary changes in this Fast Track.	
(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)		
(5) Information Sources		

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

(1) Direct & Indirect Costs & Benefits (Monetized)	There are no non-discretionary changes in this Fast Track.	
(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)		
(5) Information Sources		

**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)	Local Partners will not be affected by direct or indirect quantifiable costs or benefits of the regulatory change as they are not subject to the requirements contained in this regulatory chapter and this will incur no direct cost or benefit.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Assistance		
(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)	Families will not be affected by direct or indirect quantifiable costs or benefits of the regulatory change as they are not subject to the requirements contained in this regulatory chapter and this will incur no direct cost or benefit.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(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**

<p>(1) Direct &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<ul style="list-style-type: none"> <li>• <b>Hospice facility construction, renovation, or alterations must comply with the applicable sections of the 2022 guidelines from the Facility Guidelines Institute. Of the 88 licensed hospice facilities in Virginia, VDH anticipates approximately 20 of them qualify as small businesses.</b></li> </ul> <p><b>Direct Costs:</b> VDH is not aware of any quantifiable direct costs for small businesses at this time.</p> <p><b>Indirect Costs:</b> 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 a 0.2% increase in construction costs for a model facility that is multiple stories of non-combustible construction and a 0.4% increase in construction costs for a model facility that is a single story of combustible construction, based on projections developed by FGI. VDH is unable to quantify a cost due to the cost variance between potential projects.</p> <p><b>Direct Benefits:</b> VDH is not aware of any quantifiable direct benefits for small businesses at this time.</p> <p><b>Indirect Benefits:</b> VDH is not aware of any quantifiable indirect benefits for small businesses at this time.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct &amp; Indirect Costs</p>	<p>Direct &amp; Indirect Benefits</p>
	<p>(a) \$0</p>	<p>(b) \$0</p>
<p>(3) Other Costs &amp; Benefits (Non-Monetized)</p>	<p>VDH is not aware of any non-monetized costs to small businesses at this time.</p> <p>The non-monetized benefit to small businesses is that there will be a reduced confusion regarding which edition of the FGI Guidelines is the controlling edition. The FGI Guidelines standardize space and equipment requirements and promotes safe practices and methods in planning, design, and construction.</p>	

(4) Alternatives	There are no alternatives to the regulatory change because it is mandated by § 32.1-162.5 of the Code of Virginia.
(5) Information Sources	The Facility Guidelines Institute; Division of Acute Care Services, Office of Licensure and Certification.

**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*

<b>VAC Section(s) Involved</b>	<b>Authority of Change</b>	<b>Initial Count</b>	<b>Additions</b>	<b>Subtractions</b>	<b>Net Change</b>
12.5.391.440	<b>Statutory:</b>	211 (R/S)	2 (R/S)	0	+2
	<b>Discretionary:</b>	16 (R/D)	1 (R/D)	1 (R/D)	0