

Michigan Office of Administrative Hearings and Rules

Administrative Rules Division (ARD)

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**REGULATORY IMPACT STATEMENT
and COST-BENEFIT ANALYSIS (RIS)**

Agency Information:

Department name:

Licensing and Regulatory Affairs

Bureau name:

Bureau of Professional Licensing

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Rule Set Information:

ARD assigned rule set number:

2022-67 LR

Title of proposed rule set:

Nursing Home Administrators—General Rules

Comparison of Rule(s) to Federal/State/Association Standard

1. Compare the proposed rules to parallel federal rules or standards set by a state or national licensing agency or accreditation association, if any exist.

Each state establishes its own requirements with respect to nursing home administrators, so there are no federal rules or standards set by a national or state agency that the proposed rules can be compared to.

A. Are these rules required by state law or federal mandate?

The rules are not federally mandated.

MCL 333.16145 requires the board to promulgate rules to specify the requirements for licensure, renewals, examination, and required passing scores.

MCL 333.16148 requires the department to promulgate rules to include training standards for identifying victims of human trafficking.

MCL 333.16287 requires the department, in consultation with the board, to promulgate rules to implement telehealth services.

B. If these rules exceed a federal standard, please identify the federal standard or citation, describe why it is necessary that the proposed rules exceed the federal standard or law, and specify the costs and benefits arising out of the deviation.

The proposed rules do not exceed a federal standard.

2. Compare the proposed rules to standards in similarly situated states, based on geographic location, topography, natural resources, commonalities, or economic similarities.

The proposed rules amend the educational requirements for licensure to bring them more in line with the standards for licensure in the majority of the states in the Great Lakes region. The requirements for licensure in the Great Lakes region states are explained below:

In Illinois, the applicant must hold a bachelor's degree, have completed a course of study including all aspects of nursing home administration, personnel management, accounting and financial management, and social gerontology, or hold an associate's degree or higher, plus provide proof of 2 years of qualifying experience to be licensed. Qualifying experience includes 2 years of full-time employment as an assistant nursing home administrator or director of nursing or 2 years of management experience in a corporation which owns and operates licensed nursing home facilities. The applicant must also take and pass the state and national examinations.

In Indiana, the equivalent license is called a Residential Care Administrator, and to be licensed, the applicant must hold a license as a Health Facility Administrator or health care practitioner, hold a bachelor's, master's, or doctoral degree or an associate degree in gerontology or health care, complete a specialized course in residential care facility administration, have at least 1 year of management experience in housing, health care, hospitality, or providing services to the elderly. The applicant must also take and pass the state and national examinations.

In Minnesota, an applicant for licensure must have completed a bachelor's degree approved by the board. The applicant must also have completed a 1,000 hour administrator in training program and take and pass the state and national examinations.

In New York, an applicant must hold a bachelor's degree or higher and have completed 15 credit hours in specific, required courses. The applicant must also complete an administrator in training program or have qualifying field experience and take and pass the national examination.

In Ohio, the applicant must hold a bachelor's degree, complete a program requiring a minimum of 500 hours for an administrator in training, and take and pass the state and national examinations.

In Pennsylvania, the applicant must hold a master's degree, a bachelor's degree, and complete 120 hours in a board approved program, completed 2 years of college or hold a license as a registered nurse, and complete 120 hours in a board approved program, or hold a high school degree and have completed 120 hours in a board approved program. The applicant must also have completed 6 months to 3 years of experience under the supervision of a nursing home administrator, depending on the applicant's educational level. The applicant must also take and pass the state and national examinations.

In Wisconsin, the applicant meets the educational requirement in one of the following ways: by completing a course of study from an accredited college or university that leads to an associate, bachelor's, master's, or doctoral degree, which included a supervised clinical practicum or completing 1 of 5 programs of study approved by the board, or a specialized course approved by the board, plus 1 year of experience in the field of institutional administration. The applicant must also take and pass the state and national examinations.

The amendments in the proposed licensure rules will require that an applicant hold a valid, active license as a registered nurse or hold a bachelor's degree. This amendment will ensure that those licensed in Michigan will have achieved educational requirements that are better aligned with the educational requirements of licensees in other states in the Great Lakes region that do not also require an additional training program or supervised work experience for licensure.

The other requirements for licensure were not amended in the proposed rules: the applicant must continue to satisfy the approved course of instruction and training, which may be completed as a part of the applicant's educational program, and the applicant must take and pass the national examination.

A. If the rules exceed standards in those states, please explain why and specify the costs and benefits arising out of the deviation.

Overall, the standards in the proposed rules do not exceed those of the other states in the Great Lakes region.

3. Identify any laws, rules, and other legal requirements that may duplicate, overlap, or conflict with the proposed rules.

There are no other laws, rules, or other legal requirements that may duplicate, overlap, or conflict with these proposed rules.

A. Explain how the rules have been coordinated, to the extent practicable, with other federal, state, and local laws applicable to the same activity or subject matter. This section should include a discussion of the efforts undertaken by the agency to avoid or minimize duplication.

No coordination is needed because there are no other applicable laws that regulate the areas addressed in the proposed rules.

Purpose and Objectives of the Rule(s)

4. Identify the behavior and frequency of behavior that the proposed rules are designed to alter.

Part 1 General Provisions: The current rules in this section pertain to the definitions used in the rule set, telehealth, and the training standards for identifying victims of human trafficking. The proposed rules are intended to assist a reader in understanding the rules and assist an applicant for licensure or renewal to understand and comply with the training standards for identifying victims of human trafficking.

In the proposed rules, several rules will be rescinded with the content relocated to Part 2 of the rules to comply with current drafting requirements and for organization and clarity.

Part 2 Education, Examinations, and Licensure: The current rules pertain to the standards for educational programs that have been approved and adopted by reference and the approved course of instruction and training for licensure.

The proposed rules amend and clarify requirements for initial licensure, relicensure, and licensure by endorsement. The educational requirements for licensure will permit a registered nurse, who holds a valid, active license as a registered nurse to qualify for licensure. An applicant who does not hold a license as a registered nurse must have earned a bachelor's degree. This change is intended to ensure that an applicant has achieved the level of education necessary to function in the capacity of a nursing home administrator and to ensure public safety. This change will more closely align Michigan's requirements with the majority of the other states in the Great Lakes region. The proposed rules will also revise and update the accreditation standards adopted by reference.

The proposed rules rescind and relocate the content of some rules to comply with current drafting requirements and provide better organization and clarity. The content of rules currently located in Part 3 of the set have been moved to this section.

Part 3 Continuing Education and License Renewal: The current rules in Part 3 pertain to licensure, and the current rules in Part 4 pertain to continuing education. These two parts were combined, with some of the content being rescinded and relocated to provide organization and clarity.

In the proposed rules, the continuing educational requirements were amended to remove the requirement mandating that a minimum number of hours be earned in-person or through live, synchronous contact. Additionally, the requirement that continuing education hours be taken in state law specific courses was removed. Further, implicit bias training that is required for licensure can be counted toward both the licensure and continuing education requirements. Lastly, the rules pertaining to approved educational providers have been clarified, and the procedure for the approval of continuing educational programs by the board has been removed.

A. Estimate the change in the frequency of the targeted behavior expected from the proposed rules.

The frequency of use is not expected to change.

B. Describe the difference between current behavior/practice and desired behavior/practice.

Part 1 General Provisions: The current rules in this section contain the definitions used in the rule set, telehealth requirements, and the training standards for identifying victims of human trafficking. The proposed rules amend the definitions and training standards for identifying victims of human trafficking to comply with current drafting requirements and provide better organization and clarity for all users.

Part 2 Education, Examinations, and Licensure: The current rules pertain to the standards for educational programs that have been approved and adopted by reference and the approved course of instruction and training for licensure. The proposed rules revise and update the accreditation standards adopted by reference, increase the educational requirements for applicants applying for licensure to ensure that an applicant has achieved the level of education necessary to meet the minimum requirements for licensure to ensure public safety and will more closely align Michigan's requirements with the majority of the other states in the Great Lakes region. Additionally, the proposed rules clarify the requirements for initial licensure, relicensure, and licensure by endorsement, comply with current drafting requirements to provide better organization.

Part 3 Continuing Education and License Renewal: The current rules in Part 3 pertain to licensure, and the current rules in Part 4 pertain to continuing education. The proposed rules are intended to revise and clarify continuing educational requirements, remove the requirement for in-person or live, synchronous continuing education, remove the requirement for acquiring 1 credit of state law specific continuing education, allow implicit bias training to count for both licensure and continuing education requirements, remove board approval of continuing educational programs, and comply with current drafting requirements for better organization and clarity.

C. What is the desired outcome?

R 339.14001: This rule pertains to definitions used in the rule set. The proposed changes clarify and update current definitions and provide new definitions for terms used in the rule set to assist a reader in understanding the rules.

R 339.14005: This rule pertains to accreditation standards. It will be rescinded and the content relocated to R 339.14011 to comply with current drafting requirements and to provide better organization and clarity.

R 339.14006: This proposed rule now contains the requirements for satisfying the training standards for identifying victims of human trafficking. This information was previously found in R 339.14012. The relocation of the content was made to provide better organization and clarity.

R 339.14007: This rule pertains to the approved course of instruction and training for licensure. It will be rescinded and the content will be relocated to R 339.14012 to comply with current drafting requirements and to provide better organization and clarity.

R 339.14008: This rule pertains to initial licensure requirements. It will be rescinded and the content will be relocated to R 339.14017 to comply with current drafting requirements and to provide better organization and clarity.

R 339.14009: This rule pertains to eligibility requirements for examinations. This rule will be rescinded as the required process is provided for by the National Association of Long Term Care Administrator Boards.

R 339.14011: This rule pertains to passing examination scores. The content was removed and relocated to R 339.14014 to comply with current drafting requirements. The proposed content pertains to the accreditation standards adopted by reference. The updated standards will assist an applicant in meeting the requirements for licensure.

R 339.14012: This rule pertains to training standards for identifying victims of human trafficking. The content will be relocated to R 339.14006. The proposed rule now pertains to the educational requirements for an applicant for licensure. The educational requirements were raised to ensure public safety and to align Michigan's licensure requirements with the licensure requirements of the majority of other Great Lakes region states.

R 339.14014: This proposed rule provides for the approval and adoption of the licensure examination and identifies the examinations required for licensure. The examination requirement was previously located in R 339.14008.

R 339.14017: This proposed rule provides initial licensure requirements to assist applicants in understanding the licensure criteria. The requirements were previously located in R 339.14008.

R 339.14020: This rule pertains to relicensure. The proposed changes clarify the requirements to assist the applicant in understanding the relicensure criteria.

R 339.14020a: The rule pertains to licensure by endorsement. The rule has been revised and updated to include approval for an applicant who holds a Health Services Executive designation granted by the National Association of Long Term Care Administrator Boards. The rule is intended to assist an applicant in becoming licensed by endorsement.

R 339.14021: This proposed rule provides continuing education requirements, limitations, and documentation necessary for license renewal. It also provides the requirements for requesting a waiver of continuing education. The rule is intended to assist an applicant for renewal in meeting the continuing education requirements necessary for license renewal. The substance of this rule was previously contained in R 339.14022.

R 339.14022: This rule pertains to the continuing education required for license renewal. This rule will be rescinded, and the content will be relocated to R 339.14021 to comply with current drafting requirements and to provide better organization and clarity.

R 339.14024: This rule pertains to the continuing education credits earned and the limitation on distance learning. This rule will be rescinded as it is no longer needed. The limitation on in-person or live, synchronous learning and state specific continuing education has been removed. The remainder of the rule pertains to allocating the number of credit hours earned for continuing education programs. This is no longer needed because the number of credit hours earned will now be determined by the approved continuing education providers and not determined by the board.

R 339.14024a: This rule pertains to carry over and duplicate continuing education courses. This rule will be rescinded as it is no longer needed. The content of the rule has been relocated and clarified in R 339.14021.

R 339.14026: This rule pertains to approved continuing education courses. The rule has been revised and clarified to assist applicants in identifying approved continuing education courses and providers.

R 339.14026a. This rule pertains to the application for board approval of a continuing education course. This rule will be rescinded as it is no longer needed. The board has approved continuing education providers in R 339.14026 and will no longer be approving other individual programs.

R 339.14029: This rule pertains to the withdrawal of board approval of a continuing education course. This rule will be rescinded as it is no longer needed. The board will no longer be approving individual continuing education programs under R 339.14026a.

R 339.14032: This rule pertains to qualifying continuing education subjects. This rule has been revised and updated to organize the subjects alphabetically and to add implicit bias training to assist an applicant in meeting the continuing education requirements and implicit bias training required for license renewal.

5. Identify the harm resulting from the behavior that the proposed rules are designed to alter and the likelihood that the harm will occur in the absence of the rule.

Part 1 General Provisions: The current rules in this section pertain to the definitions used in the rule set, telehealth, and the training standards for identifying victims of human trafficking. The proposed rules are intended to assist a reader in understanding the rules and assist an applicant for licensure or renewal to understand the training standards for identifying victims of human trafficking. A clear understanding of the terms used in the rule set and the training requirements for identifying victims of human trafficking will lead to better compliance and better protect the health, safety, and welfare of Michigan's citizens. In the unlikely event that a licensee may encounter a victim of human trafficking, it is essential that the licensee is trained to recognize those victims. If the proposed rules are not promulgated, such a victim may go unrecognized by the licensee.

Part 2 Education, Examinations, and Licensure: The current rules pertain to the standards for educational programs that have been approved and adopted by reference and the approved course of instruction and training for licensure. Ensuring that all requirements are organized in an easy-to-follow manner will improve compliance. Better compliance will better protect the health, safety, and welfare of Michigan's citizens. Additionally, increasing the educational requirements for licensure will ensure public safety, and it will more closely align Michigan's requirements with the majority of the other states in the Great Lakes region to ensure that Michigan's citizens are being served by qualified licensees, especially since the licensees serve such a vulnerable population. The likelihood that harm could result if a nursing home administrator was not adequately trained to protect this population, such as failing to know and implement fire safety protocols, is great.

Part 3 Continuing Education and License Renewal: Reorganizing the rules in current Part 3 and Part 4 will improve compliance. Additionally, the continuing education requirements, limitations, documentation, and requests for waiver have been revised and clarified to assist renewal applicants. The requirement for in-person or live, synchronous attendance and state law specific hours of continuing education have been removed. This will assist a licensee with locating and accumulating required continuing education. The rules pertaining to approved educational providers have been clarified for better understanding, and the procedure for the approval of continuing educational programs by the board has been removed as the requests for this type of approval has drastically dropped and is no longer required to ensure continuing education program availability for renewal applicants. These amendments will lead to better compliance and ensure that Michigan's citizens are receiving care from licensees who are up-to-date in their training and education. The likelihood of harm if a licensee fails to learn and implement up-to-date federal and state safety regulations, medical protocols, or drug safety regulations is great when these licensees serve a vulnerable population.

A. What is the rationale for changing the rules instead of leaving them as currently written?

Part 1 General Provisions: New definitions will be added to comply with current drafting requirements and provide better organization and clarity. The requirements for the training standards for identifying victims of human trafficking were relocated to comply with current drafting requirements and to provide better organization and clarity. The proposed rules are required to accomplish these purposes.

Part 2 Education, Examinations, and Licensure: The amendments to the current rules are necessary ensure that all requirements for licensure are organized in an easy-to-follow manner to improve compliance. Additionally, increasing the educational requirements for licensure will help ensure public safety, and it will more closely align Michigan's requirements with the majority of the other states in the Great Lakes region. These amendments require changing the rules.

Part 3 Continuing Education and License Renewal: Reorganizing the rules in current Part 3 and Part 4 will improve compliance. Additionally, the continuing education requirements, limitations, documentation, and requests for waiver have been revised and clarified to assist renewal applicants. The requirement for in-person or live, synchronous modality and state law specific continuing education have been removed. This will assist a licensee seeking renewal with locating and accumulating required continuing education. The rules pertaining to approved educational providers have been clarified for better understanding. The procedure for board approval of continuing educational programs has been removed because requests for approval have drastically decreased and is no longer required to ensure continuing education program availability for renewal applicants. These amendments could not be implemented without changing the rules.

6. Describe how the proposed rules protect the health, safety, and welfare of Michigan citizens while promoting a regulatory environment in Michigan that is the least burdensome alternative for those required to comply.

Part 1 General Provisions: The proposed changes to the definitions and requirements for the training standards for identifying victims of human trafficking rules will protect the health, safety, and welfare of Michigan citizens by ensuring the clear understanding of the rules and ensuring that a licensee has the training necessary to identify victims of human trafficking. The burden imposed by the rules in this part are statutorily mandated, so there is no less burdensome alternative.

Part 2 Education, Examinations, and Licensure: The proposed rules will protect the health, safety, and welfare of Michigan citizens by ensuring that an applicant has satisfied the minimum educational level necessary and completed the approved courses necessary in his or her educational program to meet the minimum requirements to perform competently as a licensed nursing home administrator. In some other states in the Great Lakes region an applicant may meet the standards for licensure by completing a lesser standard for education, but in those states, the applicant must often also complete an administrator in training program or supervised work experience to ensure that the applicant meets the minimum requirements to perform competently as a licensed nursing home administrator. This may be a less burdensome way for an applicant to demonstrate competency for licensure, but the Michigan licensure statutes do not provide for an administrator in training program or supervised work experience. Rather, the public health code gives the licensing boards the authority to determine the educational standards for licensure in MCL 333.16148. The nursing home administrator board determined that the educational standards in the proposed rules were required to ensure the health, safety, and welfare of Michigan citizens. There was no less burdensome alternative available under Michigan law.

Part 3 Continuing Education and License Renewal: The proposed rules are intended to protect the health, safety, and welfare of Michigan citizens by ensuring that the applicant for renewal has completed the necessary continuing education to stay current with his or her education and training. The continuing education requirements for this profession are set out in statute, so there is no less burdensome way to provide this protection to Michigan citizens.

7. Describe any rules in the affected rule set that are obsolete or unnecessary and can be rescinded.

R 339.14005: This rule pertains to accreditation standards. It will be rescinded and the content will be relocated to R 339.14011 to comply with current drafting requirements and to provide better organization and clarity.

R 339.14007: This rule pertains to the approved course of instruction and training for licensure. It will be rescinded and the content will be relocated to R 339.14012 to comply with current drafting requirements and to provide better organization and clarity.

R 339.14008: This rule pertains to initial licensure requirements. It will be rescinded and the content will be relocated to R 339.14017 to comply with current drafting requirements to provide for better organization and clarity.

R 339.14009: This rule pertains to eligibility requirements for examinations. This rule will be rescinded as the required process is provided for by the National Association of Long Term Care Administrator Boards.

R 339.14022: This rule pertains to the continuing education required for license renewal. This rule will be rescinded and the content will be relocated to R 339.14021 to comply with current drafting requirements and to provide better organization and clarity.

R 339.14024: This rule pertains to the credits earned and the limitation on distance learning. This rule will be rescinded as it is no longer needed. The limitation on in-person or live, synchronous learning and the state specific continuing education requirement have been removed. The remainder of the rule pertains to allocating the number of credit hours earned for continuing education programs. This is no longer needed because the number of credit hours earned will now be determined by the approved continuing education providers and not determined by the board.

R 339.14024a: This rule pertains to carry over and duplicate continuing education courses. This rule will be rescinded as it is no longer needed. The substance of the rule has been relocated and clarified in R 339.14021.

R 339.14026a. This rule pertains to the application for board approval of a continuing education course. This rule will be rescinded as it is no longer needed. The board has approved continuing education providers in R 339.14026 and will no longer be approving other individual programs.

R 339.14029: This rule pertains to the withdrawal of board approval of a continuing education course. This rule will be rescinded as it is no longer needed. The board will no longer be approving individual continuing education programs under R 339.14026a.

Fiscal Impact on the Agency

Fiscal impact is an increase or decrease in expenditures from the current level of expenditures, i.e. hiring additional staff, higher contract costs, programming costs, changes in reimbursements rates, etc. over and above what is currently expended for that function. It does not include more intangible costs for benefits, such as opportunity costs, the value of time saved or lost, etc., unless those issues result in a measurable impact on expenditures.

8. Please provide the fiscal impact on the agency (an estimate of the cost of rule imposition or potential savings for the agency promulgating the rule).

The proposed rules are not expected to have a fiscal impact on the agency.

9. Describe whether or not an agency appropriation has been made or a funding source provided for any expenditures associated with the proposed rules.

No agency appropriation has been made or a funding source provided because there are no expenditures associated with the proposed rules.

10. Describe how the proposed rules are necessary and suitable to accomplish their purpose, in relationship to the burden(s) the rules place on individuals. Burdens may include fiscal or administrative burdens, or duplicative acts.

Part 1 General Provisions: The proposed rules in this part do not impose any new burden on individuals. The proposed rules revise the definitions rule and relocate the requirements for the training standards for identifying victims of human trafficking that is present in the current rules.

Part 2 Education, Examinations, and Licensure: In the proposed rules, an applicant who holds a valid, active license as a registered nurse may qualify for licensure. The applicant who does not hold a valid, active license as a registered nurse must have earned a bachelor's degree to meet the requirements for licensure. The proposed rules are necessary to ensure that a licensee has the necessary education and training to understand and appropriately implement those laws and regulations intended to protect and serve the vulnerable population that these licensees serve—residents of a nursing home. It is unknown if applicants for licensure already hold the license or degrees required in the proposed rules, but if they do not, this requirement would place an additional burden on the applicant to earn the license or degree necessary to meet the requirement. Even if this rule would impose an additional educational requirement on an applicant, there is no less burdensome way to ensure that as a licensee the applicant could effectively perform the duties required to protect the health, safety, and welfare of Michigan citizens.

Part 3 Continuing Education and License Renewal: The proposed rules in this part do not place any additional burden on an individual.

A. Despite the identified burden(s), identify how the requirements in the rules are still needed and reasonable compared to the burdens.

Part 2 Education, Examinations, and Licensure: In the proposed rules, an applicant who holds a valid, active license as a registered nurse qualifies for licensure. An applicant who does not hold a valid, active license as a registered nurse must have earned a bachelor's degree to meet the requirements for licensure. It is unknown if the majority of applicants already hold the degrees required in the proposed rules, but to the extent that this would impose an additional burden on an applicant to complete the degree required for licensure, that burden is outweighed by the benefit to the public of ensuring that a licensed nursing home administrator's education is sufficient to perform the job duties. Additionally, the new degree requirements are consistent with, or less than, the requirements for licensure in the majority of the states in the Great Lakes Region. Only Wisconsin does not require an applicant to hold a minimum of a bachelor's degree to be licensed as a nursing home administrator.

Impact on Other State or Local Governmental Units

11. Estimate any increase or decrease in revenues to other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Estimate the cost increases or reductions for other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Include the cost of equipment, supplies, labor, and increased administrative costs in both the initial imposition of the rule and any ongoing monitoring.

There are no anticipated increases or decreases in revenues or cost increases or reductions to other state or local governmental units.

12. Discuss any program, service, duty, or responsibility imposed upon any city, county, town, village, or school district by the rules.

There are no anticipated or intended programs, services, duties, or responsibilities imposed on any city, town, village, or school district as a result of these proposed rules.

A. Describe any actions that governmental units must take to be in compliance with the rules. This section should include items such as record keeping and reporting requirements or changing operational practices.

There are no anticipated actions that a governmental unit must take to comply with the proposed rules.

13. Describe whether or not an appropriation to state or local governmental units has been made or a funding source provided for any additional expenditures associated with the proposed rules.

No appropriations have been made to any governmental units as a result of the proposed rules. No additional expenditures are anticipated or intended with the proposed rules.

Rural Impact

14. In general, what impact will the rules have on rural areas?

The proposed rules impose requirements on individual licensees regardless of where they live. Even if a licensee's workplace is in a rural area, the department could not vary the requirements based on the licensee's location because it would create a disparity in the regulation of the profession.

A. Describe the types of public or private interests in rural areas that will be affected by the rules.

The proposed rules will not impact public or private interests in rural areas.

Environmental Impact

15. Do the proposed rules have any impact on the environment? If yes, please explain.

The proposed rules do not have any impact on the environment.

Small Business Impact Statement

16. Describe whether and how the agency considered exempting small businesses from the proposed rules.

The department did not consider exempting small businesses because they are not impacted by the proposed rules.

17. If small businesses are not exempt, describe (a) the manner in which the agency reduced the economic impact of the proposed rules on small businesses, including a detailed recitation of the efforts of the agency to comply with the mandate to reduce the disproportionate impact of the rules upon small businesses as described below (in accordance with MCL 24.240(1)(a-d)), or (b) the reasons such a reduction was not lawful or feasible.

The rules cannot exempt small businesses because the rules do not directly regulate small businesses. The rules regulate individual licensees.

A. Identify and estimate the number of small businesses affected by the proposed rules and the probable effect on small businesses.

There are approximately 1,259 nursing home administrators licensed in Michigan.

A licensee may work in a small business. However, no matter what type of business environment the licensee works in, they will have to comply with the proposed rules. The rules do not impact small business differently because the impact is to the individual licensee only.

B. Describe how the agency established differing compliance or reporting requirements or timetables for small businesses under the rules after projecting the required reporting, record-keeping, and other administrative costs.

The agency did not establish separate compliance or reporting requirements for small businesses. The proposed rules will apply to all individual licensees. The rules were drafted to be the least burdensome on all affected licensees.

C. Describe how the agency consolidated or simplified the compliance and reporting requirements for small businesses and identify the skills necessary to comply with the reporting requirements.

The agency did not consolidate or simplify compliance and reporting requirements for small businesses with the proposed rules because the proposed rules do not impact small businesses.

D. Describe how the agency established performance standards to replace design or operation standards required by the proposed rules.

The agency did not establish performance standards to replace design or operation standards required by these rules.

18. Identify any disproportionate impact the proposed rules may have on small businesses because of their size or geographic location.

The proposed rules do not impact small business. They impact an individual licensee. Therefore, there is no disproportionate impact on a small business because of its size or geographic location.

19. Identify the nature of any report and the estimated cost of its preparation by small businesses required to comply with the proposed rules.

A small business is not required to prepare any report under the proposed rules, so it is estimated that a small business will incur no cost in preparing a report to comply with the proposed rules.

20. Analyze the costs of compliance for all small businesses affected by the proposed rules, including costs of equipment, supplies, labor, and increased administrative costs.

There are no expected costs for equipment, supplies, labor, or administrative costs that a small business would incur in complying with the proposed rules.

The rules impact licensees and not small businesses.

21. Identify the nature and estimated cost of any legal, consulting, or accounting services that small businesses would incur in complying with the proposed rules.

There are no expected costs for legal, consulting, or accounting services that a small business would incur in complying with the proposed rules.

22. Estimate the ability of small businesses to absorb the costs without suffering economic harm and without adversely affecting competition in the marketplace.

There are no expected costs to a small business that will cause economic harm to a small business or the marketplace as a result of the proposed rules.

23. Estimate the cost, if any, to the agency of administering or enforcing a rule that exempts or sets lesser standards for compliance by small businesses.

If a rule exempted or set lesser standards for compliance by a small business, there would be no cost to the agency for administering or enforcing that rule because the rules do not apply to a business of any size. The rules apply to individuals practicing in Michigan as a licensed nursing home administrator.

Therefore, there is no cost to the agency for administering or enforcing the rules because exempting or setting lesser standards of compliance for a small business is not in the best interest of the public.

24. Identify the impact on the public interest of exempting or setting lesser standards of compliance for small businesses.

Licensure of nursing home administrators is required by statute, so the department cannot make a rule that would permit the practice of a nursing home administrator by an unlicensed individual in a small business.

If the department could exempt or set lesser standards for small businesses employing a nursing home administrator, it would create a disparity in the regulation of the profession and would expose the vulnerable population served by this profession to harm because an unlicensed person would not be qualified to protect them, such as failing to know and implement fire safety protocols. Ensuring that all businesses employ licensed nursing home administrators is in the public's best.

25. Describe whether and how the agency has involved small businesses in the development of the proposed rules.

The department worked with the Michigan Board of Nursing Home Administrators in the development of the proposed rules. The board is composed of professional and public members. Some members of the board may work in a small business, but even if they do, they were not involved in the development of the rules as a representatives of small businesses.

A. If small businesses were involved in the development of the rules, please identify the business(es).

No small businesses were involved in the development of the rules.

Cost-Benefit Analysis of Rules (independent of statutory impact)

26. Estimate the actual statewide compliance costs of the rule amendments on businesses or groups.

There are no estimated compliance costs with these rule amendments on businesses or groups.

A. Identify the businesses or groups who will be directly affected by, bear the cost of, or directly benefit from the proposed rules.

No businesses or groups will be directly affected or benefited by the proposed rules. No additional costs will be imposed on any businesses or groups.

B. What additional costs will be imposed on businesses and other groups as a result of these proposed rules (i.e. new equipment, supplies, labor, accounting, or recordkeeping)? Please identify the types and number of businesses and groups. Be sure to quantify how each entity will be affected.

No additional costs will be imposed on any businesses or groups.

27. Estimate the actual statewide compliance costs of the proposed rules on individuals (regulated individuals or the public). Include the costs of education, training, application fees, examination fees, license fees, new equipment, supplies, labor, accounting, or recordkeeping.

In the proposed rules, an applicant who holds a valid, active license as a registered nurse qualifies for licensure. An applicant who does not hold a valid, active license as a registered nurse must have earned a bachelor's degree to meet the requirements for licensure.

It is impossible to estimate whether the proposed rules will impose new compliance costs on individuals to obtain a valid, active license as a registered nurse or to earn a bachelor's degree because it is unknown whether current applicants for licensure now hold this license or a bachelor's degree. It is also impossible to estimate how much acquiring this license or earning a bachelor's degree would cost an individual without knowing each prospective applicant's educational background.

But to the extent that this proposed rule would impose an additional cost on an applicant to acquire the required licensure or to earn a bachelor's degree, that burden is outweighed by the benefit to the public of ensuring that a licensed nursing home administrator's education is sufficient to perform the job duties.

Additionally, the new requirements are consistent with, or less than, the requirements for nursing home administrator licensure in the majority of the states in the Great Lakes Region.

A. How many and what category of individuals will be affected by the rules?

The citizens of Michigan will be affected by the rules in that the rules will ensure that an applicant has achieved the level of education necessary to meet the minimum requirements for licensure to ensure public health, safety, and welfare.

All licensees and applicants are affected by the proposed rules as the rules provide for licensure, relicensure, and license renewal requirements.

B. What qualitative and quantitative impact do the proposed changes in rules have on these individuals?

The qualitative impact of the proposed rules on the citizens of Michigan will be that they can be ensured that the care provided by a licensed nursing home administrator will be provided by a licensee who has achieved the level of education necessary to meet the minimum requirements for licensure. The quantitative impact of the proposed rules on the citizens of Michigan is that it may result in an increase in the cost of care in a nursing home because the educational level required for licensure of a nursing home administrator has been added to the proposed rules, which may result in an increased licensee salary, but even if the proposed rules do result in a cost increase, the cost is outweighed by ensuring that the health, safety, and welfare of this vulnerable Michigan citizen population is properly protected.

The qualitative impact on licensees and applicants by the proposed rules will be the knowledge that they and their peers have achieved the minimum requirements for licensure and can appropriately provide for the needs of the citizens of Michigan requiring nursing home care. The quantitative impact on licensees and applicants by the proposed rules is impossible to estimate because the proposed rules may only require the educational level already possessed by most new applicants. To the extent that an applicant must first acquire a valid, active license as a registered nurse or earn bachelor's degree to meet the minimum requirements of licensure the cost to the individual would be outweighed by the benefit to the citizens of Michigan whose health, safety, and welfare would be best protected by a qualified, licensed nursing home administrator.

28. Quantify any cost reductions to businesses, individuals, groups of individuals, or governmental units as a result of the proposed rules.

There are no cost reductions to businesses, individuals, groups of individuals, or governmental units as a result of the proposed rules.

29. Estimate the primary and direct benefits and any secondary or indirect benefits of the proposed rules. Please provide both quantitative and qualitative information, as well as your assumptions.

The qualitative primary and direct and secondary or indirect benefits of the proposed rules to the citizens of Michigan will be that they can be ensured that a licensed nursing home administrator has met the minimum requirements for licensure to ensure public health, safety, and welfare. This will permit nursing home residents and their families to have confidence that the care provided by the nursing home administrator will meet industry standards. The qualitative primary and direct and secondary or indirect benefits of the proposed rules to the citizens of Michigan will be that they will receive value for the money being spent for nursing home care because the educational level required for licensure of a nursing home administrator has been added to the proposed rules. Even if costs increase as a result of requiring a valid, active license as a registered nurse or a bachelor's degree, the valuable services provided by the licensee will ensure that the health, safety, and welfare of this vulnerable population is properly protected.

The qualitative primary and direct and secondary or indirect benefits of the proposed rules to licensees and applicants will be the knowledge that they and their peers have achieved the minimum requirements for licensure and can appropriately provide for the needs of the citizens of Michigan requiring nursing home care. The qualitative primary and direct and secondary or indirect benefits of the proposed rules to licensees and applicants by the proposed rules is that they will possess credentials that will meet the minimum requirements of licensure. These credentials will permit them to have access to job opportunities and compensation commensurate with their education and work experience.

30. Explain how the proposed rules will impact business growth and job creation (or elimination) in Michigan.

The rules are not expected to have an impact on business growth, job creation, or job elimination in Michigan.

31. Identify any individuals or businesses who will be disproportionately affected by the rules as a result of their industrial sector, segment of the public, business size, or geographic location.

The department does not expect any individuals or businesses to be disproportionately impacted by the rules as a result of their industrial sector, segment of the public, business size, or geographic location.

32. Identify the sources the agency relied upon in compiling the regulatory impact statement, including the methodology utilized in determining the existence and extent of the impact of the proposed rules and a cost-benefit analysis of the proposed rules.

Illinois: <https://ilga.gov/legislation/ilcs/ilcs3.asp?ActID=1313&ChapAct=225%20ILCS%2070&ChapterID=24&ChapterName=PROFESSIONS+AND+OCCUPATIONS&ActName=Nursing+Home+Administrators+Licensing+and+Disciplinary+Act;>

<http://www.ilga.gov/commission/jcar/admincode/068/068013100000200R.html>
<http://iga.in.gov/legislative/laws/2020/ic/titles/025#25-19>; http://www.in.gov/legislative/iac/iac_title?iact=840
<https://www.ilga.gov/legislation/ilcs/documents/022500700K9.htm>

Indiana: <https://casetext.com/regulation/indiana-administrative-code/title-840-indiana-state-board-of-health-facility-administrators/article-1-general-provisions/rule-840-iac-1-1-definitions-licensure-examinations/section-840-iac-1-1-4-qualifications-for-licensure>

Minnesota: <https://www.revisor.mn.gov/rules/6400.6800/>
<https://www.revisor.mn.gov/rules/?id=6400.6000;>
<https://www.revisor.mn.gov/rules/?id=6400.6400;>
<https://www.revisor.mn.gov/rules/?id=6400.6550>
<https://www.revisor.mn.gov/rules/6400.6000/>

New York:
https://www.health.ny.gov/professionals/nursing_home_administrator/licensure_program/qualifications.htm
<http://public.leginfo.state.ny.us/lawssrch.cgi?NVLWO>

Ohio:
<http://codes.ohio.gov/orc/4751;>
<http://codes.ohio.gov/oac/4751-1>
<https://codes.ohio.gov/ohio-administrative-code/rule-4751-1-05>

Pennsylvania:
[https://www.dos.pa.gov/ProfessionalLicensing/BoardsCommissions/NursingHomeAdministrators/Documents/Applications%20and%20Forms/Non-Application%20Documents/NHAM%20-%20NHA%20Board%20Act.pdf;](https://www.dos.pa.gov/ProfessionalLicensing/BoardsCommissions/NursingHomeAdministrators/Documents/Applications%20and%20Forms/Non-Application%20Documents/NHAM%20-%20NHA%20Board%20Act.pdf)
<http://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/049/chapter39/chap39toc.html&d=>
<http://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/049/chapter39/s39.5.html&d=reduce>

Wisconsin:
https://docs.legis.wisconsin.gov/code/admin_code/nha/3.pdf
https://docs.legis.wisconsin.gov/code/admin_code/nha/2.pdf
https://docs.legis.wisconsin.gov/code/admin_code/nha/4.pdf
<https://docs.legis.wisconsin.gov/statutes/statutes/456.pdf>
https://docs.legis.wisconsin.gov/code/admin_code/nha/4.pdf

A. How were estimates made, and what were your assumptions? Include internal and external sources, published reports, information provided by associations or organizations, etc., that demonstrate a need for the proposed rules.

Since the rules are required by statute, no estimates were made.

Alternative to Regulation

33. Identify any reasonable alternatives to the proposed rules that would achieve the same or similar goals.

Since the rules are required by statute, there are no reasonable alternatives to the proposed rules.

A. Please include any statutory amendments that may be necessary to achieve such alternatives.

Since the rules are required by statute, a statutory change would be needed to provide an alternative.

34. Discuss the feasibility of establishing a regulatory program similar to that proposed in the rules that would operate through private market-based mechanisms. Please include a discussion of private market-based systems utilized by other states.

Since the rules are required by statute, private market-based systems cannot serve as an alternative. The licensing and regulation of nursing home administrators are state functions, and states regulate nursing home administrators by statute, regulation, or both. Private market-based systems are not used for licensing and regulation.

There are professional organizations that establish criteria for membership, but these organizations would provide the public with significantly less protection because membership in many of these organizations is voluntary. This means an individual who meets the membership requirements but does not join one of the professional organizations would be able to practice, and there would be no way to ensure their competency or hold them accountable.

No other states in the Great Lakes region use a private, market-based system to regulate licensed nursing home administrators.

35. Discuss all significant alternatives the agency considered during rule development and why they were not incorporated into the rules. This section should include ideas considered both during internal discussions and discussions with stakeholders, affected parties, or advisory groups.

Since the rules are specifically required by statute, there are no alternatives to the proposed rules that the agency could consider. They are necessary for the administration and enforcement of the licensing process.

Additional Information

36. As required by MCL 24.245b(1)(c), please describe any instructions regarding the method of complying with the rules, if applicable.

The instructions for compliance are included in the rules.