



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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**18 VAC 110-20 – Regulations Governing the Practice of Pharmacy**  
**18 VAC 110-50 – Regulations Governing Wholesale Distributors, Manufacturers and**  
**Warehousers**  
**Department of Health Professions**  
August 4, 2011

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### **Summary of the Proposed Amendments to Regulation**

The Board of Pharmacy (Board) proposes to charge an administrative fee of \$10 for providing duplicate licenses (including permits and registrations) and a fee of \$25 for verification of licensure (including permits and registrations), which is the least amount charged by every other health regulatory board at the Department of Health Professions..

### **Result of Analysis**

The benefits likely exceed the costs for all proposed changes.

### **Estimated Economic Impact**

In order for the Board to meet its statutory responsibilities of licensure, inspection and discipline, it is necessary to establish fees sufficient to cover administrative costs. Currently, persons or entities that require additional services of providing duplicate licenses or verification of licensure to another regulatory body do not pay a fee for those additional services. So in practice the cost of providing those services are paid for by other fee payers who did not receive those services. The Board's fees are set to cover all costs. The proposed small fees will more properly align assessed payments with those persons or entities who receive the associated services.

### **Businesses and Entities Affected**

Pharmacists, pharmacy interns, pharmacy technicians, physicians licensed to dispense drugs, pharmacies, medical equipment suppliers and humane societies who: 1) have lost their

license or registration or who need a duplicate original license or registration; or 2) seek verification of a current license, permit or registration are affected by the proposed new administrative fees. It is unknown how many persons would be affected by a duplicate license or verification fee since the Board does not currently charge a fee or track the number of requests. Staff estimates that they provide 10 to 20 duplicate licenses per week and respond to 20 to 30 requests for verification. Of the requests for verification, some would come from large health care entities, the others from individuals or small businesses.

### **Localities Particularly Affected**

The proposed amendment does not disproportionately affect particular localities.

### **Projected Impact on Employment**

The proposed amendments are unlikely to significantly affect employment.

### **Effects on the Use and Value of Private Property**

The proposed new administrative fees for additional services should not increase the total dollar figure of fees assessed since fees are already assessed to cover all costs. The proposed small fees will more properly be assessed to those persons or entities who receive the associated services.

### **Small Businesses: Costs and Other Effects**

The proposed new administrative fees for additional services should not increase the total dollar figure of fees assessed since fees are already assessed to cover all costs. The proposed small fees will more properly be assessed to those persons or entities who receive the associated services. Small businesses are unlikely to have their costs significantly change in aggregate. For individual firms, any change in costs will be quite small.

### **Small Businesses: Alternative Method that Minimizes Adverse Impact**

The proposed amendments will not significantly affect small businesses.

### **Real Estate Development Costs**

The proposed amendments do not significantly affect real estate development costs.

## Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 14 (10). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.