



Economic Impact Analysis Virginia Department of Planning and Budget

12 VAC 5-490 – Radiation Protection Regulations: Fee Schedule
State Board of Health
April 11, 2008

Summary of the Proposed Amendments to Regulation

The State Board of Health proposes to 1) increase the X-ray machine registration fees, 2) increase inspection fees for most X-ray machines and decrease inspection fees for Veterinary, Podiatric, and Cephalometric machines, 3) establish inspection fees for four new types of machines/surveys.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

These regulations establish fees for the registration and inspection of X-ray machines. In Virginia, approximately 17,000 X-ray machines are used in 3,127 dental facilities, 584 chiropractic facilities, 230 podiatry offices, 1,305 medical facilities, 742 veterinary facilities, 215 state facilities, 5 state hospitals, and 99 other hospitals. Depending on the type of X-ray machines, facilities are subject to annual or three-year registration and inspection cycles.

Inspections can be performed by either Virginia Department of Health (VDH) personnel or by licensed private inspectors. According to VDH, approximately 200 private inspectors perform about 90% of the inspections while VDH personnel perform about 10% of the inspections. The inspection fees established in these regulations do not apply to private inspectors. However, registration fees are the same regardless of the entity that performs the inspections.

VDH notes that fees have not been changed since 1987. However, due to general inflation, higher personnel costs, higher travel costs, higher office supply costs, higher postage

fees, etc. the program's expenses have grown significantly higher than the revenues generated. For example, the registration fee revenues are estimated to be about \$120,000 to \$135,000 annually and the inspection fees are estimated to generate approximately \$85,000 per year under the current fee schedule. On the other hand, approximately \$400,000 is needed to support the X-ray program. Also, due to technological advancements there have been new types of X-ray machines and surveys that inspection fees need to be established for.

The proposed changes will increase the X-ray machine registration fees from \$15 annually to \$50 annually for facilities on an annual inspection cycle and from \$15 every three years to \$50 every three years for facilities on a three-year inspection cycle.

Also, the inspections fees will be changed by machine types as follows: increase inspection fee for general radiographic machines (includes Chiropractic and Special Purpose X-ray systems) from \$190 to \$230; increase inspection fee for Fluoroscopic and C-arm Fluoroscopic machines from \$190 to \$230; increase inspection fee for Combination machines (General Purpose-Fluoroscopic) from \$380 to \$460; increase inspection fee for Dental Intraoral and Panographic machines from \$65 to \$90; decrease inspection fee for Veterinary machines from \$190 to \$160; decrease inspection fee for Podiatric machines from \$190 to \$90; decrease inspection fee for Cephalometric machines from \$190 to \$120.

Finally, the proposed changes will establish inspection fees for four new machine and survey types as follows: \$90 for Bone Densitometry machines; \$210 for Combination machines (Dental Panographic and Cephalometric); \$250 for Shielding review for dental facilities; \$450 for Shielding review for radiographic, chiropractic, veterinary, fluoroscopic, or podiatric facilities.

VDH estimates that the proposed changes in the registration and inspection fees will close the gap between the program revenues and the expenditures. That is the proposed changes are expected to increase fee revenues by approximately \$180,000 - \$195,000 so that the program will be able to generate just enough revenues to cover its costs.

One of the main economic effects of the proposed changes is a net increase in the fee revenues that the X-ray facilities would be paying. Even though the proposed fee changes are significantly higher than the current fees proportionally, the dollar increase in fees are minor

compared to revenues generated by a typical machine. Thus, it is unlikely that the fee increases will have a significant effect on the operations of X-ray facilities.

Another economic effect is expected to be on the private inspectors. Higher inspection fees charged by VDH are expected to either increase demand for private inspections or allow them to charge higher fees.

Finally, proposed net increase in X-ray registration and inspection revenues will help the program recover its costs. Under the current fee schedule, general funds are used to subsidize X-ray registration and inspection program. With the increased revenues, the program is expected to be self funding and additional revenues are expected to reduce the drain on general funds which could be used for variety of other public programs.

Businesses and Entities Affected

The proposed regulations apply to registration and inspection of 17,000 X-ray machines used in 3,127 dental facilities, 584 chiropractic facilities, 230 podiatry offices, 1,305 medical facilities, 742 veterinary facilities, 215 state facilities, 5 state hospitals, and 99 other hospitals. The proposed regulations are also expected to have an indirect effect on approximately 200 private X-ray inspectors.

Localities Particularly Affected

The proposed fee increases do not affect any particular locality more than others.

Projected Impact on Employment

No significant direct effect on employment is expected. However, if the newly available general funds due to fee increases are spent rather than saved, a positive impact on employment may be expected.

Effects on the Use and Value of Private Property

No significant direct effect on the use and value of private property is expected. However, the net asset value of X-ray businesses should decrease commensurately with the increased compliance costs.

Small Businesses: Costs and Other Effects

Majority of the affected entities are believed to be small businesses. Thus, the costs and other effects discussed above apply to small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

In order to make the X-ray registration and inspection program self funding and be able continue to provide the same level of services it currently does, there is no known better alternative method.

Real Estate Development Costs

No significant direct effect on real estate development costs is expected.

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.H of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.H 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.H 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.