

Office of Regulatory Management
Economic Review Form

Agency name	Board for Hearing Aid Specialists and Opticians
Virginia Administrative Code (VAC) Chapter citation(s)	18 VAC 80-20
VAC Chapter title(s)	Hearing Aid Specialists Regulations
Action title	Fee Adjustment
Date this document prepared	January 20, 2023
Regulatory Stage (including Issuance of Guidance Documents)	Final

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)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Currently, expenditures are higher than revenues and the cash balance is in a deficit. The Board must increase the fees for hearing aid specialists in order for the Board to become and remain solvent. By the end of the biennium in 2024, the Board is predicted to have a deficit over \$100,000. The fee increase will allow the Board to continue to operate.</p> <p>This fee increase will result in a transfer from the licensees to the board, resulting in offset of costs and benefits. DPOR does not expect a change in licensees or market participation due to this change.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>There and no indirect costs</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>The change results in a transfer payment.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p> <p>There and no indirect benefits.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>
	<p>(a) \$0</p>	<p>(b) \$0</p>
<p>(3) Net Monetized Benefit</p>	<p>\$0</p>	
<p>(4) Other Costs & Benefits (Non-Monetized)</p>	<p>0</p>	
<p>(5) Information Sources</p>	<p>The revenue projections and fee analysis used in this research came from the budget section of DPOR. The number of applicants and renewals predicted by the revenue section stems from historic trends, expected renewal rates, and any anticipated changes in the profession with an impact on volumes.</p>	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Currently under DPOR practices, revenue for other professions is being utilized to sustain the operations of the Board for Hearing Aid Specialists and Opticians. At \$50,000 loss every year, this amount is a cost to the other boards of the agency. However, DPOR understands this to be a transfer payment, from one set of licensees (most DPOR licensees) to another (hearing aid specialist).</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>The agency is responsible for paying over \$500,000 of the Board for Hearing Aid Specialists and Opticians administrative costs over the next decade, averaging \$50,000 a year.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>There are no direct benefits if the hearing aid fees remain the same.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p> <p>There are no indirect benefits if the hearing aid fees remain the same.</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)	0	
(5) Information Sources	Information about the Board for Hearing Aid Specialists and Opticians revenue was provided by the DPOR budget section.	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>The Board may request a lower increase in the fees charged to hearing aid specialists. However, this option does not provide adequate revenue to support the department's operations. The agency will continue to</p>	
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utilize funds from other boards to maintain hearing aid specialists' operations.

Application fees (exam and temporary permit) for initial licensure increase by \$70. This will result in an annual cost on the industry of \$8,680 across 124 applicants per year.

Licensees will be charged an additional \$80 at the time of renewal, which occurs every two years. This will result in an annual cost on the industry of \$30,000 across 750 renewal applications.

Licensees will be charged an additional \$50 at the time of reinstatement. This will result in an annual cost on the industry of \$1,550 across 62 reinstatement applications.

The average costs received from licensees with this option is \$40,230. However, the average costs for Board operations are \$53,480 a year.

This fee increase will result in a transfer from the licensees to the board, resulting in offset of costs and benefits. DPOR does not expect a change in licensees or market participation due to this change.

Indirect Costs: Describe the indirect costs of the proposed change.

There are no indirect costs

Direct Benefits: Describe the direct benefits of this proposed change here.

DPOR will receive \$40,230 more annually due to the increase of initial, renewal, and reinstatement fees. The Board for Hearing Aid Specialists and Opticians will continue to depend on other professions to sustain the operations. The alternative approach will incur an annual loss of \$13,250 on average.

This fee increase will result in a transfer from the licensees to the board, resulting in offset of costs and benefits. DPOR does not expect a change in licensees or market participation due to this change.

Indirect Benefits: Describe the indirect benefits of the proposed change.

(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
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	(a) \$0	(b) \$0
(3) Net Monetized Benefit	\$0	
(4) Other Costs & Benefits (Non-Monetized)	0	
(5) Information Sources	Information about the Board for Hearing Aid Specialists and Opticians revenue was provided by the DPOR revenue section.	

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.

Local Partners are not affected because DPOR has sole regulatory authority over HAS.

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

No direct impact to families is anticipated.

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.

This change will not have an impact on small businesses. The majority of hearing aid specialists operate small businesses; nevertheless, the fee increase only affects the individuals, not the businesses.

Changes to Number of Regulatory Requirements

For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed. In the last row, indicate the total number for each column.

Table 5: Total Number of Requirements

	Number of Requirements
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Chapter number	Initial Count	Additions	Subtractions	Net Change
18 VAC 80-20	1	0	0	0
TOTAL	1	0	0	0