



Economic Impact Analysis Virginia Department of Planning and Budget

**18 VAC 150-20 – Regulations Governing the Practice of Veterinary Medicine
Board of Veterinary Medicine, Department of Health Professions
May 2, 2011**

Summary of the Proposed Amendments to Regulation

The Board of Veterinary Medicine (Board) proposes 1) to add committing fraud, deceit, or misrepresentation in dealing with the Board or with the customers as grounds for unprofessional conduct, and 2) to clarify that delegation of veterinarian duties can be done in writing, or in person in addition to delegation by electronic means.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The Board of Veterinary Medicine (Board) proposes to add committing fraud, deceit, or misrepresentation in dealing with the Board or with the customers as grounds for unprofessional conduct. According to Department of Health Professions (DHP), the Board currently does not have authority to take action against licensed veterinarians if they commit fraud, deceit, or misrepresentation in dealing with the Board or with the customers unless the fraud, deceit, or misrepresentation violates one of the other acts of unprofessional conduct listed in the regulations. The lack of authority is reported to have hindered the ability of the Board to appropriately address complaints against veterinarians in a few cases.

The main benefit of the proposed change is providing authority to the Board to take appropriate action against veterinarians who commit fraud, deceit, or misrepresentation so that public health, safety, and/or welfare of citizens are better protected. In addition, the added authority is likely to discourage acts of fraud, deceit, or misrepresentation before they occur.

The main costs of this proposed change fall on the veterinarians who commit fraud, deceit, or misrepresentation since a disciplinary action may now be taken successfully against them. In such cases, the magnitude of the costs would depend on whether a pre-hearing consent is signed or a hearing is conducted. Depending on the seriousness of violation, the Board may levy a monetary penalty or impose a sanction.

Also, another proposed change clarifies that a veterinarian may delegate duties verbally or in writing in addition to delegation by electronic means. Since this change is a mere clarification of an existing standard, no significant economic effects are expected other than improving the clarity of the language and preventing a potentially costly misunderstanding.

Businesses and Entities Affected

There were 3,720 licensed veterinarians in Virginia at the end of 2010. However, no more than a few fraud, deceit, or misrepresentation cases are expected.

Localities Particularly Affected

The proposed regulations apply throughout the Commonwealth.

Projected Impact on Employment

The proposed regulations are not expected to have a significant impact on employment unless the license of a veterinarian is revoked upon violation of the new standard. In such cases, the supply of veterinarian services would be reduced.

Effects on the Use and Value of Private Property

The proposed regulations are not expected to have a significant impact on the use and value of private property unless a significant penalty including a license revocation levied or imposed on a veterinarian. In such cases, the asset value of the veterinarian practice may be reduced.

Small Businesses: Costs and Other Effects

While most of the regulated veterinarian establishments are believed to be small businesses, the proposed regulations are not expected to create significant costs or other effects on small businesses unless a significant penalty including a license revocation levied or imposed.

Small Businesses: Alternative Method that Minimizes Adverse Impact

There is no known alternative that minimizes potential adverse impact while accomplishing the same goals.

Real Estate Development Costs

The proposed regulations are not expected to create any 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.H of the Administrative Process Act and Executive Order Number 107 (09). 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.