



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

18 VAC 115-20 Regulations Governing the Practice of Professional Counseling
18 VAC 115-50 Regulations Governing the Practice of Marriage and Family Therapy
Department of Health Professions
Town Hall Action/Stage: 6086 / 9798
December 16, 2022

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 19. The analysis presented below represents DPB's best estimate of these economic impacts.¹

Summary of the Proposed Amendments to Regulation

Under the current regulations, applicants for licensure by endorsement for both licensed professional counselor (LPC) and marriage and family therapist (LMFT) must have verification of a passing score on an examination sent directly to the Board of Counseling (Board). The Board proposes to remove this requirement in both regulations.

Background

The regulations require that applicants for licensure by endorsement for both LPC and LMFT hold or have held the equivalent license in another jurisdiction of the United States.

According to the Department of Health Professions (DHP), all other jurisdictions of the United States that license LPCs or LMFTs require passage of an exam for licensure that is accepted by the Virginia Board.

¹ Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the analysis should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

Estimated Benefits and Costs

Since all applicants for licensure by endorsement in Virginia must have passed a Virginia-accepted examination in order to have received their equivalent out-of-state licensure, the current requirement in the regulations that the applicants provide the Board with verification of a passing score on the examination does not add any additional useful information.

According to DHP, for LPCs the cost to transfer the official score report is \$65 (with a four-week process time) or \$110 (expedited 2-day process time). For LMFTs, the cost is \$60 with an approximate one-week process time, with no expedited option. Thus, eliminating the requirement would eliminate these costs and enable applicants to become licensed more quickly, while making no difference in the assurance of the applicants' qualifications.

Businesses and Other Entities Affected

The proposed amendments affect LPCs and LMFTs who apply for licensure by endorsement in the Commonwealth, as well as their employers. In 2021, 338 LPCs and 53 LMFTs were licensed by endorsement.² According to survey data from a July 2022 Virginia Healthcare Workforce Data Center report,³ the primary types of employers of professional counselors in the Commonwealth are distributed as follows:

| <u>Establishment Type</u> | <u>Percentage</u> |
|---|-------------------|
| Private Practice, Group | 22% |
| Private Practice, Solo | 20% |
| Mental Health Facility, Outpatient | 13% |
| Community Services Board | 12% |
| Community-Based Clinic or Health Center | 8% |
| School (Providing Care to Clients) | 5% |
| Academic Institution (Teaching Health Professions Students) | 3% |
| Residential Mental Health/Substance Abuse Facility | 2% |

² Data source: DHP

³ See <https://www.dhp.virginia.gov/media/dhpweb/docs/hwdc/behsci/0701LPC2022.pdf>

| | |
|------------------------------|----|
| Hospital, Psychiatric | 2% |
| Corrections/Jail | 2% |
| Hospital, General | 1% |
| Administrative or Regulatory | 1% |
| Other Practice Setting | 8% |

Similar data are not available for LMFTs.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.⁴ An adverse impact is indicated if there is any increase in net cost or reduction in net revenue for any entity, even if the benefits exceed the costs for all entities combined. As the proposal does not increase net costs or reduce net revenues, no adverse impact is indicated.

Small Businesses⁵ Affected:⁶

The proposed amendments do not appear to adversely affect small businesses.

⁴ Pursuant to Code § 2.2-4007.04(D): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance. Statute does not define “adverse impact,” state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation.

⁵ Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

⁶ If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

Localities⁷ Affected⁸

The proposed amendments do not disproportionately affect any particular localities and do not introduce costs for local governments.

Projected Impact on Employment

The proposed amendments do not affect total employment.

Effects on the Use and Value of Private Property

The proposed amendments may enable employers of professional counselors and marriage and family therapists to hire more quickly as the proposal would enable applicants for licensure by endorsement to become licensed in the Commonwealth faster. The proposed amendments do not affect real estate development costs.

⁷ “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

⁸ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.