



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

18 VAC 85-20 Regulations Governing the Practice of Medicine, Osteopathic Medicine, Podiatry, and Chiropractic

18 VAC 85-50 Regulations Governing the Practice of Physician Assistants

18 VAC 85-101 Regulations Governing the Practice of Radiologic Technology

Department of Health Professions

Town Hall Action/Stage: 5890 / 9500

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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 14 (as amended, July 16, 2018). The analysis presented below represents DPB's best estimate of these economic impacts.¹

Summary of the Proposed Amendments to Regulation

The Board of Medicine (Board) proposes to amend 18 VAC 85-20 *Regulations Governing the Practice of Medicine, Osteopathic Medicine, Podiatry, and Chiropractic* to indicate that applicants for licensure by endorsement must provide verification that the most recently acquired license held in another United States jurisdiction or in Canada is in good standing, defined as current and unrestricted, or if lapsed, eligible for renewal or reinstatement. The current regulation requires that such verification be provided for all licenses held in other United States jurisdictions or in Canada.

Similarly, the Board also proposes to amend 18 VAC 85-50 *Regulations Governing the Practice of Physician Assistants* and 18 VAC 85-101 *Regulations Governing the Practice of*

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.

Radiologic Technology to indicate that verification would only be required for the most recently acquired license held in another jurisdiction.

Background

Under the current 18 VAC 85-20 *Regulations Governing the Practice of Medicine, Osteopathic Medicine, Podiatry, and Chiropractic*, physicians and podiatrists who are applying for Virginia licensure by endorsement must provide verification that all licenses held in another United States jurisdiction or in Canada are in good standing, defined as current and unrestricted, or if lapsed, eligible for renewal or reinstatement. The Board proposes to only require that the most recently acquired license be so verified.

The current 18 VAC 85-50 *Regulations Governing the Practice of Physician Assistants* and 18 VAC 85-101 *Regulations Governing the Practice of Radiologic Technology* require that all applicants for Virginia licensure as a physician assistant or radiologist assistant respectively, provide verification of their licensure status in all other jurisdictions where they are licensed. The Board proposes to only require that the most recently acquired license be so verified.

Estimated Benefits and Costs

According to the Department of Health Professions (DHP), many applicants for licensure by endorsement in medicine, osteopathic medicine, and podiatry are licensed in multiple jurisdictions, so verification of every license can significantly delay the licensing process. Licensure would not be granted until all such jurisdictions respond. Thus, the proposal to only require verification for the most recently acquired license would reduce the time it takes to become licensed by endorsement as a physician or podiatrist for many applicants. Similarly, many of the applicants for licensure as a physician assistant or radiologist assistant who are licensed in multiple other jurisdictions would also benefit from reduced time to gain licensure in the Commonwealth.

Applicants for licensure by endorsement in medicine, osteopathic medicine, and podiatry, and applicants for licensure as a physician assistant or radiologist assistant, who are licensed in multiple other jurisdictions would also benefit from the proposed amendments by paying fewer fees. Licensing agencies typically charge fees to verify licensure. For example, DHP charges \$10 for verification to other jurisdictions on Virginia licensure of physicians, podiatrists, physician assistants and radiologist assistants. Thus, under the proposal, applicants would only pay the

verification fee from the licensing agency in the jurisdiction of the most recently acquired license. Under the current regulations, applicants pay fees to the licensing agencies in all other jurisdictions where they are licensed.

According to DHP, all applicants must provide a current report from the U.S. Department of Health and Human Services National Practitioner Data Bank (NPDB). The NPDB is a web-based repository of reports containing information on medical malpractice payments and certain adverse actions related to health care practitioners, providers, and suppliers. Established by Congress in 1986, the U.S. Department of Health and Human Services describes it as a workforce tool that prevents practitioners from moving state to state without disclosure or discovery of previous damaging performance.² Thus, the proposals to only require verifications of the most recently acquired license would not likely substantively add to the risk of licensing a practitioner in the Commonwealth who unbeknownst to DHP previously practiced in an incompetent or unethical manner in another jurisdiction.

Businesses and Other Entities Affected

The proposed amendments potentially affect applicants for licensure by endorsement as physicians or podiatrists, and applicants for licensure as physician assistants or radiologist assistants, who are licensed in multiple other jurisdictions. According to DHP, in 2020 there were 596 MD and DO licenses issued by endorsement (none for podiatrists). The agency does not have data on how many of those held licenses in multiple jurisdictions, but DHP believes that the vast majority did. DHP issued 150 physician assistant licenses and zero radiologist assistant licenses in the fourth quarter 2021. The agency does not have data on how many of those held licenses in multiple jurisdictions.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.³ An adverse impact is indicated if there is any increase in net cost or

² See <https://www.npdb.hrsa.gov/topNavigation/aboutUs.jsp>

³ 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.

reduction in net revenue for any entity, even if the benefits exceed the costs for all entities combined. No adverse impact is indicated for this proposal.

Small Businesses⁴ Affected:⁵

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

Localities⁶ Affected⁷

It may be the case that practitioners who live near jurisdictional borders would be more likely to seek licensure in multiple jurisdictions. To the extent that this occurs, localities adjacent to or otherwise near other jurisdictions may be particularly affected. The proposed amendments do not introduce costs for local governments.

Projected Impact on Employment

For some applicants, the proposed amendments reduce the time it takes to become licensed as a physician, podiatrist, physician assistant or radiologist assistant in Virginia and modestly reduces fees paid to other jurisdictions. However, these benefits would not likely substantively affect total employment.

Effects on the Use and Value of Private Property

By enabling some practitioners to start working in the Commonwealth sooner, the proposed amendments may raise the earnings and value of private entities that employ them during the first year of their employment. The proposed amendments do not affect real estate development costs.

⁴ 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.”

⁵ 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.

⁶ “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.

⁷ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.