



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

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**18 VAC 125-20 Regulations Governing the Practice of Psychology**  
**Department of Health Professions**  
**Town Hall Action/Stage: 6110 / 9829**  
May 26, 2023

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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 19. The analysis presented below represents DPB’s best estimate of these economic impacts.<sup>1</sup>

## **Summary of the Proposed Amendments to Regulation**

The Board of Psychology (Board) proposes amendments for improved clarity and elimination of text that is either duplicative or obsolete.

## **Background**

The Board proposes to amend 10 sections of the regulation, typically by deleting existing text. In *18VAC125-20-10 Definitions*, the Board proposes to delete the definition of “intern” and move the definition of “demonstrable areas of competence” to *18VAC125-20-65 Residency*, where it is used.

Obsolete language is proposed to be deleted in *18VAC125-20-30 Fees required by the board*.

The existing text in *18VAC125-20-41 Requirements for licensure by examination* and *18VAC125-20-42 Prerequisites for licensure by endorsement* states that “Every applicant shall

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<sup>1</sup> 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.

attest to having read and agreed to comply with the current standards of practice and laws governing the practice of psychology in Virginia.” The Board proposes to delete this requirement.

In *18VAC125-20-120 Annual renewal of licensure*, the Board proposes to delete a duplicative sentence and amend language for improved clarity.

To improve clarity, the Board proposes to reword both *18VAC125-20-121 Continuing education course requirements for renewal of an active license* and *18VAC125-20-123 Documenting compliance with continuing education requirements*.

The existing text in *18VAC125-20-150 Standards of practice*, states that “Psychologists respect the rights, dignity, and worth of all people and are mindful of individual differences.” The Board proposes to delete this sentence. In addition, the current text in this section states that licensees shall “Be able to justify all services rendered to clients as necessary for diagnostic or therapeutic purposes.” The Board proposes to replace “diagnostic or therapeutic purposes” with “the practice of psychology.” Additional rewording to improve clarity and deleting text that is repetitious of the Code of Virginia is proposed as well.

The Board also proposes to repeal all of *18VAC125-20-170 Reinstatement following disciplinary action*, as it is repetitious of the Code of Virginia.

### **Estimated Benefits and Costs**

To the extent that rewording for clarity makes the requirements of the regulation more easily understood, these proposed amendments are beneficial. Elimination of duplicative or obsolete language has no impact on requirements, but may save readers of the regulation a small amount of time.

Eliminating the requirement that licensure applicants attest to having read and agreed to comply with the current standards of practice and laws would not likely have a substantive impact. Licensees are required to comply with the law whether they make such an attestation or not.

The statement “Psychologists respect the rights, dignity, and worth of all people and are mindful of individual differences” is aspirational and likely too vague to be enforceable. Thus, removing it from the regulation should not have a substantive impact.

The Department of Health Professions (DHP) notes that “diagnostic or therapeutic purposes” does not cover all standard parts of psychology practice. For example, it does not include forensic psychology.<sup>2</sup> Thus, it is more appropriate that the standard of practice be that the licensee is able to justify all services rendered to clients as necessary for the practice of psychology, not just for diagnostic or therapeutic purposes. As far as DHP staff are aware no licensee has been disciplined for rendering services to clients that are standard parts of psychology practice, but not for diagnostic and therapeutic purposes.

### **Businesses and Other Entities Affected**

The proposed amendments pertain to the 25 applied psychologists, 4,461 clinical psychologists, 26 residents in school psychology, 392 residents in training, 100 school psychologists, 583 school psychologists-limited, 439 sex offender treatment provider, and 79 sex offender treatment provider trainees licensed by the Board.<sup>3</sup>

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.<sup>4</sup> 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. Since none of the proposed amendments increase net costs or reduce net revenue, no adverse impact is indicated.

### **Small Businesses<sup>5</sup> Affected:<sup>6</sup>**

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

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<sup>2</sup> See page eight of the Agency Background Document:

[https://townhall.virginia.gov/L/GetFile.cfm?File=31\6110\9829\AgencyStatement\\_DHP\\_9829\\_v1.pdf](https://townhall.virginia.gov/L/GetFile.cfm?File=31\6110\9829\AgencyStatement_DHP_9829_v1.pdf)

<sup>3</sup> Data source: See <https://www.dhp.virginia.gov/about/stats/2023Q3/04CurrentLicenseCountQ3FY2023.pdf>

<sup>4</sup> 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.

<sup>5</sup> 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.”

<sup>6</sup> 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

**Localities<sup>7</sup> Affected<sup>8</sup>**

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

**Projected Impact on Employment**

The proposed amendments do not appear to affect employment.

**Effects on the Use and Value of Private Property**

The proposed amendments do not substantively affect the use and value of private property. The proposed amendments do not affect real estate development costs.

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proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

<sup>7</sup> “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.

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