Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes ☐ Not Needed ☒

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).

Virginia Department of Planning and Budget

Economic Impact Analysis

18 VAC 76-20 – Regulations Governing the Prescription Monitoring Program
Department of Health Professions
Town Hall Action/Stage: 4351/7447
April 4, 2016

Summary of the Proposed Amendments to Regulation

Upon recommendation from the Governor's Task Force on Prescription Drug and Heroin Abuse and the Prescription Monitoring Program (PMP) Advisory Committee, the Department of Health Professions (DHP) proposes to add several new pieces of information that doctors who dispense medications and pharmacists will be required to report to the PMP. DHP also proposes to allow affected entities 90 days to start reporting the newly required data.

Result of Analysis

Benefits likely outweigh costs for these proposed regulatory changes.

Estimated Economic Impact

Current regulation requires reporting of certain information on prescriptions dispensed in the Commonwealth to the PMP. Currently, healthcare providers that dispense medications as well as pharmacists are required to report: 1) the Drug Enforcement Administration registration number of the dispenser, 2) the total number of refills ordered, 3) whether the prescription is new or a refill and 4) the date that the prescription was written by the prescriber. This information is filled out and submitted electronically and is pulled from payment system software that collects much more data than is required by the PMP. Currently, effected entities have 30 days to start reporting required data after they are notified that such reports are required.

As a consequence of recommendations from the Governor's Task Force on Prescription Drug and Heroin Abuse and the Prescription Monitoring Program (PMP) Advisory Committee, DHP now proposes to add requirements that these entities also report: 1) the National Provider Identifier of the prescriber, 2) whether the prescription is a partial refill, 3) the gender code of the patient, 4) a species code for the patient (so that the system can differentiate medicines prescribed for humans versus medicines prescribed for animals) and 5) the Electronic Prescription Reference Number and the Electronic Prescription Order Number, if it is an electronic prescription. Most of the newly required data elements will make patients easier to identify and differentiate. The requirement to report partial fills for prescriptions will allow the system to refrain from flagging an individual for filling two prescriptions for the same drug in a short amount of time when in actuality one prescription was filled in two partial orders (likely because the pharmacist did not have enough of the medication to fill it all at once but the patient could not wait for a new order of the medication to come in). DHP also proposes to allow providers 90 days, rather than the 30 days they are currently allowed, to adjust to reporting these new data points.

DHP reports that affected entities will not incur any costs on account of these proposed changes. Providers will only need to check additional elements in their already existing software interface in order for those elements to be reported to the PMP. These changes will likely benefit both consumers and health care providers as they will reduce the chances of either a patient or a provider being unfairly flagged either because of ambiguous identity or because partial fills of prescriptions are being viewed as multiple complete fills.

Businesses and Entities Affected

These proposed regulatory changes will affect all pharmacists as well as doctors and dentists who dispense drugs. DHP reports that there are 2,183 dispensers who currently report to the PMP.

Localities Particularly Affected

No locality will be particularly affected by these proposed regulatory changes.

Projected Impact on Employment

These proposed regulatory changes are unlikely to have any effect on employment in the Commonwealth.

Effects on the Use and Value of Private Property

These proposed regulatory changes are unlikely to affect the use or value of private property in the Commonwealth.

Real Estate Development Costs

These proposed regulatory changes are unlikely to affect real estate development costs in the Commonwealth.

Small Businesses:

Definition

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."

Costs and Other Effects

Small businesses are unlikely to incur any costs on account of these proposed regulatory changes.

Alternative Method that Minimizes Adverse Impact

Small businesses are unlikely to incur any costs on account of these proposed regulatory changes.

Adverse Impacts:

Businesses:

Businesses are unlikely to incur any costs on account of these proposed regulatory changes.

Localities:

Localities in the Commonwealth are unlikely to see any adverse impacts on account of these proposed regulatory changes.

Other Entities:

No other entities are likely to be adversely affected by these proposed changes.

Legal Mandates

General: The Department of Planning and Budget 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 Number 17 (2014). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report 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.

Adverse impacts: Pursuant to Code § 2.2-4007.04(C): 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 within the 45-day period.

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.

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