



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 60-20 – Regulations Governing the Practice of Dentistry and Dental Hygiene Department of Health Professions December 9, 2005

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 21 (02). 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. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

The Board of Dentistry (board) proposes to: 1) establish licensure by credentials within the regulations, and 2) include language on the restricted volunteer license.

Estimated Economic Impact

Licensure by Credentials

Pursuant to Chapter 587 of the 2005 Virginia Acts of Assembly, the board proposes to permit individuals licensed as dentists in other U.S. jurisdictions to obtain Virginia licensure by credentials. In order to obtain licensure by credentials, individuals must:

1. Be of good moral character and not have committed any act which would constitute a violation of § 54.1-2706 of the Code of Virginia;

2. Be a graduate of a dental program, school or college, or dental department of a university or college currently accredited by the Commission on Dental Accreditation of the American Dental Association;
3. Have passed Part I and Part II of the examination given by the Joint Commission on National Dental Examinations;
4. Have successfully completed a clinical examination that involved live patients;
5. Have not failed a clinical examination required by the board in the five years immediately preceding his application;
6. Hold a current, unrestricted license to practice dentistry in another jurisdiction in the United States and is certified to be in good standing by each jurisdiction in which he currently holds or has held a license; and
7. Have been in continuous clinical practice for five out of the six years immediately preceding application for licensure pursuant to this section. Active patient care in the dental corps of the United States Armed Forces, volunteer practice in a public health clinic, or practice in an intern or residency program may be accepted by the board to satisfy this requirement. One year of clinical practice shall consist of a minimum of 600 hours of practice in a calendar year as attested by the applicant.

The proposal to permit licensure by credentials, combined with the board's earlier decision to accept examination results from other regional testing agencies (described below), will likely result in significant benefits for Virginians.

Up until January 2005, the board only accepted passing scores on clinical dental examinations administered by the Southern Regional Testing Agency (SRTA).¹ This limited the opportunity for skilled dentists from non-SRTA states to practice in the Commonwealth. In addition to Virginia, the states of Arkansas, Georgia, Kentucky, South Carolina, and Tennessee are members of SRTA.² Dentists from all other states (non-SRTA states), including the neighboring states of Maryland and North Carolina, had to take the SRTA examinations in order

¹ Ibid

² Source: the Southern Regional Testing Agency Website, www.srta.org

to obtain licensure in Virginia, regardless of their accomplishments and the content of the licensure-qualifying examinations they had passed in their home states. This discouraged the potential entry of highly skilled dentists into Virginia. For example, excellent dentists based in the Maryland suburbs of Washington, D.C. may have considered opening offices in Northern Virginia, but were discouraged from doing so due to the time and costs associated with taking additional licensure examinations in order to obtain Virginia licensure. Or for another example, say an outstanding dentist who had passed very rigorous licensure examinations in her home non-SRTA state contemplated a move to the Commonwealth and practicing here because her spouse received an interesting employment offer in Virginia. The time and costs required for preparation, as well as perhaps annoyance at being required to take unnecessary examinations, may have discouraged this highly qualified dentist from seeking licensure and providing dental services in Virginia.

Besides SRTA, there are three other regional examining boards: 1) the North East Regional Board (NERB), with member states Connecticut, Illinois, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, West Virginia, and the District of Columbia, 2) the Central Regional Dental Testing Service (CRDTS), with member states Colorado, Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Wisconsin, and Wyoming, and 3) the Western Regional Examining Board (WREB), with member states Alaska, Arizona, Idaho, Montana, New Mexico, Oklahoma, Oregon, Texas, Utah, and Washington. The remaining ten states, Alabama, California, Delaware, Hawaii, Florida, Indiana, Louisiana, Mississippi, Nevada, and North Carolina do not belong to a regional board. Unless the NERB, CRDTS, and WREB exams, and the licensing exams for the unaligned states, are significantly less stringent than the SRTA exams, there is no health and safety justification for mandating that licensed dentists from these states who have passed their state's licensing exams take and pass the SRTA exams for Virginia licensure. By discouraging non-SRTA state dentists from seeking licensure in Virginia, the quantity and perhaps quality of dental services in Virginia were lower than they otherwise would be, while the costs of dental services were higher.

Discouraging highly skilled dentists from practicing in Virginia clearly reduced the supply of dental services in Virginia. If there are fewer suppliers of a good or service and the demand for the good or service has not changed, then it can be expected that the market price

will increase.³ Thus, by discouraging highly skilled dentists who have passed licensure examinations in other states that are at least as rigorous as Virginia's from providing dental services in the Commonwealth, the prices paid for dental services in Virginia were likely higher than they would otherwise be. If the cost of dental services is increased, fewer people are able to afford dental care; consequently fewer people will receive the health benefits of dental care. The overall average quality of dental services may have been reduced as well. When there is greater competition in the supply of a good or service, suppliers are under greater pressure to produce high quality in order to keep and obtain customers. Thus, the proposal to permit licensure by credentials together with the board's earlier decision to accept examination results from other regional testing agencies will likely increase the quantity and perhaps quality of dental services in Virginia. More Virginians will likely be able to receive dental care at an affordable cost.

Restricted volunteer license

Section § 54.1-2712.1 of the Code of Virginia has provided for a restricted volunteer license for out-of-state dentists to volunteer at free clinics in the Commonwealth. Chapter 587 of the 2005 Virginia Acts of Assembly broadened eligibility for the restricted volunteer license to include retired dentists who held unrestricted licensure in good standing in Virginia or another state at the time their license expired or became inactive. The current regulations do not include language concerning the restricted volunteer license. The board proposes to include language in these regulations that essentially duplicates the language in the Code. Including this language in the regulations will be beneficial in that more interested individuals may become aware of the opportunity to provide volunteer services. More underprivileged Virginians may receive free dental services as a result.

Businesses and Entities Affected

The proposed regulations affect individuals interested in obtaining licensure by credentials or a restricted volunteer license, as well as those individuals who will potentially be treated by these dentists. All licensed dentists will potentially be affected by the possible small increase in new licensed dentists in Virginia. According to the Department of Health Professions, there are currently 5,032 dentists with active licenses in the Commonwealth.

³ The U.S. Department of Justice, Federal Trade Commission report "Improving Health Care: A Dose of Competition," July 2004, points out "that limits on entry increase health care costs."

Localities Particularly Affected

The proposed amendments affect all Virginia localities.

Projected Impact on Employment

The proposed amendments will likely result in a small increase in the number of licensed dentists in Virginia.

Effects on the Use and Value of Private Property

The proposed amendments will likely result in a small increase in the number of private dental practices in the Commonwealth. The total value of all practices in aggregate will likely increase. The value of some practices may decrease due to increased competition.

Small Businesses: Costs and Other Effects

Licensure by credentials and the board's earlier decision to accept examination results from other regional testing agencies will reduce the costs for dentists from non-SRTA states to become licensed in the Commonwealth. Costs will not increase for dental practices, but some practices may lose revenue due to increased competition.

Small Businesses: Alternative Method that Minimizes Adverse Impact

Licensure by credentials is required by Chapter 587 of the 2005 Virginia Acts of Assembly. There are no alternative methods that would minimize adverse impact.