



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

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**18 VAC 110-20 Regulations Governing the Practice of Pharmacy**  
**Board of Pharmacy**  
**Town Hall Action/Stage: 6897 / 10981**  
February 12, 2026

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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 the potential economic impacts as of the date of this analysis.<sup>1</sup>

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

In response to 2025 legislation, the Board of Pharmacy (Board) proposes to amend the section on drugs in correctional facilities to allow correctional facilities to maintain a floor stock of certain long-acting or extended-release prescription drugs for the treatment of mental illness or substance use disorder. The proposed changes would (i) require the correctional facility to obtain a controlled substance registration and (ii) include inventory reconciliation and recordkeeping requirements.

### **Background**

Chapters 278 and 283 of the 2025 *Acts of Assembly* allow the Board to, “register a correctional facility to maintain a floor stock of long-acting injectable or extended-release prescription drugs for the treatment of mental illness or substance use disorder.” The legislation also requires the following: (i) such drugs must be stored in an area accessible only to persons licensed to administer such drugs, regardless of whether the prescriber is on site (ii) each

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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.

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correctional facility must maintain an ongoing perpetual inventory of all such drugs in Schedules II through V, and (iii) the perpetual inventory must accurately indicate the physical count of each drug on hand and be reconciled at least once per month.

Section 590 (Drugs in correctional facilities) of 18 VAC 110-20 *Regulations Governing the Practice of Pharmacy* does not currently allow correctional facilities to maintain a floor stock of such drugs, leading to inmates not receiving needed prescription medication until a prescriber is on site. Thus, the Board proposes to amend this to add the allowance and requirements in the legislation. The proposed amendments would specifically require the correctional facility to obtain a controlled substance registration<sup>2</sup> from the Board and to comply with Sections 690 (Persons or entities authorized or required to obtain a controlled substances registration), 700 (Requirements for supervision for controlled substances registrants), 710 (Requirements for storage and security for controlled substances registrants), and 720 (Requirements for recordkeeping) of this regulation. The proposed amendments would also specify that the ongoing perpetual inventory required by statute be maintained for at least two years from the date of transaction.

### **Estimated Benefits and Costs**

Neither the 2025 legislation nor the proposed regulatory changes would require correctional facilities to take any action. If correctional facilities choose to maintain a floor stock of long-acting injectables or extended-release prescription drugs, they would incur a \$120 fee for the controlled substance registration, costs associated with the staff time required for inventory management, reconciliation, and recordkeeping, as well as the cost of the medications. The Department of Health Professions (DHP) reports that 37 entities with the word “correctional” in the name already have a controlled substance registration. Maintaining a floor stock of these drugs for administration to inmates would benefit the inmates who would receive their prescription medications in a consistent and timely manner, rather than having to wait until a prescriber is on site.

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<sup>2</sup> See

<https://ris.dls.virginia.gov/uploads/18VAC110/forms/0220%20Controlled%20Substance%20Registration%20Application%208-2024-20240819122354.pdf>

## **Businesses and Other Entities Affected**

The proposed amendments would apply to correctional facilities in Virginia, which is defined in 18VAC110-20-10 to mean “any prison, penitentiary, penal facility, jail, detention unit, or other facility in which persons are incarcerated by government officials.” DHP reports that state prisons are more likely to avail of this allowance since their inmates typically stay for a longer period of time, whereas jails and detention units would be unlikely to stock long-acting injectable drugs. The Virginia Department of Corrections currently operates 31 correctional facilities, four work centers, and one treatment correctional facility.<sup>3</sup> As mentioned previously, none of these facilities would be required to take any action, and several may already have controlled substance registrations.

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 benefit for any entity, even if the benefits exceed the costs for all entities combined.<sup>5</sup> Since correctional facilities may choose whether or not to carry a floor stock of medications, any costs associated with doing so would be voluntary. Thus, an adverse impact is not indicated.

### **Small Businesses<sup>6</sup> Affected:<sup>7</sup>**

The proposed changes do not affect small businesses.

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<sup>3</sup> <https://vadoc.virginia.gov/facilities-and-offices/>.

<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.

<sup>5</sup> 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. As a result, DPB has adopted a definition of adverse impact that assesses changes in net costs and benefits for each affected Virginia entity that directly results from discretionary changes to the regulation.

<sup>6</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>7</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

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### **Localities<sup>8</sup> Affected<sup>9</sup>**

Local governments would only incur costs if a jail, detention unit, or other facility operated by one or more localities chooses to obtain a controlled substance registration and maintain a floor stock of medications as provided by the proposed amendments. No locality would be disproportionately affected.

### **Projected Impact on Employment**

The proposed amendments would not affect total employment.

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

The proposed amendments would not affect the use or value of private property. Real estate development costs would not be affected.

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

<sup>8</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>9</sup> § 2.2-4007.04 defines "particularly affected" as bearing disproportionate material impact.