

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

12 VAC 5-525 Regulations for Physician Assistant Scholarships
Virginia Department of Health
Town Hall Action/Stage: 4199 / 7564
July 29, 2016

Summary of the Proposed Amendments to Regulation

Pursuant to § 32.1-122.6:03 of the Code of Virginia, the Board of Health (Board) proposes to promulgate a new regulation to establish rules and requirements for a physician assistant scholarship program. Consistent with the statute, under the proposed regulation scholarship recipients must commit to practicing as physician assistants in underserved areas of the Commonwealth in exchange for the scholarship funding.

Result of Analysis

The benefits likely exceed the costs.

Estimated Economic Impact

Chapter 806 of the 1997 Virginia Acts of Assembly amended and reenacted § 32.1-122.6:03 of the Code of Virginia to require the establishment of an annual physician assistant scholarship program for students who intend to enter an accredited physician assistant program, and mandated the Board to adopt regulations governing the implementation of such a scholarship program within 280 days of its enactment. Up until now no action has been taken to adopt such regulations. Also, no physician assistant scholarships have been awarded pursuant to § 32.1-122.6:03.¹

¹ Source: Virginia Department of Health

There are no funds currently budgeted for the physician assistant scholarship program. Thus, the promulgation of this regulation will not likely have an immediate impact. Nevertheless, the promulgation of this regulation will be beneficial in that a framework will be prepared concerning scholarship: committee appointments, eligibility, conditions, dollar amount to be awarded,² applications, selection criteria, contracts, practice sites, reporting requirements, breach of contract,³ deferment and waivers, and other information. When and if funds are appropriated for the physician assistant scholarship program, having an existing regulation would be beneficial in that it would reduce delays in implementing the program and reduce uncertainty for potential scholarship candidates.

Businesses and Entities Affected

The proposed regulation would particularly affect medical facilities that employ physician assistants located in underserved areas of the Commonwealth.

Localities Particularly Affected

The proposed regulation specifies that each scholarship recipient agrees to engage in the equivalent of one year of full-time primary care medical practice in a health professional shortage area (HPSA) or Virginia medically underserved area (VMUA) within the Commonwealth. HPSA is defined as “an area in Virginia designated by the U.S. Secretary of Health and Human Services as having a shortage of health professionals in accordance with the procedures of the Public Health Service Act (42 USC §254e) and implementing regulations (42 CFR Part 5).” VMUA is defined as “an area in Virginia designated by the State Board of Health in accordance with the Rules and Regulations for the Identification of Medically Underserved Areas (12VAC 5-540) or § 32.1-122.5 of the Code of Virginia.” Thus, localities most in need of

² The proposed regulation states that “Each participant shall receive an award of \$5,000 per year.” § 32.1-122.6:03.A states that “The amounts and numbers of such scholarships shall be determined annually as provided in the appropriation act.” Presuming that if and when funds are provided in the appropriation act for the physician assistant scholarship program that the amounts of the scholarships are specified, then the amounts in the appropriation act would be awarded rather than the \$5,000 specified in the regulation.

³ Under the proposed regulation it is a breach of contract to not begin continuous full-time employment within 180 days of graduation. There is no proviso for a graduate who actively seeks but is unable to find employment. Such an individual is required to repay the scholarship award amount plus interest and penalty. The penalty is “twice the amount of all monetary payments to the scholarship participant.” This may be considered excessive; and an unemployed individual would likely be unable to pay. It may be beneficial to include a proviso to account for an unemployed scholarship recipient who can demonstrate their active seeking of physician assistant employment in an underserved area.

additional health services are more likely to be affected by having additional care provided by a physician assistant.

Projected Impact on Employment

Depending upon future funding of the physician assistant scholarship program, the proposed regulation may help moderately increase the number of practicing physician assistants in the Commonwealth.

Effects on the Use and Value of Private Property

The proposed regulation does not significantly affect the use and value of private property.

Real Estate Development Costs

The proposed regulation does not affect real estate development costs.

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

The proposed regulation does not affect costs for small businesses.

Alternative Method that Minimizes Adverse Impact

The proposed regulation does not adversely affect small businesses.

Adverse Impacts:

Businesses:

The proposed regulation does not adversely affect businesses.

Localities:

The proposed regulation does not adversely affect localities.

Other Entities:

The proposed regulation does not adversely affect other entities.

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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