Economic Impact Analysis
Virginia Department of Planning and Budget

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18 VAC 85-20 – Regulations Governing the Practice of Medicine, Osteopathic Medicine, Podiatry and Chiropractic
Department of Health Professions
August 10, 2006

Summary of the Proposed Amendments to Regulation

The Board of Medicine (board) proposes to eliminate the requirement that 15 of the 30 hours of Type 1 continuing education required for biennial renewal of a license in medicine, osteopathic medicine, podiatry or chiropractic be acquired "in face-to-face group activities or other interactive courses."

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Section 235 of these regulations, titled "Continued competency requirements for renewal of an active license," specifies that in order for practitioners to renew an active license at least 60 hours of continuing learning activities must be completed within the two years immediately preceding renewal as follows:

> 1. A minimum of 30 of the 60 hours shall be in Type 1 activities or courses offered by an accredited sponsor or organization sanctioned by the profession. At least 15 of the Type 1 hours shall be earned in face-to-face group activities or other interactive courses.
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> > a. Type 1 hours in chiropractic shall be accredited by the Council on Chiropractic Education or any other organization approved by the board.

b. Type 1 hours in podiatry shall be accredited by the American Podiatric Medical Association, the American Council of Certified Podiatric Physicians and Surgeons or any other organization approved by the board.

2. No more than 30 of the 60 hours may be Type 2 activities or courses, which may or may not be approved by an accredited sponsor or organization but which shall be chosen by the licensee to address such areas as ethics, standards of care, patient safety, new medical technology, and patient communication.

The board proposes to eliminate the requirement that "At least 15 of the Type 1 hours shall be earned in face-to-face group activities or other interactive courses."

In practice, the elimination of this requirement will reduce costs for many practitioners. Online training can be accessed at whichever times are most convenient for the practitioner. Face-to-face training is available at limited times. Practitioners often must obtain face-to-face training at relatively inconvenient times. The cost to practitioners of lost time with patients or otherwise productively used at work, or for family or leisure time is greater if training must be obtained at less convenient times. Face-to-face training also often requires extra time and transportation costs for travel to and from the training compared to online training which can be obtained at either home or the office, whichever is more convenient.

Also, according to comments received by the board from practitioners, much of the available electronically-offered continuing medical education is superior in quality and applicability to practice than the courses that can be accessed through face-to-face training such as conferences and meetings. This is supported by recent research. As described in a 2005 *Journal of the American Medical Association* article, Fordis et al. found that "Appropriately designed, evidence-based online CME (continuing medical education) can produce objectively measured changes in behavior as well as sustained gains in knowledge that are comparable or superior to those realized from effective live activities."

On the other hand, at the time this requirement was initially adopted, board members voiced concerns about practitioners seen in disciplinary cases who had become isolated in their practices. The board then determined that half of the Type 1 hours should be acquired in courses that would force the doctor to interact with peers. In practice, introverted practitioners could attend face-to-face training such as meetings or conferences with minimal interaction with peers;

but the requirement does likely increase the probability of significant interaction. As stated by some comments to the Medical Society of Virginia, attending face-to-face continuing medical education allows practitioners to witness and interact with peers and superiors, learning attitudes and traits that carry over into practice in a way that goes beyond assimilating information. Thus, eliminating the requirement will probably produce a small cost in that a few isolated practitioners who could significantly improve their methods of practice by being forced to attend face-to-face training will no longer be required to do so. Overall though, it seems likely that the potential cost savings for many practitioners will likely outweigh the likely small cost of not forcing face-to-face training.

Businesses and Entities Affected

The 27,191 doctors of medicine, 1,145 doctors of osteopathic medicine, 1409 doctors of chiropractic, and 417 doctors of podiatric medicine licensed in Virginia, as well as their practices and patients, will be affected by the proposed regulatory amendment. Most practitioner practices are small businesses.

Localities Particularly Affected

The proposed regulations affect all Virginia localities.

Projected Impact on Employment

The proposed amendment may induce a small shift in employment. The elimination of the requirement that half of Type 1 training be in face-to-face group activities or other interactive courses will likely reduce the demand for such training, while in turn increase demand for other training courses offered by an accredited sponsor or organization sanctioned by the profession, i.e., other Type 1 training. It is very likely that demand for online courses in particular will increase. Thus, employment hours in training that involves face-to-face group activities may moderately decline, while employment hours associated with online training may moderately increase.

Effects on the Use and Value of Private Property

The elimination of the requirement that half of Type 1 training be in face-to-face group activities or other interactive courses will likely reduce the demand for such training, while in turn increase demand for other training courses offered by an accredited sponsor or organization

sanctioned by the profession, i.e., other Type 1 training. It is very likely that demand for online courses in particular will increase. Thus, the value of firms or organizations that offer face-to-face group activity training may moderately decline, while the value of firms or organizations that offer online training may moderately increase. Some organizations that offer both will likely increase online offerings and decrease face-to-face training opportunities. Some organizations may offer online training for the first time in reaction to the change in demand.

Small Businesses: Costs and Other Effects

The proposal will reduce costs for many practitioners and their practices, most of which are small businesses. Small businesses that offer face-to-face training and little or no online training will likely lose revenue. Small businesses that offer online training will likely gain revenue.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposal will have a positive impact for most affected small businesses. A small number of small businesses will likely lose revenue, but there is no alternative method that will prevent this without adversely affecting a significantly larger number of small businesses.

Reference

Fordis M, King JE, Ballantyne CM, Jones PH, Schneider KH, Spann SJ, Greenberg SB, Greisinger AJ, "Comparison of the Instructional Efficacy of Internet-Based CME with Live Interactive CME Workshops," *Journal of the American Medical Association* 2005;294:1043-1051.

Legal Mandate

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. Further, if the proposed

regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.