



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 110-20 – Regulations Governing the Practice of Pharmacy Department of Health Professions November 1, 2004

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G 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

Pursuant to House Bill 577 of the 2004 General Assembly, the Board of Pharmacy (board) proposes to delineate the criteria for delegation of informal fact-finding proceedings to an agency subordinate.

Estimated Economic Impact

Section § 54.1-2400 of the Code of Virginia (Code) describes the general powers and duties of health regulatory boards. Among the powers and duties listed is to appoint a special conference committee upon receipt of information that a practitioner of the board in question may be subject to disciplinary action. "The special conference committee may (i) exonerate the practitioner; (ii) reinstate the practitioner; (iii) place the practitioner on probation with such terms as it may deem appropriate; (iv) reprimand the practitioner; (v) modify a previous order; and (vi) impose a monetary penalty ..." House Bill 577 of the 2004 General Assembly added the following language to this section of the Code: "This subdivision shall not be construed to limit

the authority of a board to delegate to an appropriately qualified agency subordinate, as defined in § 2.2-4001, the authority to conduct informal fact-finding proceedings ..., upon receipt of information that a practitioner may be subject to disciplinary action. Criteria for the appointment of an agency subordinate shall be set forth in regulations adopted by the board.”

In response, the board proposes regulations that specify criteria for delegation of informal fact-finding proceedings to an agency subordinate. Section § 2.2-4001 of the Code defines “subordinate” to mean “(i) one or more but less than a quorum of the members of a board constituting an agency, (ii) one or more of its staff members or employees, or (iii) any other person or persons designated by the agency to act in its behalf.” According to the Department of Health Professions (department), the board has not been delegating to an agency subordinate the authority to conduct informal fact-finding proceedings upon receipt of information that a practitioner may be subject to disciplinary action. The department believes that the introduced clarifying language in the Code and the proposed criteria for delegation of informal fact-finding proceedings to an agency subordinate in the regulations will make it more likely that the board will delegate to an agency subordinate the authority to conduct informal fact-finding proceedings. The department also believes that it is more likely that such agency subordinates will consist of current or past board members than department staff.

It is generally easier for smaller groups (including just one individual) to schedule the time necessary to conduct fact-finding proceedings than for larger groups, i.e., the entire board. Thus, to the extent that the adoption of the proposed criteria in the regulations paired with the clarifying language in the Code make it more likely that the board will delegate to an agency subordinate the task to conduct informal fact-finding proceedings, closure may be brought to some disciplinary cases in a more timely manner. Since the board must still ratify recommendations of the subordinate, the subject of the potential disciplinary action will still be under the judgment of the entire board, rather than just a subset. Therefore, since the proposal produces no significant cost and the potential for disciplinary cases to be concluded in a timelier manner is created, the proposed amendment to the regulations will likely produce a net benefit.

Businesses and Entities Affected

The proposed criteria potentially affect the 7,675 actively licensed pharmacists, 1,517 permitted pharmacies, pharmacy technicians, and their patients.¹

Localities Particularly Affected

The proposed regulations affect all Virginia localities.

Projected Impact on Employment

The proposed amendments will not significantly affect employment levels.

Effects on the Use and Value of Private Property

The proposed amendments will not have a large impact on the use and value of private property.

¹ Source: Department of Health Professions.