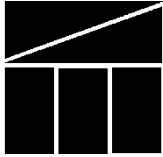


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

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

18 VAC 110-20 Regulations Governing the Practice of Pharmacy
Department of Health Professions
Town Hall Action/Stage: 5080 / 8510
March 13, 2019

Summary of the Proposed Amendments to Regulation

The Board of Pharmacy (Board) proposes to require that once a permit has been issued, the pharmacy shall be fully operational within 90 days of issuance.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Department of Health Professions (DHP) inspectors have been concerned that a pharmacy permit may be used to order drugs for some purpose other than operating a pharmacy. To hinder that possibility, the proposed new text would authorize the Board to take action against the permit upon evidence that the pharmacy has not actually opened within 90 days of being issued a permit. The proposed language also states that for good cause shown, such as circumstances beyond the control of the permit holder, the Board could grant an extension. The proposed amendment would likely produce a net benefit since it should not significantly affect those who intend to use pharmacy permits for legitimate purposes, and may decrease the likelihood that drugs are illegally diverted.

Businesses and Entities Affected

The proposed amendment potentially affects newly permitted pharmacies. Between December 1, 2017 and November 30, 2018, the Department of Health Professions issued 57 pharmacy permits. Currently 1,850 pharmacies in the Commonwealth hold permits.¹

Localities Particularly Affected

The proposed amendment does not disproportionately affect particular localities.

Projected Impact on Employment

The proposed amendment is unlikely to significantly affect total employment.

Effects on the Use and Value of Private Property

The proposed amendment is unlikely to significantly affect the legitimate use and value of private property. It may impede illegal use of property.

Real Estate Development Costs

The proposed amendments do 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 amendments are unlikely to significantly affect costs for small businesses.

Alternative Method that Minimizes Adverse Impact

The proposed amendments do not adversely affect legitimate small businesses.

Adverse Impacts:**Businesses:**

The proposed amendments do not adversely affect legitimate businesses.

¹ Data source: Department of Health Professions

Localities:

The proposed amendments do not adversely affect localities.

Other Entities:

The proposed amendments do 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 14 (as amended, July 16, 2018). 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.