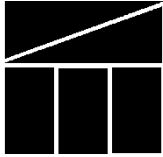


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

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 125-20 Regulations Governing the Practice of Psychology
Department of Health Professions
Town Hall Action/Stage: 4897/8298
August 10, 2018

Summary of the Proposed Amendments to Regulation

Following a periodic review,¹ the Board of Psychology (Board) proposes to 1) require accreditation for all psychology doctoral programs, 2) reduce the duration of active licensure required for licensure by endorsement from ten to five years, 3) allow counting of supervision hours obtained outside of Virginia toward residency, 4) expand the opportunities for earning continuing education credits, and 5) clarify numerous existing requirements.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

One of the substantive changes the Board proposes is to require all psychology doctoral programs to be accredited by the American Psychological Association (APA), the Canadian Psychological Association or another accrediting body acceptable to the Board within seven years of the effective date of the regulation. Currently, APA accreditation is required from U.S. institutions, but there are provisions under which an applicant can submit information indicating APA-equivalency. Under the proposed change, graduates of programs outside the U.S. or Canada would still be able to submit documentation from a credentialing evaluation service

¹ <http://townhall.virginia.gov/1/ViewPReview.cfm?PRid=1543>

verifying equivalency. However, two on-line U.S. based programs, Capella and Walden Universities,² are not APA-accredited. According to the Department of Health Professions (DHP), it is unlikely for these programs to become accredited because one of the issues that the APA has with accrediting online programs is their lack of internships. DHP believes that APA accreditation of the two programs is necessary to ensure patient health and safety.

If the two programs fail to obtain accreditation from APA, they will likely no longer accept students intending to practice in Virginia and lose revenues. DHP estimates each program has fewer than ten students enrolled nationwide and the tuition is \$110,000 to 120,000 per graduate. Similarly, prospective students intending to practice in Virginia would have to seek entry into alternative programs. However, because of the delayed effective date of the proposed requirement for accreditation, any current students in those programs intending to work in Virginia should not be affected.

The Board also proposes to reduce the duration of active licensure required for licensure by endorsement from ten to five years, but proposes to require 24 months of active practice within the last 60 months immediately preceding application. According to DHP, this change will make the experience standard substantially equivalent to the licensure by exam standard in Virginia which is up to three years. Currently, approximately 90 licenses per year are granted by endorsement. A reduced requirement for years of licensure may make it possible or encourage a few psychologists to apply for licensure by endorsement (e.g. a military spouse with only five years of license history in another state).

In another proposed change, the Board would allow counting of supervision hours obtained outside of Virginia, provided there is evidence of board approval in the other jurisdiction. This proposed change would reduce the cost of acquiring supervised hours for those coming from other jurisdictions because generally students would have to pay for supervision.

Another change would expand the opportunities for earning continuing education credits. Under the proposed language, licensees may be credited four hours of continuing education credits for being an editor of a professional journal and ten hours for taking an academic course.

² Capella and Walden Universities are for-profit, online institution of higher learning, both headquartered in Minnesota.

Finally, the remaining changes the Board proposes include clarifying that the internship hours do not count toward the required residency hours; changing the timeframe for the minimum of two hours of individual supervision from “per week” to “per 40 hours” to allow for gaps when a resident or supervisor is on vacation or ill (as it is currently written, if the applicant does not complete the 2 hours of supervision in any given week because of sickness or vacation, he or she would not be eligible for the license); specifying the last two years immediately preceding the licensure as the timeframe within which an applicant must have passed the national examination; clarifying current grounds for denial of licensure or disciplinary action and adding several others (e.g. including performance of an act likely to deceive, defraud or harm the public and knowingly allowing a person under supervision to jeopardize client safety, adding a section to ensure that psychological services, whether face-to-face or by another delivery method, are subject to these standards, adding that the Board have disciplinary grounds based on action taken by another health or mental health regulatory board, for failure to cooperate with a DHP investigator, or for failure to report child abuse or elder abuse, etc.). The benefit of these changes are greater clarity of existing requirements and greater accountability to clients.

Businesses and Entities Affected

In Virginia, there are 32 applied psychologists, 3,447 clinical psychologists, 104 school psychologists, 664 school psychologists-limited, and 878 residents subject to this regulation. There were 92 individuals licensed by endorsement in 2017. Also, there are two online clinical psychology doctoral programs based out of Minnesota.

Localities Particularly Affected

The proposed regulation does not affect any particular locality more than others.

Projected Impact on Employment

The accreditation status of two affected online programs based out of Minnesota should not affect employment in Virginia. Reduced years of active licensure for licensure by endorsement may have a small, but positive impact on employment.

Effects on the Use and Value of Private Property

The proposed regulation will likely have a negative impact on the asset values of two online clinical psychology doctoral programs in Minnesota. The proposed regulation should also

have positive impact on asset values of clinical psychology practices by reducing some of their compliance costs as explained above.

Real Estate Development Costs

No impact on real estate development costs is expected.

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

DHP estimates that approximately 50 percent of the clinical psychologists are small business owners. The effects on clinical psychologists are as discussed above.

Alternative Method that Minimizes Adverse Impact

The proposed amendments do not have adverse effects on small businesses.

Adverse Impacts:

Businesses:

The proposed regulation would adversely affect two online clinical psychology doctoral programs in Minnesota as discussed above.

Localities:

The proposed amendments would not adversely affect localities.

Other Entities:

The proposed amendments would 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.