



Virginia Department of Planning and Budget Economic Impact Analysis

18 VAC 110-20 Regulations Governing the Practice of Pharmacy
Board of Pharmacy
Town Hall Action/Stage: 6505 / 10906
March 12, 2026

The Department of Planning and Budget (DPB) 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 19. The analysis presented below represents DPB’s best estimate of the potential economic impacts as of the date of this analysis.¹

Summary of the Proposed Amendments to Regulation

In response to two pilot programs² and 2024 legislation,³ the Board of Pharmacy (Board) proposes a permanent regulation to replace an emergency regulation that amended provisions related to central fill pharmacies and pharmacy technician remote database access.⁴

Background

Chapter 407 of the 2024 *Acts of Assembly* directs the Board to,

“promulgate regulations authorizing a pharmacy ... to outsource tasks associated with dispensing a prescription drug, including verification for accuracy by a pharmacist and alternate delivery to the pharmacy that received the prescription, to a central fill pharmacy permitted ... as a pharmacy or registered as a nonresident pharmacy.”

¹ Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the analysis 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.

² See the June 20, 2024 Board Meeting agenda, pages 38-50:

https://townhall.virginia.gov/L/GetFile.cfm?File=Meeting\30\38590\Agenda_DHP_38590_v3.pdf/.

³ See <https://lis.virginia.gov/cgi-bin/legp604.exe?241+ful+CHAP0407>.

⁴ More information about the legislative mandate is available on the Virginia Regulatory Town Hall at <https://townhall.virginia.gov/l/viewmandate.cfm?mandateid=1399>.

Chapter 407 further specified that the regulation would allow central fill pharmacies to (i) operate when sufficient automation is employed to safely support the work and limit distractions for pharmacy personnel, (ii) prohibit central fill pharmacies from accepting prescriptions or communications directly from patients or providers, and (iii) restrict the type of drugs being dispensed by central fill pharmacies to Schedule VI drugs, which have the lowest potential for abuse or dependency of all scheduled drugs. Other specific elements to be addressed in the proposed regulation include:

- (i) the maximum number of persons performing the duties of a pharmacy technician and support personnel a pharmacist may supervise at one time;
- (ii) pharmacist verification of a drug canister after filling but prior to being placed on a barcoded automated robotic dispenser, in lieu of pharmacist verification of each prescription product;
- (iii) a one-time written notification or sign of the dispensing and delivery process at the initiating pharmacy receiving the prescription;
- (iv) allowance for an unregistered and unlicensed person to assist in non-dispensing functions such as inventory, delivery, receiving, or packing of completed prescription orders when supported by barcode scanning or other technology; and
- (v) delivery of the dispensed drug to the patient's residence or originating pharmacy that received the prescription. The transfer of the prescriptions shall not be required if the pharmacies share a common electronic file or have technology that allows sufficient information necessary for dispensing the prescription.

Chapter 407 also directed the Board to promulgate regulations that would allow pharmacy technicians to access the pharmacy's database from a remote location to perform certain prescription processing functions.

Lastly, Chapter 407 stated that the Board shall promulgate regulations to implement the provisions of this act to be effective within 280 days of its enactment. Accordingly, an emergency regulation was promulgated on June 16, 2025, and is currently set to expire on December 15, 2026.⁵

⁵ See the Emergency stage at <https://townhall.virginia.gov/L/ViewStage.cfm?stageid=10383>.

The Department of Health Professions (DHP) reports that the legislation, emergency regulation, and proposed regulation are all based on existing Board pilot programs. The pilot programs were authorized at the Leesburg Pharmacy, also known as The Compounding Center (now Strive Compounding Pharmacy), and at Walgreens Central Fill #21420. The programs were approved through orders signed by the Executive Director of the Board on October 27, 2023, and May 22, 2023, respectively.⁶

The proposed changes, which are identical to the emergency regulation except for a few grammatical corrections and minor clarifications, would implement the legislative mandate by making the following amendments:

- 18VAC110-20-112 (Supervision of pharmacy technicians) currently specifies that a pharmacist can supervise a maximum of four technicians and 18 VAC 110-20-276 (Central or remote processing) currently only allows licensed pharmacists to have remote access to the pharmacy's database. The Board proposes to amend section 276 to expand remote access to the pharmacy database to registered pharmacy technicians and pharmacy interns performing the duties of a pharmacy technician. Further, pharmacists would be allowed to supervise up to six pharmacy technicians as long as a maximum of four of the six would be on-site at the pharmacy, and the rest were working remotely.
- 18 VAC 110-20-277 (Central fill pharmacy) would be newly added to incorporate all of the other requirements of the legislation specific to central fill pharmacies. While most of the proposed text is identical to the legislation, some details that would be specified in the proposed text include (i) the tasks that may be performed by unlicensed or unregistered persons, (ii) the number of individuals supervised by a single pharmacist to be capped at 12 licensed or registered persons (pharmacy techs, pharmacy tech trainees, pharmacy interns) and 12 unlicensed or unregistered persons, (iii) the information to be provided to the pharmacy receiving and dispensing the prescription to the customer, (iv) the written policies to be maintained at the central fill pharmacy, and (v) the specific allowances,

⁶ Details of the orders and allowances in the pilot programs can be found in pages 38-50 of the Board's June 20th, 2024 meeting agenda:
https://townhall.virginia.gov/L/GetFile.cfm?File=meeting\30\38590\Agenda_DHP_38590_v3.pdf.

exemptions, and requirements so that pharmacists would not have to verify every prescription product for accuracy.

Estimated Benefits and Costs

The proposed amendments would benefit pharmacies, especially large pharmacy chains, by allowing them to use central fill pharmacy locations to more efficiently fill prescriptions, without having to specifically approach the Board and obtain approval for a pilot program to do so. Applying for a pilot program costs \$325, so pharmacies that choose to utilize a central fill model under the proposed changes would be saving at least that amount. In practice, the increased supervision ratios, the ability for pharmacy technicians and interns to work remotely, and the use of robotics and barcodes would allow pharmacy chains to centralize their prescription filling operations and thereby increase the volume of prescriptions that can be filled in a given day. These steps could, in turn, lead to reductions in overall operating costs and an increase in revenue. Customers (or payors) may also benefit to the extent that any cost savings to pharmacies are passed on via lower prices.

Businesses and Other Entities Affected

The proposed amendments would primarily benefit pharmacy chains operating in Virginia. There were 1,683 licensed pharmacies as of December 2025.⁷ Based on data previously provided by DHP, roughly 60 percent of pharmacy licenses are held by retail pharmacy chains and retail grocery chains with on-site pharmacies, which would be most likely to benefit from the proposed changes.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.⁸ An adverse impact is indicated if there is any increase in net cost or reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.⁹ The proposed amendments would not create any mandatory new costs for

⁷ Data source: <https://www.dhp.virginia.gov/about/stats/2026Q2/04CurrentLicenseCountQ2FY2026.pdf>

⁸ Pursuant to Code § 2.2-4007.04(D): 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.

⁹ Statute does not define “adverse impact,” state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation. As a result, DPB has

pharmacies, nor require any additional registration or fees for pharmacy chains that choose to operate a central fill facility. The proposed changes would only affect pharmacies that choose to open a central fill location. Thus, an adverse impact is not indicated.

Small Businesses¹⁰ Affected:¹¹

The proposed changes are not expected to impact small independent pharmacies.

Localities¹² Affected¹³

No locality would be disproportionately affected. Local governments would not be affected.

Projected Impact on Employment

The proposed amendments may increase the employment of pharmacy technicians and interns at central fill pharmacy locations, but pharmacies may reduce their employment of pharmacy technicians and interns at regular pharmacy locations if their work can be moved to a central fill location; such impacts would vary depending on the density of pharmacy locations.

Effects on the Use and Value of Private Property

The value of private pharmacy chains would increase to the extent that they choose to use central fill pharmacy locations to optimize their operations and experience cost savings and/or revenue growth as a result. Real estate development costs would not be affected.

adopted a definition of adverse impact that assesses changes in net costs and benefits for each affected Virginia entity that directly results from discretionary changes to the regulation.

¹⁰ 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.”

¹¹ 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.

¹² “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

¹³ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.