Virginia Department of Planning and Budget

Economic Impact Analysis

18 VAC 76-20 Regulations Governing the Prescription Monitoring Program
Department of Health Professions
Town Hall Action/Stage: 6388/10792
March 26, 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

As the result of a 2023 periodic review, the Department of Health Professions (DHP) is proposing amendments to the regulation governing the Prescription Monitoring Program (PMP).[2]

Background

The PMP is an electronic database that tracks prescriptions of certain drugs dispensed in Virginia. The PMP covers the controlled substances included in Schedules II, III, and IV; controlled substances included in Schedule V for which a prescription is required; naloxone; and any other "drugs of concern," as defined by Virginia Code § 54.1-3456.1.[3] Further, Virginia

[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 https://townhall.virginia.gov/L/ViewPReview.cfm?PRid=2474.

[3] Schedule II drugs include highly addictive medications such as OxyContin and Vicodin, both potent opiates. Schedule III drugs include the lesser addictive drugs such as Tylenol with codeine, testosterone, and others. Schedule IV drugs include drugs with low abuse potential such as Tramadol and Ativan, among others. Schedule V drugs include cough medications with codeine, and Lyrica. Currently, Virginia does not define any drug as a "drug of concern". Source: https://www.dhp.virginia.gov/PractitionerResources/PrescriptionMonitoringProgram/PublicResources/FAQ/.

Code § 54.1-2519 specifies that "covered substance" also includes cannabis products dispensed by a pharmaceutical processor in Virginia.

Based on the findings of a 2023 periodic review, DHP seeks to amend the regulation governing the PMP to be consistent with current practices, as summarized below.

Two sections would be updated for clarity. Section 20 (General provisions) would be amended to update the terminology for "cannabidiol oil or THC-A oil" to "medical cannabis." Also, section 60 (Criteria for discretionary disclosure of information by the director) would be updated to (i) remove an outdated requirement for a report to be mailed since it is now sent via email, and (ii) to remove two other outdated requirements for attestations that no longer exist.

In addition, section 40 (Standards for the manner and format of reports and a schedule for reporting) would be amended to add "the date the prescription was sold or delivered by the dispenser" to the list of data elements to be transmitted to the department by the dispenser. Dispensers must currently provide at least 18 other data elements, which can be found in section 40 and in Virginia Code § 54.1-2521 (B). One of the data elements listed in the Code is "the date of the dispensing." DHP reports that there is "confusion amongst pharmacies regarding current dates required to be reported and some are submitting date sold or delivered in place of date filled." Thus, adding this data element to section 40 is intended to alleviate this confusion. DHP also reports that 13 states currently require this data element to be reported, and that approximately 95 percent of dispensers already submit this information. In addition, ambiguous language relating to data errors or omissions, such as "a substantial number" and "an unacceptable number," would be removed. Thus, this amendment is expected to clarify the current requirements and largely reflects current practice.

Estimated Benefits and Costs

The proposed amendments largely serve to update the regulation to remove outdated requirements and reflect current practice. As explained above, the proposed addition of a data element (the date a prescription is sold or delivered by the dispenser) is not expected to increase the reporting burden on dispensers but would resolve any confusion amongst pharmacies.

Collectively, the proposed amendments would benefit the public by ensuring that the data collected by the PMP remains useful, and that the regulation is current. Information from the PMP can help clinicians identify patients who may be at risk for overdose, and the Centers for

Disease Control recommend that providers review this data before every opioid prescription for acute, subacute, or chronic pain.[4] However, evaluations of statewide prescription drug monitoring programs suggest that evidence regarding the impacts on clinical outcomes remains mixed.[5] DHP reports that the new requirement to specifically collect the date a prescription is sold or delivered to the patient would provide valuable data regarding whether patients are participating in their treatment plans and increase the ability to use the PMP to track potential misuse of drugs in prescribing.

Businesses and Other Entities Affected

The proposed amendments would primarily affect dispensers of covered substances that are required to report prescription data to the PMP. Virginia Code § 54.1-2519 defines "dispenser" as,

> "a person or entity that (i) is authorized by law to dispense a covered substance or to maintain a stock of covered substances for the purpose of dispensing, and (ii) dispenses the covered substance to a citizen of the Commonwealth regardless of the location of the dispenser, or who dispenses such covered substance from a location in Virginia regardless of the location of the recipient."

Virginia Code § 54.1-2522 provides exemptions from the reporting requirements, which includes administration in inpatient settings in hospitals, nursing homes, and hospices.

DHP reports that there are currently over 2,225 PMP reporters. This includes pharmacies, both resident and non-resident, which make up the vast majority of reporters; physicians licensed to sell controlled substances or permitted facilities where this occurs; veterinarians; and a small number of dentists. There were 1,683 pharmacies, 1002 non-resident pharmacies, 634 physicians selling controlled substances, 137 permitted locations for physicians selling controlled substances, 5,489 veterinarians, and 8,076 dentists licensed by the respective professional board under DHP as of December 2025.[6] Taken together, these numbers represent the universe of possible dispensers who would be required to transmit data to the PMP if they dispense a covered substance outside of the exemptions provided in statute. In addition, 23 dispensaries

[4] See https://www.cdc.gov/overdose-prevention/hcp/clinical-guidance/prescription-drug-monitoring-programs.html.
[5] D'Souza RS, Lang M, Eldrige JS. Prescription Drug Monitoring Program. [Updated 2024 Nov 14]. In: StatPearls [Internet]. Treasure Island (FL): StatPearls Publishing; 2026 Jan-. Available from: https://www.ncbi.nlm.nih.gov/books/NBK532299/.
[6] Data source: https://www.dhp.virginia.gov/about/stats/2026Q2/04CurrentLicenseCountQ2FY2026.pdf

currently licensed by the Virginia Cannabis Control Authority are required to report data for sales of medical cannabis.[7]

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] As mentioned previously, the proposed amendments would update the regulation to remove ambiguous and outdated language and the addition of one data element is not expected to increase costs for dispensers. Thus, an adverse impact is not indicated.

Small Businesses[10] Affected:[11]

The proposed changes are not expected to increase costs for independent pharmacies that may be small businesses.

Localities[12] Affected[13]

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

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[7] Data source: https://cca.virginia.gov/datadashboard as reported on March 26, 2026.

[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 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.

Projected Impact on Employment

The proposed amendments are not expected to affect employment.

Effects on the Use and Value of Private Property

The proposed amendments are not expected to affect the use or value of private property. Real estate development costs would not be affected.