

## **Principles for Establishment of Fees**

This document provides guidance to health regulatory boards when establishing fees mandated by Virginia Code §§ 54.1-113 and 54.1-2400(5).

Boards will promptly adjust fees to avoid the collection of unnecessary revenue or a sharp increase in fees. Fee adjustments will rely on official estimates of revenues and expenditures provided by the agency's Chief Financial Officer as well as a board's cash balances.

Renewal fees should cover the board's cost of discipline, inspections, the Health Practitioners' Monitoring Program, enforcement of continued competency requirements, policy development and general overhead.

Initial licensure fees should cover:

- Credential review (possibly at several levels);
- Initial fees should generally cover costs up to the first renewal of the license;
- Cost of preparation and delivery of any hardcopy materials or wall certificates; and
- Other activities directly associated with initial licensure issuance.

Duplicate license fees, wall certificate fees, and other miscellaneous fees should be based on cost estimates provided by the Chief Financial Officer.

Unless there is clear evidence that indicates a reason to establish fees otherwise, renewal fees for all occupations should be consistent across occupational categories within a health regulatory board. Reasons that may lead to alternative renewals may include differences in rates of discipline, requirements for inspections, document review, re-qualification as well as reasons related to fairness and equity.

Inactive license renewal fees should typically be 50% of active license renewal fees. Costs associated with investigating allegations of misconduct, operation of the Health Practitioner Monitoring Program, and enforcement of continued competence requirements are excluded from the cost estimate for inactive licenses. Costs such as board overhead, processing of applications, and general board operations may be included in the cost estimate for an inactive license. The fee for reactivation of an inactive license will generally be the difference between an inactive and active renewal fee.

Fees for services that represent small costs (such as a license verification online, which may cost less than \$5.00) should be avoided. Total expenses for many such activities are a component of the number of applicants, licensees, examinees, etc. Therefore, small cost items may be appropriately incorporated in the determining component items when setting renewal and application fees.

The reissuance of a license after it has expired should require the payment of a penalty that acts as an incentive to renew promptly and remain in compliance with applicable laws. An

expired license may be renewed upon payment of a penalty fee for the single renewal period following expiration.

After the passage of the renewal period, reinstatement of the license (now lapsed) may be required, which may result in a review of credentials, re-examination or other substantive qualification requirements. In the case of reinstatement of a lapsed license that involves review of continued education hours or other evidence of competency to practice, the fee may include the renewal fee, a late fee, and a credential review fee.

#### References

[Va. Code § 54.1-113](#)

[Va. Code § 54.1-2400](#)