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 60-21 Regulations Governing the Practice of Dentistry
Department of Health Professions
Town Hall Action/Stage: 4597/7617
August 12, 2016

Summary of the Proposed Amendments to Regulation

Pursuant to Chapter 82 of the 2016 General Assembly,[1] the Board of Dentistry (Board) proposes to allow six hours of volunteer work to be substituted for up to two hours of continuing education annually. The Board also proposes to clarify that it can grant an extension for up to one year to fulfill the continuing education requirements.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Chapter 82 of the 2016 General Assembly requires all health boards to promulgate regulations to accept volunteer work provided to low-income individuals through local health departments or free clinics in lieu of the required continuing education. Pursuant to the legislative mandate, the Board proposes to accept three hours of volunteer work in satisfaction of one hour of continuing education from dentists and dental hygienists. The limit on the continuing education hours that can be satisfied by volunteer work is two hours per year. Currently, dentists and dental hygienists are required to take 15 hours of continuing education per year for annual renewal of their licenses.

[1] http://leg1.state.va.us/cgi-bin/legp504.exe?161+ful+CHAP0082

The proposed change will allow dentists and dental hygienists to substitute volunteer work for continuing education. The educational value of volunteer dental services is not clear especially for experienced practitioners. However, the two-hour limit on the continuing education hours that can be gained through this method is a relatively small portion of the annually required 15 hours.

Also, it is not clear whether the ratio of required three hours per continuing education hour is sufficient by itself to provide enough incentives to offer volunteer service. It appears easier for practitioners to spend one hour acquiring continuing education than to spend three hours providing free services. However, the Department of Health Professions notes that dentists and dental hygienists generally provide a significant amount of volunteer work which is indicative of the existence of other reasons in this profession to provide it. Thus, it is reasonable to expect that the additional incentive provided by the proposed regulation would lead to increased volunteer hours by convincing practitioners who are indecisive at the margin about providing such services. The proposed regulation will also help those practitioners who have already been providing volunteer services at the qualified locations by allowing them to earn continuing education credit for their charity work.

In any event, the proposed regulation allows substitution of volunteer work for continuing education, but does not mandate it. A practitioner choosing to do volunteer work in lieu of the continuing education reveals that he or she benefits more from doing so.

Finally, the proposed regulation clarifies that the Board can grant an extension for up to one year to fulfill the continuing education requirements. The Board already has this authority and can exercise it without this change. Thus, this change is not expected to create any significant economic impact other than improving the clarity in the regulation regarding the Board's existing authority.

Businesses and Entities Affected

Currently, there are 7,292 dentists and 5,722 dental hygienists licensed in Virginia. According to 2012 North American Industry Classification System, there are 3,049 dental offices in the Commonwealth, all of which satisfy small business criteria. The number of dental continuing education providers is not known.

Localities Particularly Affected

The proposed changes apply statewide.

Projected Impact on Employment

The proposed regulation may lead to a decrease in demand for continuing education services. However, the two-hour limit on the continuing education hours that can be gained through this method is a relatively small portion of the annually required 15 hours. In addition, the substitution of voluntary work for continuing education hours is voluntary and may not be exercised by all practitioners. Thus, the potential decrease in demand for continuing education services appears to be small.

Effects on the Use and Value of Private Property

The potential impact on the asset value of continuing education providers is not known with certainty, but appears to be small.

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

All of the dental offices are small businesses. The proposed amendments do not impose costs on them. Most providers of dental continuing education services are probably small businesses as well. The proposed regulation may decrease the demand for their services by a small amount.

Alternative Method that Minimizes Adverse Impact

There is no known alternative that minimizes the potential small adverse impact on providers of dental continuing education services while achieving the same goals.

Adverse Impacts:

Businesses:

The proposed amendments do not have an adverse impact on non-small businesses.

Localities:

The proposed amendments will not adversely affect localities.

Other Entities:

The proposed amendments will 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 Number 17 (2014). 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.

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