



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 110-30 – Regulations for Practitioners of the Healing Arts to Sell Controlled Substances

Department of Health Professions

March 9, 2013

Summary of the Proposed Amendments to Regulation

As a result of a periodic review, the Board of Pharmacy (Board) proposes to amend its regulations for controlled substances sold by practitioners of the healing arts. Specifically, the Board proposes to add practitioners of osteopathic medicine and podiatry to the list in these regulations of those that are eligible to sell controlled substances, decrease the amount of space that licensed entities must allot for storage of controlled substances and eliminate other requirements for storage areas that the Board deems unnecessary.

Result of Analysis

Benefits likely outweigh costs for implementing these proposed changes.

Estimated Economic Impact

Current regulations specify that individuals who possess a current active license to practice medicine are eligible to be licensed to sell controlled substances. The Code of Virginia and other relevant regulations, however, also allow individuals licensed in osteopathic medicine and as podiatrists to be licensed to sell controlled substances. The Board now proposes to add these groups so that these regulations conform to the Code of Virginia and current practice. No entity is likely to incur costs on account of this regulatory change. Interested individuals will benefit from having a seeming contradiction between these regulations and the Code of Virginia fixed.

Current regulations require individuals licensed under these regulations to have an area or not less than 60 square feet. Currently, the Board can grant a waiver to this requirement but now

proposes to change it so that licensees will just have to have 40 square feet to hold the prescription drugs that they are licensed to sell. This change will benefit licensees as they can choose to use the space that would otherwise be used to store drugs more efficiently and for some other purpose.

Current regulations also contain a list of other requirements that selling or storage area must conform to. The Board proposes to amend these provisions to eliminate any that do not contribute directly to the security of the storage/selling area. For instance the Board proposes to eliminate provisions that prescribe the type of doors that these enclosures must have but keep requirements that enclosures be locked and alarmed when the licensee is not on duty. No entity is likely to incur costs on account of these changes nor is the security of controlled substances likely to be affected. Licensed entities will likely benefit from additional flexibility to structure their storage areas in a more efficient manner that the proposed regulations will afford them.

Businesses and Entities Affected

The Department of Health Professions (DHP) reports that there are 591 licensed practitioners of the healing arts (physicians, individuals licensed in osteopathic medicine and podiatrists) who are licensed to sell prescription drugs in the Commonwealth. All of these entities will be affected by these proposed regulations.

Localities Particularly Affected

No locality will be particularly affected by the proposed regulations.

Projected Impact on Employment

This proposed regulatory action is unlikely to have any effect on employment in the Commonwealth.

Effects on the Use and Value of Private Property

These proposed regulatory changes are unlikely to have any impact on the use or value of private property in the Commonwealth.

Small Businesses: Costs and Other Effects

No small business is likely to incur any costs on account of this regulatory action.

Small Businesses: Alternative Method that Minimizes Adverse Impact

No small business is likely to incur any costs on account of this regulatory action.

Real Estate Development Costs

This regulatory action will likely have no effect on real estate development costs in the Commonwealth.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the Board the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 14 (10). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.