

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 85-20 Regulations Governing the Practice of Medicine, Podiatry, and Chiropractic
Department of Health Professions
Town Hall Action/Stage: 4716/8017
September 13, 2017

Summary of the Proposed Amendments to Regulation

The Board of Medicine (the Board) proposes to establish licensure by endorsement for physicians.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The Board proposes a regulation for licensure by endorsement for physicians who hold licenses in other states and who meet certain requirements established in regulation. To be licensed by endorsement, a doctor would need to have held one current, unrestricted license in another U. S. jurisdiction or Canada for five years, actively practiced during that time, have all licenses in good standing, hold current board certification, submit a report from the National Practitioner Data Bank, and have no grounds for denial of licensure. The Department of Health Professions (DHP) reports licensure by endorsement is common among other states.

Currently, the only pathway available for physicians to practice in Virginia is licensure by examination which requires submission of transcripts, exam scores, and documentation of postgraduate experience. For doctors licensed in another state, the proposed licensure by endorsement is less onerous than the current path to licensure in that it would be faster (e.g. no delays in obtaining transcripts), less burdensome (e.g. less documentation is needed), and less

expensive (e.g. no need to pay fees for reproduction of transcripts, prior exam scores, etc.). Also, it is worth noting the proposed regulation provides an additional option for licensure, but does not mandate it. Thus, the proposed regulation would benefit physicians licensed in another state who are seeking licensure in the Commonwealth. Additionally, making it less onerous to obtain licensure may encourage more doctors to come to Virginia to practice.

The Board reviewed elements of licensure by endorsement that would provide assurance of competency to practice, but also considered potential disqualifiers including disciplinary actions by another state board, malpractice claims, and/or certain criminal convictions. While the Board may be able to license physicians who have had discipline, malpractice claims, or criminal convictions, it determined that such an applicant requires a full review and would not qualify for an expedited license by endorsement.

The proposed regulation introduces no new costs or risks of unqualified applicants becoming licensed, as it requires that ample evidence of competency to practice safely be demonstrated. Thus, the proposed licensure by endorsement should produce net benefits.

Businesses and Entities Affected

The proposed regulation applies to doctors of medicine, osteopathic medicine, and podiatry. DHP receives approximately 2,500 applications for licensure per year and expects 25% of those applications to be for licensure by endorsement under the proposed regulation.

Localities Particularly Affected

The proposed regulation will not affect any particular locality more than others.

Projected Impact on Employment

The proposed regulation may encourage doctors licensed in other states to come to Virginia to practice and increase the supply of physicians. However, the magnitude of any such effect is not known.

Effects on the Use and Value of Private Property

No effect on the use and value of private property is expected.

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

The proposed regulation does not directly apply to small businesses. However, if a physician works for a small business it may be indirectly beneficial to that small business as the proposed regulation allows a less onerous pathway to physician licensure.

Alternative Method that Minimizes Adverse Impact

The proposed regulation does not introduce an adverse impact on small businesses.

Adverse Impacts:**Businesses:**

The proposed regulation does not have an adverse impact on businesses.

Localities:

The proposed regulation will not adversely affect localities.

Other Entities:

The proposed regulation 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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