



Virginia Department of Planning and Budget **Economic Impact Analysis**

18 VAC 85-50 Regulations Governing the Practice of Physician Assistants
Department of Health Professions
Town Hall Action/Stage: 6635 / 10547
August 22, 2025

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

The Board of Medicine (Board) proposes to create late renewal and reinstatement processes for physician assistants with lapsed licenses.

Background

Currently, a physician assistant whose license has lapsed is required to reapply for licensure as if they have never been licensed by the Board. This reapplication process for a lapsed license is the same as the initial application process, wherein the applicant must complete an application for initial licensure, pay the initial application fee (\$130), document successful completion of a qualifying educational program and the passage of the certifying examination by the National Commission on Certification of Physician Assistants (NCCPA), etc. This process contrasts with other professions for which there is a simpler process for addressing late renewals and the reinstatement of lapsed licenses.

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.

In this action, the Board proposes to create two processes: (1) a late renewal process for physician assistant licenses that have not been lapsed for more than one renewal cycle (i.e., two years), and (2) a reinstatement process for licenses that have been lapsed for more than two years.

Estimated Benefits and Costs

Both of the proposed processes would be administratively less burdensome for the applicant and the Board. The applicant would not have to document completion of a qualifying educational program, as the Board would already have that information from the initial licensure application. Furthermore, the late renewal and reinstatement application forms are expected to be simpler than the form for initial application. Finally, late renewal applicants would not be required to provide evidence of current certification by NCCPA. The reinstatement applicants, however, would be required to provide evidence of this certification, just as they are required to under the current rules. The Department of Health Professions (DHP) does not have an estimate of the magnitude of the expected administrative cost savings.

On the other hand, a late renewal fee of \$50 or a reinstatement fee of \$180 would also be assessed. Thus, both late renewal and reinstatement applicants would have to pay an additional \$50 compared to having to pay the \$130 initial application fee under the current regulation. The board reports that the higher fees are intended to incentivize individuals to renew their licenses within the renewal period. DHP also does not have an estimate on how many late renewal and reinstatement applications may be received.

Businesses and Other Entities Affected

According to DHP, there are currently 7,196 physician assistants licensed in the Commonwealth. However, the proposed amendments would only affect those physician assistants whose license has lapsed. There is no estimate on the number of late renewal and reinstatement applications that may be received under the proposed new pathways. No regulant appears to be disproportionately affected.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.² An adverse impact is indicated if there is any increase in net cost or

² 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

reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.³ As noted above, physician assistants applying for late renewal or reinstatement are expected to save time in terms of less burdensome administrative procedures, but are also expected to incur an additional \$50 cost in fees. Thus, whether an adverse impact on the physician assistants who use these new processes is indicated is unknown but appears unlikely.

Small Businesses⁴ Affected:⁵

The proposed amendments do not appear to adversely affect small businesses.

Localities⁶ Affected⁷

The proposed amendments do not introduce costs for localities.

Projected Impact on Employment

The proposed amendments would make it easier for physician assistants with lapsed licenses to regain licensure for a small cost (i.e., \$50 in additional fees). This should have a positive impact on the supply of physician assistants but whether the expected impact is significant and whether it would affect total employment are not known.

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.

³ 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.

⁴ 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.”

⁵ 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.

⁶ “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.

⁷ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

Effects on the Use and Value of Private Property

The proposed pathways to regain licensure should not have a direct impact on the use and value of private property unless the applicant owns his/her own medical practice. No impact on real estate development costs is expected.