



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

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**18 VAC 110-20; 50 – Regulations Governing the Practice of Pharmacy; Regulations Governing Wholesale Distributors, Manufacturers and Warehouse**  
**Board of Pharmacy, Department of Health Professions**  
July 23, 2010

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### **Summary of the Proposed Amendments to Regulation**

The Board of Pharmacy proposes to no longer require a security system for Emergency Medical Services agencies that only stock intravenous fluids with no drug additives.

### **Result of Analysis**

The benefits likely exceed the costs for all proposed changes.

### **Estimated Economic Impact**

The Board of Pharmacy proposes to eliminate the requirement for a security system for Emergency Medical Services (EMS) agencies that only stock intravenous fluids without added drugs. The security system is required to deter pilferage or diversion of drugs. According to Department of Health Professions (DHP), it is unnecessarily burdensome for EMS agencies that only stock intravenous fluids without added drugs to have an alarm system. DHP estimates that less than 10 EMS agencies would stock only intravenous fluids. While this change has the potential to reduce compliance costs of certain EMS agencies, DHP does not know which agencies may be affected and does not have an estimate for the size of expected savings. Also, EMS agencies may have other incentives to obtain or maintain a security system making it difficult to assess the likely impact.

### **Businesses and Entities Affected**

The proposed changes are expected to affect less than 10 EMS agencies.

### **Localities Particularly Affected**

The proposed regulations apply throughout the Commonwealth.

## **Projected Impact on Employment**

The proposed changes do not seem to be significant enough to have a notable effect on employment.

## **Effects on the Use and Value of Private Property**

The proposed changes do not seem to be significant enough to have a notable effect on the use and value of private property.

## **Small Businesses: Costs and Other Effects**

The proposed regulations do not impose costs on small businesses. Other effects on small businesses are the same as discussed above.

## **Small Businesses: Alternative Method that Minimizes Adverse Impact**

There is no adverse impact expected on small businesses.

## **Real Estate Development Costs**

The proposed regulations are not expected to create any real estate development costs.

## **Legal Mandate**

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 107 (09). 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.