

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

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**18 VAC 110-20 Regulations Governing the Practice of Pharmacy**  
**Department of Health Professions**  
**Town Hall Action/Stage: 4909 / 8253**  
May 14, 2018

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

The Board of Pharmacy (Board) proposes to require individuals applying for initial pharmacist licensure, pharmacist license renewal, pharmacist license reinstatement, pharmacy intern registration, initial pharmacy technician registration, pharmacy technician registration renewal, or pharmacy technician registration reinstatement, to provide their e-profile identification number (e-profile ID) from the National Association of Boards of Pharmacy (NABP) in their application.

### **Result of Analysis**

The benefits likely exceed the costs for all proposed changes.

### **Estimated Economic Impact**

#### *Background*

NABP is a 501(c)(3) nonprofit association that protects public health by assisting its member boards of pharmacy and offers programs that promote safe pharmacy practices for the benefit of consumers. The e-profile ID is provided through the CPE Monitor Service, a collaborative effort of NABP, the Accreditation Council for Pharmacy Education (ACPE), and ACPE-accredited providers. The CPE Monitor Service allows electronic tracking of continuing pharmacy education (CPE) credits from ACPE-accredited providers. The NABP assigns an e-

profile ID through the CPE Monitor Service to applicants so they can track credits, apply to sit for an exam, monitor continuing education, verify licensure, etc.

### *Analysis*

Most pharmacists, technicians, and interns already possess an e-profile ID since it is assigned anytime an NABP service is first used, e.g., examination, CPE monitoring, licensure by endorsement, etc.<sup>1</sup> There is no charge to acquire an e-profile ID, and it is already required to be approved to sit for the licensure examination or to receive NABP-approved CPE.

The Department of Health Professions (DHP) indicates that requiring the e-profile ID may decrease its administrative burden when communicating with the NABP, and may reduce the possible chance of error when using the applicant's name or a breach of confidentiality occurring as a result of using other methods of identifying applicants such as the social security number. The applicant's name is currently used to obtain exam scores, but the e-profile ID is used to verify CPE credits when it is available. According to DHP, there have been instances in other states where personal information, such as the social security number, has been released as the result of a data breach; this situation could have been avoided if the e-profile ID had been used in its place. Given the potential reduction in administrative costs, errors, or breach of confidentiality, and the lack of cost acquiring an e-profile ID, the proposed amendment should produce a net benefit.

### **Businesses and Entities Affected**

The proposed amendments would apply to the 14,714 licensed pharmacists, 14,662 registered pharmacy technicians, and 1,848 registered pharmacy interns in the Commonwealth, as well as future applicants. In 2017, 854 pharmacists were newly licensed, 2,017 pharmacy technicians were newly registered, and 591 pharmacy interns were newly registered.<sup>2</sup>

### **Localities Particularly Affected**

The proposed amendments do not disproportionately affect particular localities.

### **Projected Impact on Employment**

The proposed amendments would not significantly affect employment.

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<sup>1</sup> Source: Department of Health Professions

<sup>2</sup> Data source: Department of Health Professions

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

The proposed amendments do not significantly affect the use and value of private property.

## **Real Estate Development Costs**

The proposed amendments do not affect real estate development costs.

## **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 amendments would not significantly affect costs for small businesses.

### **Alternative Method that Minimizes Adverse Impact**

The proposed amendments would not adversely affect small businesses.

## **Adverse Impacts:**

### **Businesses:**

The proposed amendments would not adversely affect businesses.

### **Localities:**

The proposed amendments would not adversely affect localities.

### **Other Entities:**

The proposed amendments would 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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