

Office of Regulatory Management
Economic Review Form

Agency name	Board of Physical Therapy, Department of Health Professions
Virginia Administrative Code (VAC) Chapter citation(s)	18VAC112-20-65
VAC Chapter title(s)	Regulations Governing the Practice of Physical Therapy
Action title	Changes to comply with Compact rules
Date this document prepared	8/12/22

Cost Benefit Analysis

Table 1a must be completed for all actions. Tables 1b and 1c must be completed for actions (or portions thereof) where the agency is exercising discretion, including those where some of the changes are mandated by state or federal law or regulation. Tables 1b and 1c are not needed if **all** changes are mandated, and the agency is not exercising any discretion. In that case, enter a statement to that effect.

- (1) Direct Costs & Benefits: Identify all specific, direct economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (A direct impact is one that affects entities regulated by the agency and which directly results from the regulatory change itself, without any intervening steps or effects. For example, the direct impact of a regulatory fee change is the change in costs for these regulated entities.) When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo. One bullet has been provided, add additional bullets as needed.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
 - (c) Enter the present value of the direct costs based on the worksheet.
 - (d) Enter the present value of the direct benefits based on the worksheet.
- (3) Benefits-Costs Ratio: Calculate d divided by c OR enter it from the worksheet.
- (4) Net Benefit: Calculate d minus c OR enter it from the worksheet.
- (5) Indirect Costs & Benefits: Identify all specific, indirect economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (An indirect impact is one that results from responses to the regulatory change, but which are not directly required by the regulation. Indirect impacts of a regulatory fee change on regulated entities could include a change in the prices they charge, changes in their operating procedures or employment levels, or decisions to enter or exit the regulated profession or market. Indirect impacts also include responses by other entities that have close economic ties to the regulated entities, such as suppliers or partners.) If there are no indirect costs or benefits, include a specific statement to that effect.

- (6) Information Sources: Describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (7) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • Describe first proposed impactful change here. • Intended change is to comply with Compact rules to require US national exam and exclude Canadian exam as explained in agency background document. 		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) \$0	(c) \$0	
Direct Benefits	(b) \$91,000 per PT practitioner; \$60,000 per PTA practitioner. Total of \$12,978,200 for all practitioners impacted if Virginia were removed from the Compact today.	(d) \$91,000 per PT practitioner; \$60,000 per PTA practitioner. Total of \$12,978,200 for all practitioners impacted if Virginia were removed from the Compact today.	
(3) Benefits-Costs Ratio	undefined	(4) Net Benefit	\$12,978,200
(5) Indirect Costs & Benefits	\$0		
(6) Information Sources	<p>To the extent any licensees are practicing in Virginia who qualified for licensure using the Canadian exam, those individuals would maintain licensure status. Therefore there are no costs to Virginia licensees to this change.</p> <p>As on the table below, any physical therapist or physical therapy assistant holding a <u>compact privilege</u> to practice in Virginia will benefit by maintaining an active licensure and presumably employment if the change is effective. As of August 1, 2022, Virginia had issued 602 compact privileges to physical therapists and 125 to physical therapy assistants. If Virginia is removed from the Compact, over 725 individuals will lose their compact privilege and will no longer be able to work as physical therapists and physical therapy assistants in Virginia.</p>		

	Assumed salary of \$91,000/year for physical therapist per US News; assumed salary of \$60,000/year for physical therapy assistants per US News.
(7) Optional	

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

This table addresses current requirements and the implications of not making any changes. In other words, describe the costs and benefits of maintaining the current regulatory requirements as is.

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • Describe the current requirement associated with the first proposed impactful change described in Table 1a here. • Current requirement permits acceptance in Virginia of an exam not accepted by the Physical Therapy Licensure Compact. • Not making the change will result in Virginia being disciplined and possibly removed from the Compact. • As noted on the agency background document, on May 3, 2022 Virginia had issued 523 compact privileges to physical therapists and 103 to physical therapy assistants. • As of August 1, 2022, Virginia had issued 602 compact privileges to physical therapists and 125 to physical therapy assistants. 		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) \$91,000 per PT practitioner; \$60,000 per PTA practitioner. Total of \$12,978,200 for all practitioners impacted if Virginia were removed from the Compact today.	(c) \$91,000 per PT practitioner; \$60,000 per PTA practitioner. Total of \$12,978,200 for all practitioners impacted if Virginia were removed from the Compact today.	
Direct Benefits	(b) \$0	(d) \$0	
(3) Benefits-Costs Ratio	0	(4) Net Benefit	-\$12,978,200
(5) Indirect Costs & Benefits	\$0		

(6) Information Sources	<p>If Virginia is removed from the Compact, over 725 individuals will lose their compact privilege and will no longer be able to work as physical therapists and physical therapy assistants in Virginia.</p> <p>Assumed salary of \$91,000/year for physical therapist per US News; assumed salary of \$60,000/year for physical therapy assistants per US News.</p>
(7) Optional	<p>Did not calculate impact on patients looking for physical therapists or physical therapy assistants for treatment. Unsure how to calculate that cost.</p>

Table 1c: Costs and Benefits under an Alternative Approach

This table addresses an alternative approach to accomplishing the objectives with different requirements. These alternative approaches may include the use of reasonably available alternatives in lieu of regulation, or information disclosure requirements or performance standards instead of regulatory mandates.

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • Describe first alternative proposed impactful change here. • There is no alternative approach. 		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a)	(c)	
Direct Benefits	(b)	(d)	
(3) Benefits-Costs Ratio		(4) Net Benefit	
(5) Indirect Costs & Benefits			
(6) Information Sources			
(7) Optional			

Impact on Local Partners

- (1) Describe the direct costs and benefits (as defined on page 1) for local partners in terms of real monetary costs and FTEs. Local partners include local or tribal governments, school divisions, or other local or regional authorities, boards, or commissions. If local partners are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
- (3) Indirect Costs & Benefits: Describe any indirect benefits and costs (as defined on page 1) for local partners that are associated with all significant changes. If there are no indirect costs or benefits, include a specific statement to that effect.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (5) Assistance: Identify the amount and source of assistance provided for compliance in both funding and training or other technical implementation assistance.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 2: Impact on Local Partners

(1) Direct Costs & Benefits	\$0
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$0
Direct Benefits	(b) \$0
(3) Indirect Costs & Benefits	\$0
(4) Information Sources	Regulatory language and jurisdiction. This has no impact on localities.
(5) Assistance	\$0
(6) Optional	

Economic Impacts on Families

- (1) Describe the direct costs and benefits (as defined on page 1) to a typical family of three (average family size in Virginia according to the U. S. Census) arising from any proposed regulatory changes that would affect the costs of food, energy, housing, transportation, healthcare, and education. If families are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe any indirect costs and benefits (as defined on page 1) to a typical family of three that are most likely to result from the proposed changes.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (5) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 3: Impact on Families

(1) Direct Costs & Benefits	\$0
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$0
Direct Benefits	(b) \$0
(3) Indirect Costs & Benefits	\$0
(4) Information Sources	Regulatory language and jurisdiction. This only affects licensees. Licensees of this board are a miniscule subset of the Virginia population. There is no impact on a typical family.
(5) Optional	

Impacts on Small Businesses

- (1) Describe the direct costs and benefits (as defined on page 1) for small businesses. For purposes of this analysis, “small business” means the same as that term is defined in § 2.2-4007.1. If small businesses are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe the indirect benefits and costs (as defined on page 1) for small businesses that are most likely to result from the proposed changes.
- (4) Alternatives: Add a qualitative discussion of any equally effective alternatives that would make the regulatory burden on small business more equitable compared to other affected business sectors, and how those alternatives were identified.
- (5) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 4: Impact on Small Businesses

(1) Direct Costs & Benefits	Unable to calculate. Potential benefits of keeping practitioners in small businesses practicing under a compact privilege.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$0
Direct Benefits	(b) Potential benefit of keeping employees practicing under a compact privilege. No information regarding monetary amount of that benefit.
(3) Indirect Costs & Benefits	\$0
(4) Alternatives	No alternatives to regulatory action. The current acceptance of exams other than those permitted by compact rules is currently in regulation. Must amend the regulation by removing the language.
(5) Information Sources	Unable to calculate. Potential benefits of keeping practitioners in small businesses practicing under a compact privilege, but have no input into the business costs of small business physical therapy practices or orthopedic practices. Those entities do not report to this agency and the agency and board have no jurisdiction over the practices.

(6) Optional	
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Changes to Number of Regulatory Requirements

For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed.

Table 5: Total Number of Requirements

	Number of Requirements			
Chapter number	Initial Count	Additions	Subtractions	Net Change
18VAC115-20	28*	0	0	0

*Number is approximate. Because this table and requirement were requested for multiple regulatory actions that were already in progress, this is a rough count and the number may change when the regulatory requirement count is finalized. In particular, this includes requirements that are already required under statute which the board has no discretion to apply. This number additionally includes any requirement in this Chapter, although not all requirements of this Chapter apply to all regulated persons.