



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 85-20 – Regulations Governing the Practice of Medicine, Osteopathic Medicine, Podiatry, and Chiropractic Department of Health Professions October 4, 2002

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G 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. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

The Board of Medicine (board) proposes to: 1) allow a designee of the board's credentials committee to make waiver decisions concerning limited licenses to foreign medical graduates, 2) allow itself to waive the re-examination requirement for individuals seeking to reinstate their license if there is sufficient other evidence of continued competency to practice, and 3) specify that individuals seeking reinstatement owe late fees in addition to the reinstatement fee.

Estimated Economic Impact

Designee for Waiver Decision

A physician applying for a limited professorial license or a limited fellow license to practice medicine in an approved medical school or college in Virginia, who graduated from an institution not approved by an accrediting agency recognized by the board, shall: 1) submit evidence of authorization to practice medicine in a foreign country, 2) submit a recommendation

from the dean of an accredited medical school in Virginia that the applicant is a person of professorial rank whose knowledge and special training will benefit the medical school, and 3) submit evidence of a standard Educational Commission for Foreign Medical Graduates (ECFMG) certificate or its equivalent. The board's credentials committee may waive the ECFMG certificate requirement if it determines that there is sufficient other evidence demonstrating the applicant's medical competency and English proficiency.

The credentials committee meets every other month.¹ Applicants who seek waiver of the ECFMG certificate requirement must wait until the committee meets for a decision. The board proposes to allow a designee, usually the executive director or the chairman, to make waiver decisions without waiting for the full committee to meet. This would speed the application process for some individuals seeking either a limited professorial license or a limited fellow license, i.e., the applicant would not have to wait for the next full committee meeting for a decision to be made. Applicants would benefit with the shorter wait; for example, in some circumstances it may allow the applicant to start a new position sooner. Since the members of the committee can choose someone who represents their overall judgment on waiver issues or may choose to not designate anyone to fulfill this function, there appears to be no cost to this proposed amendment. Thus, the amendment produces a net benefit.

Discretion on Re-examination Requirement

Currently, a practitioner seeking to reinstate or reactivate a license, who has not actively practiced for more than four years, is required to re-take and pass their field-relevant license-qualifying examination. The board proposes to allow itself to waive the re-examination requirement if there is sufficient other evidence of continued competency to practice. This proposed amendment will likely produce a net benefit. Say, for example, that a distinguished² physician decides to take four years off from active³ practice to concentrate on research highly relevant to her field. After the four years she wishes to reactivate her license. Her knowledge of the field likely increased with the time spent on research. Thus, there appears to be little benefit to requiring her to retake the licensure-qualifying exam. Retaking the exam is costly in terms of

¹ Source: Department of Health Professions

² Few or no complaints or malpractice suits from patients.

³ Active practice is defined as at least 640 hours of clinical practice within the four years immediately preceding the reinstatement or reactivation application.

time and resources. For the case of this hypothetical individual, waiving the exam would produce a net benefit. Waiving the retaking of the exam for an individual who has been retired many years and who has not demonstrated that he has kept up with advances in the field could be costly in that patients' health could be put at risk, but presuming that the board uses good judgment and only provides the waiver for individuals who are clearly knowledgeable enough in the field as it currently stands, the proposed amendment will produce a net benefit.

Late Fees for Reinstatement

The fee for biennial license renewal is \$260 in the fields of medicine, osteopathic medicine, and podiatry, and \$235 for chiropractic. If the complete renewal application is filed late, but within two years of when it is due, then an additional late fee is assessed. The late fee is \$90 for medicine, osteopathic medicine, and podiatry, and \$80 for chiropractic. A practitioner whose license has been lapsed for two successive years or more and wishes to reinstate their license must, among other requirements, pay a reinstatement fee (\$305 for medicine, osteopathic medicine, and podiatry; \$290 for chiropractic). The current regulations do not specify that an individual whose license has been expired for at least two years pays a late fee. Indeed, the board has not been assessing late fees to individuals applying for reinstatement.⁴ Since regular license renewal plus the late fee equals \$350 for medicine, osteopathic medicine, and podiatry, and \$315 for chiropractic, while the reinstatement fee is \$305 and \$290, respectively, practitioners who miss paying their renewal fee on time can save money by waiting for two years to elapse and apply for reinstatement rather than pay the late fee plus the regular renewal fee.

The board proposes to explicitly state in the regulations that reinstatement applicants must pay, in addition to the reinstatement fee, late fees (\$90 for medicine, osteopathic medicine, and podiatry, and \$80 for chiropractic) for each year in which the license has been lapsed, not to exceed four years. Under the proposed language, the practitioner who waited for two years to elapse before applying for reinstatement would pay \$575 (\$530 for chiropractic).⁵ This significant increase in the cost of waiting more than two years to reinstate one's license reduces the incentive for a practitioner to delay paying his licensure fee. To the extent that some

⁴ Source: Department of Health Professions

⁵ For medicine, osteopathic medicine, and podiatry: \$305 (reinstatement fee) + \$90 (per annum late fee) x 3 (two full years plus a portion of a third year beyond the expiration of the license) = \$575. For chiropractic: \$290

practitioners react to the incentive change by being more prompt in paying their licensure fees, the Department of Health Professions may save on some administrative costs: less time and materials expended on collecting overdue fees.

Businesses and Entities Affected

The proposed amendments affect the 28,174 doctors of medicine and surgery, 893 doctors of osteopathy and surgery, 487 doctors of podiatry, 1,590 doctors of chiropractic, 2,154 interns and residents, the 24 university limited licensees in the Commonwealth, as well as their patients and students.

Localities Particularly Affected

The proposed regulations affect all Virginia localities.

Projected Impact on Employment

The proposed amendments will not significantly affect employment levels.

Effects on the Use and Value of Private Property

The proposed amendments will not have a large impact on the use and value of private property.