Virginia Department of Planning and Budget

Economic Impact Analysis

18 VAC 85-50 Regulation Governing the Practice of Physician Assistants
Department of Health Professions
Town Hall Action/Stage: 6295 / 10816 Proposed
June 18, 2026

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

In response to a 2023 petition for rulemaking, the Board of Medicine (Board) seeks to reduce requirements for review by the patient care team physician or podiatrist.[2]

Background

The regulation currently requires the patient care team physician or podiatrist to,

> "review the clinical course and treatment plan for any patient who presents for the same acute complaint twice in a single episode of care and has failed to improve as expected. A physician or podiatrist shall be involved with any patient with a continuing illness as noted in the written or electronic practice agreement for the evaluation process."

These requirements were considered overly prescriptive for more experienced Physician Assistants (PAs) and a poor use of PA and team physician time for routine patient cases that may meet the criteria in the text. The 2023 petition by the Virginia Academy of Physician Assistants sought to amend this language to instead require the patient care team physician or podiatrist to, "provide appropriate consultation or collaboration for complex clinical cases and patient

[1] See Code § 2.2-4007.04 (A).
[2] See petition at https://townhall.virginia.gov/L/viewpetition.cfm?petitionid=387.

emergencies as noted in the written or electronic practice agreement for the patient evaluation process."

At this proposed stage, the Board seeks to retain the review requirement while restricting it to PAs with, "less than one year of experience in the field of practice in which they are working." This proposed change is intended to provide greater autonomy and save time for experienced PAs, while ensuring that PAs in their first year of practice have the opportunity for close collaboration with the care team physician specifically for acute cases. The Board also seeks to strike "in a single episode of care," because the terminology was considered to be ambiguous; this change is not expected to change the way collaboration currently occurs. Lastly, the Board seeks to strike, "A physician or podiatrist shall be involved with any patient with a continuing illness as noted in the written or electronic practice agreement for the evaluation process." This requirement is part of the statutory requirements for practice agreements in Code §§ 54.1-2951.1 (C) and 54.1-2952.

After these amendments, the regulation would require the patient care team physician or podiatrist to,

> "review the clinical course and treatment plan for any patient who presents for the same acute complaint twice and has failed to improve as expected for physician assistants with less than one year of experience in the field of practice in which they are working."

Estimated Benefits and Costs

The proposed amendments are intended to demonstrate trust in the clinical judgment of PAs and remove overly prescriptive and burdensome review requirements that take up time for PAs as well as the care team physicians or podiatrists. Thus PAs with over a year of experience may save some time that could be spent seeing patients or performing other duties. At the same time, PAs in their first year of practice may benefit from continuing to have opportunities to collaborate with the care team, especially for acute cases. Taken together, the proposed changes are not expected to significantly impact physicians' time use or impact patients in terms of the quality of care they receive. The proposed changes would not create any new direct or indirect costs.

Businesses and Other Entities Affected

The proposed amendments would primarily affect the 7,517 PAs in the Commonwealth and patient care team physicians or podiatrists.[3]

The Code requires DPB to assess whether an adverse impact may result from the proposed regulation.[4] An adverse impact is indicated if there is any increase in net cost or reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.[5] As noted above, the proposed amendments would not increase net costs or reduce net benefits. Thus, an adverse impact is not indicated.

Small Businesses[6] Affected:[7]

The proposed amendments would not adversely affect small businesses. Small healthcare provider firms that employ PAs may benefit from the reduction of review requirements. However, any time savings for PAs resulting from the proposed changes are unlikely to lead to significant cost savings or changes in billing for the provider.

Localities[8] Affected[9]

The proposed amendments would not disproportionately affect any locality in particular. The proposed amendments do not introduce costs for local governments.

Projected Impact on Employment

The proposed amendments are not expected to affect total employment.

Effects on the Use and Value of Private Property

The proposed amendments would not affect the use and value of private property. The proposed amendments do not affect real estate development costs.

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[3] Data source: https://www.dhp.virginia.gov/about/stats/2026Q3/04CurrentLicenseCountQ3FY2026.pdf.
[4] See Code § 2.2-4007.04 (D).
[5] 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.
[6] 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."
[7] See Code § 2.2-4007.04 (A.2). and Code § 2.2-4007.1 (C).
[8] "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.
[9] Code § 2.2-4007.04 defines "particularly affected" as bearing disproportionate material impact.