



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

18 VAC 85-80 Regulations Governing the Practice of Occupational Therapy
Department of Health Professions
Town Hall Action/Stage: 6754 / 10767
October 7, 2025

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 stakeholder feedback, the Board of Medicine (Board) proposes to create new options to reactive and reinstate certain occupational therapist (OT) and occupational therapy assistant (OTA) licenses.

Background

Under this regulation, an OT or an OTA can request (on the renewal application) to inactivate his/her license and submit an inactive license fee for as many renewal cycles as he/she chooses (e.g. for raising an infant, taking a break from profession, etc.). The reactivation of an inactive license that has been inactive for fewer than six years requires an application; payment of the difference between the renewal and inactive licensure fee; and evidence of completed continued competency hours equal to the requirement for the number of years, not to exceed six years, in which the license has been inactive. If a license has been inactive for more than six years, the reactivation is subject to additional requirements such as evidence of either a current

¹ Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the analysis 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.

certification by the National Board for Certification in Occupational Therapy (NBCOT) or that the applicant has retaken and passed the national examination for initial licensure.

Similarly, licenses that are lapsed for a period of two years or more can be reinstated with an application; information on any practice and licensure or certification in other jurisdictions during the period in which the license was lapsed; payment of the reinstatement fee; evidence of completed continued competency hours equal to the requirement for the number of years, not to exceed six years, in which the license has been lapsed; and evidence of either a current certification by NBCOT or that the applicant has retaken and passed the national examination for initial licensure.

However, according to the Department of Health Professions (DHP), the Virginia Occupational Therapy Association (VOTA) communicated their concerns that the current license reactivation and reinstatement options for OTs and OTAs are limited and act as a barrier to reentry into the profession. According to VOTA, license reinstatement is of particular concern for OTs and OTAs, because some of these licensees are military spouses who move frequently. These licensees often obtain active licenses to practice in their new states and either obtain an inactive license in Virginia or allow their Virginia license to lapse. When they return, the reinstatement and reactivation processes, specifically the NBCOT certification or retaking and passing the examination for initial licensure, are time-consuming and costly. In response to these concerns, the Board proposes to expand options for reactivation and reinstatement for the license categories noted below.

For a license that has been inactive for more than six years, two of the following would suffice to reactivate:

- 1. Evidence of a current, active, and unrestricted license in another U.S. jurisdiction;*
- 2. Documentation of completed continued competency hours equal to the requirement for six years;*
- 3. Evidence of current certification by NBCOT; or*
- 4. A passing score on the national examination obtained within two years preceding application for reactivation.*

This change would expand the reactivation options in various ways. For example, OTs and OTAs in this category would be able to reactive their license by using a recent national

exam, rather than retaking the exam and meeting one of the other three options. Applicants in this category could also reactive their license by using option 1 and 2, thereby eliminating the need to either obtain the NBCOT certification or retake the national exam.

For a license that has lapsed for more than two, but less than four years, one of the following would suffice to reinstate:

- 1. Evidence of a current, active, and unrestricted license in another U.S. jurisdiction;*
- 2. Documentation of completed continued competency hours equal to the requirement for the number of years in which the license has been lapsed;*
- 3. Evidence of current certification by NBCOT; or*
- 4. A passing score on the national examination obtained within the two years preceding application for reinstatement.*

This change would expand the reinstatement options beyond current options of either having the NBCOT certification or retaking the national exam.

Finally, for a license that has lapsed for four years or more, two of the following would suffice to reinstate:

- 1. Evidence of a current, active, and unrestricted license in another U.S. jurisdiction;*
- 2. Documentation of completed continued competency hours equal to the requirement for the number of years in which the license has been lapsed, not to exceed six years;*
- 3. Evidence of current certification by NBCOT; or*
- 4. A passing score on the national examination obtained within two years preceding application for reinstatement.*

Again, under the proposal, applicants in this category would have additional options to reinstate, including the options that do not rely on the NBCOT certification or the national exam.

Estimated Benefits and Costs

The proposal to provide additional or in lieu options for the NBCOT certification or the national exam may reduce the reactivation and reinstatement costs; speed up the timeline to regain licensure; and/or make it possible to regain Virginia licensure if the current requirements for the NBCOT certification or retaking the national exam could not be met. Thus, depending on the circumstances of an applicant, the proposal may reduce administrative costs associated with

reactivation or reinstatement; make it possible to earn wages earlier; and/or allow participation in the workforce as an OT or OTA, potentially making it possible to earn higher wages. The proposal would also reduce reliance on the NBCOT certification and/or the national examination by providing options to bypass these two current activation and/or reinstatement requirements for certain license categories.

Businesses and Other Entities Affected

According to DHP, there are currently 5,517 OTs and 1,801 OTAs licensed in the Commonwealth. However, the proposed amendments would only affect those professionals whose license has been inactivated or has lapsed for a certain period. There is no estimate on the number of regulants that may benefit from the expanded options. No regulant appears to be disproportionately affected.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.² 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.³ As noted above, the proposal would expand reactivation and reinstatement options for OTs and OTAs without increasing net costs or reducing net benefits. Thus, no adverse impact is indicated.

Small Businesses⁴ Affected:⁵

The proposed amendments do not adversely affect small businesses.

² Pursuant to Code § 2.2-4007.04(D): 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.

³ 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.

⁴ 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.”

⁵ 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

Localities⁶ Affected⁷

The proposed amendments do not introduce costs for localities.

Projected Impact on Employment

The proposed amendments would make it easier for OTs and OTAs with inactive or lapsed licenses to regain licensure. This should have a positive impact on the supply of OTs and OTAs, but whether the expected impact is significant and whether it would affect total employment is not known.

Effects on the Use and Value of Private Property

The proposed new options to regain licensure should not have a direct impact on the use and value of private property unless the applicant owns his/her own occupational therapy practice. No impact on real estate development costs is expected.

proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

⁶ “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.

⁷ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.