

**Department of Planning and Budget
2025 General Assembly Session
State Fiscal Impact Statement**

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ORIGINAL

Bill Number: SB740

Patron: Locke

Bill Title: Board of Medicine; continuing education; unconscious bias and cultural competency.

Bill Summary: Directs the Board of Medicine to require unconscious bias and cultural competency training as part of the continuing education requirements for renewal of licensure. The bill specifies requirements for the training and requires the Board of Medicine to report on the training to the Department of Health and the Virginia Neonatal Perinatal Collaborative.

Budget Amendment Necessary: Yes

Items Impacted: Item 285

Explanation: The Department of Health Professions will need funding and one full-time equivalent position beginning in FY 26 to comply with the requirements of this legislation, attributable to Item 285 (Regulation of Professions and Occupations). See table and fiscal analysis below.

Fiscal Summary: The proposed legislation will require nongeneral fund expenditures and an additional position for the Department of Health Professions for which they are not currently appropriated. See table and fiscal analysis below.

Nongeneral Fund Expenditure Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
DHP (223)	-	\$148,450	\$148,450	\$148,450	\$148,450	\$148,450
TOTAL	-	\$148,450	\$148,450	\$148,450	\$148,450	\$148,450

Position Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
DHP (223)	-	1.0	1.0	1.0	1.0	1.0
TOTAL	-	1.0	1.0	1.0	1.0	1.0

Fiscal Analysis: This legislation requires the Board of Medicine (the Board) to promulgate new regulations requiring the completion of unconscious bias and cultural competency training as a condition for licensure. The Board is additionally required to designate organizations that identify and facilitate evidence-based curriculums for such training, review and update the training at unspecified intervals, and report the number of licensees who successfully complete such training to the Virginia Department of Health and the Virginia Neonatal Perinatal Collaborative on an annual basis.

Data gathered from the Healthcare Workforce Data Center at the Virginia Department of Health Professions estimates that there are over 75,000 practitioners licensed by the Board. Physicians renew their licenses every two years; a 2022 report from the center identified 51,082 licensees. The Board will be required to track and

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validate the initial and ongoing compliance with the proposed training for each of these licensees, which is a significant addition to their existing workload.

To meet the requirements placed on the Board by this legislation, the Department of Health Professions estimates that they will need to hire one additional FTE employee at pay band 5, resulting in a cost of \$148,450. This cost includes salary, fringe benefits, and non-personnel costs related to operation, training, supplies, and travel. This estimate is conservative as it does not include the cost for any office construction or buildouts that may be needed for the Department to successfully accommodate a new employee onsite. Additionally, given that Board operations are wholly sustained by practitioner fee revenue, the increase in nongeneral fund appropriation required to sustain this position may need to be generated through a fee increase.

Beyond distribution of workload, the Board will be required to make large-scale technical updates to existing databases to comply with the requirements of this bill. Such updates include adding fields that would capture the completion of unconscious bias training programs, identify the designated organization that offered the training program, and assess completion of subsequent training programs in alignment with license renewals. Such fields would also need to be reflected in any online data entry systems used by licensees who are applying for a first-time license or pursuing license renewal. For illustrative purposes only, adding additional fields to the VaCMS system at the Department of Social Services (DSS) was estimated to cost \$100,000 in 2022. It has not yet been determined whether the cost or nature of the updates to the systems at the Department of Health Professions is comparable to that of DSS; as such, the exact amount necessary to complete these updates is indeterminate and is not included in the fiscal impact table.

Furthermore, the Board would need to engage in efforts to assess and define what constitutes a high-quality and/or effective training program in order to successfully designate organizations providing such training and identify key areas to update in successive years. The agency suggests that this task may need to be accomplished in collaboration with outside consult. To the extent that evidence-based information to support this process is not publicly available, the agency may need to contract with an outside consultant to establish uniform metrics and a quality assessment system. The length and terms of such a contract are not yet defined; as such, any costs are indeterminate at this time and are not included in the fiscal impact table.

This legislation will also require the Virginia Department of Health to incorporate new data into their annual report regarding the number of licensees who have successfully completed the required training. It is expected that this requirement can be handled using existing resources.

Other: SB 740 is a companion bill to HB 1649.