
Detailed Fiscal Analysis

Provisions of the Bill

The bill makes several changes to the law governing the practice of pharmacy, including: establishing a pharmacist-client testimonial privilege, permitting a pharmacist who has completed a course in drug administration approved by the Pharmacy Board to administer drugs, revising the law governing consult agreements between physicians and pharmacists, prohibiting withdrawing an application for licensure without the Board's approval, and making other changes to pharmacy law. The major portions of the bill which could result in fiscal impact to state and local governments are discussed below.

Pharmacist-Physician Consult Agreements. Under existing law, pharmacists may enter into consult agreements with physicians under certain circumstances. The standards governing consult agreements are the same whether or not the patient is in a hospital or in a long-term care facility, including: requirements that the hospital or long-term care facility must have a written policy; signed agreements with the involved parties must be produced; and regular communication between the physician and pharmacist must occur. The bill applies these and other existing requirements to consult agreements involving patients who are not in hospitals or long-term care facilities. The bill also authorizes the possibility that alternate physicians and pharmacists may be designated. LBO does not anticipate that these provisions would result in cost to state and local government entities.

Administration of Drugs. The bill permits pharmacists to administer drugs if the pharmacist has successfully completed a course in drug administration that has been approved by the Pharmacy Board, and if the drugs have been prescribed by a licensed health professional. LBO expects that this provision may result in minimal additional cost to the Pharmacy Board for development of drug administration curricula, and related administrative duties.

License Revocations. The bill permits license revocation for any Pharmacy Board rule violation. The Pharmacy Board has indicated that this is generally the current practice, and that this provision would not result in increased revocations.

License Suspensions. The bill permits license suspension votes to occur via telephone conference calls among Board members. The Pharmacy Board estimates that the current cost of face-to-face deliberations is approximately \$1,000 per case. The Board, under current law, must pay per diem costs to each board member, plus travel expenses, which total about \$1,000 per day. The Board has indicated that they are frequently able to conduct these suspension hearings in conjunction with other Board meetings, and that the annual average is about 12 suspensions per year. The bill would allow the Board greater freedom to respond to suspend licenses more quickly than if they were otherwise to wait for a regular Board meeting.

Withdrawal of License Applications. The bill prohibits applicants from withdrawing license applications without the approval of the Pharmacy Board. LBO expects that this will extend the ability

of the Board to conduct investigations of applicants. Currently, it appears that the Board may not take action against individuals unless there is a license in effect or under consideration. The Board has also indicated that, by facilitating charging of some applicants involved in investigations, that they may be able to more quickly clear their evidence lockers and save storage expenses.

Physical or Mental Examinations. Under the bill, the Board may require a pharmacist or pharmacy intern to submit to a physical and/or mental examination, if the Board has reasonable cause to believe that the person is impaired. LBO believes that the cost of these examinations would be borne by the licensee, and not the Pharmacy Board.

Pharmacist-Client Privilege. The bill establishes a pharmacist-client privilege that exempts a pharmacist from testifying in court regarding communications involving the client and the client's licensed health professionals who provide prescriptions. Under this provision, the pharmacist is prohibited from testifying in court regarding these communications, but consent to do so may be given by the client or the client's agent. LBO believes that this will have no fiscal impact on state or local government entities.

Summary of State Fiscal Effects

LBO expects that the Pharmacy Board may experience minimal increases in expenditures associated with the creation of curricula that would permit pharmacists to administer drugs, and maintaining records of pharmacists who have completed such curricula. Offsetting savings are likely to occur to the Board through permitting license suspensions to occur via teleconferencing and facilitation of investigations regarding applicants who could otherwise withdraw their applications without Board approval. LBO estimates that the effects of these provisions will largely be offsetting, with the potential net result being a negligible savings.

Summary of Local Fiscal Effects

As the bill extends pharmacist-physician consult agreements beyond hospitals and long-term care facilities, some city and county health clinics and county homes may experience negligible increases in expenditures. These increases would stem from the administration of pharmacist-physician consult agreements, including the promulgation and enforcement of rules.

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