

# **LSC Redbook**

**Analysis of the Executive Budget Proposal**

**State Board of Pharmacy**

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## READER'S GUIDE

The Legislative Service Commission prepares an analysis of the executive budget proposal for each agency. These analyses are commonly called "Redbooks." This brief introduction is intended to help readers navigate the Redbook for the Board of Pharmacy (PRX), which includes the following four sections.

1. **Overview:** Provides a brief description of the Board's existing functions and staffing, and an overview of the Board's executive recommended budget for the FY 2012-FY 2013 biennium, and notes other matters that will or could affect the Board's duties and responsibilities, for example, legislation enacted by the 128th General Assembly.
2. **Analysis of Executive Proposal:** Provides a detailed analysis of the Board's executive recommended budget, including the funding and purposes for each appropriated line item, and the services and activities that are financed by those appropriated moneys.
3. **Requests Not Funded:** Provides a description of any notable components of the Board's budget request that are not included in the executive recommended budget.
4. **Attachments:** Includes the LSC's Catalog of Budget Line Items (COBLI), which describes each line item's purpose, revenue, and expenditures, and the LSC budget spreadsheet, which summarizes each line item's recent expenditure and appropriations history.

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# State Board of Pharmacy

- Additional staffing requests not funded
- OARRS needs software and hardware upgrades
- Prescription drug abuse adding to the Board's workload

## OVERVIEW

### Agency Overview

The State Board of Pharmacy, first created in 1884, is responsible for administering and enforcing the Pharmacy Practice Act and Dangerous Drug Distribution Act (R.C. Chapter 4729.), the Controlled Substances Act (R.C. Chapter 3719.), the Pure Food and Drug Act (R.C. Chapter 3715.), and the Criminal Drug Law (R.C. Chapter 2925.). The Board's services and activities can be divided into two distinct programs: (1) licensure and regulation and (2) drug law enforcement and investigation.

The Board is a nine-member panel composed of eight pharmacists and one person representing the public who is at least 60 years old. Each member serves a four-year term and may be reappointed one time at the Governor's discretion. The Board currently meets three days each month.

In addition to the nine Board members, 49 full-time equivalent (FTE) staff are currently employed to perform licensure and enforcement activities. Of that total number, thirteen (13) are licensed pharmacists (7 field specialists and 6 office administrators). As Table 1 below indicates the total number of staff employed by the Board over the course of FY 2005 projected through FY 2013 has been relatively stable.

2005	2006	2007	2008	2009	2010	2011	2012	2013
47	47	47	50	50	49	49	50	50

\*FY 2012 and FY 2013 are estimates.

### Appropriation Overview

The executive recommends FY 2012 appropriation totaling \$6.5 million, a decrease of 12.5% from FY 2011 total estimated expenditures. However, it should be noted that the FY 2011 figure is based on estimated expenditures. If one were to compare the FY 2012 recommendation to actual expenditures from FY 2010, the FY 2012 recommendation represents an increase of 11.2%.

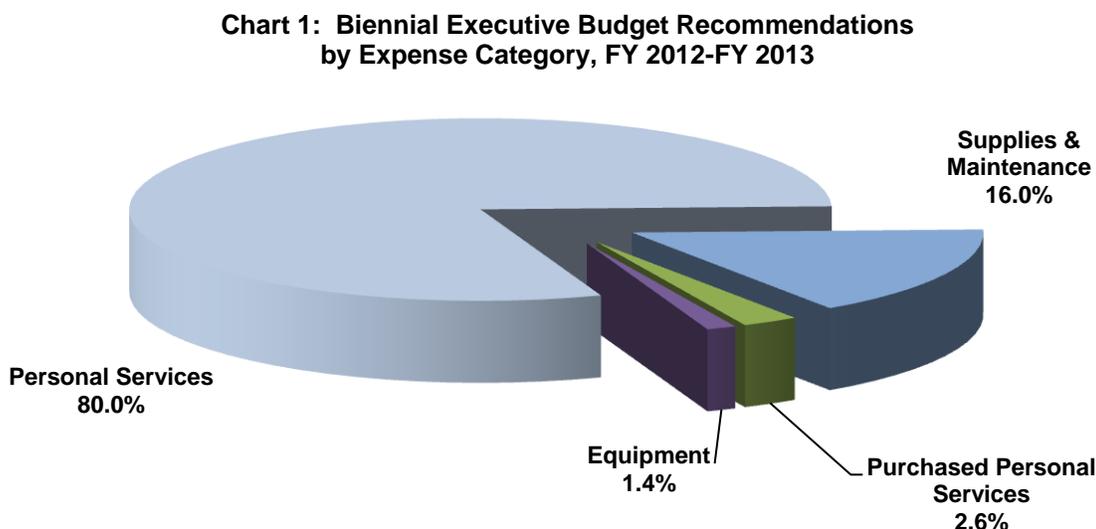
Recommended FY 2013 appropriations are almost \$6.0 million, a decrease of 8.2% from the FY 2012 recommendation. This decrease is predominantly related to a decrease in federal funding. In regards to the Board's federal funding, it is not uncommon for the Board to come before the Controlling Board to request appropriation increases for its federal funds. This is primarily due to the rather unpredictable nature of these funds in terms of timing and magnitude.

**Appropriations by Fund Group.** Table 2 immediately below compares, by fund group, the Board's FY 2012-FY 2013 appropriations as well as the FY 2011 estimated levels of spending. The Board receives no GRF funding.

Fund Group	FY 2011*	FY 2012	% change, FY 2011-FY 2012	FY 2013	% change, FY 2012-FY 2013
General Services	\$5,384,032	\$5,783,998	7.4%	\$5,876,785	1.6%
Federal Special Revenue	\$2,058,036	\$725,759	(64.7%)	\$96,424	(86.7%)
<b>TOTAL</b>	<b>\$7,442,068</b>	<b>\$6,509,757</b>	<b>(12.5%)</b>	<b>\$5,973,209</b>	<b>(8.2%)</b>

\*FY 2011 figures represent estimated spending.

**Appropriations by Expense Category.** Chart 1 below summarizes the manner in which the Board plans to allocate its executive recommended appropriations for the FY 2012-FY 2013 biennium. Eighty per cent (80%) of the biennial appropriation will be allocated for personal services, which will fund approximately 50 full-time equivalent (FTE) staff positions.



## FACTS AND FIGURES

### Fee Schedule

Table 3 below displays the current schedule of licensing and miscellaneous other fees paid by pharmacists, pharmacy interns, and drug distributors. The Board last raised fees in FY 1997.

<b>Table 3. Pharmacy Licensing and Miscellaneous Other Service Fees</b>	
<b>Fee Type</b>	<b>Amount</b>
<b>Pharmacists</b>	
Initial License by Examination – Ohio Application	\$110.00
NAPLEX/MPJE Only Exam – Ohio Application	\$110.00
Ohio's Initial License by Reciprocity – Ohio Application	\$337.50
Pharmacist License Renewal – Annual	\$97.50
Pharmacist License Renewal – if lapsed > 60 days but < 3 years	\$135.00
Pharmacist License Renewal – if lapsed > 3 years	\$337.50
Duplicate Identification Card	\$37.50
Duplicate Wall Certificate	\$22.50
<b>Pharmacy Interns</b>	
Pharmacy Intern Initial License Application	\$22.50
Pharmacy Intern License Renewal	\$22.50
Duplicate Identification Card	\$7.50
Duplicate Wall Certificate	\$7.50
<b>Drug Distributors</b>	
TDDD* Category I or Limited Category I	\$45.00
TDDD* Category II or Limited Category II	\$112.50
TDDD* Category III or Limited Category III	\$150.00
Professional Association, Corporation, Partnership, or Limited Liability Company Organized for the Purpose of Practicing Veterinary Medicine	\$40.00
Wholesale Distributor of Dangerous Drugs (WDD) License	\$150.00
Manufacturer of Controlled Substances License	\$37.50

\*TDDD refers to Terminal Distributor of Dangerous Drugs.

### Licensing

The licensure activities of the Board include the testing and certification of pharmacists and pharmacy interns entering the profession in Ohio, as well as renewing the licenses of practicing pharmacists annually. In addition, the Board licenses sites where dangerous drugs (primarily those requiring a prescription) are purchased and stored prior to the delivery to a patient. The site licenses are issued by the Board as either a terminal distributor of dangerous drugs (mainly retail type settings) or a

wholesale distributor of dangerous drugs. Terminal distributor sites include, but are not limited to, retail pharmacies, hospitals, nursing homes, prisons and jails, emergency medical squads, clinics, and medical gas distributors.

The Board's licensing activity for FY 2003 through FY 2010 is summarized in Table 4 below. Over the course of that eight-year span, the number of licensees/registrants has steadily grown from 28,314 in FY 2003 to 36,535 in FY 2010, an increase of 8,221, or 29%.

<b>License/Registrant Type</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Registered Pharmacists	14,540	14,682	14,953	15,308	15,484	15,853	16,598	16,911
Pharmacy Interns	1,634	2,076	1,906	2,158	2,311	2,461	2,398	2,746
Terminal Distributors	10,485	11,117	11,453	11,994	12,204	13,100	15,226	14,443
Wholesale Distributors	1,144	1,251	1,305	1,386	1,290	1,452	1,392	1,442
Controlled Substance Wholesalers	511	525	535	550	517	565	555	993
<b>TOTALS</b>	<b>28,314</b>	<b>29,651</b>	<b>30,152</b>	<b>31,396</b>	<b>31,806</b>	<b>33,431</b>	<b>36,169</b>	<b>36,535</b>

### **Enforcement**

The Board is the only state agency that has statewide jurisdiction to enforce the laws related to the legal distribution of drugs and, as a result, is sometimes responsible for criminal investigations and prosecutions of doctors, nurses, dentists, veterinarians, or other individuals. By enforcing the laws and rules regulating drugs and pharmacists, the Board may deny, suspend, or revoke a license and place a pharmacist or pharmacy intern on probation. Such action may be taken for reasons that include: conviction of a misdemeanor committed in the practice of pharmacy or any felony, dishonesty or unprofessional conduct in the practice of pharmacy, drug or alcohol addiction that causes a practitioner to be unfit for practice, and any violation of provisions under R.C. Chapters 2925., 3719., or 4729.

The Board's investigations are classified as either criminal (involving drug trafficking, forging prescriptions, fraud, etc.), or administrative (involving errors in dispensing, administrative code violations, etc.). With the exception of a matter that involves the dispensing of an incorrect drug, an investigation can be closed due to a lack of time to fully investigate a case. This is usually what happens to cases that take

longer than 45 days to investigate. These cases are illustrated in Table 5 below under the column heading "Investigations Closed for No Time."

From 1998 through 2010, the Board has averaged around 1,150 investigations annually and the percentage of those investigations that had to be "closed for no time" was cut from 31.2% to 4.2%. As noted in the table below, the number of investigations performed each year has steadily decreased since CY 2003. This is due to a variety of factors. In recent years, Board staff has developed better working relationships with other affected boards (such as the Nursing and Medical Boards). Cases that would have been commenced by the Pharmacy Board are now referred to these other boards on a case by case basis. In addition, standards for opening an active case file have also changed over time. Currently, many issues can be resolved by staff before circumstances warrant the escalation of a formal investigation. With the advent of the Ohio Automated Rx Reporting System (OARRS), which has helped in referring cases to other boards and continued staff development and training, investigative caseloads have declined. However, it should be noted that existing workloads continue to increase. Investigative functions are still being performed, but are resolved in a more varied way.

<b>Calendar Year</b>	<b>Number of Investigations</b>	<b>Investigations Closed for No Time*</b>	<b>Percent Closed for No Time*</b>
1998	1,198	374	31.2%
1999	1,309	397	30.3%
2000	1,404	424	30.2%
2001	1,692	370	21.9%
2002	1,421	252	17.7%
2003-2004	2,526	308	12.2%
2005-2006	2,083	231	11.1%
2007-2008	1,807	173	9.6%
2009-2010	1,512	63	4.2%

\*"No Time" is a decision made by a Board field agent.

## Cash Flow Activity

### Fund 4K90 Analysis

The State Board of Pharmacy is one of 20-plus independent professional and occupational licensing boards that draw their primary source of funding from the Occupational Licensing and Regulatory Fund (Fund 4K90). The fund was originally established by Am. Sub. H.B. 152 of the 120th General Assembly and serves as a repository for license fees and other assessments collected by those boards.

Prior to the creation of the fund, appropriations for each of the affected boards were drawn from the GRF. This created a problem, as some boards generated revenues that exceeded their expenditures, while other boards had to be subsidized by the GRF since their expenditures exceeded their generated revenue. Fund 4K90 was designed to eliminate that cash-flow problem. Each board is expected to generate enough revenues to cover its expenses and to subsequently raise fees if there is a shortfall. Since it is quite common for the boards to develop a surplus in the fund, the general rule of thumb is that such surpluses should not exceed an amount equal to one-half of a board's current-year appropriation.

The Board estimates that their portion of the cash balance of the 4K90 fund is approximately \$2 million. As such, a fee increase is not warranted at this time. However, if the Board cannot access these funds, especially through the use of the Controlling Board, a fee increase may be needed.

Table 6 below displays the amount of revenue that the Board has deposited in the state treasury to the credit of Fund 4K90 from FY 1996 through FY 2010, as well as the amount of funding that the Board has drawn from the fund over the same period of time. The table indicates that the Board has historically deposited more revenue to the credit of Fund 4K90 annually than it has drawn from the fund to support annual operating expenses. The "Net" amounts in the table's last column do not reflect Board moneys removed from Fund 4K90 by the Office of Budget and Management (OBM) for administrative purposes. Thus, the "Net" amounts do not exactly equal the Board's cash balance in Fund 4K90.

**Table 6. Pharmacy Board Fund 4K90 Revenues and Expenditures, FY 1996- FY2010**

Fiscal Year	Revenues*	Expenditures	Net
1996	\$3,131,677	\$2,762,321	\$369,356
1997	\$3,214,543	\$3,060,104	\$154,439
1998	\$4,369,170	\$3,254,336	\$1,114,834
1999	\$4,225,210	\$3,364,074	\$861,136
2000	\$4,282,302	\$3,815,769	\$466,533
2001	\$4,288,827	\$3,837,911	\$450,916
2002	\$4,265,201	\$4,176,816	\$88,385
2003	\$4,458,368	\$4,490,725	(\$32,357)
2004	\$4,484,926	\$4,369,323	\$115,603
2005	\$4,510,488	\$4,513,155	(\$2,667)
2006	\$4,578,206	\$4,525,101	\$53,105
2007	\$4,768,372	\$5,073,717	(\$305,345)
2008	\$5,233,863	\$5,223,813	\$10,050
2009	\$5,285,763	\$5,471,069	(\$185,306)
2010	\$5,095,243	\$5,419,989	(\$324,746)
<b>Total</b>	<b>\$66,192,159</b>	<b>\$63,358,223</b>	<b>\$2,833,936</b>

\*Includes all sources of revenue, both from fees and fines.

Certain fines and forfeited bonds and bails collected by the Board are deposited into Fund 4K90. Generally, this money constitutes approximately 20% of the total revenue deposited annually by the Board to the credit of Fund 4K90. Table 7 below displays the amount of money that the Board collected in the form of fines and forfeited bonds and bail that was deposited in Fund 4K90 from FY 2003-FY 2010.

**Table 7. Pharmacy Collected Fines, Bonds, and Bail Deposited to Fund 4K90, FY 2003-FY 2010**

Fiscal Year	Revenues*
2003	\$1,019,249
2004	\$1,001,874
2005	\$1,026,266
2006	\$993,580
2007	\$974,128
2008	\$1,040,155
2009	\$944,184
2010	\$818,229

\*Moneys are collected by local courts and then remitted to the state.

## Fund 4A50

Fund 4A50 consists of revenues from certain criminal fines, bail, or property forfeitures collected as a result of the Board's drug law enforcement efforts and not statutorily directed for deposit in the above-discussed Fund 4K90. If the Board acted as the lead investigative agent in the prosecution of the criminal offense, 100% of the revenues are deposited to the credit of the fund. The Board is restricted to using the revenue in the fund for drug law enforcement purposes only, which in practice means providing the Board's compliance and enforcement staff with current technology and training. As seen in Table 8 below, the fund's annual revenues vary greatly from year to year. The Board projects that, at the end of FY 2013 (not shown in the table below), the fund's cash balance will be approximately \$770,000.

<b>Fiscal Year</b>	<b>Beginning Cash</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Net Cash Available</b>
2004	\$505,946	\$23,326	\$72,977	\$456,296
2005	\$456,296	\$201,515	\$272,755	\$385,056
2006	\$385,056	\$297,219	\$115,727	\$566,547
2007	\$566,547	\$76,570	\$42,894	\$600,224
2008	\$600,224	\$22,491	\$70,958	\$551,756
2009	\$551,756	\$300,594	\$58,393	\$793,957
2010	\$793,957	\$77,697	\$26,290	\$845,365

## FY 2012-FY 2013 Challenges

### Workload

While staffing has remained relatively constant, the environment in which it works has presented two ongoing challenges, one in its regulatory environment and the other in state required business practices.

In recent years, new cases have been generated through the proliferation of illegal prescription drug use in the state. Field staff is also experiencing increased workload for a variety of reasons, including, but not limited to: new technological advances such as Internet prescribing, electronic transmission of prescriptions, drug importation from foreign markets, pharmacist compounding, and federal privacy regulations.

The state's required business practices has created additional work for staff related to the processing of payroll, overtime, and travel expenses. The problem can arise due to the unpredictable nature of the Board's work (especially investigative duties which could be required at a moment's notice) and the state requirement that its employees prospectively anticipate travel needs. In practice, this has created additional

administrative work later to correct any errors or omissions. These state business practices were implemented as part of the Shared Services provision included in Am. Sub. H.B. 1 of the 128th General Assembly.

The Board stated in their budget request submitted to OBM, that given these workload challenges, at the requested funding level, it would need to scale back the quantity and quality of services delivered unless additional funding is appropriated to pay for its annual operating expenses.

### **Federal Funding**

In recent years, the Board has relied heavily on federal funding sources to operate and maintain Ohio's prescription monitoring program, known as the Ohio Automated Rx Reporting System (OARRS). Program funding has been available through a variety of federal grants, each with its own specific spending requirements. These sources of funding are not guaranteed in the future however. In fact, there is currently some speculation at the national level that funding sources could be absent from the proposed federal budget. As such, the Board anticipates the need to acquire a more stable source of OARRS funding.

### **OARRS Longevity**

OARRS was first authorized by Sub. H.B. 377 of the 125th General Assembly. The Act, which became effective May 2005, permitted the Board to establish and maintain an electronic database to monitor the misuse and diversion of controlled substances and certain dangerous drugs, but was silent on how the drug database and its related costs would be funded. The program began full operation in October 2006. Since the system is aging and is continually being tasked to perform additional duties, hardware and software upgrades will be needed in the future. No money for this purpose is included in the executive proposed budget.

Also of note is Sub. H.B. 93 of the 129th General Assembly, which is currently awaiting action by the Ohio Senate. It will require the Board: (1) to license pain management clinics and (2) to expend additional resources to make the necessary changes to OARRS. No money has been budgeted for this purpose.

## ANALYSIS OF EXECUTIVE PROPOSAL

Table 9 below shows the line items that are used to fund the Board of Pharmacy, as well as the executive recommended funding levels. It is then followed by a narrative describing how each appropriated amount will be used, and as appropriate, the implications of the executive recommended funding levels.

<b>Table 9. Executive Recommended Funding for Board of Pharmacy</b>					
<b>Fund</b>	<b>ALI and Name</b>			<b>FY 2012</b>	<b>FY 2013</b>
<b>General Services Fund (GSF) Group</b>					
4A50	887605	Drug Law Enforcement		\$75,500	\$75,500
4K90	887609	Operating		\$5,708,498	\$5,801,285
<b>General Services Fund Group Subtotal</b>				<b>\$5,783,998</b>	<b>\$5,876,785</b>
<b>Federal Special Revenue Fund (FED) Group</b>					
3CT0	887606	2008 Developing/Enhancing PMP		\$70,775	\$0
3DV0	887607	Enhancing Ohio's PMP		\$169,888	\$2,379
3EY0	887603	Administration of PMIX Hub		\$320,637	\$66,335
3EZ0	887610	NASPER 10		\$164,459	\$27,710
<b>Federal Special Revenue Fund Group Subtotal</b>				<b>\$725,759</b>	<b>\$96,424</b>
<b>Total Funding: Board of Pharmacy</b>				<b>\$6,509,757</b>	<b>\$5,973,209</b>

### Operating Expenses (GSF line item 887609)

This GSF line item, which draws its appropriation from fees and fines deposited in Fund 4K90, is used by the Board to administer and enforce laws governing the legal distribution of dangerous drugs and the practice of pharmacy. The executive recommended appropriation for this line item is \$5,708,498 for FY 2012 and \$5,801,285 in FY 2013, an amount that is less than the Board requested by \$146,057 and by \$148,153, respectively.

Even at the requested levels, the Board indicated in its biennial budget submission to OBM that current service levels could not be maintained. Investigations will likely need to be scaled back which will effectively result in a service level that is the equivalent of operating during only nine months of the year. In addition, licensing activities will also be slowed. No fee increases were included in the Board's budget request.

**CAVU Licensing.** A notable element of the Board's operating expenses is its involvement in the state's licensing system for certain boards and commissions operated by CAVU, a provider of licensing, permitting, and enforcement software solutions for eGovernment. In the summer of 2008, the Board became the last licensing

entity with the state of Ohio to contract with CAVU for online licensing services. Pharmacists were licensed online in August 2008.

The Ohio Department of Administrative Services (DAS) administers the CAVU agreements. As each licensing board came online, the costs of the contracts were administratively removed from Fund 4K90. The costs are distributed amongst the boards annually according to the degree of licensing activity by each entity. During FY 2011, DAS assessed the Board \$22,893 for its share of the licensing system's cost allocation. The Board's cost for FY 2012 and FY 2013 are expected to rise but exact costs are uncertain at this time.

**Biennial Audits.** During the FY 2012-FY 2013 biennium, in addition to ongoing operating expenses, the Board will be required to pay the cost of its biennial audit conducted by the Auditor of State. Sub. S.B. 155 of the 128th General Assembly, effective March 31, 2010, requires all state agencies to pay for their own audits.<sup>1</sup> In the past, the cost of state agency audits was paid for by the Department of Administrative Services, but funding for that purpose was eliminated by Am. Sub. H.B. 1 of the 128th General Assembly (the FY 2010-FY 2011 biennial budget bill). Since the Board is currently undergoing an audit, at a cost of approximately \$17,000, it has not budgeted for the FY 2012-FY 2013 biennial audit. If an audit does occur during the next biennium, the Board may need to request additional funding through the Controlling Board.

#### **Drug Law Enforcement (GSF line item 887605)**

This GSF line item draws its appropriation from the Board's share of certain fines and forfeited bonds and bail collected as a result of its drug law enforcement efforts. Money deposited to the fund is statutorily restricted and may only be used for drug law enforcement purposes. The Board uses this money to provide its compliance and enforcement staff with current technology and training for the purpose of increasing their productivity and ability to obtain evidence of pharmacy and drug law violations.

The executive budget recommends the Board requested amount for this line item of \$75,500 per year. It should be noted that due to the unpredictable nature of the deposits made to the fund and the stringent restrictions on its use, the fund typically receives appropriation increases via approval of the Controlling Board.

#### **Prescription Monitoring Program/OARRS (various federal line items)**

Ohio's prescription monitoring program, known as the Ohio Automated Rx Reporting System (OARRS), was established to monitor the misuse and diversion of controlled substances and certain dangerous drugs. However, no money was explicitly

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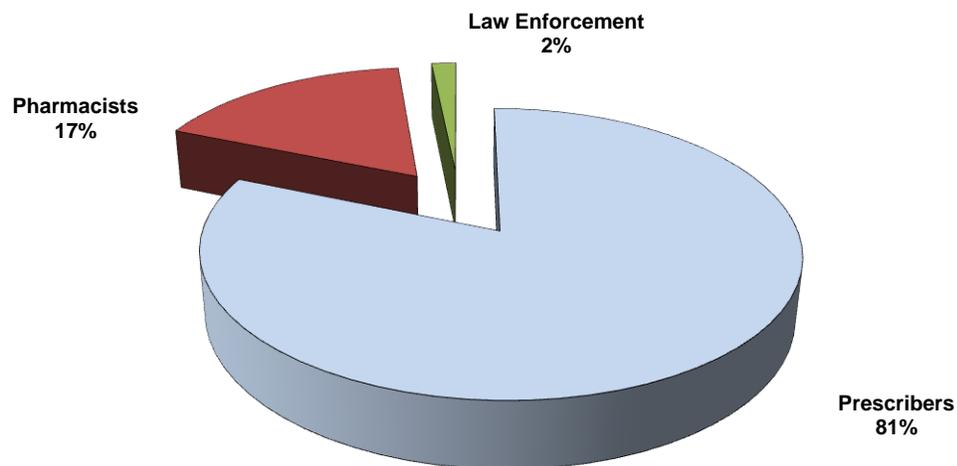
<sup>1</sup> R.C. 117.13.

appropriated to fund its development and operation. The program began full operation in October 2006.

Under OARRS, each pharmacy licensed as a terminal distributor of dangerous drugs that dispenses drugs to patients in the state and each wholesale distributor of dangerous drugs that delivers drugs to prescribers in the state are required to submit certain prescription and purchase information to the Board for entry into the database. As of December 2010, the database included approximately 46.9 million prescription records.<sup>2</sup> This represents an increase of approximately 7.9 million records since 2008.

Since the program's inception, law enforcement officers have made almost 45,748 requests for database information. Prescribers and pharmacists have also submitted more than 1.9 million requests for information from the database relating to client patients. The system processes about 4,000 requests per day. Chart 2 below shows a breakdown of the categories of persons requesting OARRS information.

**Chart 2: Total OARRS Requests by Requestor**



**Funding.** To date, the Board has received several federal grants totaling \$2.9 million that have been restricted for purposes of OARRS planning, implementation, and improvements. Federal grants have not been made available for what might be termed routine operating or maintenance expenses. As the Board's annual costs to operate and maintain OARRS have exceeded available federal funding, the difference has been covered by the utilization of money appropriated from Fund 4K90. The

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<sup>2</sup> Records are deleted weekly so that only two years of data is in the database at any one time. Records are added twice a month, which is the frequency that pharmacies are required to report.

distribution of the payment of those annual OARRS operating costs between federal and state revenue sources is pictured in Table 10 below. According to the Board, preliminary information conveyed by the current federal grant administrators seems to suggest that there may be no federal funding for this purpose in the future.

<b>Fiscal Year</b>	<b>Federal Funds</b>	<b>% of Total</b>	<b>State Fund 4K90</b>	<b>% of Total</b>	<b>Total</b>
2006	\$318,577	84.7%	\$57,708	15.3%	\$376,285
2007	\$194,621	32.8%	\$397,988	67.2%	\$592,609
2008	\$359,006	60.6%	\$233,492	39.4%	\$592,498
2009	\$313,272	59.5%	\$213,504	40.5%	\$526,776
2010	\$406,845	77.3%	\$119,556	22.7%	\$526,401

Money deposited to the credit of funds 3CT0, 3DV0, 3EY0, and 3EZ0 consists of federal grants awarded to the Board for the purpose of planning, implementing, and enhancing OARRS.

## REQUESTS NOT FUNDED

The Board submitted a biennial budget request that was within the funding level suggested by the FY 2012-FY 2013 operating budget guidance materials issued to state agencies by OBM. From the Board's perspective, this amount was not adequate to maintain its current operations and fulfill its statutory duties. In order to work within the available funding, the Board stated that it would have to reduce services in some manner.

As part of its supplemental funding request, the Board also requested funding to increase its staff by adding one pharmacist and one information technology specialist, and by converting one temporary position to a full-time permanent position. The additional funding for that requested staffing increase does not appear to be included in the executive proposed budget. Table 11 below compares the amount of Fund 4K90 funding that the Board requested in both FY 2012 and FY 2013 with the executive recommended amount for each of those fiscal years.

<b>Table 11. Requested Funding Compared to Executive Recommendation</b>						
<b>Fund Line Item</b>	<b>FY 2012 Recommended</b>	<b>FY 2012 Requested</b>	<b>Difference</b>	<b>FY 2013 Recommended</b>	<b>FY 2013 Requested</b>	<b>Difference</b>
4K90 887609	\$5,708,498	\$5,854,555	\$146,057	\$5,801,285	\$6,121,362	\$148,153

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## State Board of Pharmacy

### General Services Fund Group

#### 4A50 887605 Drug Law Enforcement

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$70,959	\$58,393	\$26,290	\$133,000	<b>\$75,500</b>	<b>\$75,500</b>
	-17.7%	-55.0%	405.9%	<b>-43.2%</b>	<b>0.0%</b>

**Source:** General Services Fund Group: State Board of Pharmacy's share of certain fines and bail or property forfeitures collected as a result of its drug law enforcement efforts

**Legal Basis:** ORC 4729.65(B)(1); Section 357.10 of Am. Sub. H.B. 1 of the 128th G.A.

**Purpose:** The fund is used by the Board to provide its compliance and enforcement staff with current technology and training for the purpose of increasing their productivity and ability to obtain evidence of pharmacy and drug law violations. By law, the moneys in the fund must be segregated from the Board's other sources of revenue. The Board is restricted to using the revenue in the fund for drug law enforcement purposes only.

#### 4K90 887609 Operating Expenses

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$5,223,813	\$5,471,069	\$5,419,989	\$5,251,032	<b>\$5,708,498</b>	<b>\$5,801,285</b>
	4.7%	-0.9%	-3.1%	<b>8.7%</b>	<b>1.6%</b>

**Source:** General Services Fund Group: Moneys appropriated from the Occupational Licensing and Regulatory Fund (Fund 4K90), which consists of license fees and other assessments collected by certain independent professional and occupational boards, as well as various fines and forfeited bonds and bails collected by the State Board of Pharmacy and not credited to its Fund 4A50

**Legal Basis:** ORC 4729.65(A); Section 357.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A., the main operating appropriations act covering FY 1994 and FY 1995)

**Purpose:** Funds appropriated to the line item are used by the State Board of Pharmacy to administer and enforce laws governing the legal distribution of dangerous drugs and the practice of pharmacy.

## State Board of Pharmacy

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### Federal Special Revenue Fund Group

#### **3BC0 887604 Dangerous Drugs Database**

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$371,375	\$270,150	\$145,614	\$500,891	<b>\$0</b>	<b>\$0</b>
	-27.3%	-46.1%	244.0%	<b>-100%</b>	<b>N/A</b>

**Source:** Federal Special Revenue Fund Group: Harold Rogers Prescription Drug Monitoring Program grant (grant year 2007) distributed by the U.S. Department of Justice, Office of Justice Programs and a grant from the National Association of State Controlled Substances Authorities (NASCSA)

**Legal Basis:** Section 357.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on August 15, 2005)

**Purpose:** Money deposited to the credit of the fund consists of certain federal and national grants awarded to the State Board of Pharmacy for the purpose of planning, implementing, and enhancing the prescription drug monitoring program authorized by Sub. H.B. 377 of the 125th G.A. The program is a system in which prescription data for controlled substances, as well as two non-controlled substances, are submitted to a centralized database administered by the Board and is designed for the purpose of helping prevent and detect the diversion and abuse of pharmaceutical controlled substances, particularly at the retail level. By law, the Board cannot impose a charge on any terminal distributor, pharmacist, or prescriber for establishment or maintenance of the database.

## State Board of Pharmacy

### 3CT0 887606 2008 Developing/Enhancing PMP

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$43,122	\$260,211	\$400,000	<b>\$70,775</b>	<b>\$0</b>
	N/A	503.4%	53.7%	<b>-82.3%</b>	<b>-100%</b>

**Source:** Federal Special Revenue Fund Group: Harold Rogers Prescription Drug Monitoring Program grant (grant year 2008) distributed by the U.S. Department of Justice, Office of Justice Programs

**Legal Basis:** Established by Controlling Board on July 27, 2009 (originally established by Controlling Board on November 17, 2008)

**Purpose:** Money deposited to the credit of the fund consists of certain federal grants awarded to the State Board of Pharmacy for the purpose of planning, implementing, and enhancing the prescription drug monitoring program authorized by Sub. H.B. 377 of the 125th G.A. The program is a system in which prescription data for controlled substances, as well as two non-controlled substances, are submitted to a centralized database administered by the Board and is designed for the purpose of helping prevent and detect the diversion and abuse of pharmaceutical controlled substances, particularly at the retail level. By law, the Board cannot impose a charge on any terminal distributor, pharmacist, or prescriber for establishment or maintenance of the database.

### 3DV0 887607 Enhancing Ohio's PMP

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$0	\$400,000	<b>\$169,888</b>	<b>\$2,379</b>
	N/A	N/A	N/A	<b>-57.5%</b>	<b>-98.6%</b>

**Source:** Federal Special Revenue Fund Group: Harold Rogers Prescription Drug Monitoring Program grant (grant year 2009) distributed by the U.S. Department of Justice, Office of Justice Programs

**Legal Basis:** Established by Controlling Board on August 24, 2009

**Purpose:** Money deposited to the credit of the fund consists of certain federal grants awarded to the State Board of Pharmacy for the purpose of planning, implementing, and enhancing the prescription drug monitoring program authorized by Sub. H.B. 377 of the 125th G.A. The program is a system in which prescription data for controlled substances, as well as two non-controlled substances, are submitted to a centralized database administered by the Board and is designed for the purpose of helping prevent and detect the diversion and abuse of pharmaceutical controlled substances, particularly at the retail level. By law, the Board cannot impose a charge on any terminal distributor, pharmacist, or prescriber for establishment or maintenance of the database.

## State Board of Pharmacy

### 3EB0 887608 NASPER

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$1,020	\$190,995	<b>\$0</b>	<b>\$0</b>
	N/A	N/A	18632.2%	<b>-100%</b>	<b>N/A</b>

**Source:** Federal Special Revenue Fund Group: NASPER (National All Schedules Prescription Electronic Reporting) formula grant distributed by the U.S. Department of Health and Human Services (issued September 2009)

**Legal Basis:** Established by Controlling Board on December 14, 2009

**Purpose:** Money deposited to the credit of the fund consists of a federal grant awarded to the State Board of Pharmacy for the purpose of developing and enhancing the prescription drug monitoring program authorized by Sub. H.B. 377 of the 125th General Assembly.

### 3EY0 887603 Administration of PMIX Hub

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$0	\$374,698	<b>\$320,637</b>	<b>\$66,335</b>
	N/A	N/A	N/A	<b>-14.4%</b>	<b>-79.3%</b>

**Source:** Federal Special Revenue Fund Group: Harold Rogers Prescription Drug Monitoring Program grant distributed by the U.S. Department of Justice, Office of Justice Programs

**Legal Basis:** Established by Controlling Board on October 25, 2010

**Purpose:** Money deposited to the credit of the fund consists of certain federal grants awarded to the State Board of Pharmacy for the purpose of planning, implementing, and enhancing the prescription drug monitoring program authorized by Sub. H.B. 377 of the 125th G.A. The program is a system in which prescription data for controlled substances, as well as two non-controlled substances, are submitted to a centralized database administered by the Board and is designed for the purpose of helping prevent and detect the diversion and abuse of pharmaceutical controlled substances, particularly at the retail level. By law, the Board cannot impose a charge on any terminal distributor, pharmacist, or prescriber for establishment or maintenance of the database.

## State Board of Pharmacy

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**3EZ0 887610 NASPER 10**

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$0	\$191,452	<b>\$164,459</b>	<b>\$27,710</b>
	N/A	N/A	N/A	-14.1%	-83.2%

**Source:** Federal Special Revenue Fund Group: NASPER (National All Schedules Prescription Electronic Reporting) formula grant distributed by the U.S. Department of Health and Human Services

**Legal Basis:** Established by Controlling Board on October 25, 2010

**Purpose:** Money deposited to the credit of the fund consists of a federal grant awarded to the State Board of Pharmacy for the purpose of developing and enhancing the prescription drug monitoring program authorized by Sub. H.B. 377 of the 125th General Assembly.

# FY 2012 - FY 2013 Introduced Appropriation Amounts

# All Fund Groups

Line Item Detail by Agency			FY 2010	Estimate FY 2011	Introduced FY 2012	FY 2011 to FY 2012 % Change	Introduced FY 2013	FY 2012 to FY 2013 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: As Introduced</b>					
<b>PRX State Board of Pharmacy</b>								
4A50	887605	Drug Law Enforcement	\$ 26,290	\$ 133,000	\$ 75,500	-43.23%	\$ 75,500	0.00%
4K90	887609	Operating Expenses	\$ 5,419,989	\$ 5,251,032	\$ 5,708,498	8.71%	\$ 5,801,285	1.63%
<b>General Services Fund Group Total</b>			<b>\$ 5,446,279</b>	<b>\$ 5,384,032</b>	<b>\$ 5,783,998</b>	<b>7.43%</b>	<b>\$ 5,876,785</b>	<b>1.60%</b>
3BC0	887604	Dangerous Drugs Database	\$ 145,614	\$ 500,891	\$ 0	-100.00%	\$ 0	N/A
3CT0	887606	2008 Developing/Enhancing PMP	\$ 260,211	\$ 400,000	\$ 70,775	-82.31%	\$ 0	-100.00%
3DV0	887607	Enhancing Ohio's PMP	\$ 0	\$ 400,000	\$ 169,888	-57.53%	\$ 2,379	-98.60%
3EB0	887608	NASPER	\$ 1,020	\$ 190,995	\$ 0	-100.00%	\$ 0	N/A
3EY0	887603	Administration of PMIX Hub	\$ 0	\$ 374,698	\$ 320,637	-14.43%	\$ 66,335	-79.31%
3EZ0	887610	NASPER 10	\$ 0	\$ 191,452	\$ 164,459	-14.10%	\$ 27,710	-83.15%
<b>Federal Special Revenue Fund Group Total</b>			<b>\$ 406,845</b>	<b>\$ 2,058,036</b>	<b>\$ 725,759</b>	<b>-64.74%</b>	<b>\$ 96,424</b>	<b>-86.71%</b>
<b>State Board of Pharmacy Total</b>			<b>\$ 5,853,123</b>	<b>\$ 7,442,068</b>	<b>\$ 6,509,757</b>	<b>-12.53%</b>	<b>\$ 5,973,209</b>	<b>-8.24%</b>