

# **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 2014-FY 2015 biennium, and notes other matters that will or could affect the Board's duties and responsibilities, for example, legislation enacted by the 129th General Assembly.
2. **Facts and Figures:** Includes information on the Board's fees, licensing statistics, and enforcement/investigation caseloads.
3. **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.
4. **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.
5. **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

- 4K90 funding flat for FY 2014 and FY 2015
- Four new staff hires possible
- OARRS usage spiking

## 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 once a month during a three-day consecutive period.

In addition to the nine Board members, 50 full-time equivalent (FTE) staff are currently employed to perform licensure and enforcement activities. As Table 1 below indicates the total number of staff employed by the Board over the course of FY 2007 through FY 2013 has been relatively stable. As many as four additional staff could be hired over the course of the FY 2014-FY 2015 biennium, including one human resources officer and three field investigators. Of the three field investigators, one will be filled by a licensed pharmacist and two will be law enforcement officers.

2007	2008	2009	2010	2011	2012	2013	2014	2015
47	50	50	49	49	48	50	54	54

\*FY 2014 and FY 2015 are estimates.

### Appropriation Overview

For FY 2014, the executive budget recommends an appropriation totaling \$7.5 million, a decrease of 0.4% from FY 2013 total estimated expenditures. The recommended FY 2015 appropriation totals almost \$7.0 million, a decrease of 7.6% from the FY 2014 recommendation. These appropriation reductions are predominantly related to a decrease in federal funding and the spending down of existing federal

grants. 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 if federal grant funding becomes available during the biennium. This is primarily due to the rather unpredictable nature of these funds in terms of timing and magnitude.

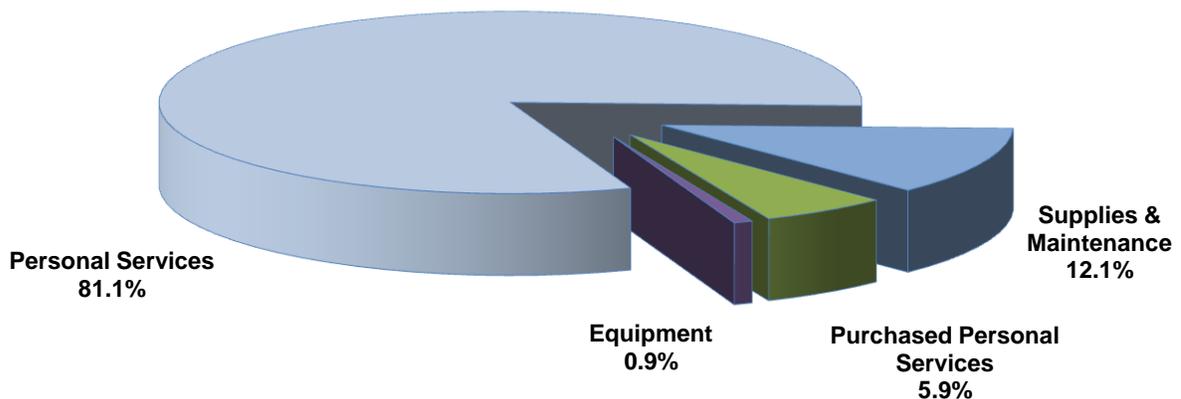
**Appropriations by Fund Group.** The Board's estimated FY 2013 expenditures are compared with the executive recommendations for FY 2014 and FY 2015, by fund group, in Table 2 below.

<b>Table 2. Executive Budget Recommendations by Fund Group, FY 2014-FY 2015</b>					
<b>Fund Group</b>	<b>FY 2013*</b>	<b>FY 2014</b>	<b>% change, FY 2013-FY 2014</b>	<b>FY 2015</b>	<b>% change, FY 2014-FY 2015</b>
General Services	\$6,851,285	\$6,851,285	0.0%	\$6,851,285	0.0%
Federal Special Revenue	\$711,984	\$683,895	-3.9%	\$114,346	-83.3%
<b>TOTAL</b>	<b>\$7,563,269</b>	<b>\$7,535,180</b>	<b>-0.4%</b>	<b>\$6,965,631</b>	<b>-7.6%</b>

\*FY 2013 figures represent estimated expenditures.

**Appropriations by Expense Category.** Chart 1 below summarizes the manner in which the executive recommendations are expected to be allocated across expense categories for the FY 2014-FY 2015 biennium. The Board's largest expense category, representing 81.1%, will be dedicated to personal services, which encompasses payroll-related expenses (wages, salaries, fringe benefits, and other payroll charges). The second largest expense category, supplies and maintenance represents 12.1%.

**Chart 1: Biennial Executive Budget Recommendations by Expense Category, FY 2014-FY 2015**



## 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.

<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	\$750.00
Manufacturer of Controlled Substances License	\$37.50
Duplicate License	\$37.50

\*TDDD refers to Terminal Distributor of Dangerous Drugs.

\*\*Late fees may be assessed on certain licenses. Examination materials are also made available for an additional cost.

### 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.

In addition to the above-listed licenses, as of June 19, 2011, pain management clinics were required to be licensed as terminal distributors of dangerous drugs with a pain management clinic classification. This was authorized by Am. Sub. H.B. 93 of the 129th General Assembly. Many existing terminal distributor licenses were subsequently reclassified so that the pain management clinic classification could be added.

The Board's licensing activity for FY 2005 through FY 2012 is summarized in Table 4 below. Over the course of that eight-year span, the number of licensees/registrants has grown from 30,152 in FY 2005 to 38,651 in FY 2012, an increase of 8,499, or 28.2%.

License/Registrant Type	2005	2006	2007	2008	2009	2010	2011	2012
Registered Pharmacists	14,953	15,308	15,484	15,853	16,598	16,911	16,386	17,446
Pharmacy Interns	1,906	2,158	2,311	2,461	2,398	2,746	2,534	3,018
Terminal Distributors	11,453	11,994	12,204	13,100	15,226	14,443	14,721	16,095
Wholesale Distributors	1,305	1,386	1,290	1,452	1,392	1,442	1,599	1,540
Controlled Substance Wholesalers	535	550	517	565	555	993	600	552
<b>TOTALS</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>	<b>35,840</b>	<b>38,651</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, typically longer than 45 days. These cases are illustrated in Table 5 below under the column heading "Investigations Closed for No Time."

From 1998 through 2012, the Board has averaged around 1,124 investigations annually and the percentage of those investigations that had to be "closed for no time" was cut from 31.2% to 3.9%. As noted in the table below, the number of investigations performed each year has declined from the peak of 2,526 during 2003-2004. 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 State Medical Board and the Board of Nursing). 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.

However, it should be noted that with the enactment of Am. Sub. H.B. 93 of the 129th General Assembly, the number of investigations initiated by the Board are beginning to trend upward again.

<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%
2011-2012	1,904	75	3.9%

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

## **Cash Flow Activity**

### **Fund 4K90**

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. 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.

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 2012, 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. Revenues increased in FY 2012 due to the increased fees charged to wholesale distributors of dangerous drugs.

<b>Fiscal Year</b>	<b>Revenues*</b>	<b>Expenditures</b>	<b>Net</b>
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
2011	\$5,206,980	\$5,191,478	\$15,502
2012	\$6,287,099	\$4,993,800	\$1,293,299

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

Certain fines and forfeited bonds and bails collected by the Board are also 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 for deposit into Fund 4K90 from FY 2003-FY 2012.

<b>Fiscal Year</b>	<b>Revenues*</b>
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
2011	\$850,872
2012	\$865,451

\*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.

<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
2011	\$845,365	\$76,733	\$124,774	\$797,324
2012	\$797,324	\$5,150	\$186,553	\$615,921

## **FY 2014-FY 2015 Challenges**

### **Workload**

While staffing has remained relatively constant, the Board's workload has increased. In order to mitigate these challenges, in the past year, the Board has implemented workload metrics and measurements to better manage the use of existing resources and to do more with less.

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, federal privacy regulations, and the proliferation of clinics that specialize in pain management services.

### **Federal Funding**

Historically, 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. The Board will continue to apply for these grants. However, as all but one state in the nation operates OARRS-type data collection systems, there is considerable competition for these limited federal resources. According to the Board, the state of Ohio operates the busiest prescription monitoring program in the country, processing 25,000 data requests per day. The next busiest monitoring program, which operates in Texas, processes just 5,000 requests per day.

### **OARRS Longevity**

The implementation of OARRS was authorized by Sub. H.B. 377 of the 125th General Assembly (effective May 2005). That act permits, but does not require, the Board to establish and maintain an electronic database to monitor the misuse and diversion of controlled substances and certain dangerous drugs. The act was silent on how the drug database and its related costs would be funded.

The program began full operation in October 2006. Many of the OARRS upgrades that have been performed to date have been paid for with federal funding. From the Board's perspective, if these federal system upgrade moneys become more limited or unavailable, the system's integrity and longevity could be hindered. The system processes over 25,000 requests per day, up from 5,000 requests per day a year ago. This increase in the number of requests is due primarily to the enactment of Am. Sub. H.B. 93 of the 129th General Assembly. In addition to providing for the licensing and regulation of pain management clinics, the act also authorized several of the

medical professional licensing boards to draft rules related to the usage of OARRS. As a result, many of these boards made it mandatory for their licensees to utilize OARRS.

Because of this increase in usage and the demands for more sophisticated reporting features, the Board had requested additional funding in order to make system upgrades. The executive budget does not provide additional funding 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 2014</b>	<b>FY 2015</b>
<b>General Services Fund (GSF) Group</b>				
4A50	887605	Drug Law Enforcement	\$150,000	\$150,000
4K90	887609	Operating Expenses	\$6,701,285	\$6,701,285
<b>General Services Fund Group Subtotal</b>			<b>\$6,851,285</b>	<b>\$6,851,285</b>
<b>Federal Special Revenue Fund (FED) Group</b>				
3BC0	887604	Dangerous Drugs Database	\$390,869	\$0
3CT0	887606	2008 Developing/Enhancing PMP	\$224,691	\$112,346
3DV0	887607	Enhancing Ohio's PMP	\$2,000	\$2,000
3EY0	887603	Administration of PMIX Hub	\$66,335	\$0
<b>Federal Special Revenue Fund Group Subtotal</b>			<b>\$683,895</b>	<b>\$114,346</b>
<b>Total Funding: Board of Pharmacy</b>			<b>\$7,535,180</b>	<b>\$6,965,631</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 \$6,701,285 for FY 2014 and FY 2015, an amount that is less than the Board requested by \$2,520,000 in FY 2014 and \$1,734,000 in FY 2015, but equal to the FY 2013 estimated expenditures. According to the Board, this funding level will allow it to maintain current service levels. Due to recent cost efficiency measures, it may also be possible to hire additional staff in order to keep pace with rising caseloads.

### 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 \$150,000 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 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 is required to submit certain prescription and purchase information to the Board for entry into the database. Currently, the database includes approximately 50 million prescription records.<sup>1</sup> This number has steadily increased over the years. Currently, 12,500 pharmacists and 50,000 prescribers, as well as various law enforcement personnel across the state utilize OARRS.

To date, the Board has received several federal grants 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. Money deposited to the credit of funds 3BC0, 3CT0, 3DV0, and 3EY0 consists of federal grants awarded to the Board for the purpose of planning, implementing, and enhancing OARRS.

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 distribution of the payment of those annual OARRS operating costs between federal and state revenue sources is pictured in Table 10 below.

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<sup>1</sup> Records are deleted daily so that only two years of data is in the database at any one time.

<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
2011	\$556,164	92.8%	\$43,367	7.2%	\$599,531
2012	\$508,223	90.2%	\$55,514	9.8%	\$563,737

## REQUESTS NOT FUNDED

As part of its supplemental funding request, the Board requested additional funding from Fund 4K90 in the amount of \$2,520,000 for FY 2014 and \$1,734,000 for FY 2015. The additional funding would primarily have been allocated for OARRS upgrades and to assist in developing a "real time" reporting feature and more sophisticated data mining and analysis features. While the Board believes it will be able to maintain current service levels with the recommended appropriations from Fund 4K90, if additional duties are given to the Board, or if caseloads increase over the FY 2014-FY 2015 biennium, these service levels may be difficult to maintain.<sup>2</sup>

Table 11. Requested Funding Compared to Executive Recommendation						
Fund/ Line Item	FY 2014			FY 2015		
	Recommended	Requested	Difference	Recommended	Requested	Difference
4K90/887609	\$6,701,285	\$9,221,285	-\$2,520,000	\$6,701,285	\$8,435,285	-\$1,734,000

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<sup>2</sup> H.B. 59 (As Introduced) includes a permanent law provision requiring, rather than permitting as under current law, the State Board of Pharmacy to provide OARRS information to certain parties and to notify the Medicaid Director if the Board determines from a review of OARRS information that a violation of law may have been committed by a provider of services under a program administered by the Department of Medicaid. The Board anticipates that OARRS programming and software upgrades will be needed, as well as additional staff training, and possibly the hiring of additional investigators that are knowledgeable or have expertise in the programs administered by the Department of Medicaid. The total potential cost increase is unknown.

## State Board of Pharmacy

### General Services Fund Group

#### 4A50 887605 Drug Law Enforcement

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$26,290	\$124,774	\$186,553	\$150,000	<b>\$150,000</b>	<b>\$150,000</b>
	374.6%	49.5%	-19.6%	<b>0.0%</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 359.10 of Am. Sub. H.B. 153 of the 129th G.A.

**Purpose:** This line item 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 fund's money must be segregated from the Board's other sources of revenue, and its use is restricted to drug law enforcement purposes only.

#### 4K90 887609 Operating Expenses

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$5,419,989	\$5,191,478	\$4,993,800	\$6,701,285	<b>\$6,701,285</b>	<b>\$6,701,285</b>
	-4.2%	-3.8%	34.2%	<b>0.0%</b>	<b>0.0%</b>

**Source:** General Services Fund Group: Money 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 bail collected by the State Board of Pharmacy and not credited to Fund 4A50

**Legal Basis:** ORC 4729.65(A); Section 359.10 of Am. Sub. H.B. 153 of the 129th 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:** This line item is used by the Board 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$145,614	\$47,089	\$34,969	\$390,869	<b>\$390,869</b>	<b>\$0</b>
	-67.7%	-25.7%	1,017.7%	<b>0.0%</b>	<b>-100%</b>

**Source:** Federal Special Revenue Fund Group: CFDA 16.754, Harold Rogers Prescription Drug Monitoring Program grant (grant year 2011) distributed by the U.S. Department of Justice, Office of Justice Programs

**Legal Basis:** Established by Controlling Board on November 14, 2011 (originally established by Controlling Board on August 15, 2005)

**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, or 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$260,211	\$79,398	\$17,270	\$224,691	<b>\$224,691</b>	<b>\$112,346</b>
	-69.5%	-78.2%	1,201.0%	<b>0.0%</b>	<b>-50.0%</b>

**Source:** Federal Special Revenue Fund Group: CFDA 93.748, Cooperative Agreements for Prescription Drug Monitoring Program Electronic Health Record (EHR) Integration and Interoperability Expansion, a grant distributed by the U.S. Department of Health and Human Services; prior \$400,000 grant from CFDA 16.580, Harold Rogers Prescription Drug Monitoring Program grant (grant year 2008) distributed by the U.S. Department of Justice, Office of Justice Programs closed out in FY 2012

**Legal Basis:** Section 359.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Controlling Board on November 17, 2008)

**Purpose:** Money deposited to the credit of the fund currently consists of a \$449,382 federal grant awarded to the State Board of Pharmacy for the purpose of enhancing the prescription drug monitoring program authorized by Sub. H.B. 377 of the 125th G.A. The specific purpose of the grant is to: (1) expand the number of hospital sites and physician offices where prescribers are able to access OARRS information within their normal workflow, (2) implement access to OARRS reports from within pharmacy dispensing software, and(3) increase the number of states with which OARRS is able to share PMP data. The prescription drug monitoring program is described in the preceding entry for Fund 3BC0, line item 887604, Dangerous Drugs Database.

### 3DV0 887607 Enhancing Ohio's PMP

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$161,092	\$238,908	\$2,379	<b>\$2,000</b>	<b>\$2,000</b>
	N/A	48.3%	-99.0%	<b>-15.9%</b>	<b>0.0%</b>

**Source:** Federal Special Revenue Fund Group: CFDA 16.754, Harold Rogers Prescription Drug Monitoring Program grant (grant year 2009) distributed by the U.S. Department of Justice, Office of Justice Programs

**Legal Basis:** Section 359.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Controlling Board on August 24, 2009)

**Purpose:** Money deposited to the credit of the fund consists of a \$400,000 federal grant awarded to the State Board of Pharmacy for the purpose of enhancing the prescription drug monitoring program authorized by Sub. H.B. 377 of the 125th G.A. The program is described in the preceding entry for Fund 3BC0, line item 887604, Dangerous Drugs Database.

## State Board of Pharmacy

### 3EB0 887608 NASPER

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$1,020	\$117,852	\$0	\$0	<b>\$0</b>	<b>\$0</b>
	11,458.5%	-100%	N/A	<b>N/A</b>	<b>N/A</b>

**Source:** Federal Special Revenue Fund Group: CFDA 93.975, National All Schedules Prescription Electronic Reporting (NASPER), a formula grant distributed by the U.S. Department of Health and Human Services (issued September 2009)

**Legal Basis:** Discontinued line item (originally established by Controlling Board on December 14, 2009)

**Purpose:** Money deposited to the credit of the fund consisted of a \$190,995 federal grant awarded to the State Board of Pharmacy for the purpose of enhancing the prescription drug monitoring program authorized by Sub. H.B. 377 of the 125th General Assembly. The program is described in the preceding entry for Fund 3BC0, line item 887604, Dangerous Drugs Database.

### 3EY0 887603 Administration of PMIX Hub

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$70,193	\$174,810	\$66,335	<b>\$66,335</b>	<b>\$0</b>
	N/A	149.0%	-62.1%	<b>0.0%</b>	<b>-100%</b>

**Source:** Federal Special Revenue Fund Group: CFDA 16.754, Harold Rogers Prescription Drug Monitoring Program grant distributed by the U.S. Department of Justice, Office of Justice Programs

**Legal Basis:** Section 359.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Controlling Board on October 25, 2010)

**Purpose:** Money deposited to the credit of the fund consists of a \$386,973 federal grant awarded to the State Board of Pharmacy for the purpose of enhancing the prescription drug monitoring program authorized by Sub. H.B. 377 of the 125th G.A. The program is described in the preceding entry for Fund 3BC0, line item 887604, Dangerous Drugs Database.

## State Board of Pharmacy

**3EZ0 887610      NASPER 10**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$80,541	\$42,265	\$27,710	<b>\$0</b>	<b>\$0</b>
	N/A	-47.5%	-34.4%	<b>-100%</b>	<b>N/A</b>

**Source:** Federal Special Revenue Fund Group: CFDA 93.975, National All Schedules Prescription Electronic Reporting (NASPER), a formula grant distributed by the U.S. Department of Health and Human Services

**Legal Basis:** Section 359.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Controlling Board on October 25, 2010)

**Purpose:** Money deposited to the credit of the fund consists of a \$191,452 federal grant awarded to the State Board of Pharmacy for the purpose of enhancing the prescription drug monitoring program authorized by Sub. H.B. 377 of the 125th General Assembly. The program is described in the preceding entry for Fund 3BC0, line item 887604, Dangerous Drugs Database.

# FY 2014 - FY 2015 Introduced Appropriation Amounts

# All Fund Groups

Line Item Detail by Agency			FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % 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	\$ 186,553	\$ 150,000	\$ 150,000	0.00%	\$ 150,000	0.00%
4K90	887609	Operating Expenses	\$ 4,993,800	\$ 6,701,285	\$ 6,701,285	0.00%	\$ 6,701,285	0.00%
<b>General Services Fund Group Total</b>			<b>\$ 5,180,353</b>	<b>\$ 6,851,285</b>	<b>\$ 6,851,285</b>	<b>0.00%</b>	<b>\$ 6,851,285</b>	<b>0.00%</b>
3BC0	887604	Dangerous Drugs Database	\$ 34,969	\$ 390,869	\$ 390,869	0.00%	\$ 0	-100.00%
3CT0	887606	2008 Developing/Enhancing PMP	\$ 17,270	\$ 224,691	\$ 224,691	0.00%	\$ 112,346	-50.00%
3DV0	887607	Enhancing Ohio's PMP	\$ 238,908	\$ 2,379	\$ 2,000	-15.93%	\$ 2,000	0.00%
3EY0	887603	Administration of PMIX Hub	\$ 174,810	\$ 66,335	\$ 66,335	0.00%	\$ 0	-100.00%
3EZ0	887610	NASPER 10	\$ 42,265	\$ 27,710	\$ 0	-100.00%	\$ 0	N/A
<b>Federal Special Revenue Fund Group Total</b>			<b>\$ 508,223</b>	<b>\$ 711,984</b>	<b>\$ 683,895</b>	<b>-3.95%</b>	<b>\$ 114,346</b>	<b>-83.28%</b>
<b>State Board of Pharmacy Total</b>			<b>\$ 5,688,576</b>	<b>\$ 7,563,269</b>	<b>\$ 7,535,180</b>	<b>-0.37%</b>	<b>\$ 6,965,631</b>	<b>-7.56%</b>