

LSC Redbook

Analysis of the Executive Budget Proposal

State Board of Pharmacy

Anthony Kremer, Budget Analyst
Legislative Service Commission

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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, an overview of the Board's executive recommended budget for the FY 2016-FY 2017 biennium, and notes other matters that will or could affect the Board's duties and responsibilities, for example, legislation enacted by the 129th and 130th General Assemblies.
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. **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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ATTACHMENTS:

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

State Board of Pharmacy

- Executive recommendations maintain existing service and activity levels
- Increasing demand triggers OARRS upgrade
- Federal funding uncertain

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 services and activities that the Board performs to fulfill those responsibilities can be divided into two distinct programs as follows:

- **Regulation.** Licensing and monitoring of pharmacists, pharmacy interns, terminal and wholesale distributors, and enforcing criminal drug laws.
- **Prescription Monitoring.** Maintains the Ohio Automated Rx Reporting System (OARRS), an electronic database that collects information on all prescriptions for controlled substances that are issued by licensed prescribers and dispensed by pharmacies in Ohio.

Appropriations Overview

The Board's estimated FY 2015 expenditures are compared with the executive recommendations for FY 2016 and FY 2017, by fund group, in Table 1 below.

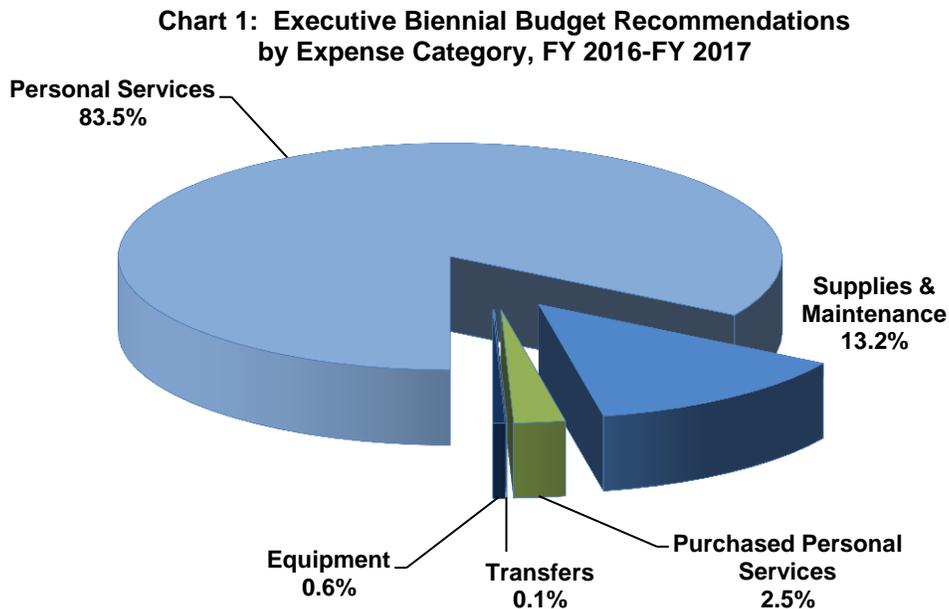
| Fund Group | FY 2015* | FY 2016 | % change, FY 2015-FY 2016 | FY 2017 | % change, FY 2016-FY 2017 |
|-------------------|--------------------|--------------------|------------------------------|--------------------|------------------------------|
| Dedicated Purpose | \$7,051,285 | \$6,929,608 | -1.7% | \$6,968,799 | 0.6% |
| Federal | \$425,507 | \$128,677 | -69.8% | \$0 | -100.0% |
| TOTAL | \$7,476,792 | \$7,058,285 | -5.6% | \$6,968,799 | -1.3% |

*FY 2015 figures represent estimated expenditures.

For FY 2016, the executive budget recommends appropriations totaling \$7,058,285, a decrease of \$418,507, or 5.6%, from FY 2015 total estimated expenditures of \$7,476,792. The recommended FY 2017 appropriations total \$6,968,799, a decrease of \$89,486, or 1.3%, from the FY 2016 recommendation. These appropriation reductions are predominantly related to a decrease in federal funding, as the Board has largely spent

down what are essentially one-time federal grants for OARRS enhancements and improvements. With regard to the Board's federal funding, it is not uncommon for it to come before the Controlling Board to request appropriations 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 Expense Category. Chart 1 below summarizes the manner in which the executive recommendations are expected to be allocated across expense categories for the FY 2016-FY 2017 biennium. The Board's largest expense category, representing 83.5%, 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 13.2%.



Staffing Levels

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, 57 full-time equivalent (FTE) staff are currently employed to perform regulation and prescription monitoring activities. As Table 2 below indicates, the Board, in FY 2014, added seven staff through a combination of filling vacant positions and creating new positions, most of which were added to the Regulation Program.

| FY 2012 | FY 2013 | FY 2014 | FY 2015* | FY 2016* | FY 2017* |
|---------|---------|---------|----------|----------|----------|
| 48 | 50 | 57 | 57 | 57 | 57 |

*FYs 2015-2017 are estimates.

Funding by Program

Table 3 below displays the manner in which the Board has or will allocate its available funding between its Regulation and Prescription Monitoring programs from FYs 2012 through 2017. In any given year, 90% of the available funding is typically allocated for the Regulation Program.

| Program | FY 2012 | FY 2013 | FY 2014 | FY 2015* | FY 2016* | FY 2017* |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Regulation | \$5,169,565 | \$5,283,437 | \$5,728,123 | \$7,051,285 | \$6,324,249 | \$6,214,386 |
| Prescription Monitoring | \$519,011 | \$530,924 | \$704,664 | \$425,507 | \$734,036 | \$754,413 |
| TOTAL | \$5,688,576 | \$5,814,361 | \$6,432,787 | \$7,476,792 | \$7,058,285 | \$6,968,799 |

*FYs 2015-2017 are estimates.

Notable Legislative Enactments

This section identifies legislation enacted by the 129th and 130th General Assemblies notable in terms of: (1) increasing the Board's workload and related expenditures, and (2) generating additional revenue and providing more flexibility in the use of that revenue. The key provisions of that legislation are highlighted in the bullet points below.

Am. Sub. H.B. 93 (129th General Assembly)

- Requires the State Board of Pharmacy to license pain management clinics and provides for the clinics to be licensed as terminal distributors of dangerous drugs with a pain management clinic classification.

- Modifies the review, reporting, and retention of information in OARRS.
- Requires the applicable licensing agency to adopt rules specifying when a prescriber or pharmacist is required to review information in OARRS.

H.B. 341 (130th General Assembly)

- Prohibits certain controlled substances from being prescribed, dispensed, or furnished without review of the patient information in the State Board of Pharmacy's Ohio Automated Rx Reporting System.

Am. Sub. H.B. 483 (130th General Assembly)

- Beginning January 1, 2015, requires that prescribers, as well as pharmacists, when renewing their professional licenses, certify to their licensing boards that they have access to OARRS.
- Beginning April 1, 2015: (1) establishes conditions requiring a prescriber to use OARRS and (2) requires certain business entities that previously were exempt from licensure to hold a terminal distributor license in order to possess and distribute dangerous drugs that are compounded or used for compounding.
- Requires the Board to provide information from OARRS to the Administrator of Workers' Compensation and a workers' compensation managed care organization if certain criteria are met.
- Permits the Board to use a portion of the licensing fees of terminal distributors of dangerous drugs, pharmacists, pharmacy interns, and wholesale distributors of dangerous drugs to establish or maintain OARRS.

FY 2016-FY 2017 Challenges, Priorities, and Fiscal Pressures

The Board's challenges, priorities, and fiscal pressures for the next biennium are listed below, including workload demands, OARRS, federal funding, and service charges.

Workload

Demands on the Board's licensing and field staff continue to rise due to the following factors:

- Increasing misuse, abuse, and diversion of prescription drugs.
- Increasing number of complaints requiring investigation.
- Complicating technological advances and pharmaceutical activities, including Internet prescribing, electronic transmission of prescriptions, counterfeit drugs, drug importation from foreign markets, pharmacist compounding, and federal privacy regulations.

- Increasing number of facilities to be licensed and inspected (pharmaceutical compounders and outsourcing facilities).

OARRS

The utilization of OARRS has increased to the point that an upgrade is necessary. Currently underway is moving the system to new servers at an offsite data center, which should improve capacity and reliability. In FY 2016, OARRS will also undergo a software upgrade with the vendor that is hosting the servers offsite.

Federal Funding

Historically, the Board has relied heavily on federal funding sources to operate and maintain OARRS. Program funding has been available through a variety of federal grants, each with its own specific spending requirements. This federal money has largely been expended, with future awards uncertain.

Department of Administrative Services

The cost of a number of services provided by the Department of Administrative Services will increase: rent on office space in the Riffe Center, information technology services, and participating in the state's eLicensing System.

OARRS

Ohio's prescription monitoring program, known as OARRS, was established to monitor the misuse and diversion of controlled substances and certain dangerous drugs. The Board established OARRS to collect information on all prescriptions for controlled substances that are issued by licensed prescribers and dispensed by pharmacies in Ohio. Information collected in the database is used by law enforcement authorities to investigate and enforce drug control laws. The program began full operation in October 2006.

Currently, the database includes approximately 49.4 million prescription records.¹ This number has steadily increased over the years. Currently, there are 50,590 users: 35,413 prescribers (70%), 12,142 pharmacists (24%), and 3,035 law enforcement (6%). The total number of prescription reports requested annually has increased substantially. From 2007 to 2014, the total number of reports requested increased by more than 5,000%. In 2014, more than 10.7 million reports were requested.

The Board continues to monitor the fiscal health and longevity of the system. To date, the Board has received several federal grants that have been restricted for purposes of OARRS planning, implementation, and improvements, however, no money was explicitly appropriated to fund its development and operation. A recently enacted

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

change to state law expands permissible uses of the licensing fees deposited into Fund 4K90 to include OARRS. Previously, only revenue provided by the licensure of wholesale distributors of dangerous drugs could be used to fund OARRS. This revenue flexibility ensures that the uncertain magnitude and timing of federal funding can be offset through money appropriated from Fund 4K90.

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 shown in Table 4 below.

| Fiscal Year | Federal Funds | % of Total | State Fund 4K90 | % of Total | Total |
|--------------------|----------------------|-------------------|------------------------|-------------------|--------------|
| 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 | \$463,471 | 89.3% | \$55,540 | 10.7% | \$519,011 |
| 2013 | \$307,458 | 57.9% | \$223,466 | 42.1% | \$530,924 |
| 2014 | \$269,830 | 38.3% | \$434,834 | 61.7% | \$704,664 |
| 2015* | \$425,507 | 100.0% | \$0 | 0.0% | \$425,507 |
| 2016* | \$128,677 | 17.5% | \$605,359 | 82.5% | \$734,036 |
| 2017* | \$0 | 0.0% | \$754,413 | 100.0% | \$754,413 |

*FYs 2015-2017 are estimates.

FACTS AND FIGURES

Fee Schedule

Table 5 below displays the current schedule of licensing and miscellaneous other fees paid by pharmacists, pharmacy interns, and drug distributors.

| Table 5. Pharmacy Licensing and Miscellaneous Other Service Fees | |
|--|----------------|
| Fee Type | Amount* |
| Pharmacists | |
| 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 |
| Pharmacy Interns | |
| Pharmacy Intern Initial License Application | \$22.50 |
| Pharmacy Intern License Renewal | \$22.50 |
| Duplicate Identification Card | \$7.50 |
| Duplicate Wall Certificate | \$7.50 |
| Drug Distributors | |
| 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, physician offices, veterinary clinics, 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. From June 2011 to December 2014, the Board issued 163 terminal distributor licenses with a pain management clinic classification.

The Board's licensing activity for FY 2009 through FY 2014 is summarized in Table 6 below. Over the course of that six-year span, the number of licensees/registrants has grown from 36,169 in FY 2009 to 40,623 in FY 2014, an increase of 4,454, or 12.3%.

| Licensee/Registrant Type | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Registered Pharmacists | 16,598 | 16,911 | 16,386 | 17,446 | 18,111 | 18,474 |
| Pharmacy Interns | 2,398 | 2,746 | 2,534 | 3,018 | 2,759 | 3,238 |
| Terminal Distributors | 15,226 | 14,443 | 14,721 | 16,095 | 14,622 | 16,545 |
| Wholesale Distributors | 1,392 | 1,442 | 1,599 | 1,540 | 1,488 | 1,736 |
| Controlled Substance Wholesalers | 555 | 993 | 600 | 552 | 620 | 630 |
| TOTAL | 36,169 | 36,535 | 35,840 | 38,651 | 37,600 | 40,623 |

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 responsible for criminal investigations and prosecutions of doctors, nurses, dentists, veterinarians, or other individuals. By enforcing the laws and rules that regulate 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 7 below under the column heading "Investigations Closed for No Time."

From 2003 through 2014, the Board has averaged around 859 investigations annually and the percentage of those investigations that had to be "closed for no time" was cut from 12.2% to 6.8%. As noted in Table 7, the number of investigations performed each year has declined from the peak of 2,526 during 2003 to 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.

| Calendar Year | Number of Investigations | Investigations Closed for No Time* | Percent Closed for No Time* |
|----------------------|---------------------------------|---|------------------------------------|
| 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 | 1,184 | 114 | 9.6% |
| 2013-2014 | 1,199 | 82 | 6.8% |

*"No Time" is a decision made by a Board field agent in conjunction with a supervisor.

Cash Flow Activity

Fund 4K90

The State Board of Pharmacy is one of around 25 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 8 below displays the amount of revenue that the Board has deposited in the state treasury to the credit of Fund 4K90 from FY 2009 through FY 2014, 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 deposited more revenue to the credit of Fund 4K90 over that period of time 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 beginning in FY 2012 due to the increased fees charged to wholesale distributors of dangerous drugs.

| Fiscal Year | Revenues* | Expenditures | Net |
|--------------------|------------------|---------------------|-------------|
| 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 |
| 2013 | \$6,587,086 | \$5,417,694 | \$1,169,392 |
| 2014 | \$6,723,546 | \$6,076,276 | \$647,270 |

*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 9 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 2009-FY 2014.

| Fiscal Year | Revenues* |
|--------------------|------------------|
| 2009 | \$944,184 |
| 2010 | \$818,229 |
| 2011 | \$850,872 |
| 2012 | \$865,451 |
| 2013 | \$939,362 |
| 2014 | \$897,812 |

*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 10 below, the fund's annual revenues vary greatly from year to year.

| Fiscal Year | Beginning Cash | Revenues | Expenditures | Net Cash Available |
|--------------------|-----------------------|-----------------|---------------------|---------------------------|
| 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 |
| 2013 | \$615,921 | \$56,496 | \$83,279 | \$589,138 |
| 2014 | \$589,138 | \$16,876 | \$86,680 | \$519,334 |

ANALYSIS OF EXECUTIVE PROPOSAL

The table 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.

| Executive Recommended Funding for Board of Pharmacy | | | | |
|---|--------------|----------------------|--------------------|--------------------|
| Fund | ALI and Name | | FY 2016 | FY 2017 |
| Dedicated Purpose Fund (DPF) Group | | | | |
| 4A50 | 887605 | Drug Law Enforcement | \$150,000 | \$150,000 |
| 4K90 | 887609 | Operating Expenses | \$6,779,608 | \$6,818,799 |
| <i>Dedicated Purpose Fund Group Subtotal</i> | | | \$6,949,608 | \$6,968,799 |
| Federal Fund (FED) Group | | | | |
| 3DV0 | 887607 | Enhancing Ohio's PMP | \$128,677 | \$0 |
| <i>Federal Fund Group Subtotal</i> | | | \$128,677 | \$0 |
| Total Funding: Board of Pharmacy | | | \$7,058,285 | \$6,968,799 |

Drug Law Enforcement (DPF line item 887605)

This line item draws its appropriations 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 restricted 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. Those annual amounts are likely to be allocated for a mix of purchased personal services, supplies and maintenance, and equipment.

Operating Expenses (DPF line item 887609)

This line item, which draws its appropriations from fees and fines deposited into 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 appropriations for this line item are \$6,779,608 for FY 2016 and \$6,818,799 for FY 2017. In the range of 85% to 90% in each year will be allocated for payroll.

The executive-recommended appropriations are less than what the Board requested by \$198,312 in FY 2016 and \$334,690 in FY 2017 for its Regulation and Prescription Monitoring programs. The Board believes it can maintain existing service and activity levels by reallocating available funding as necessary. It is also possible that

the Board may be awarded an additional onetime federal OARRS improvement grant in the next year or so, which would give the Board greater flexibility in using the money appropriated from Fund 4K90.

Enhancing Ohio's PMP (FED line item 887607)

This line item is being used to disburse, over the course of FY 2015 and FY 2016, a recent federal Department of Justice grant totaling \$386,621. The grant is expected to be fully expended by the end of FY 2016.

The purpose of the grant is to enhance OARRS. The OARRS enhancements to be performed with the federal grant will include: (1) providing additional reports to prescribers, (2) developing online user tutorials, (3) integrating with CliniSync, an Ohio health information exchange,² (4) conducting onsite prescriber education, and (5) making quarterly reviews of data to identify potential violations of drug laws. The money is being primarily allocated to fund the payroll expenses of existing staff assigned to the project, and secondarily to fund three separate contracts for system enhancements as well as training for law enforcement and healthcare professionals.

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² This exchange is a network that connects electronic health record systems used by different healthcare providers. The connection between OARRS and the exchange will serve as a bridge between providers, their electronic health record systems, and OARRS.

Dedicated Purpose Fund Group

4A50 887605 Drug Law Enforcement

| FY 2012 Actual | FY 2013 Actual | FY 2014 Actual | FY 2015 Estimate | FY 2016 Introduced | FY 2017 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$186,553 | \$83,279 | \$86,680 | \$150,000 | \$150,000 | \$150,000 |
| | -55.4% | 4.1% | 73.0% | 0.0% | 0.0% |

Source: Dedicated Purpose 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 349.10 of Am. Sub. H.B. 59 of the 130th G.A.

Purpose: This line item is used solely to fund expenses the Board incurs in the enforcement of criminal drug laws, including providing training, education, and equipment for investigative staff.

4K90 887609 Operating Expenses

| FY 2012 Actual | FY 2013 Actual | FY 2014 Actual | FY 2015 Estimate | FY 2016 Introduced | FY 2017 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$4,993,800 | \$5,417,694 | \$6,076,276 | \$6,901,285 | \$6,779,608 | \$6,818,799 |
| | 8.5% | 12.2% | 13.6% | -1.8% | 0.6% |

Source: Dedicated Purpose Fund Group: 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 349.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item is used to support expenses the Board incurs in regulating the practice of pharmacy, enforcing criminal drug laws, and maintaining an electronic prescription monitoring database known as the Ohio Automated Rx Reporting System (OARRS).

State Board of Pharmacy

Federal Fund Group

3BC0 887604 Dangerous Drugs Database

| FY 2012 Actual | FY 2013 Actual | FY 2014 Actual | FY 2015 Estimate | FY 2016 Introduced | FY 2017 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$34,969 | \$132,171 | \$146,476 | \$82,625 | \$0 | \$0 |
| | 278.0% | 10.8% | -43.6% | -100% | N/A |

Source: Federal Fund Group: (1) CFDA 16.754, Harold Rogers Prescription Drug Monitoring Program, a \$390,869 project grant (grant year 2011) distributed by the U.S. Department of Justice, Office of Justice Programs, and (2) CFDA 16.580, Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program, a \$400,000 project grant (grant year 2007) distributed by the U.S. Department of Justice, Office of Justice Programs

Legal Basis: Section 349.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Controlling Board on August 15, 2005)

Purpose: This line item is currently being used to support operating expenses the Board incurs to enhance the electronic prescription monitoring database known as the Ohio Automated Rx Reporting System (OARRS). The executive budget for the FY 2016-FY 2017 biennium contains no appropriations for this line item, as the federal grant money is expected to be fully expended by the close of FY 2015.

State Board of Pharmacy

3CT0 887606 2008 Developing/Enhancing PMP

| FY 2012 Actual | FY 2013 Actual | FY 2014 Actual | FY 2015 Estimate | FY 2016 Introduced | FY 2017 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$17,270 | \$45,000 | \$113,102 | \$340,882 | \$0 | \$0 |
| | 160.6% | 151.3% | 201.4% | -100% | N/A |

Source: Federal Fund Group: (1) CFDA 93.748, Cooperative Agreements for Prescription Drug Monitoring Program Electronic Health Record (EHR) Integration and Interoperability Expansion, a \$449,382 project grant distributed by the U.S. Department of Health and Human Services, and (2) CFDA 16.580, Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program, a \$400,000 project grant (grant year 2008) distributed by the U.S. Department of Justice, Office of Justice Programs

Legal Basis: Section 349.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Controlling Board on November 17, 2008)

Purpose: This line item is currently being used to support operating expenses the Board incurs to facilitate access for health care providers to the electronic prescription monitoring database known as the Ohio Automated Rx Reporting System (OARRS). The executive budget for the FY 2016-FY 2017 biennium contains no appropriations for this line item, as the federal grant money is expected to be fully expended by the close of FY 2015.

3DV0 887607 Enhancing Ohio's PMP

| FY 2012 Actual | FY 2013 Actual | FY 2014 Actual | FY 2015 Estimate | FY 2016 Introduced | FY 2017 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$238,908 | \$0 | \$0 | \$2,000 | \$128,677 | \$0 |
| | -100% | N/A | N/A | 6,333.9% | -100% |

Source: Federal Fund Group: CFDA 16.754, Harold Rogers Prescription Drug Monitoring Program, a \$400,000 project grant (grant year 2009) distributed by the U.S. Department of Justice, Office of Justice Programs

Legal Basis: Section 349.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Controlling Board on August 24, 2009)

Purpose: This line item is currently being used to support operating expenses the Board incurs to enhance the electronic prescription monitoring database known as the Ohio Automated Rx Reporting System (OARRS). The executive budget for the FY 2016-FY 2017 biennium assumes that all of the federal grant money supporting this line item will be fully expended by the close of FY 2016, and no appropriation authority will be needed for FY 2017.

State Board of Pharmacy

3EY0 887603 Administration of PMIX Hub

| FY 2012 Actual | FY 2013 Actual | FY 2014 Actual | FY 2015 Estimate | FY 2016 Introduced | FY 2017 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$174,810 | \$131,717 | \$10,253 | \$0 | \$0 | \$0 |
| | -24.7% | -92.2% | -100% | N/A | N/A |

Source: Federal Fund Group: CFDA 16.754, Harold Rogers Prescription Drug Monitoring Program, a \$386,973 project grant (grant year 2010) distributed by the U.S. Department of Justice, Office of Justice Programs

Legal Basis: Section 349.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Controlling Board on October 25, 2010)

Purpose: This line item was used to support operating expenses the Board incurred to enhance the electronic prescription monitoring database known as the Ohio Automated Rx Reporting System (OARRS). The executive budget for the FY 2016-FY 2017 biennium contains no appropriations for this line item, as the federal grant money was fully expended by the close of FY 2014.

3EZ0 887610 NASPER 10

| FY 2012 Actual | FY 2013 Actual | FY 2014 Actual | FY 2015 Estimate | FY 2016 Introduced | FY 2017 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$42,265 | \$4,500 | \$0 | \$0 | \$0 | \$0 |
| | -89.4% | -100% | N/A | N/A | N/A |

Source: Federal Fund Group: CFDA 93.975, National All Schedules Prescription Electronic Reporting (NASPER), a \$191,452 formula grant (grant year 2010) distributed by the U.S. Department of Health and Human Services

Legal Basis: Discontinued line item (originally established by Controlling Board on October 25, 2010)

Purpose: This line item was used to support operating expenses the Board incurred to enhance the electronic prescription monitoring database known as the Ohio Automated Rx Reporting System (OARRS).

FY 2016 - FY 2017 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

| | | | Estimate | Introduced | FY 2015 to FY 2016 | Introduced | FY 2016 to FY 2017 | |
|--|--------|-------------------------------|-------------------------------|---------------------|---------------------|----------------|---------------------|-----------------|
| | | | FY 2014 | FY 2015 | FY 2016 | % Change | FY 2017 | % Change |
| Report For Main Operating Appropriations Bill | | | Version: As Introduced | | | | | |
| PRX State Board of Pharmacy | | | | | | | | |
| 4A50 | 887605 | Drug Law Enforcement | \$ 86,680 | \$ 150,000 | \$ 150,000 | 0.00% | \$ 150,000 | 0.00% |
| 4K90 | 887609 | Operating Expenses | \$ 6,076,276 | \$ 6,901,285 | \$ 6,779,608 | -1.76% | \$ 6,818,799 | 0.58% |
| Dedicated Purpose Fund Group Total | | | \$ 6,162,957 | \$ 7,051,285 | \$ 6,929,608 | -1.73% | \$ 6,968,799 | 0.57% |
| 3BC0 | 887604 | Dangerous Drugs Database | \$ 146,476 | \$ 82,625 | \$ 0 | -100.00% | \$ 0 | N/A |
| 3CT0 | 887606 | 2008 Developing/Enhancing PMP | \$ 113,102 | \$ 340,882 | \$ 0 | -100.00% | \$ 0 | N/A |
| 3DV0 | 887607 | Enhancing Ohio's PMP | \$ 0 | \$ 2,000 | \$ 128,677 | 6,333.85% | \$ 0 | -100.00% |
| 3EY0 | 887603 | Administration of PMIX Hub | \$ 10,253 | \$ 0 | \$ 0 | N/A | \$ 0 | N/A |
| Federal Fund Group Total | | | \$ 269,830 | \$ 425,507 | \$ 128,677 | -69.76% | \$ 0 | -100.00% |
| State Board of Pharmacy Total | | | \$ 6,432,787 | \$ 7,476,792 | \$ 7,058,285 | -5.60% | \$ 6,968,799 | -1.27% |