

State Board of Pharmacy

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- Current staffing and service levels to be maintained
- Prescription Monitoring Program fully operational

OVERVIEW

Duties and Responsibilities

The State Board of Pharmacy, first created in 1884, is responsible for administering and enforcing the Pharmacy Practice Act and Dangerous Drug Distribution Act (Chapter 4729. of the Revised Code), the Controlled Substances Act (Chapter 3719. of the Revised Code), the Pure Food and Drug Act (Chapter 3715. of the Revised Code), and the Criminal Drug Law (Chapter 2925. of the Revised Code).

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 re-appointed one time at the Governor's discretion. In addition to the nine Board members, it carries enough annual funding to employ a staff of around 50 full-time equivalents (FTEs) to perform licensure and enforcement activities, as described in more detail below.

Licensure

The licensure activities of the Board include the testing and certification of pharmacists and pharmacy interns entering the profession in Ohio, as well as the annual renewal of licenses held by practicing pharmacists. 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.

Drug Law Enforcement

The Board is the only state agency that has statewide jurisdiction to enforce the criminal drug laws, 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 Chapters 2925., 3719., or 4729. of the Revised Code.

Projected Fund 4K9 Financing Deficit

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 4K9). Based on its anticipated revenues and expenditures, the Board estimates it will spend approximately \$500,000 more than it deposits in revenue to the credit of Fund 4K9 over the course of FYs 2008 and 2009. The Board will be able to in effect finance this “deficit” by tapping into its remaining cash balance in Fund 4K9. This creates a fiscal situation for FY 2010 and beyond that may require a fee increase.

Prescription Monitoring Program (PMP)

Sub. H.B. 377 of the 125th General Assembly, effective May 2005, (1) permits the State Board of Pharmacy to establish and maintain an electronic database to monitor the misuse and diversion of controlled substances and certain dangerous drugs, and (2) if the Board establishes and maintains such a database, requires each pharmacy licensed as a terminal distributor of dangerous drugs that dispenses drugs to patients in the state (as specified in rules adopted by the Board) and each wholesale distributor of dangerous drugs that delivers drugs to prescribers in the state to submit to the Board for entry into the database certain prescription and purchase information. The bill was silent on how the drug database and its related costs would be funded.

To date, the Board has secured three federal grants totaling \$930,000 for the purpose of planning and implementing the prescription monitoring program (PMP) authorized by Sub. H.B. 377. The program, which is currently managed by three staff, became fully operational in October 2006. The Board has applied for another federal grant to be used for the purpose of program enhancements. The federal funding available to the states has been restricted to PMP planning, implementation, and improvements. Moneys have not been available for what might be termed routine operating or maintenance expenses.

CAVU Licensing System

Most of the state’s licensing boards have implemented the CAVU licensing system. CAVU is a provider of licensing, permitting, and enforcement software solutions for eGovernment. The State Board of Pharmacy is the last of Ohio’s state agencies to contract with CAVU for online licensing services. The Ohio Department of Administrative Services (DAS) administers the CAVU agreements. As each licensing board comes online, costs of the contracts are administratively removed from Fund 4K9. The costs will be distributed among the boards according to the degree of licensing activity by each entity. According to the State Board of Pharmacy, due to the complex nature of the Board’s fee structure, implementation of the CAVU system was delayed until now. At this time, it is unclear how much of the total contracting costs will be allocated to the State Board of Pharmacy; however, the Board estimates that it could be approximately \$20,000 annually. Again, these expenses would be taken from the Fund 4K9’s total pool of available funds by DAS at the time the contracts are due to be paid. The Board will not be required to budget for these expenses.

Agency in Brief

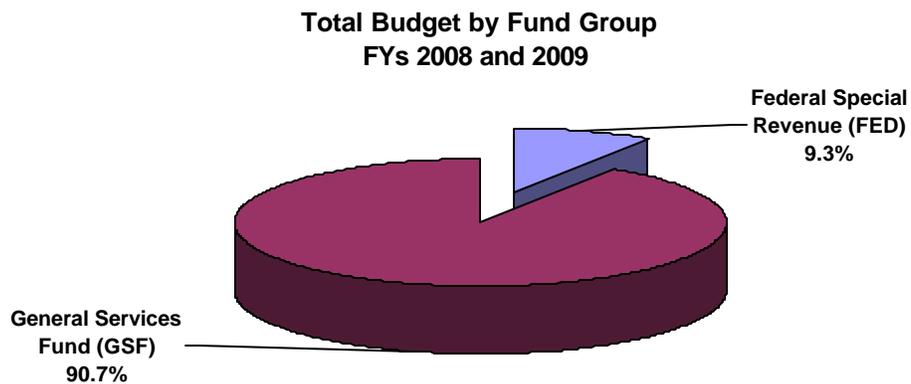
The following table selectively summarizes the Board’s enacted appropriations and staffing information. As noted below, the Board operates exclusively on non-GRF funding; it receives no GRF appropriations.

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2008	2009	2008	2009	
48	\$5.51 million	\$5.82 million	\$0	\$0	Am. Sub. H.B. 119

*Employee count obtained from the Department of Administrative Services (DAS) payroll reports as of June 15, 2007. This figure does not include nine (9) Board members.

Fund Group Summary

The pie chart immediately below shows the Board’s total enacted appropriations (FYs 2008 and 2009) by fund group. This includes moneys appropriated from the General Services Fund (GSF) Group and the Federal Special Revenue (FED) Fund Group.



ANALYSIS OF THE BUDGET

For budget purposes, as detailed below, the State Board of Pharmacy is considered a single program series agency and its activities are not subdivided into separate programs.

Single Program Series

Regulation

Purpose: To administer and enforce the laws governing the legal distribution of drugs and the practice of pharmacy

The following table shows the three line items that are used to fund the State Board of Pharmacy's licensing, registration, and enforcement activities, as well as the appropriated funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Services Fund (GSF)				
4A5	887-605	Drug Law Enforcement	\$75,550	\$75,550
4K9	887-609	Operating Expenses	\$4,874,572	\$5,251,032
General Services Fund Subtotal			\$4,950,122	\$5,326,582
Federal Special Revenue Fund (FED)				
3BC	887-604	Dangerous Drugs Database	\$558,531	\$491,405
Federal Special Revenue Fund Subtotal			\$558,531	\$491,405
Total Funding: Regulation			\$5,508,653	\$5,817,987

Program Description: The Board's core activities center on the licensing of all persons who distribute dangerous drugs and sites where dangerous drugs are stored and the enforcement of certain drug laws.

Funding Source: (1) Licensing and other fees collected from pharmacists, pharmacy interns, distributors of dangerous drugs, and manufacturers of controlled substances, (2) various fines and bail or property forfeitures, and (3) federal grants to plan, implement, and enhance the Board's Prescription Monitoring Program (PMP)

Implication of the Budget: From the Board's perspective, the appropriated levels of funding for FYs 2008 and 2009 should cover its future cost of maintaining current staffing and service levels.

FY 2008 - 2009 Final Appropriation Amounts

All Fund Group

<i>Line Item Detail by Agency</i>			<i>FY 2005:</i>	<i>FY 2006:</i>	<i>FY 2007 Adj. Appropriations:</i>	<i>FY 2008 Appropriations:</i>	<i>% Change 2007 to 2008:</i>	<i>FY 2009 Appropriations:</i>	<i>% Change 2008 to 2009:</i>
Report For: Main Operating Appropriations Bill			Version: Enacted						
PRX Pharmacy, State Board of									
4A5	887-605	Drug Law Enforcement	\$ 272,755	\$ 115,727	\$ 75,550	\$ 75,550	0.00%	\$ 75,550	0.00%
4K9	887-609	Operating Expenses	\$ 4,547,205	\$ 4,525,101	\$ 5,400,537	\$ 4,874,572	-9.74%	\$ 5,251,032	7.72%
General Services Fund Group Total			\$ 4,819,960	\$ 4,640,828	\$ 5,476,087	\$ 4,950,122	-9.60%	\$ 5,326,582	7.61%
3BC	887-604	Dangerous Drugs Database	----	\$ 318,577	\$ 299,317	\$ 558,531	86.60%	\$ 491,405	-12.02%
Federal Special Revenue Fund Group Total			----	\$ 318,577	\$ 299,317	\$ 558,531	86.60%	\$ 491,405	-12.02%
Pharmacy, State Board of Total			\$ 4,819,960	\$ 4,959,406	\$ 5,775,404	\$ 5,508,653	-4.62%	\$ 5,817,987	5.62%