

Greenbook

LBO Analysis of Enacted Budget

Ohio State Board of Pharmacy

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Attachment:

Appropriation Spreadsheet

LBO Greenbook

Ohio State Board of Pharmacy

Quick look...

- The State Board of Pharmacy's functions include licensing pharmacists, pharmacy interns, pharmacy technicians, terminal and wholesale distributors, and home medical equipment providers, and maintaining Ohio's prescription drug monitoring database (OARRS).
- The Board's regulation of medical marijuana dispensaries, patients, and caregivers under the Medical Marijuana Control Program are transferred to the Department of Commerce in FY 2024.
- Total budget appropriations: \$18.6 million in FY 2024 and \$17.3 million in FY 2025.
 - Sources of the budget: state non-GRF (82.4%) and federal (17.6%).
 - The Board receives no GRF funding.

Fund Group	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Dedicated Purpose Fund (DPF)	\$15,125,146	\$16,024,617	\$15,508,300	\$14,081,300
Federal (FED)	\$2,806,904	\$2,414,793	\$3,127,000	\$3,193,000
Total	\$17,932,050	\$18,439,410	\$18,635,300	\$17,274,300
% change	--	2.8%	1.1%	-7.3%

Agency overview

The services and activities currently performed by the State Board of Pharmacy include:

- Licensing and regulating over 100,000 pharmacists, pharmacy interns, pharmacy technicians, terminal and wholesale distributors, and certain home medical equipment providers;
- Preventing, detecting, and investigating the diversion of dangerous drugs, including controlled substances;
- Maintaining 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; and
- Licensing medical marijuana dispensaries and registering medical marijuana patients and caregivers as part of the Medical Marijuana Control Program (MMCP), duties that are to be transferred under the budget to the Department of Commerce in FY 2024.

The Board consists of nine members, eight pharmacists and one member of the public who is at least 60 years old, all of whom are appointed by the Governor. Each member serves a four-year term and may be reappointed one time at the Governor's discretion. The members are paid per hour when employed in the discharge of their official duties and are reimbursed for their necessary expenses while engaged therein.

The Board's duties are currently carried out by 100 permanent staff positions (99 full-time and one part-time). The budget transfers most of the Board's MMCP duties to the Department of Commerce during FY 2024, which is expected to result in the elimination or transfer of an estimated 12 (11 full-time and one part-time) staff positions currently assigned to the MMCP.

Analysis of FY 2024-FY 2025 budget

For the purpose of funding the State Board of Pharmacy's operations during the FY 2024-FY 2025 biennium, the budget appropriates money to the nine appropriation line items (ALIs) described below, including the purpose(s) and revenue source(s) of their respective appropriations.

Drug Law Enforcement (ALI 887605)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
DPF Fund 4A50 ALI 887605, Drug Law Enforcement					
\$76,273	\$14,173	\$0	\$292	\$50,000	\$50,000
% change	-81.4%	-100.0%	N/A	17,023.9%	0.0%

This line item pays for expenses that the Board incurs in the enforcement of criminal drug laws, generally training, education, or equipment for investigative staff. It is not typically used for routine operating costs (e.g., staff payroll).

The line item's funds are appropriated from the Board of Pharmacy Drug Law Enforcement Fund (Fund 4A50), which consists of the Board's share of certain fines and forfeited bonds and bail resulting from its participation in the investigation and prosecution of drug law violations. Those revenue sources are nonrecurring and unpredictable.

Operating Expenses (ALI 887609)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
DPF Fund 4K90 ALI 887609, Operating Expenses					
\$9,266,655	\$9,890,489	\$11,728,118	\$12,209,874	\$12,785,300	\$13,439,300
% change	6.7%	18.6%	4.1%	4.7%	5.1%

This line item, which draws its appropriation from fees and fines credited to the Occupational Licensing and Regulatory Fund (Fund 4K90), is used by the Board to administer and enforce laws governing the legal distribution of dangerous drugs, the practice of pharmacy, and the activities of home medical equipment service providers.

The line item is primarily used to pay for personal services (e.g., staff payroll).

Drug Database (ALI 887612)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
DPF Fund 5SG0 ALI 887612, Drug Database					
\$445,584	\$128,912	\$84,950	\$0	\$100,000	\$100,000
% change	-71.1%	-34.1%	-100.0%	N/A	0.0%

This line item is used to pay for operating expenses that the Board incurs to make improvements to, and increase the utilization of the Ohio Automated Rx Reporting System (OARRS). Its funding is appropriated from the Drugs Database Fund (Fund 5SG0), which consists of grants, gifts, or donations received to maintain and enhance OARRS. These revenue sources are unpredictable.

The budget contains a temporary law provision that permits the Board's Executive Director, in each fiscal year, to certify to the Director of Budget and Management an amount in cash to be transferred from the Medical Marijuana Control Program Fund (Fund 5SY0) to Fund 5SG0, and appropriates any transferred amounts upon Controlling Board approval.

Since FY 2016, Fund 5SG0, the source of this line item's appropriation, has largely consisted of federal grant money transferred to the Board as reimbursement payments for work performed under memoranda of understanding (MOUs) with the departments of Health and Mental Health and Addiction Services. The MOU with the Department of Health started in FY 2016 and expired in FY 2020. The MOU with the Department of Mental Health and Addiction Services started in FY 2019 and expired in FY 2022.

Medical Marijuana Control Program (ALI 887613)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
DPF Fund 5SY0 ALI 887613, Medical Marijuana Control Program					
\$3,166,115	\$2,358,914	\$3,061,131	\$3,426,427	\$2,081,000	\$0
% change	-25.5%	29.8%	11.9%	-39.3%	-100.0%

This line item is currently used by the Board to implement provisions enacted in H.B. 523 of the 131st General Assembly, which requires the Board and the Department of Commerce to establish and administer the Medical Marijuana Control Program (MMCP). The Board is authorized to register patients and caregivers and to issue licenses to medical marijuana dispensaries and their employees.

The budget transfers most of the Board's MMCP duties to the Department of Commerce in FY 2024. As a result, the Board generally would no longer incur MMCP-related operating costs, except for continuing law that requires a retail dispensary report to OARRS when dispensing medical marijuana. The purpose of the FY 2024 appropriation is to cover the operating costs that

the Board will continue to incur until the MMCP is fully transitioned into Commerce's daily operations (expected to be completed by December 31, 2023).

Pharmacy Federal Grants (ALI 887614)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
FED Fund 3HDO ALI 887614, Pharmacy Federal Grants					
\$379,835	\$742,120	\$997,353	\$1,245,560	\$1,700,000	\$1,765,000
% change	95.4%	34.4%	24.9%	36.5%	3.8%

This line item is used by the Board to expend federal Harold Rogers Prescription Drug Monitoring Program grants awarded to the Board for the purposes of making improvements to, and increasing the use of, OARRS.

OARRS Integration (ALI 658605 and ALI 658601)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
DPF Fund 4K90 ALI 658605, OARRS Integration – State					
\$221,846	\$216,818	\$250,947	\$388,024	\$492,000	\$492,000
FED Fund 3HHO ALI 658601, OARRS Integration – Federal					
\$2,067,429	\$2,050,824	\$1,809,551	\$1,169,233	\$1,392,000	\$1,393,000
OARRS Integration Total		\$2,060,498	\$1,557,257	\$1,884,000	\$1,885,000
% change		-9.1%	-24.4%	21.0%	0.1%

The two line items above support a partnership with the Ohio Department of Medicaid that began in late 2015 as an initiative to integrate OARRS directly into electronic medical records and pharmacy dispensing systems across the state. The federal funds appropriated to line item 658601, OARRS Integration – Federal, are derived from that partnership. The Board's portion is drawn from the above line item 658605, OARRS integration – State, as well as additional funds allocated from line item 887609, Operating Expenses.

The current share is 55% federal/45% state. The federal share changes each federal fiscal year based on the proportion of Medicaid-eligible population to total served population.

Federal Equitable Sharing (ALI 887615 and ALI 887616)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
FED Fund 3HM0 ALI 887615, Equitable Sharing Treasury					
\$0	\$0	\$0	\$0	\$5,000	\$5,000
FED Fund 3HN0 ALI 887616, Equitable Sharing Justice					
\$0	\$108,084	\$0	\$0	\$30,000	\$30,000
OARRS Integration Total		\$0	\$0	\$35,000	\$35,000
% change		-100.0%	N/A	N/A	0.0%

The Board uses the two federal line items solely for law enforcement purposes. Generally, these line items are used to purchase equipment and supplies, to provide training, and to support undercover operations.

The funds for these purposes come through the Federal Equitable Sharing Program for cases staff worked in conjunction with federal law enforcement agencies associated with the U.S. departments of Treasury (Fund 3HM0) and Justice (Fund 3HN0). Those revenue sources are nonrecurring and unpredictable. Federal guidelines expect such moneys to be expended within two to three years of receipt.

FY 2024 - FY 2025 Final Appropriations

All Fund Groups

Line Item Detail by Agency			Appropriations			FY 2023 to FY 2024	Appropriations	FY 2024 to FY 2025
			FY 2022	FY 2023	FY 2024	% Change	FY 2025	% Change
Report For: Main Operating Appropriations Bill			Version: As Enacted					
PRX State Board of Pharmacy								
4A50	887605	Drug Law Enforcement	\$ 0	\$ 292	\$ 50,000	17,023.87%	\$ 50,000	0.00%
4K90	658605	OARRS Integration - State	\$ 250,947	\$ 388,024	\$ 492,000	26.80%	\$ 492,000	0.00%
4K90	887609	Operating Expenses	\$ 11,728,118	\$ 12,209,874	\$ 12,785,300	4.71%	\$ 13,439,300	5.12%
5SG0	887612	Drug Database	\$ 84,950	\$ 0	\$ 100,000	N/A	\$ 100,000	0.00%
5SY0	887613	Medical Marijuana Control Program	\$ 3,061,131	\$ 3,426,427	\$ 2,081,000	-39.27%	\$ 0	-100.00%
Dedicated Purpose Fund Group Total			\$ 15,125,146	\$ 16,024,617	\$ 15,508,300	-3.22%	\$ 14,081,300	-9.20%
3HD0	887614	Pharmacy Federal Grants	\$ 997,353	\$ 1,245,560	\$ 1,700,000	36.48%	\$ 1,765,000	3.82%
3HH0	658601	OARRS Integration - Federal	\$ 1,809,551	\$ 1,169,233	\$ 1,392,000	19.05%	\$ 1,393,000	0.07%
3HM0	887615	Equitable Sharing Treasury	\$ 0	\$ 0	\$ 5,000	N/A	\$ 5,000	0.00%
3HN0	887616	Equitable Sharing Justice	\$ 0	\$ 0	\$ 30,000	N/A	\$ 30,000	0.00%
Federal Fund Group Total			\$ 2,806,904	\$ 2,414,793	\$ 3,127,000	29.49%	\$ 3,193,000	2.11%
State Board of Pharmacy Total			\$ 17,932,050	\$ 18,439,410	\$ 18,635,300	1.06%	\$ 17,274,300	-7.30%