

ARKANSAS STATE BOARD OF PHARMACY

Enabling Laws

Act 187 of 2014

A.C.A. §17-92-101 et seq. (The Pharmacy Practice Act)

A.C.A. §5-64-1005 - 1103 (Uniformed Controlled Substances Act)

A.C.A. §20-64-501 - 513 (Controlled Substances and Legend Drug)

History and Organization

The Pharmacy Practice Act was passed in 1929 to regulate the practice of pharmacy in Arkansas. Arkansas Code Annotated §17-92-201 through §17-92-208 provides for the organization and composition of the Arkansas State Board of Pharmacy and its staff. The Board is composed of six pharmacist members, one consumer member, and one senior citizen member, for a total of eight members. The enforcement and administrative staff provide support necessary for the Agency to function properly.

The mission of the Arkansas State Board of Pharmacy is to promote, preserve, and protect the public health, safety, and welfare by and through the effective regulation of the many aspects of the drug delivery system. The Agency licenses and regulates not only pharmacists, pharmacy interns and pharmacy technicians, but also the distribution system where there is sale, delivery, or distribution of prescription drugs, medical gases, and durable medical equipment and legend devices.

To accomplish this mission, the Arkansas State Board of Pharmacy promulgates rules and regulations regarding: the practice of pharmacy; licenses, regulates and disciplines licensees; tests applicants and pharmacy practitioners; inspects facilities; and, distributes information regarding pharmacy law and regulation. Services provided by the Board include, but are not limited to: serving as an information source for pharmacists, businesses and the public; resolving complaints from the public against licensees; licensing and testing pharmacists; licensing interns; registering technicians; providing criminal background checks for individuals practicing pharmacy in Arkansas; licensing businesses engaged in the practice of pharmacy in Arkansas, including those who ship into Arkansas; providing reciprocity for pharmacists from other states; working with other agencies to improve the public health; publishing a quarterly newsletter; and maintaining a web site with information and support for practitioners and the public. The Arkansas State Board of Pharmacy licenses/registers 5,236 pharmacists, 709 pharmacy interns, 7,586 pharmacy technicians, 761 in-state pharmacies, 494 out-of-state pharmacies, 185 hospitals, 26 institutions, 6 specialty pharmacies, 128 charitable clinics, 39 distributors of List I chemicals, 1,430 wholesale distributors of legend drugs, and 717 suppliers of medical equipment, legend devices and medical gas.

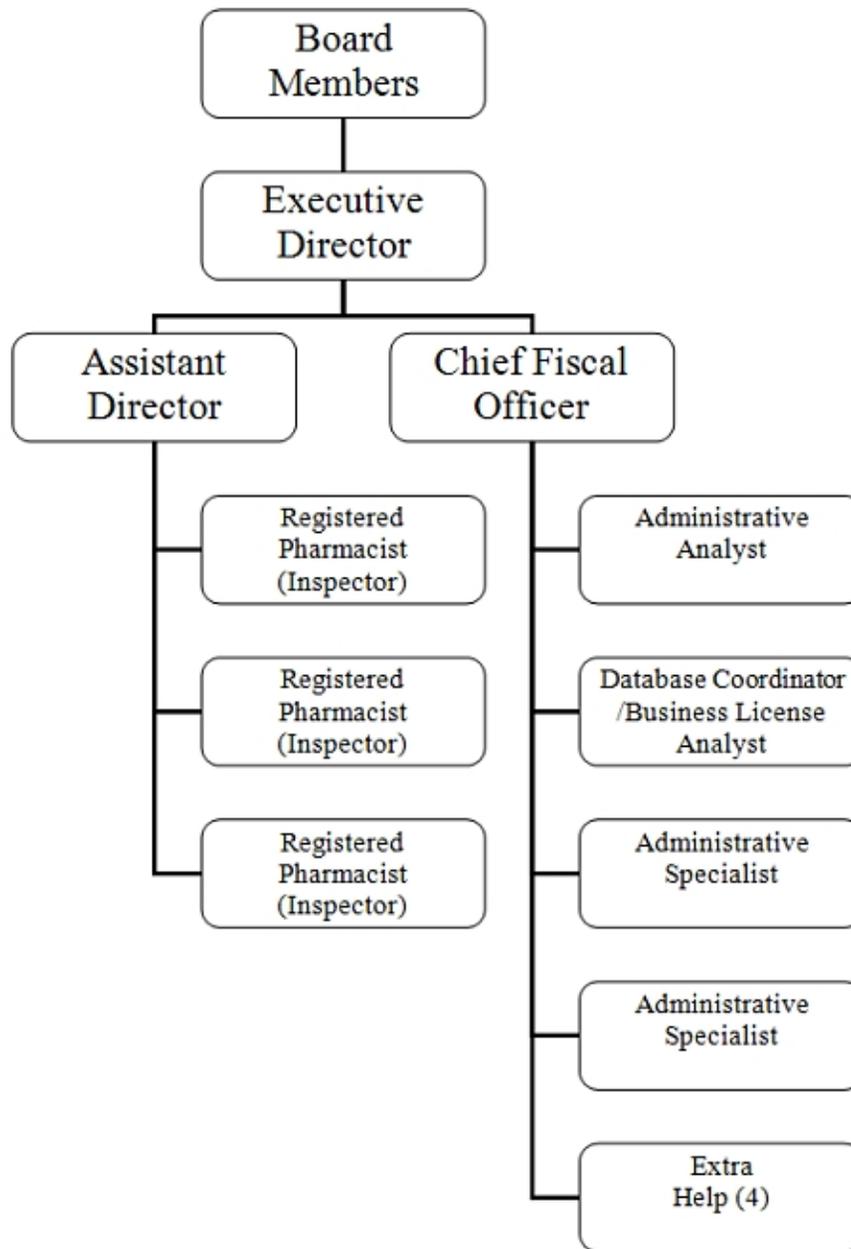
The Tripartite Committee on Continuing Education consists of the Executive Director of the Board of Pharmacy, the Executive Director of the Arkansas Pharmacists Association (APA), and the Dean of the College of Pharmacy at the University of Arkansas for Medical Sciences (UAMS.) The three members of the committee meet periodically to discuss the challenges that continuing education present. Since the Board of Pharmacy establishes the guidelines for continuing education for Arkansas pharmacists, it is necessary for the major continuing education providers (APA and UAMS) to be aware of the Board's requirements and any changes which may be considered. This ensures that the competencies of pharmacists are continually upgraded and the health and welfare of the public is protected.

During the 1997 legislative session, the Pharmacy Practice Act was amended (Arkansas Code Annotated §17-92-209) to allow pharmacists to administer medications and immunizations in certain situations. The change provided that a Medications Advisory Committee be created. This committee assists the Board in implementing the provisions of the legislation with regard to the administration of medications and recommends additional classifications of medications which may be administered by pharmacists.

Arkansas Code Annotated §17-92-702 created a five-member committee to organize and administer the Impaired Pharmacist Program. This program was established to provide assistance to pharmacists recovering from drug and/or alcohol problems. The committee works with the Board to evaluate pharmacists who request participation in the program; review and designate treatment facilities and services; receive and review information relating to the participation of pharmacists, interns and technicians in the program; assist the pharmacists' professional association in publicizing the program; and by preparing reports for the Board of Pharmacy.

The five-member Advisory Committee for Hospital Pharmacy was created by Arkansas Code Annotated §17-92-603 to assist the Board in the promulgation of rules, regulations and standards for hospital pharmacies. This committee advises the Board on matters related to the numbers and the scope of responsibilities for pharmacists, interns and technicians employed by hospitals to ensure the hospital pharmacy's safe, efficient and economical operation; and to recommend equipment and supplies necessary for the safe operation of the pharmacy.

The five-member Advisory Committee for Suppliers of Medical Equipment, Legend Devices and Medical Gas was created by Arkansas Annotated §17-92-909 to assist the Board in the promulgation of rules, regulations and standards for Suppliers of Medical Equipment, Legend Devices and Medical Gas. This committee reviews regulation changes before they are adopted by the Board and makes recommendations to the Board on the merit of all regulations dealing with medical equipment, legend devices and medical gases which are proposed by the Board, before they are adopted by the Board.



Agency Commentary

The Arkansas State Board of Pharmacy is responsible for licensing and oversight of pharmacists, interns, pharmacy technicians, pharmacies, wholesale drug distributors, list 1 chemical wholesale distribution for methamphetamine precursor chemicals, durable medical equipment providers, hospital pharmacies and other related businesses engaged in the practice of pharmacy in Arkansas. Funding for the agency consists of licensure and permit fees as well as assessed monetary penalties. The agency is requesting appropriation totaling \$1,777,793 for FY16 and \$1,778,434 for FY17.

The Board requests one (1) new position for the biennium with a job title of ASBP General Counsel, Grade N910. The Board currently relies on an attorney from the Attorney General's office, who is responsible for and oversees numerous other boards. The changing landscape of pharmacy and pharmacy regulations necessitate the need for in-house counsel. The Board regulates the manufacturing of drugs by compounding pharmacies in Arkansas and more importantly pharmacies outside of Arkansas that are shipping medications into the state.

The Board regulates 17,303 licensees and permits, including 5,236 pharmacists and 7,586 pharmacy technicians. The Board's regulatory oversight includes over 20 different permit types including businesses and individuals as well as endorsements for specific practice subtypes. The Board has three staff members that are licensed pharmacists responsible for the inspection and oversight of all businesses permitted by the Board as well as acting as the investigators in any complaints and cases for the Board along with other senior staff. The new attorney position will have supervisory duties over our investigative and complaint processes as part of their core duties in working with investigative staff as we identify and prosecute violations of Arkansas Pharmacy Act 17-92-101 et seq.

Each year of the biennium, the Board is requesting a total of \$21,000 in additional Operating Expenses appropriation in order to support paying for an increase in the number of applicant criminal background checks, office supplies and educational training for staff. The Board requests an increase of \$7,900 in FY16 and FY17 in Conference and Travel Expenses enabling additional travel and training opportunities for staff and Board members.

No increase is requested for the Pharmacy Student Loan appropriation.

The Board has sufficient funding to meet all increases being requested and is not asking for any increases in fees charged for Board of Pharmacy permits.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE BOARD OF PHARMACY
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	4	3	7	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			7	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Report	17-92-206(B)	Y	N	25	This report is furnished to the Governor, board members, Colleges of Pharmacy, and other interested parties. It lists all of the licenses and permits issued. It is required by statute.	0	0.00
Directory of Pharmacies	17-92-206(B)	Y	N	25	This directory is furnished to the Governor, board members, Colleges of Pharmacy, and other interested parties. It lists all pharmacies, their addresses, and the pharmacists working.	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016					2016-2017						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
58P Pharmacy Student Loans	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
860 Pharmacy Board-Treasury	1,393,357	10	1,589,411	10	1,593,884	10	1,580,550	10	1,727,793	11	1,609,450	10	1,581,191	10	1,728,434	11	1,610,091	10
Total	1,443,357	10	1,639,411	10	1,643,884	10	1,630,550	10	1,777,793	11	1,659,450	10	1,631,191	10	1,778,434	11	1,660,091	10

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	2,201,576	58.1	2,343,739	64.4			2,002,612	54.8	2,002,612	54.8	2,002,612	54.8	2,021,594	59.7	1,874,351	57.9	1,992,694	59.4
Cash Fund 4000045	1,585,520	41.9	1,298,284	35.6			1,649,532	45.2	1,649,532	45.2	1,649,532	45.2	1,363,477	40.3	1,363,477	42.1	1,363,477	40.6
Transfers / Adjustments 4000683	0	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds	3,787,096	100.0	3,642,023	100.0			3,652,144	100.0	3,652,144	100.0	3,652,144	100.0	3,385,071	100.0	3,237,828	100.0	3,356,171	100.0
Excess Appropriation/(Funding)	(2,343,739)		(2,002,612)				(2,021,594)		(1,874,351)		(1,992,694)		(1,753,880)		(1,459,394)		(1,696,080)	
Grand Total	1,443,357		1,639,411				1,630,550		1,777,793		1,659,450		1,631,191		1,778,434		1,660,091	

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
10	9	1	10	0	10.00 %	10	8	2	10	0	20.00 %	10	7	3	10	0	30.00 %

Analysis of Budget Request

Appropriation: 58P - Pharmacy Student Loans

Funding Sources: NPB - Cash in Treasury

The Board initially provided \$550,000 in FY10 from fund balances to the UAMS-School of Pharmacy for the purpose of providing student loans to pharmacy students. The appropriation was reduced to \$50,000 in FY11 and has remained at \$50,000 authorized level. Funding is transferred from Pharmacy Operations as needed to support this appropriation.

The Board is requesting Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 58P - Pharmacy Student Loans

Funding Sources: NPB - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2015-2016			2016-2017		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Investments/Transfers 5110020	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Funding Sources									
Transfers / Adjustments 4000683	50,000	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding	50,000	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	50,000	50,000		50,000	50,000	50,000	50,000	50,000	50,000

Analysis of Budget Request

Appropriation: 860 - Pharmacy Board-Treasury

Funding Sources: NPB - Cash in Treasury

The State Board of Pharmacy is responsible for licensing pharmacists, interns, pharmacy technicians, pharmacies and businesses engaged in the practice of pharmacy in Arkansas. The Board is composed of six pharmacist members, one consumer member, and one senior citizen member, for a total of eight members. The State Board of Pharmacy is funded from penalties and fees charged by the Board.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

This is the operations appropriation for the Pharmacy Board and Base Level supports ten (10) full-time positions, four (4) Extra Help positions as well as maintenance and operation expenses totaling \$1,580,550 in FY16 and \$1,581,191 in FY17.

The Agency Change Level request totals \$147,243 each year and includes the following:

- Regular Salaries and Personal Services Matching totaling \$118,343 each year to support one (1) new position an ASBP General Counsel (N910). This position will provide the Board and agency staff in-house counsel to address changing pharmacy regulations.
- Operating Expenses totaling \$21,000 each year to provide for non-employee background checks, office supplies, and board member travel expenses.
- Conference and Travel Expenses totaling \$7,900 each year to provide additional training to staff and board members.

The Executive Recommendation provides for Agency Request, with the exception of the ASBP General Counsel (N910). Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 860 - Pharmacy Board-Treasury

Funding Sources: NPB - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	757,679	772,514	778,707	779,710	872,225	779,710	779,810	872,325	779,810
#Positions	10	10	10	10	11	10	10	11	10
Extra Help 5010001	4,984	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
#Extra Help	2	4	4	4	4	4	4	4	4
Personal Services Matching 5010003	217,956	219,692	217,972	223,635	249,463	223,635	224,176	250,004	224,176
Operating Expenses 5020002	371,452	465,985	465,985	465,985	486,985	486,985	465,985	486,985	486,985
Conference & Travel Expenses 5050009	17,219	17,220	17,220	17,220	25,120	25,120	17,220	25,120	25,120
Professional Fees 5060010	2,072	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements 5110014	2,325	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Capital Outlay 5120011	14,018	20,000	20,000	0	0	0	0	0	0
Impaired Pharmacist Program 5900046	5,652	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total	1,393,357	1,589,411	1,593,884	1,580,550	1,727,793	1,609,450	1,581,191	1,728,434	1,610,091
Funding Sources									
Fund Balance 4000005	2,201,576	2,343,739		2,002,612	2,002,612	2,002,612	2,021,594	1,874,351	1,992,694
Cash Fund 4000045	1,585,520	1,298,284		1,649,532	1,649,532	1,649,532	1,363,477	1,363,477	1,363,477
Transfers / Adjustments 4000683	(50,000)	(50,000)		(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total Funding	3,737,096	3,592,023		3,602,144	3,602,144	3,602,144	3,335,071	3,187,828	3,306,171
Excess Appropriation/(Funding)	(2,343,739)	(2,002,612)		(2,021,594)	(1,874,351)	(1,992,694)	(1,753,880)	(1,459,394)	(1,696,080)
Grand Total	1,393,357	1,589,411		1,580,550	1,727,793	1,609,450	1,581,191	1,728,434	1,610,091

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

Appropriation: 860 - Pharmacy Board-Treasury
Funding Sources: NPB - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,580,550	10	1,580,550	100.0	1,581,191	10	1,581,191	100.0
C01	Existing Program	147,243	1	1,727,793	109.3	147,243	1	1,728,434	109.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,580,550	10	1,580,550	100.0	1,581,191	10	1,581,191	100.0
C01	Existing Program	54,728	0	1,635,278	103.5	54,728	0	1,635,919	103.5
C13	Not Recommended	(25,828)	0	1,609,450	101.8	(25,828)	0	1,610,091	101.8

Justification

C01	The Board requests one (1) new position for the biennium with a job title of ASBP General Counsel, Grade N910. The Board currently relies on an attorney from the Attorney General's office, who is responsible for and oversees numerous other boards. The changing landscape of pharmacy and pharmacy regulations necessitate the need for in-house counsel. Each year of the biennium, the Board is requesting a total of \$21,000 in additional Operating Expenses appropriation in order to support paying for an increase in the numbers of applicant criminal background checks, office supplies and educational training for staff. The Board requests an increase of \$7,900 in FY16 and FY17 in Conference and Travel Expenses enabling additional travel and training opportunities for staff and Board members.
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