

ARKANSAS STATE BOARD OF PHARMACY

Enabling Laws

Act 10 of 2010

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; maintaining a website with information and support for practitioners and the public; and publishing a quarterly newsletter for pharmacists. The Arkansas State Board of Pharmacy licenses/registers 4,496 pharmacists, 594 pharmacy interns, 6,195 pharmacy technicians, 748 in-state pharmacies, 306 out-of-state pharmacies, 181 hospitals, 27 institutions, 4 specialty pharmacies, 134 charitable clinics, 41 distributors of List I chemicals, 1,139 wholesale distributors of legend drugs, and 461 suppliers of medical equipment, legend devices and medical gas.

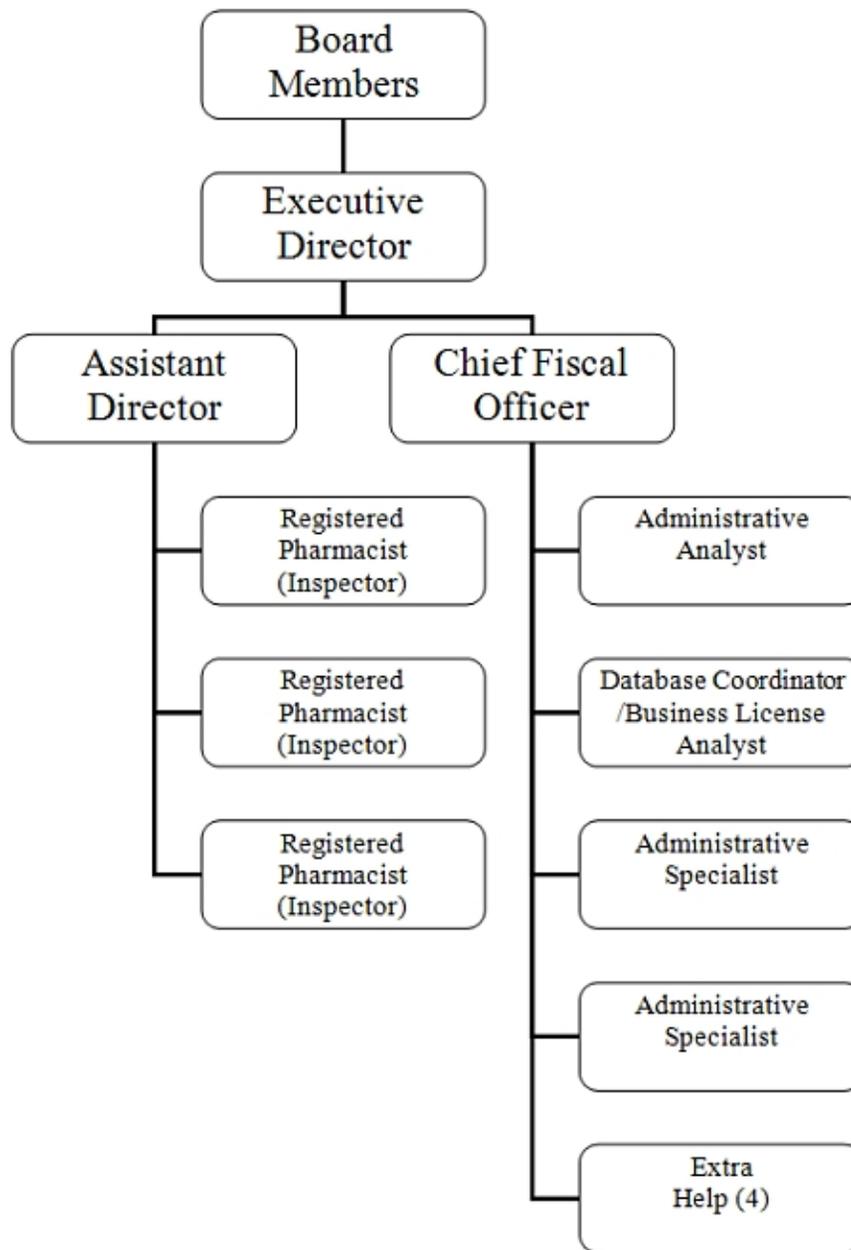
The Tripartite Committee on Continuing Education consists of the Executive Director of the Board of Pharmacy, the Executive Director of the Arkansas Pharmacists Association (APA), and the Dean of the College of Pharmacy at the University of Arkansas for Medical Sciences (UAMS.) The three members of the 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 pharmacists, interns, pharmacy technicians, pharmacies, and other businesses engaged in the practice of pharmacy in Arkansas. Funding for the agency consists of license and permit fees, and penalties paid by license and permit holders. The agency is requesting operating appropriation of \$1,334,722 for FY12 and \$1,347,917 for FY13.

Due to the increase in the number of licensees and permit holders, the Board has experienced an increase in areas including postage, printing, office supplies, data processing supplies, renewal notices and other required communications. An operating expense increase of \$56,250 was requested and approved in FY11 from the DFA Cash Holding Account. The Board requests the continued support of that approved increase as well as \$14,000 and \$27,195 each year of the biennium, respectively.

The Board is requesting a total of \$70,250 additional Operating Expenses appropriation in FY12 in order to support the transition of hosting responsibilities of a licensing database, the purchase of a large color printer, three desktop computers, additional software, additional required travel of pharmacy inspectors, and increased costs related to printing and mailing costs of renewals cards and to support increased payments to Information Network of Arkansas (INA) for criminal background checks. Criminal background fees are paid by applicants to the Board, where the money will "pass-through" the agency's fund, thus requiring the additional appropriation to pay INA for actually performing the background checks.

In FY13, the Board respectfully requests additional Operating Expenses appropriation in the amount of \$83,445 for continued support of database hosting, the purchase of three additional desktop computers and additional software and licensing upgrades, and additional INA payments for criminal background checks and refunds to licensees. The increase would also allow the Board to purchase two scanners in order to begin the task of converting hard copies of records into digital format. The increase will also support the need for additional pharmacy inspector travel, meals and lodging.

The Board has sufficient funding to meet all increases being requested.

No increase is requested for the Pharmacy Student Loans appropriation.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE BOARD OF PHARMACY

Findings

A separate report for this Agency was not issued. However, financial activity for the Agency was included in the audit of the State's CAFR for the year ended June 30, 2009.

Recommendations

Employment Summary

	Male	Female	Total	%
White Employees	5	4	9	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			9	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Annual Report	17-92-206(B)	Y	N	25	The report is sent to the Governor, board members, the College of Pharmacy, and other interested parties. It lists all of the licenses and permits issued. It is required by statute.
Directory of Pharmacies	17-92-206(B)	Y	N	25	This directory is furnished to the Governor, board members, College of Pharmacy, and other interested parties. It lists all pharmacies, their addresses, and the pharmacists working.

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
58P Pharmacy Student Loans	550,000	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	1,184,435	10	1,332,535	10	1,384,524	10	1,264,472	10	1,334,722	10	1,334,722	10	1,264,472	10	1,347,917	10	1,347,917	10
Total	1,734,435	10	1,382,535	10	1,434,524	10	1,314,472	10	1,384,722	10	1,384,722	10	1,314,472	10	1,397,917	10	1,397,917	10

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	2,407,426	63.4	2,064,955	64.4		1,826,154	59.8	1,826,154	58.4	1,826,154	58.4	1,739,706	62.3	1,739,706	60.5	1,739,706	60.5
Cash Fund	4000045	1,391,749	36.6	1,143,734	35.6		1,228,024	40.2	1,298,274	41.6	1,298,274	41.6	1,051,852	37.7	1,135,297	39.5	1,135,297	39.5
Interest	4000300	215	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
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		3,799,390	100.0	3,208,689	100.0		3,054,178	100.0	3,124,428	100.0	3,124,428	100.0	2,791,558	100.0	2,875,003	100.0	2,875,003	100.0
Excess Appropriation/(Funding)		(2,064,955)		(1,826,154)			(1,739,706)		(1,739,706)		(1,739,706)		(1,477,086)		(1,477,086)		(1,477,086)	
Grand Total		1,734,435		1,382,535			1,314,472		1,384,722		1,384,722		1,314,472		1,397,917		1,397,917	

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	10	0	10	0	0.00 %	10	9	1	10	0	10.00 %	10	9	1	10	0	10.00 %

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 should additional funding be required.

The Board is requesting Base Level for the 2011-2013 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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Investments/Transfers 5110020	550,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total	550,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Funding Sources									
Fund Balance 4000005	0	215		215	215	215	215	215	215
Interest 4000300	215	0		0	0	0	0	0	0
Transfers / Adjustments 4000683	550,000	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding	550,215	50,215		50,215	50,215	50,215	50,215	50,215	50,215
Excess Appropriation/(Funding)	(215)	(215)		(215)	(215)	(215)	(215)	(215)	(215)
Grand Total	550,000	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 salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level request for Regular Salaries includes board member stipend payments.

The Pharmacy Board currently has ten full-time positions and four extra help positions providing administrative support for daily operations. Base Level for staff and supporting operations is \$1,264,472 each year of the 2011-2013 biennium. A steady growth in the number of applicants and holders of various licenses processed each year by the Board has resulted in a need for additional Operating Expenses of \$70,250 in FY12 and \$83,445 in FY13 for operating costs, criminal background checks, refunds to Information Network of Arkansas as well as database support services. The request also includes appropriation to purchase desktop computers, software and licensing upgrades, a color printer and two scanners so the board can begin converting records to a digital format. During FY11, the Board received additional appropriation for Operating Expenses from the DFA Cash Holding Account.

The Executive Recommendation provides for Agency Request. 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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	716,629	721,622	820,310	713,390	713,390	713,390	713,390	713,390	713,390
#Positions		10	10	10	10	10	10	10	10	10
Extra Help	5010001	5,881	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
#Extra Help		1	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	179,238	193,029	202,580	189,448	189,448	189,448	189,448	189,448	189,448
Operating Expenses	5020002	258,412	306,664	250,414	250,414	320,664	320,664	250,414	333,859	333,859
Conference & Travel Expenses	5050009	9,159	17,220	17,220	17,220	17,220	17,220	17,220	17,220	17,220
Professional Fees	5060010	3,000	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	2,997	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Impaired Pharmacist Prgm	5900046	9,119	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total		1,184,435	1,332,535	1,384,524	1,264,472	1,334,722	1,334,722	1,264,472	1,347,917	1,347,917
Funding Sources										
Fund Balance	4000005	2,407,426	2,064,740		1,825,939	1,825,939	1,825,939	1,739,491	1,739,491	1,739,491
Cash Fund	4000045	1,391,749	1,143,734		1,228,024	1,298,274	1,298,274	1,051,852	1,135,297	1,135,297
Transfers / Adjustments	4000683	(550,000)	(50,000)		(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total Funding		3,249,175	3,158,474		3,003,963	3,074,213	3,074,213	2,741,343	2,824,788	2,824,788
Excess Appropriation/(Funding)		(2,064,740)	(1,825,939)		(1,739,491)	(1,739,491)	(1,739,491)	(1,476,871)	(1,476,871)	(1,476,871)
Grand Total		1,184,435	1,332,535		1,264,472	1,334,722	1,334,722	1,264,472	1,347,917	1,347,917

Budget exceeds Authorized Amount in Operating Expenses due to additional appropriation received from the Cash Fund Holding Account.

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,264,472	10	1,264,472	100.0	1,264,472	10	1,264,472	100.0
C01	Existing Program	38,250	0	1,302,722	103.0	46,445	0	1,310,917	103.7
C08	Technology	32,000	0	1,334,722	105.6	37,000	0	1,347,917	106.6

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,264,472	10	1,264,472	100.0	1,264,472	10	1,264,472	100.0
C01	Existing Program	38,250	0	1,302,722	103.0	46,445	0	1,310,917	103.7
C08	Technology	32,000	0	1,334,722	105.6	37,000	0	1,347,917	106.6

Justification

C01	Due to the increase in the number of licensees and permit holders, the board is requesting increases in Operating Expenses for postage, printing, supplies, cost associated with criminal background checks of licensees and INA issued refunds. Additional appropriation is also requested for pharmacy inspector travel and mileage. The board received additional appropriation during FY11 from the DFA Cash Holding Account.
C08	Additional appropriation is needed to support required database hosting services (IT - Major Application Information); the purchase of desktop computers each year (IT Support/Hardware); the purchase of software and licensing upgrades (IT Support/Software); the purchase of a color printer in FY12 (IT Support/Hardware) as well as two scanners (IT Support/Hardware) that will be used by the board to begin converting records to digital format improving record retention capabilities.