

# ARKANSAS STATE BOARD OF PHARMACY

## **Enabling Laws**

Act 122 of 2016

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 5,725 pharmacists, 687 pharmacy interns, 8,391 pharmacy technicians, 793 in-state pharmacies, 578 out-of-state pharmacies, 185 hospitals, 28 institutions, 6 specialty pharmacies, 125 charitable clinics, 37 distributors of List I chemicals, 1,523 wholesale distributors of legend drugs, and 722 suppliers of medical equipment, legend devices and medical gas.

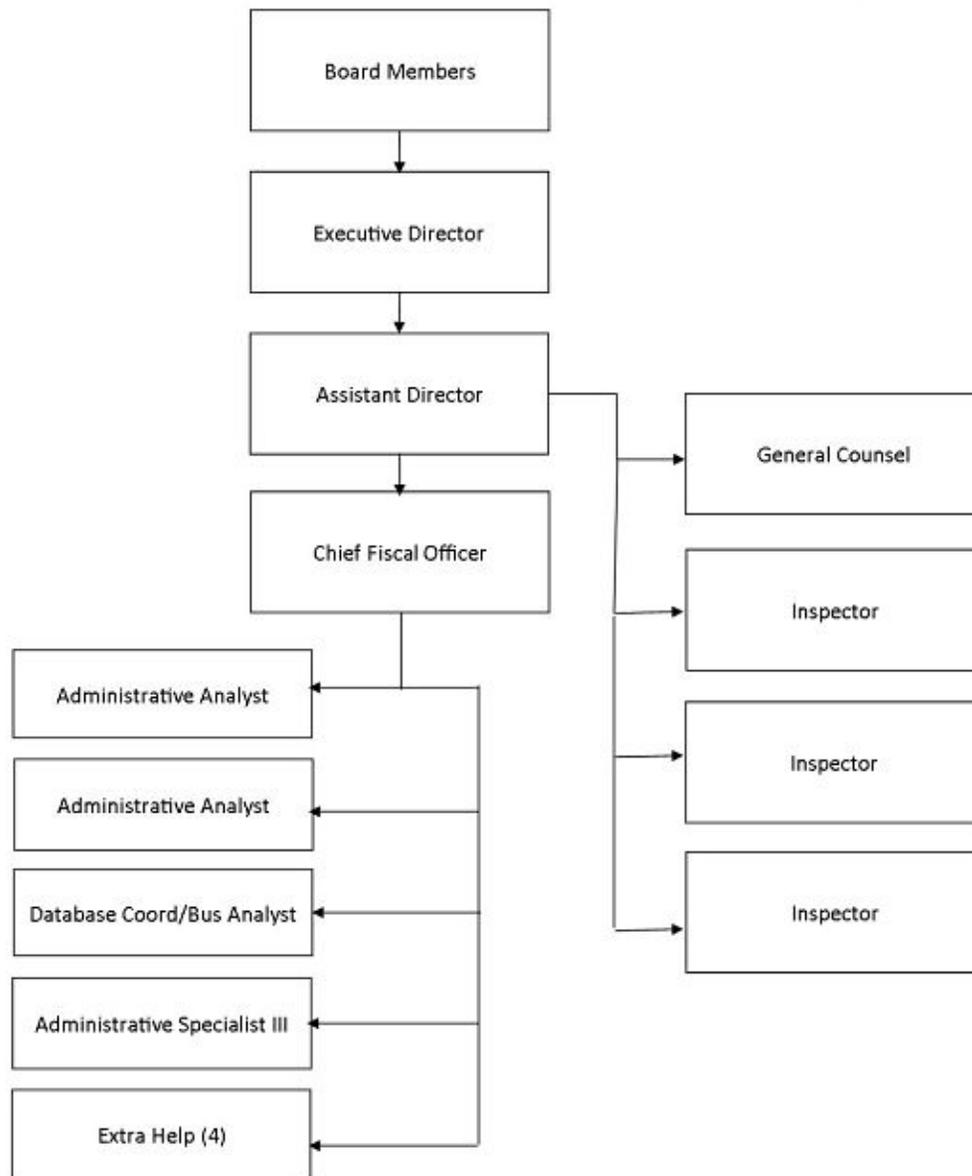
The Tripartite Committee on Continuing Education consists of the Executive Director of the Board of Pharmacy, the Executive Director of the Arkansas Pharmacists Association (APA), and the Dean of the College of Pharmacy at the University of Arkansas for Medical Sciences (UAMS.) The three members of the 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. The Board regulates 18,800 licensees and permits, including 5,725 pharmacists and 8,391 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. Funding for the agency consists of licensure and permit fees as well as assessed monetary penalties. The agency is requesting appropriation totaling \$1,744,846 for FY18 and \$1,745,406 for FY19.

The Arkansas State Board of Pharmacy would request our base level appropriation so that we may continue the good work that we do each year in protecting the health and welfare in regard to the legal distribution of prescription drugs in Arkansas. In reviewing our Annual Report it is clear that our agency continues to work towards growing efficiencies in our operation while also serving the citizens of Arkansas through our work product, our oversight activities and our educational outreach to both medical professionals and the public. In 2016 already, the Board itself was recognized by the National Association of Boards of Pharmacy with the Fred T. Mahaffey Award as described below:

### **Fred T. Mahaffey Award**

This award was named after the late NABP Executive Director Emeritus Fred T. Mahaffey, who held the executive director position from 1962 to 1987. His leadership and contributions to NABP, state boards of pharmacy, and the protection of the public health were significant and established NABP as one of the leading pharmacy organizations. The award recognizes a board of pharmacy that has made substantial contributions to the regulation of the practice of pharmacy over the past year.

### **Fred T. Mahaffey Award: Arkansas State Board of Pharmacy**

For their contributions to the regulation of the practice of pharmacy and their efforts to combat prescription drug abuse, the members of the Arkansas State Board of Pharmacy received the 2016 Fred T. Mahaffey Award. The Board has partnered with several organizations, such as consumer groups and law enforcement agencies, to develop a multifaceted campaign to address prescription drug abuse in Arkansas. Such efforts include a public service announcement featuring the state governor urging the use of over 100 take-back receptacles around the state. Each year, the Board also sponsors the Arkansas Prescription Drug Abuse Summit, an event that provides the opportunity for health care professionals to gain continuing education (CE) during a day-long conference focused on the abuse of and addiction to prescription drugs. The summit is funded through government and noncommercial interests, resulting in free registration and accredited CE offerings. In 2015, the Board's partnerships with the Arkansas National Guard and several law enforcement agencies resulted in more than 37,000 pounds of drugs being removed from homes and destroyed responsibly to prevent abuse and misuse. In addition to this, our Executive Director was also recognized with the 2016 Cardinal GenerationRX award.

Additionally, the Arkansas State Board of Pharmacy continues to perform annual inspections of every retail pharmacy in the state on an annual basis and has recently expanded our sterile inspection process to gather better information to ensure safety measures when preparing sterile products for patients. The Arkansas State Board of Pharmacy is also unique in that our Jurisprudence Exam that is given to Pharmacists and Student Pharmacists continues to be a homegrown exam that is given without charge (vs. the \$250 fee for other states) to the approximate 180 pharmacy students that take it each year and the pharmacists that come to Arkansas from other states. While this process costs our office in both time and money it represents a significant service and savings to licensed Arkansas pharmacists annually.

Overall, the Arkansas State Board of Pharmacy continues to work towards our goals of making Arkansas safer in regard to Prescription Drug issues including not only legal drug distribution but also awareness of how to detect and prevent diversion of prescription drugs in pharmacies as well as how the public should appropriately monitor the medications they have, secure their prescription drugs and appropriately dispose of unused/unwanted medications so that they cannot harm others. Our base level appropriation helps to ensure that we can continue pursuing our mission through these endeavors while maintaining our licensure and inspection/investigation operations in a responsible manner without any anticipated need to increase licensure fees for the foreseeable future.

At this time, no increase is requested for the Pharmacy Student Loan appropriation.

**Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS STATE BOARD OF PHARMACY  
FOR THE YEAR ENDED JUNE 30, 2015

Findings	Recommendations
None	None

**State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016**

None

## Employment Summary

	Male	Female	Total	%
White Employees	5	4	9	90 %
Black Employees	0	1	1	10 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			1	10 %
Total Employees			10	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 pharmacist-in-charge of the facility.	0	0.00

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	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	1,598,077	11	1,738,615	11	1,727,970	11	1,744,846	11	1,744,846	11	1,744,846	11	1,745,406	11	1,745,406	11	1,745,406	11
<b>Total</b>	<b>1,648,077</b>	<b>11</b>	<b>1,788,615</b>	<b>11</b>	<b>1,777,970</b>	<b>11</b>	<b>1,794,846</b>	<b>11</b>	<b>1,794,846</b>	<b>11</b>	<b>1,794,846</b>	<b>11</b>	<b>1,795,406</b>	<b>11</b>	<b>1,795,406</b>	<b>11</b>	<b>1,795,406</b>	<b>11</b>

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	2,514,847	55.4	2,890,100	62.6			2,825,485	62.1	2,825,485	62.1	2,825,485	62.1	2,754,639	61.5	2,754,639	61.5	2,754,639	61.5
Cash Fund	4000045	2,023,330	44.6	1,724,000	37.4			1,724,000	37.9	1,724,000	37.9	1,724,000	37.9	1,724,000	38.5	1,724,000	38.5	1,724,000	38.5
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
<b>Total Funds</b>		<b>4,538,177</b>	<b>100.0</b>	<b>4,614,100</b>	<b>100.0</b>			<b>4,549,485</b>	<b>100.0</b>	<b>4,549,485</b>	<b>100.0</b>	<b>4,549,485</b>	<b>100.0</b>	<b>4,478,639</b>	<b>100.0</b>	<b>4,478,639</b>	<b>100.0</b>	<b>4,478,639</b>	<b>100.0</b>
Excess Appropriation/(Funding)		(2,890,100)		(2,825,485)				(2,754,639)		(2,754,639)		(2,754,639)		(2,683,233)		(2,683,233)		(2,683,233)	
<b>Grand Total</b>		<b>1,648,077</b>		<b>1,788,615</b>				<b>1,794,846</b>		<b>1,794,846</b>		<b>1,794,846</b>		<b>1,795,406</b>		<b>1,795,406</b>		<b>1,795,406</b>	

FY17 Budget amount in Pharmacy Board-Treasury (860) exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

## Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
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 %	11	10	0	10	1	9.09 %	11	10	1	11	0	9.09 %

## **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 appropriation of \$50,000 each year for the 2017-2019 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			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 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
<b>Funding Sources</b>									
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 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes 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 a Cost of Living Adjustment or 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 eleven (11) full-time positions, four (4) Extra Help positions as well as maintenance and operation expenses totaling \$1,744,846 in FY18 and \$1,745,406 in FY19.

The Board is requesting Base Level for the 2017-2019 Biennium.

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			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	876,172	880,114	868,778	880,814	880,814	880,814	880,914	880,914	880,914
<b>#Positions</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
Extra Help 5010001	15,938	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
<b>#Extra Help</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
Personal Services Matching 5010003	250,662	248,396	249,087	253,927	253,927	253,927	254,387	254,387	254,387
Operating Expenses 5020002	419,412	486,985	486,985	486,985	486,985	486,985	486,985	486,985	486,985
Conference & Travel Expenses 5050009	23,650	29,120	29,120	29,120	29,120	29,120	29,120	29,120	29,120
Professional Fees 5060010	5,000	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	650	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 Program 5900046	6,593	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total</b>	<b>1,598,077</b>	<b>1,738,615</b>	<b>1,727,970</b>	<b>1,744,846</b>	<b>1,744,846</b>	<b>1,744,846</b>	<b>1,745,406</b>	<b>1,745,406</b>	<b>1,745,406</b>
<b>Funding Sources</b>									
Fund Balance 4000005	2,514,847	2,890,100		2,825,485	2,825,485	2,825,485	2,754,639	2,754,639	2,754,639
Cash Fund 4000045	2,023,330	1,724,000		1,724,000	1,724,000	1,724,000	1,724,000	1,724,000	1,724,000
Transfers / Adjustments 4000683	(50,000)	(50,000)		(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total Funding	4,488,177	4,564,100		4,499,485	4,499,485	4,499,485	4,428,639	4,428,639	4,428,639
Excess Appropriation/(Funding)	(2,890,100)	(2,825,485)		(2,754,639)	(2,754,639)	(2,754,639)	(2,683,233)	(2,683,233)	(2,683,233)
<b>Grand Total</b>	<b>1,598,077</b>	<b>1,738,615</b>		<b>1,744,846</b>	<b>1,744,846</b>	<b>1,744,846</b>	<b>1,745,406</b>	<b>1,745,406</b>	<b>1,745,406</b>

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.