

STATE BOARD OF PHARMACY

Enabling Laws

Act 415 of 2003

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

ACA §5-64-1005 - 1103 (Uniformed Controlled Substances Act)

ACA §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 3,764 pharmacists, 405 pharmacy interns, 4,076 pharmacy technicians, 742 in-state pharmacies, 200 out-of-state pharmacies, 164 hospitals, 33 institutions, 2 specialty pharmacies, 274 nursing homes, 98 distributors of List I chemicals, 706 wholesale distributors of legend drugs, and 379 suppliers of medical equipment, legend devices and medical gas.

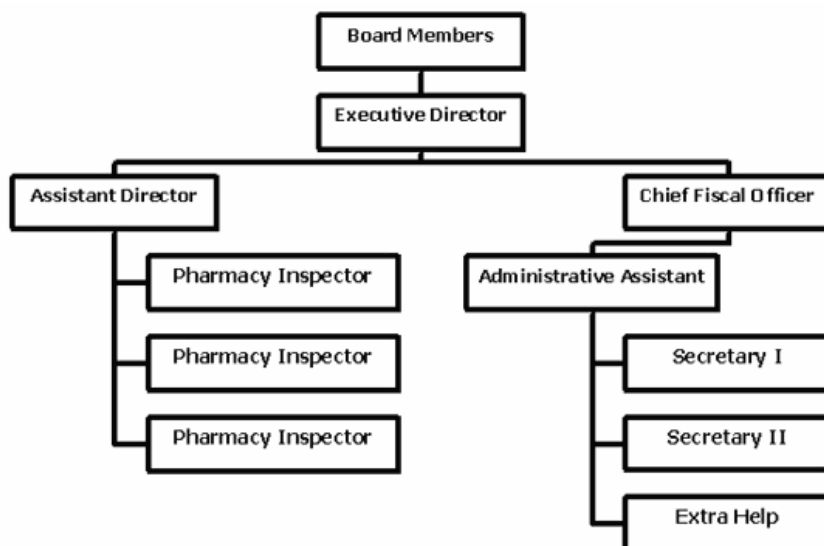
The Tripartite Committee on Continuing Education consists of the Executive Director of the Board of Pharmacy, the Executive Director of the Arkansas Pharmacists Association (APA), and the Dean of the College of Pharmacy at the University of Arkansas for Medical Sciences (UAMS.) The three members

of the committee meet periodically to discuss the challenges that continuing education presents. 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 as an advisory committee to the Board of Pharmacy. 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.



Agency Commentary

The Arkansas State Board of Pharmacy is responsible for licensing Pharmacists, interns, pharmacy technicians and businesses engaged in the practice of pharmacy in Arkansas. Funding for the agency consists of license fees and penalties paid by license holders.

The Board is requesting Base Level each year of the 2005-2007 biennium with Change Level requests of \$15,200 in FY06 & \$13,100 in FY07.

Change Level requests include the following:

- An increase to address costs associated with our new licensing software system and office equipment.
- Changes in commitment items to accommodate new provisions for payment of court reporter fees.
- To provide for services provided by the Department of Information Systems following the installation of GL Suites (new licensing system), and to pay \$2,640 for annual software subscription upgrades.
- A requests for \$5,000 each year in Professional Fees and Services to pay for any customization of the software brought about by changes in statute, rules or regulations that impact the licensing database after it becomes operational. The new licensing system will provide us with a substantially improved system for licensing individuals and businesses, and for tracking inspections, and disciplinary actions related to license holders.
- The Board is also requesting \$2,100 in 2006 for a digital projector and screen for Board meetings and committee conferences. These items would improve the effectiveness of Board and committee meetings, by making available computer presentations of data, images and information, and by providing working groups with digital tools for modifying the language of rules, regulations, and other written documents.
- The Board has been advised by the Office of State Procurement that court reporter fees are no longer considered professional fees but rather an operational expense. Therefore, we are requesting that professional fees be reduced by \$5,500 and operating expense be increased by \$5,500 to accommodate that change.
- An increase in refunds of \$1,000. New applications made in the first year of the biennium include a renewal fee for the second year of the biennium. If an application is rejected, we would retain the application fee, but refund the portion of the payment that would cover the renewal period for the denied application.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE BOARD OF PHARMACY
FOR THE YEAR ENDED JUNE 30, 2003

Findings	Recommendations
The Arkansas Administrative Statewide Information System (AASIS) fails to provide adequate controls to ensure the reliability of financial data, and therefore, does not adequately safeguard the financial assets of the Agency. Specifically, the security configuration does not provide adequate segregation of duties in an environment with a limited number of personnel, resulting in an excessive number of conflicts regarding the restricted access to financial data and data entry.	.

Employment Summary

	Male	Female	Total	%
White Employees	4	2	6	75 %
Black Employees	0	2	2	25 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	25 %
Total Employees			8	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	40	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	40	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.

Analysis of Budget Request

Appropriation / Program: 860 - Pharmacy Board-Treasury

Funding Sources: NPB-Cash in Treasury

The State Board of Pharmacy is funded from the receipt of fees charged by the Agency, as authorized by Arkansas Code §17-92-108. The Board is requesting a Base Level of \$921,499 for FY06 and \$939,289 for FY07.

Base Level for this appropriation includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching costs for nine (9) Base Level positions. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

The Board is asking for Change Level Requests of \$15,200 for FY06 and \$13,100 for FY07.

Change Level requests include reallocating resources of \$5,500 from Professional Fees and Services to Operating Expenses. This request is to comply with the change of description for a Court Reporter from Professional Fees and Services to Miscellaneous Technical Services (Operating Expenses). An increase is requested for \$12,100 each year, allocated between Professional Fees & Services, Data Processing Services, & Operating Expenses to purchase a new licensing system that will require an annual upgrade subscription, security, and additional customization to accommodate those changes. Additional increases requested in the amount of \$3,100 for FY06 & \$1,000 for FY07 are for the replacement of old furniture and equipment and to provide for an increase in refunds.

The Executive Recommendation provides for Agency Request.

Appropriation / Program Summary

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

Historical Data				Agency Request and Executive Recommendation					
Commitment Item	2003-2004	2004-2005	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	540,686	556,879	559,560	571,605	571,605	571,605	586,626	586,626	586,626
#Positions	9	9	9	9	9	9	9	9	9
Extra Help 5010001	0	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
#Extra Help	0	2	4	4	4	4	4	4	4
Personal Services Matching 5010003	129,117	150,458	150,533	141,260	141,260	141,260	144,029	144,029	144,029
Operating Expenses 5020002	177,468	183,710	170,914	170,914	179,054	179,054	170,914	179,054	179,054
Travel-Conference Fees 5050009	8,488	17,220	17,220	17,220	17,220	17,220	17,220	17,220	17,220
Professional Fees and Services 5060010	24,207	63,125	10,500	10,500	10,000	10,000	10,500	10,000	10,000
Data Processing 5090012	0	0	0	0	4,460	4,460	0	4,460	4,460
Refund/Reimbursements 5110014	375	2,000	2,000	2,000	3,000	3,000	2,000	3,000	3,000
Capital Outlay 5120011	2,856	0	0	0	2,100	2,100	0	0	0
Total	883,197	981,392	918,727	921,499	936,699	936,699	939,289	952,389	952,389
Funding Sources									
Fund Balance 4000005	1,393,042	1,633,107		1,457,715	1,457,715	1,457,715	1,327,016	1,327,016	1,327,016
Special Revenue 4000030	1,123,262	806,000		790,800	806,000	806,000	792,900	806,000	806,000
Total Funding	2,516,304	2,439,107		2,248,515	2,263,715	2,263,715	2,119,916	2,133,016	2,133,016
Excess Appropriation/(Funding)	(1,633,107)	(1,457,715)		(1,327,016)	(1,327,016)	(1,327,016)	(1,180,627)	(1,180,627)	(1,180,627)
Grand Total	883,197	981,392		921,499	936,699	936,699	939,289	952,389	952,389

FY05 Budgeted exceeds Authorized in Operating Expenses & Professional Fees and Services due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

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

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	921,499	9	921,499	100.0	939,289	9	939,289	100.0
C01	Existing Program	8,600	0	930,099	100.9	6,500	0	945,789	100.6
C03	Discontinue Program	(5,500)	0	924,599	100.3	(5,500)	0	940,289	100.1
C08	Technology	12,100	0	936,699	101.6	12,100	0	952,389	101.3

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	921,499	9	921,499	100.0	939,289	9	939,289	100.0
C01	Existing Program	8,600	0	930,099	100.9	6,500	0	945,789	100.6
C03	Discontinue Program	(5,500)	0	924,599	100.3	(5,500)	0	940,289	100.1
C08	Technology	12,100	0	936,699	101.6	12,100	0	952,389	101.3

Justification

C01	Increase requested for 3,100 in FY06 and 1,000 in FY07 for Operating Expenses. Operating Expenses increased 5,500 in FY06 & FY07 by reallocating resources from Professional Fees & Services.
C03	Reallocated resources of 5,500 in FY06 & FY07 from Professional & Administrative, Legal, & Reimbursement Expenses to Miscellaneous Technical Services to comply with the change of description of Professional Services.
C08	Increase requested for 12,100 in FY06 and FY07 for purchase of new licensing system that requires annual upgrade subscription, security, and additional customization to accommodate changes.