

ARKANSAS STATE BOARD OF PHARMACY

Enabling Laws

Act 51 of 2005

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 3,920 pharmacists, 389 pharmacy interns, 4,577 pharmacy technicians, 757 in-state pharmacies, 252 out-of-state pharmacies, 177 hospitals, 27 institutions, 2 specialty pharmacies, 113 charitable clinics, 91 distributors of List I chemicals, 861 wholesale distributors of legend drugs, and 343 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

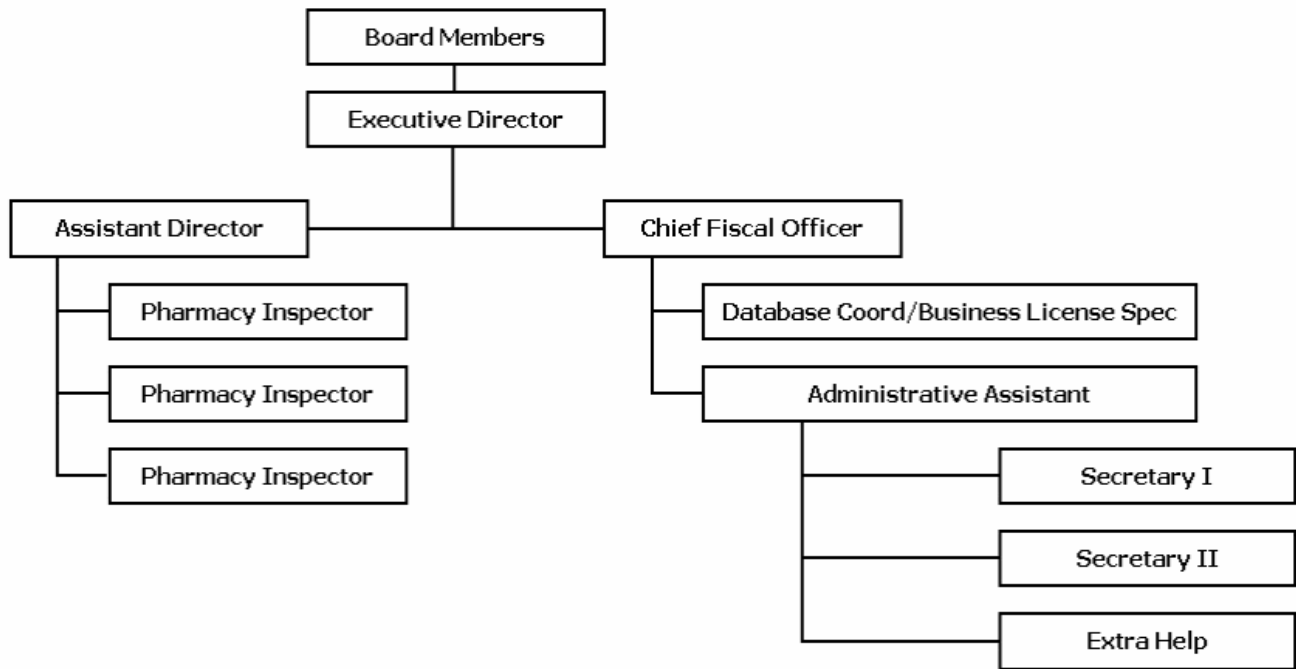
Arkansas pharmacists, it is necessary for the major continuing education providers (APA and UAMS) to be aware of the Board's requirements and any changes which may be considered. This ensures that the competencies of pharmacists are continually upgraded and the health and welfare of the public is protected.

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 businesses engaged in the practice of pharmacy in Arkansas. Funding for the agency consists of license fees and penalties paid by license holders. The Agency is requesting appropriations of \$1,089,697 in FY08 and \$1,090,033 in FY09. In addition to the Base Level, the Board is requesting increases for Board travel, criminal background check fees, software maintenance and customization, and for a Database Coordinator/Business Analyst position.

Past practices provided Board Members with opportunities for national and regional travel to ensure that Board Members were informed of important changes in the practice of pharmacy. These changes included changes in issuing and maintaining licenses, pharmacy distribution systems, changes to federal and state pharmacy regulations and statutes, and other items of great interest to the Board. Board travel also provides for reimbursement of Board Members for travel expenses related to Board meetings, informal conferences and committee meetings held in Arkansas to conduct Board business. Over the last several years, substantial increases in mileage reimbursement rates, airfares, conference fees and hotel fees have greatly increased the costs of attendance at Board and committee meetings, and has also resulted in a dramatic forced reduction in Board travel to out of state meetings. The Board is requesting an increase of \$13,000 per year to provide for Board travel at appropriate levels, and would provide each of the eight (8) Board Members with an opportunity to register for one national or two regional conferences per year.

In 2005 the Arkansas State Police provided an online service for state agencies to conduct online criminal background checks for license applicants. The process was provided by the Information Network of Arkansas (INA). Online criminal background check fees of \$20 are paid for by the applicant and deposited to the Board of Pharmacy treasury account. INA then bills the Board of Pharmacy \$20 for each criminal background check conducted online. The Board is requesting \$32,000 per year to provide for these criminal background check services which are revenue neutral

for the Board and essentially, a pass through of funds from the applicant to the State Police.

The Board is requesting \$9,900 per year for software maintenance, technical support, training and bug fixes for GL Suites, the license system used by the Board to issue and maintain licenses. Maintenance of the software is critical to the mission of the Board, to regulate licensure.

In addition, the Board is requesting \$15,000 per year for Professional Fees to customize GL Suites so that it is synchronized with Board regulation and statute changes. Pharmacy practice has been evolving at a rapid rate and the Board is continuously revising regulations to accommodate changes in distribution systems and models, pharmacy practices, pharmacist certifications and qualifications and other data related to pharmacy practice. It is critical that the license system is customized in such a way that it stays relevant, has appropriate data fields for capturing information and has the ability to provide information to the Board on an as needed basis. New reports, queries and data cleanup are continuously occurring to meet the needs of the Board and to keep the system synchronized.

Finally, the Board is requesting \$46,289 to continue to fund a Database Coordinator/Business License Analyst position. This position was requested, and subsequently approved, as a Supplemental Position in FY2007 to address new agency responsibilities and a significant increase in workload over the past several years. The Database Coordinator/Business License Analyst position provides key technical skills to the Board to protect our investments in technology, particularly the GL Suites database which is used for pharmacist/pharmacy licensing. The responsibilities for this position include coordinating information technology services and online services, coordinating changes to the database to reflect changes in statutes, rules and regulations arising from a rapidly changing pharmacy environment, coordinating computer security and data access, providing staff computer support, processing business license applications, and providing other administrative support as needed.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE BOARD OF PHARMACY
FOR THE YEAR ENDED JUNE 30, 2004

<u>Findings</u>	<u>Recommendations</u>
None	None

Employment Summary

	Male	Female	Total	%
White Employees	5	3	8	89 %
Black Employees	0	1	1	11 %
Other Racial Minorities	0	0	0	0 %
			Total Minorities	1 11 %
			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.

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
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	
9	9	0	9	0	0.00%	9	9	0	9	0	0.00%	9	9	0	9	0	0.00%

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.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. The Base Level request of \$594,626 each year of the biennium for Regular Salaries does include board member Stipend payments. Personal Services Matching may reflect increases in the Base Level due to certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Pharmacy Board currently has nine full-time positions and four extra help positions providing administrative support for daily operations. Base Level for staff and supporting operations is \$973,508 in FY08 and 973,844 In FY09. During FY07, the Board received a supplemental position (Database Coordinator/Business License Analyst) to address new agency responsibilities and a significant increase in workload. Continuation of this position is being requested by the Board at a cost of \$46,289 each year of the biennium. The Board requests continuation of Operating Expenses received in FY07 from the DFA Cash Holding Account in the amount of \$41,900 each year of the biennium. This increase will be used to continue criminal background check services provided by Information Network of Arkansas (INA) as well as a service agreement with GL Suites. An increase in Board member travel of \$13,000 each year of the biennium is needed to allow members to attend one national or two regional conferences. The \$15,000 increase each year in Professional Fees is needed to continue customization of the Board's system to insure it is synchronized with Board regulations and statute changes.

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

Appropriation

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

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	571,516	594,626	586,626	594,626	629,626	629,626	594,626	629,626	629,626
#Positions	9	9	9	9	10	10	9	10	10
Extra Help 5010001	7,125	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
#Extra Help	1	4	4	4	4	4	4	4	4
Personal Services Matching 5010003	147,961	163,702	144,029	157,148	168,437	168,437	157,484	168,773	168,773
Supplemental Emergency Positions 5010007	0	35,000	0	0	0	0	0	0	0
Operating Expenses 5020002	162,261	220,954	179,054	179,054	233,954	233,954	179,054	233,954	233,954
Conference & Travel Expenses 5050009	9,327	17,220	17,220	17,220	17,220	17,220	17,220	17,220	17,220
Professional Fees 5060010	14,998	25,000	10,000	10,000	25,000	25,000	10,000	25,000	25,000
Data Processing 5090012	2,700	4,460	4,460	4,460	4,460	4,460	4,460	4,460	4,460
Refunds/Reimbursements 5110014	0	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
Total	915,888	1,071,962	952,389	973,508	1,089,697	1,089,697	973,844	1,090,033	1,090,033
Funding Sources									
Fund Balance 4000005	1,688,537	1,999,942		1,785,947	1,785,947	1,785,947	1,836,250	1,836,250	1,836,250
Special Revenue 4000030	1,227,293	857,967		1,023,811	1,140,000	1,140,000	803,811	920,000	920,000
Total Funding	2,915,830	2,857,909		2,809,758	2,925,947	2,925,947	2,640,061	2,756,250	2,756,250
Excess Appropriation/(Funding)	(1,999,942)	(1,785,947)		(1,836,250)	(1,836,250)	(1,836,250)	(1,666,217)	(1,666,217)	(1,666,217)
Grand Total	915,888	1,071,962		973,508	1,089,697	1,089,697	973,844	1,090,033	1,090,033

FY07 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the Authorized amount due to stipend payments to board members as well as additional matching for a supplemental position, career service and stipend payments. Operating Expenses and Professional Fees in FY07 exceeds the Authorized amount due to additional appropriation received from DFA Cash Holding Account.

Change Level by Appropriation

Appropriation: 860-Pharmacy Board-Treasury

Funding Sources: NPB-Cash in Treasury

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	973,508	9	973,508	100.0	973,844	9	973,844	100.0
C01	Existing Program	13,000	0	986,508	101.3	13,000	0	986,844	101.3
C06	Restored Position	103,189	1	1,089,697	111.9	103,189	1	1,090,033	111.9

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	973,508	9	973,508	100.0	973,844	9	973,844	100.0
C01	Existing Program	13,000	0	986,508	101.3	13,000	0	986,844	101.3
C06	Restored Position	103,189	1	1,089,697	111.9	103,189	1	1,090,033	111.9

Justification

C01	To provide travel funds for Board Members to attend national or regional meetings. Significant increases in travel expenses such as mileage reimbursement, meals, hotel fees, conference fees and related expenses have eroded the ability of the eight (8) Board Members to attend meetings.
C06	To provide \$32,000 for online criminal background checks with the Arkansas State Police for pharmacist, intern and pharmacy technician applicants. The fees are paid by the applicant and the appropriation is needed to pass these applicant fees to the State Police. To provide \$9,900 for software maintenance, technical support, training and bug fixes for GL Suites. To provide \$15,000 professional fees to customize and synchronize GL Suites in a rapidly changing pharmacy environment. To continue funding (\$46,289) for a Supplemental Position (Database Coordinator/Business License Analyst) requested and approved in FY2007. This position was requested to address new agency responsibilities and a significant increase in workload over the past several years.