

HPB

6411

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : \_\_\_\_\_

**REQUEST**

Bill/Resolution No. : HB641  
 Title : An act relating to generic drug pharmaceuticals and Board of Pharmacy and providing for an effective date.  
 Sponsor : Gruenburg  
 Requestor : \_\_\_\_\_  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected : Dept. of Health & Social Services  
 BRU : Medical Assistance Non-Facility  
 \_\_\_\_\_  
 Components : GRM Non-Facility  
 \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS		-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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**FUNDING : (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		-0-	-0-	-0-	-0-	-0-

**POSITIONS :**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

The Department has submitted to the Governor an FY87 budget Amendment of \$2.5 million for an FY87 Pharmacy Program. One of the assumptions included in the amendment was the substitution of generic drug products for more expensive brand name products.

Prepared by : Rod Betit, Director *R Betit* Phone : 465-3355 *JCC*  
 Division : Medical Assistance Date : 3/4/86

Approved by Commissioner : *J. R. ...* Date : 3/6/86  
 Agency : Department of Health & Social Services

**Distribution (by Agency preparing fiscal note):**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget

STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: CSHB 641  
 Title: An Act relating to generic drugs, pharmaceuticals, and the Board of Pharmacy;  
 Sponsor: Rep. Gruenberg  
 Requester: House HESS  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected: Commerce & Economic Dev.  
 BRU: Occupational Licensing  
 Components: \_\_\_\_\_

**EXPENDITURES / REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		-0-	-0-	-0-	-0-	-0-
TRAVEL		-0-	-0-	-0-	-0-	-0-
CONTRACTUAL		-0-	-0-	-0-	-0-	-0-
SUPPLIES		-0-	-0-	-0-	-0-	-0-
EQUIPMENT		-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE		-0-	-0-	-0-	-0-	-0-
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**FUNDING: (Thousands of dollars)**

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		-0-	-0-	-0-	-0-	-0-

**POSITIONS:**

FULLTIME		-0-	-0-	-0-	-0-	-0-
PARTTIME						
TEMPORARY						

**ANALYSIS:** Attach a separate page if necessary.

The bill extends the Board of Pharmacy to June 30, 1989, grants pharmacists the authority to fill prescriptions using generic drugs, and repeals the Marijuana Therapeutic Research Program.

This bill is not expected to generate new costs or revenues.

Prepared by: Jennifer Strickler, Management Analyst  
 Division: Occupational Licensing

Phone: 465-2144

Date: 3-25-86

Approved by Commissioner: Loren H. Lounsbury  
 Agency: Commerce and Economic Development

Date: 3/25/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)



Alaska State Legislature  
House of Representatives  
COMMITTEE ON HEALTH, EDUCATION  
AND SOCIAL SERVICES

OFFICIAL BUSINESS

FOUCH-  
JUNEAU, AK 998  
465-375

March 25, 1986

Representative Ben Grussendorf  
Speaker of the House  
P.O. Box V  
Juneau, Alaska 99811

Dear Mr. Speaker:

The House Committee on Health, Education and Social Services has considered the Sunset Review of the Board of Pharmacy, and recommends that the board be continued. Representative Max Gruenberg, Co-Chair of the committee, has introduced HB 641, to fulfill some of the findings of the Division of Legislative Audit.

As required by AS 44.60.050 (c), the Committee submits the following findings:

(1) the extent to which the board, commission or program has operated in the public interest.

The board has held three public meetings a year, administers a yearly licensing examination and has passed regulations concerning dangerous drugs, continuing education as proof of continued competency, false or misleading advertising of drugs and prepackaging of drugs in hospital drug rooms.

(2) the extent to which the operation of the board, commission or agency program has been impeded or enhanced by existing statutes, procedures, and practices which it has adopted, and any other matter, including budgetary, resource, and personnel matters.

Prior audit recommendation (1983) was that continuing competency regulations are too stringent and should be changed. The regulations require nonacademic programs to have an examination or another method of assuring satisfactory completion of the program before credit will be given. Continued competency regulations may also be waived for chronic illness, retirement, military service or hardship.

The 1985 audit states that the board believes the regulations to be arbitrary or unreasonable and should be changed since the board has deviated from their written policy in accepting nonregulation credits. Legislative Audit also believes it is more reasonable to require

individuals who have been chronically ill, retired or in the military to demonstrate continued competency than those who have not interrupted their practice. These recommendations were accomplished by the board in August of 1985.

(3) the extent to which the board, commission or agency has recommended statutory changes which are generally of benefit to the public interest.

The board succeeded in having various obsolete or vague statutory requirements repealed which provided for smoother operation of the board. The board also was instrumental in passage of the controlled substances registration and the Marijuana Therapeutic Research Program which are currently recommended, by Legislative Audit, for repeal.

(4) the extent to which the board, commission or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service which it has provided.

Board meetings are announced to the public. Comments on regulation changes are solicited by announcement in public newspapers. The board does not actively solicit comments on its effectiveness.

(5) the extent to which the board, commission or agency has encouraged public participation in the making of its regulations and decisions.

The board announces proposed regulation changes or additions in newspapers according to the Administrative Procedures Act.

(6) the efficiency with which public inquiries or complaints regarding the activities of the board, commission or agency filed with it, with the department to which the board or commission is administratively assigned, or with the office of the ombudsman have been processed or resolved.

No problems were found by Legislative Audit.

(7) the extent to which the board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public.

The board has licensed 83 pharmacists in the last three years, all but eight were licensed by credentials. Legislative Audit found no instances where the board licensed unqualified practitioners.

(8) the extent to which state personnel practices, including affirmative action practices, have been complied with by the board, commission or agency to its own activities and the area of activity or interest.

Applications for licensure as a pharmacist require information and photographs which the Division of Equal Employment Opportunity believes may not be necessary to determine the qualifications of the applicant.

(9) the extent to which statutory, regulatory, budgeting or other changes are necessary to enable the agency, board or commission to better serve the

interests of the public and to comply with the factors enumerated in this subsection.

Legislative Audit found that state registration under the Controlled Substances Act is duplicative of the Federal Drug Enforcement Agency, unnecessary for litigation and costly for the state and that the board should recommend legislation to eliminate state registration.

The 1983 Audit recommendation that legislation be introduced to clarify the investigatory powers of the board and the Division was never accomplished, but has been incorporated into CSHB 641 (HESS)

The Audit also recommends repeal of the Marijuana Therapeutic Research Program since it was not accomplished in a timely fashion. The repeal is included in CSHB 641.

As required by AS 44.60.050 (d), the Committee submits the following findings:

(1) an identification of the problems or the needs that the programs and activities of the board, commission or agency are intended to address.

The board should recommend legislation to regulate pharmacy technicians. Although the Legislative Audit recommended the repeal of controlled substances registration, the committee has not addressed that issue, feeling that it will require further study.

(2) a statement, to the extent practicable, of the objectives of the program of the board, commission, or agency program, and its anticipated accomplishments.

The purpose of the board is to license qualified applicants, inspect pharmacies and adopt needed regulations.

(3) an identification of any other programs having similar, conflicting or duplicate objectives.

There are no other agencies which license pharmacists. The Department of Public Safety is the lead agency in enforcement of the Controlled Substances Act, and should be given the responsibilities currently assigned to the Board of Pharmacy which are necessary and do not duplicate federal DEA activity.

(4) an assessment of alternative methods of achieving the purposes of the program.

The Committee did not consider any alternatives for licensure. The Committee did consider the recommendations of the Departments of Law, Public Safety and Commerce and Economic Development for rewriting aspects of the Controlled Substances Act, but did not adopt these provisions because of opposition from members of the board, reserving the issue for possible future legislation.

(5) an assessment of the consequences of eliminating the board, commission or program and consolidating its activities with another program, or of funding it at a lower level.

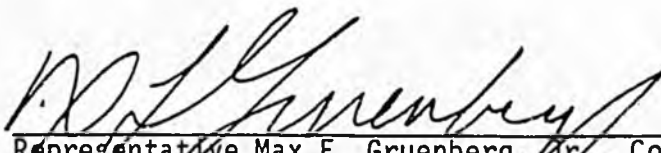
Eliminating the board would remove licensing mechanisms, which are designed to assure that practitioners are competent to practice. The Committee did not consider funding for the board since legislation was passed last year to require licensing boards to alter fees in order to support board expenses.

(6) a justification for the recommended continuation or extension of the board, commission or program, and an explanation of the manner in which it avoids duplication of or conflict with other efforts.

The board should be continued because the regulation and licensing of qualified professional pharmacists is necessary to protect the public's health, safety and welfare. There are no other agencies which regulate pharmacists.

(7) any other information which, in the opinion of the committee, would improve the performance of the board, commission or agency with respect to its representation of and responsiveness to the public interest.

The Committee has no further recommendations.



Representative Max F. Gruenberg, Jr., Co-Chair  
House Health, Education and Social Services Committee



Representative Niilo Koponen, Co-Chair  
House Health, Education and Social Services Committee