

## California Pharmacy Law – Changes for 2009

Provided below are code sections that were added, amended or repealed during the 2008 Legislative Session. Unless otherwise indicated, all these provisions go into effect January 1, 2009. Summaries of the changes made to many of the code sections will be provided in the next issue of *The Script*.

*(All changes or additions are shown in red. ~~Strikethrough~~ indicates text that has been removed. Underlined text has been added.)*

### Business and Professions Code

#### Amend:

Section 650 of the Business and Professions Code is amended to read:

#### 650.

- (a) Except as provided in Chapter 2.3 (commencing with Section 1400) of Division 2 of the Health and Safety Code, the offer, delivery, receipt, or acceptance by any person licensed under this division or the Chiropractic Initiative Act of any rebate, refund, commission, preference, patronage dividend, discount, or other consideration, whether in the form of money or otherwise, as compensation or inducement for referring patients, clients, or customers to any person, irrespective of any membership, proprietary interest or coownership in or with any person to whom these patients, clients, or customers are referred is unlawful.
- (b) The payment or receipt of consideration for services other than the referral of patients which is based on a percentage of gross revenue or similar type of contractual arrangement shall not be unlawful if the consideration is commensurate with the value of the services furnished or with the fair rental value of any premises or equipment leased or provided by the recipient to the payer.
- (c) The offer, delivery, receipt, or acceptance of any consideration between a federally-qualified health center, as defined in Section 1396d(l)(2)(B) of Title 42 of the United States Code, and any individual or entity providing goods, items, services, donations, loans, or a combination thereof, to the health center entity pursuant to a contract, lease, grant, loan, or other agreement, if that agreement contributes to the ability of the health center entity to maintain or increase the availability, or enhance the quality, of services provided to a medically underserved population served by the health center, shall be permitted only to the extent sanctioned or permitted by federal law.
- (d) Except as provided in Chapter 2.3 (commencing with Section 1400) of Division 2 of the Health and Safety Code and in Sections 654.1 and 654.2, it shall not be unlawful for any person licensed under this division to refer a person to any laboratory, pharmacy, clinic (including entities exempt from licensure pursuant to Section 1206 of the Health and Safety Code), or health care facility solely because the licensee has a proprietary interest or coownership in the laboratory, pharmacy, clinic, or

health care facility; provided, however, that the licensee's return on investment for that proprietary interest or coownership shall be based upon the amount of the capital investment or proportional ownership of the licensee which ownership interest is not based on the number or value of any patients referred. Any referral excepted under this section shall be unlawful if the prosecutor proves that there was no valid medical need for the referral.

- (e) ~~(1)~~ Except as provided in Chapter 2.3 (commencing with Section 1400) of Division 2 of the Health and Safety Code and in Sections 654.1 and 654.2, it shall not be unlawful to provide nonmonetary remuneration, in the form of hardware, software, or information technology and training services, ~~necessary and used solely to receive and transmit electronic prescription information in accordance with the standards set forth as described in Section 1860D-4(e) of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (42 U.S.C. Sec. 1395w-104) in the following situations:~~
- ~~(A) In the case of a hospital, by the hospital to members of its medical staff.~~
- ~~(B) In the case of a group medical practice, by the practice to prescribing health care professionals that are members of the practice.~~
- ~~Medicare prescription drug plan sponsors or Medicare Advantage organizations, by the sponsor or organization to pharmacists and pharmacies participating in the network of the sponsor or organization and to prescribing health care professionals.~~
- ~~(2) The exceptions set forth in this subdivision are adopted to conform state law with the provisions (y) of Section 1860D-1001.952 of Title 42 of the Code of Federal Regulations, as amended October 4, 2007, as published in the Federal Register (72 Fed. Reg. 56632, 56644), and subsequently amended versions.~~
- ~~4(e)(6) of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (42 U.S.C. Sec. 1395w-104) and are limited to drugs covered under Part D of the federal Medicare Program that are prescribed to Part D eligible individuals (42 U.S.C. Sec. 1395w-101).~~
- ~~(3) The exceptions set forth in this subdivision shall not be operative until the regulations required to be adopted by the Secretary of the United States Department of Health and Human Services, pursuant to Section 1860D-4(e) of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (42 U.S.C. Sec. 1395W-104) are effective. If the California Health and Human Services Agency determines that regulations are necessary to ensure that implementation of the provisions of paragraph (1) is consistent with the regulations adopted by the Secretary of the United States Department of Health and Human Services, it shall adopt emergency regulations to that effect.~~
- (f) "Health care facility" means a general acute care hospital, acute psychiatric hospital, skilled nursing facility, intermediate care facility, and any other health facility licensed by the State Department of Public Health under Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code.
- (g) A violation of this section is a public offense and is punishable upon a first conviction by imprisonment in the county jail for not more than one year, or by imprisonment in the state prison, or by a fine not exceeding fifty thousand dollars (\$50,000), or by both that imprisonment and fine. A second or subsequent conviction is punishable by imprisonment in the state prison or by imprisonment in the state prison and a fine of fifty thousand dollars (\$50,000).

Section 4033 of the Business and Professions Code is amended to read:

**4033. Manufacturer**

- (a) ~~"(1) "Manufacturer"\_"~~ means and includes every person who prepares, derives, produces, compounds, or repackages any drug or device except a pharmacy that manufactures on the immediate premises where the drug or device is sold to the ultimate consumer.
- (b2) Notwithstanding ~~subdivision (a), "paragraph (1), "manufacturer"\_"~~ shall not mean a pharmacy compounding a drug for parenteral therapy, pursuant to a prescription, for delivery to another pharmacy for the purpose of delivering or administering the drug to the patient or patients named in the prescription, provided that neither the components for the drug nor the drug are compounded, fabricated, packaged, or otherwise prepared prior to receipt of the prescription.
- (e3) Notwithstanding ~~subdivision (a), "paragraph (1), "manufacturer"\_"~~ shall not mean a pharmacy that, at a ~~patient's~~patient's request, repackages a drug previously dispensed to the patient, or to the ~~patient's~~patient's agent, pursuant to a prescription.
- (b) Notwithstanding subdivision (a), as used in Sections 4034, ~~(a)~~", 4163, 4163.1, 4163.2, 4163.3, 4163.4, and 4163.5, "manufacturer" means a person who prepares, derives, manufactures, produces, or repackages a dangerous drug, as defined in Section 4022, device, or cosmetic. Manufacturer also means the holder or holders of a New Drug Application (NDA), an Abbreviated New Drug Application (ANDA), or a Biologics License Application (BLA), provided that such application has been approved; a manufacturer's third party logistics provider; a private label distributor (including colicensed partners) for whom the private label distributor's prescription drugs are originally manufactured and labeled for the distributor and have not been repackaged; or the distributor agent for the manufacturer, contract manufacturer, or private label distributor, whether the establishment is a member of the manufacturer's affiliated group (regardless of whether the member takes title to the drug) or is a contract distributor site.

Section 4034 of the Business and Professions Code is amended to read:

**4034. Pedigree**

- (a) "Pedigree"\_" means a record, in electronic form, containing information regarding each transaction resulting in a change of ownership of a given dangerous drug, from sale by a manufacturer, through acquisition and sale by one or more wholesalers, manufacturers, repackagers, or pharmacies, until final sale to a pharmacy or other person furnishing, administering, or dispensing the dangerous drug. The pedigree shall be created and maintained in an interoperable electronic system, ensuring compatibility throughout all stages of distribution.
- (b) A pedigree shall include all of the following information:
- (1) The source of the dangerous drug, including the name, the federal ~~manufacturer's~~manufacturer's registration number or a state license number as determined by the board, and principal address of the source.
  - (2) The trade or generic name of the dangerous drug, the quantity of the dangerous drug, its dosage form and strength, the date of the transaction, the sales invoice number or, if not immediately available, a customer-specific shipping reference number linked to the sales invoice number, the container size, the number of containers, the expiration dates, and the lot numbers.

- (3) The business name, address, and the federal ~~manufacturer's~~manufacturer's registration number or a state license number as determined by the board, of each owner of the dangerous drug, and the dangerous drug shipping information, including the name and address of each person certifying delivery or receipt of the dangerous drug.
- (4) A certification under penalty of perjury from a responsible party of the source of the dangerous drug that the information contained in the pedigree is true and accurate.
- (5) The unique identification number described in subdivision (i).
- (c) A single pedigree shall include every change of ownership of a given dangerous drug from its initial manufacture through to its final transaction to a pharmacy or other person for furnishing, administering, or dispensing the drug, regardless of repackaging or assignment of another National Drug Code (NDC) Directory number. Dangerous drugs that are repackaged shall be serialized by the repackager and a pedigree shall be provided that references the pedigree of the original package or packages provided by the manufacturer.
- (d) A pedigree shall track each dangerous drug at the smallest package or immediate container distributed by the manufacturer, received and distributed by the wholesaler or repackager, and received by the pharmacy or another person furnishing, administering, or dispensing the dangerous drug. For purposes of this section, the "smallest package or immediate container" of a dangerous drug shall include any dangerous drug package or container made available to a repackager, wholesaler, pharmacy, or other entity for repackaging or redistribution, as well as the smallest unit made by the manufacturer for sale to the pharmacy or other person furnishing, administering, or dispensing the drug.
- (e) Any return of a dangerous drug to a wholesaler or manufacturer shall be documented on the same pedigree as the transaction that resulted in the receipt of the drug by the party returning it.
- (f) If a licensed health care service plan, hospital organization, and one or more physician organizations have exclusive contractual relationships to provide health care services, drugs distributed between these persons shall be deemed not to have changed ownership.
- (g) The following transactions are ~~not required to be recorded on a pedigree~~ exempt from the pedigree requirement created by this section:
- (1) An intracompany sale or transfer of a dangerous drug. For purposes of this section, "intracompany sale or transfer" means any transaction for any valid business purpose between a division, subsidiary, parent, or affiliated or related company under the common ownership and control of the same corporate or legal entity.
  - (2) Dangerous drugs received by the state or a local government entity from a department or agency of the federal government or an agent of the federal government specifically authorized to deliver dangerous drugs to the state or local government entity.
  - (3) The provision of samples of dangerous drugs by a manufacturer's employee to an authorized prescriber, provided the samples are dispensed to a patient of the prescriber without charge.
- ~~(2) An injectable dangerous drug that is delivered by the manufacturer directly to an authorized prescriber or other entity directly responsible for administration of the injectable dangerous drug, only for an~~

~~injectable dangerous drug that by law may only be administered under the professional supervision of the prescriber or other entity directly responsible for administration of the drug. Injectable dangerous drugs exempted from the pedigree requirement by this paragraph may not be dispensed to a patient or a patient's agent for self-administration, and shall only be administered to the patient, as defined in Section 4016, by the prescriber or other authorized entity that received the drug directly from the manufacturer.~~

~~(3) The exemption in paragraph (2) shall expire and be inoperative on January 1, 2010, unless prior to that date the board receives, at a public hearing, evidence that entities involved in the distribution of the injectable dangerous drugs subject to that paragraph are not able to provide a pedigree in compliance with all of the provisions of California law, and the board votes to extend the expiration date for the exemption until January 1, 2011. The decision as to whether to extend the expiration date shall be within the sole discretion of the board, and shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of the Government Code.~~

(4) (A) A sale, trade, or transfer of a radioactive drug, as defined in Section 1708.3 of Title 16 of the California Code of Regulations, between any two entities licensed by the Radiologic Health Branch of the State Department of Public Health, the federal Nuclear Regulatory Commission, or an Agreement state.

(B) The exemption in this paragraph shall remain in effect unless the board, no earlier than the date that is two years after the compliance date for manufacturers set forth in subdivision (k) of Section 4034 or Section 4163.5, determines after consultation with the Radiologic Health Branch of the State Department of Public Health that the risk of counterfeiting or diversion of a radioactive drug is sufficient to require a pedigree. Two years following the date of any such determination, this paragraph shall become inoperative.

(5) The sale, trade, or transfer of a dangerous drug that is labeled by the manufacturer as "for veterinary use only."

(6) The sale, trade, or transfer of compressed medical gas. For purposes of this section, "compressed medical gas" means any substance in its gaseous or cryogenic liquid form that meets medical purity standards and has application in a medical or homecare environment, including, but not limited to, oxygen and nitrous oxide.

(7) The sale, trade, or transfer of solutions. For purposes of this section, "solutions" means any of the following:

(A) Those intravenous products that, by their formulation, are intended for the replenishment of fluids and electrolytes, such as sodium, chloride, and potassium, calories, such as dextrose and amino acids, or both.

(B) Those intravenous products used to maintain the equilibrium of water and minerals in the body, such as dialysis solutions.

(C) Products that are intended for irrigation or reconstitution, as well as sterile water, whether intended for those purposes or for injection.

(8) Dangerous drugs that are placed in a sealed package with a medical device or medical supplies at the point of first shipment into commerce by the manufacturer and the package remains sealed until the drug and device are used, provided that the package is only used for surgical purposes.

(9) A product that meets either of the following criteria:

(A) A product comprised of two or more regulated components, such as a drug/device, biologic/device, or drug/device/biologic, that are

physically, chemically, or otherwise combined or mixed and produced as a single entity.

(B) Two or more separate products packaged together in a single package or as a unit and comprised of drug and device products or device and biological products.

- (h) If a manufacturer, wholesaler, or pharmacy has reasonable cause to believe that a dangerous drug in, or having been in, its possession is counterfeit or the subject of a fraudulent transaction, the manufacturer, wholesaler, or pharmacy shall notify the board within 72 hours of obtaining that knowledge. This subdivision shall apply to any dangerous drug that has been sold or distributed in or through this state.
- (i) "Interoperable electronic system" as used in this chapter means an electronic track and trace system for dangerous drugs that uses a unique identification number, established at the point of manufacture and supplemented by a linked unique identification number in the event that drug is repackaged, contained within a standardized nonproprietary data format and architecture, that is uniformly used by manufacturers, wholesalers, repackagers, and pharmacies for the pedigree of a dangerous drug. No particular data carrier or other technology is mandated to accomplish the attachment of the unique identification number described in this subdivision.  
~~pedigree of a dangerous drug.~~
- (j) The application of the pedigree requirement ~~in pharmacies~~ shall be subject to review during the ~~board's sunset review~~ board's evaluation pursuant to Section 473.4.  
~~to be conducted as described in subdivision (f) of Section 4001.~~
- (k) This section shall become operative on January 1, ~~2009. However, the board may extend the date for compliance~~ 2015. ~~with this section and Section 4163 until January 1, 2011, in accordance with Section 4163.5.~~

### Add:

Section 4034.1 is added to the Business and Professions Code, to read:

#### **4034.1. Enactment of Federal Legislation Related to Pedigree**

- (a) (1) Upon the effective date of federal legislation or adoption of a federal regulation addressing pedigree or serialization measures for dangerous drugs, Sections 4034, 4163, 4163.1, 4163.2, 4163.4, and 4163.5 shall become inoperative.
- (2) Within 90 days of the enactment of federal legislation or adoption of a regulation addressing pedigree or serialization measures for dangerous drugs, the board shall publish a notice that Sections 4034, 4163, 4163.1, 4163.2, 4163.4, and 4163.5 are inoperative.
- (3) Within 90 days of the enactment of federal legislation or adoption of a regulation that is inconsistent with any provision of California law governing the application of any pedigree or serialization requirement or standard, the board shall adopt emergency regulations necessary to reflect the inoperation of state law.
- (b) (1) If the Food and Drug Administration (FDA) enacts any rule, standard, or takes any other action that is inconsistent with any provision of California law governing application of a pedigree to a dangerous drug, that provision of California law shall be inoperative.

- (2) Within 90 days of the FDA enacting any rule, standard, or taking any other action that is inconsistent with any provision of California law governing application of a pedigree to a dangerous drug, the board shall publish a notice that the provision is inoperative.
- (3) Within 90 days of the FDA enacting any rule, standard, or taking any other action that is inconsistent with any provision of California law governing application of a pedigree to a dangerous drug, the board shall adopt emergency regulations necessary to reflect the inoperation of state law.
- (c) If the board fails to recognize the inoperation within 90 days pursuant to this section, nothing in this section shall preclude a party from filing an action in state or federal court for declaratory or injunctive relief as an alternative to filing a petition with the board.

Section 4044 is added to the Business and Professions Code, to read:

**4044. Repackager**

"Repackager" means a person or entity that is registered with the federal Food and Drug Administration as a repackager and operates an establishment that packages finished drugs from bulk or that repackages dangerous drugs into different containers, excluding shipping containers.

Section 4045 is added to the Business and Professions Code, to read:

**4045. Third-Party Logistics Provider or Reverse Third-Party Logistics Provider**

"Third-party logistics provider" or "reverse third-party logistic provider" means an entity licensed as a wholesaler that contracts with a dangerous drug manufacturer to provide or coordinate warehousing, distribution, or other similar services on behalf of a manufacturer, but for which there is no change of ownership in the dangerous drugs. For purposes of Sections 4034, 4163, 4163.1, 4163.2, 4163.3, 4163.4, and 4163.5, a third-party logistics provider shall not be responsible for generating or updating pedigree documentation, but shall maintain copies of the pedigree. To be exempt from documentation for pedigrees, a reverse third-party logistic provider may only accept decommissioned drugs from pharmacies or wholesalers.

SEC. 6. Section 4162 of the Business and Professions Code is amended, to read:

**4162. Wholesaler License Surety Bond Requirements**

- (a) (1) An applicant, that is not a government-owned and operated wholesaler, for the issuance or renewal of a wholesaler license shall submit a surety bond of one hundred thousand dollars (\$100,000) or other equivalent means of security acceptable to the board payable to the Pharmacy Board Contingent Fund. The purpose of the surety bond is to secure payment of any administrative fine imposed by the board and any cost recovery ordered pursuant to Section 125.3.
- (2) For purposes of paragraph (1), the board may accept a surety bond less than one hundred thousand dollars (\$100,000) if the annual gross receipts of the previous tax year for the wholesaler is ten million dollars (\$10,000,000) or less, in which case the surety bond shall be twenty-five thousand dollars (\$25,000).
- (3) A person to whom an approved new drug application has been issued by the United States Food and Drug Administration who engages in the wholesale distribution of only the dangerous drug specified in the new drug application.

and is licensed or applies for licensure as a wholesaler, shall not be required to post a surety bond as provided in paragraph (1).

~~application, and is licensed or applies for licensure as a wholesaler, shall not be required to post a surety bond as provided in paragraph (1).~~

- (4) For licensees subject to paragraph (2) or (3), the board may require a bond up to one hundred thousand dollars (\$100,000) for any licensee who has been disciplined by any state or federal agency or has been issued an administrative fine pursuant to this chapter.  
~~fine pursuant to this chapter.~~
- (b) The board may make a claim against the bond if the licensee fails to pay a fine within 30 days after the order imposing the fine, or costs become final.
- (c) A single surety bond or other equivalent means of security acceptable to the board shall satisfy the requirement of subdivision (a) for all licensed sites under common control as defined in Section 4126.5.
- ~~(d) This section shall become operative on January 1, 2006, and shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends those dates.~~

Section 4162.5 of the Business and Professions Code is amended to read:

**4162.5. Renewal of Nonresident Wholesaler License; Surety Bond [Repeals 1-1-2015]**

- (a) (1) An applicant for the issuance or renewal of a nonresident wholesaler license shall submit a surety bond of one hundred thousand dollars (\$100,000), or other equivalent means of security acceptable to the board, such as an irrevocable letter of credit, or a deposit in a trust account or financial institution, payable to the Pharmacy Board Contingent Fund. The purpose of the surety bond is to secure payment of any administrative fine imposed by the board and any cost recovery ordered pursuant to Section 125.3.
- (2) For purposes of paragraph (1), the board may accept a surety bond less than one hundred thousand dollars (\$100,000) if the annual gross receipts of the previous tax year for the nonresident wholesaler is ten million dollars (\$10,000,000) or less in which the surety bond shall be twenty-five thousand dollars (\$25,000).
- (3) For applicants who satisfy paragraph (2), the board may require a bond up to one hundred thousand dollars (\$100,000) for any nonresident wholesaler who has been disciplined by any state or federal agency or has been issued an administrative fine pursuant to this chapter.
- (4) A person to whom an approved new drug application or a biologics license application has been issued by the United States Food and Drug Administration who engages in the wholesale distribution of only the dangerous drug specified in the new drug application or biologics license application, and is licensed or applies for licensure as a nonresident wholesaler, shall not be required to post a surety bond as provided in this section.
- (b) The board may make a claim against the bond if the licensee fails to pay a fine within 30 days of the issuance of the fine or when the costs become final.
- (c) A single surety bond or other equivalent means of security acceptable to the board shall satisfy the requirement of subdivision (a) for all licensed sites under common control as defined in Section 4126.5.

~~(d) This section shall become operative on January 1, 2006, and shall become inoperative and is repealed on, January 1, 2015, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends those dates.~~

**4163.**

Section 4163 of the Business and Professions Code is amended to read:

**4163. Unauthorized Furnishing by Manufacturer or Wholesaler**

- (a) A manufacturer ~~or,~~ wholesaler, repackager, or pharmacy may not furnish a dangerous drug or dangerous device to an unauthorized person.
- (b) Dangerous drugs or dangerous devices shall be acquired from a person authorized by law to possess or furnish dangerous drugs or dangerous devices. When the person acquiring the dangerous drugs or dangerous devices is a wholesaler, the obligation of the wholesaler shall be limited to obtaining confirmation of licensure of those sources from whom it has not previously acquired dangerous drugs or dangerous devices.
- (c) Except as otherwise provided in Section 4163.5, commencing on ~~January~~ July 1, ~~2009~~ 2016, a wholesaler or ~~pharmacy~~ repackager may not sell, trade, or transfer a dangerous drug at wholesale without providing a pedigree.
- (d) Except as otherwise provided in Section 4163.5, commencing on ~~January~~ July 1, ~~2009~~ 2016, a wholesaler or ~~pharmacy~~ repackager may not acquire a dangerous drug without receiving a pedigree.
- ~~(e) Except as otherwise provided in Section 4163.5, commencing on July 1, 2017, a pharmacy may not sell, trade, or transfer a dangerous drug at wholesale without providing a pedigree.~~
- ~~(f) Except as otherwise provided in Section 4163.5, commencing on July 1, 2017, a pharmacy may not acquire a dangerous drug without receiving a pedigree.~~
- ~~(g) Except as otherwise provided in Section 4163.5, commencing on July 1, 2017, a pharmacy warehouse may not acquire a dangerous drug without receiving a pedigree. For purposes of this section and Section 4034, a "pharmacy warehouse" means a physical location licensed as a wholesaler for prescription drugs that acts as a central warehouse and performs intracompany sales or transfers of those drugs to a group of pharmacies under common ownership and control.~~

Section 4163.1 is added to the Business and Professions Code, to read:

**4163.1. Drop Shipment: Definition**

- (a) For purposes of Sections 4034 and 4163, "drop shipment" means a sale of a dangerous drug by the manufacturer of the dangerous drug whereby all of the following occur:
  - (1) The pharmacy, or other person authorized by law to dispense or administer the drug, receives delivery of the dangerous drug directly from the manufacturer.
  - (2) The wholesale distributor takes ownership of, but not physical possession of, the dangerous drug.
  - (3) The wholesale distributor invoices the pharmacy or other person authorized by law to dispense or administer the drug in place of the manufacturer.
- (b) The board may develop regulations to establish an alternative process to convey the pedigree information required in Section 4034 for dangerous drugs that are sold by drop shipment.

Section 4163.2 is added to the Business and Professions Code, to read:

**4163.2. Pedigree Grandfathering**

- (a) (1) A manufacturer, wholesaler, or pharmacy lawfully possessing or owning dangerous drugs manufactured or distributed prior to the operative date of the pedigree requirements, specified in Sections 4034 and 4163, may designate these dangerous drugs as not subject to the pedigree requirements by preparing a written declaration made under penalty of perjury that lists those dangerous drugs.
- (2) The written declaration shall include the National Drug Code Directory lot number for each dangerous drug designated. The written declaration shall be submitted to and received by the board no later than 30 days after the operative date of the pedigree requirements. The entity or person submitting the written declaration shall also retain for a period of three years and make available for inspection by the board a copy of each written declaration submitted.
- (3) The board may, by regulation, further specify the requirements and procedures for the creation and submission of these written declarations. Information contained in these declarations shall be considered trade secrets and kept confidential by the board.
- (b) Any dangerous drugs designated on a written declaration timely created and submitted to the board may be purchased, sold, acquired, returned, or otherwise transferred without meeting the pedigree requirements, if the transfer complies with the other requirements of this chapter.

Section 4163.3 is added to the Business and Professions Code, to read:

**4163.3. Pedigree Inference Standards**

- (a) It is the intent of the Legislature that participants in the distribution chain for dangerous drugs, including manufacturers, wholesalers, or pharmacies furnishing, administering, or dispensing dangerous drugs, distribute and receive electronic pedigrees, and verify and validate the delivery and receipt of dangerous drugs against those pedigrees at the unit level, in a manner that maintains the integrity of the pedigree system without an unacceptable increase in the risk of diversion or counterfeiting.
- (b) To meet this goal, and to facilitate efficiency and safety in the distribution chain, the board shall, by regulation, define the circumstances under which participants in the distribution chain may infer the contents of a case, pallet, or other aggregate of individual units, packages, or containers of dangerous drugs, from a unique identifier associated with the case, pallet, or other aggregate, without opening each case, pallet, or other aggregate or otherwise individually validating each unit.
- (c) Manufacturers, wholesalers, and pharmacies opting to employ the use of inference as authorized by the board to comply with the pedigree requirements shall document their processes and procedures in their standard operating procedures (SOPs) and shall make those SOPs available for board review.
- (d) SOPs regarding inference shall include a process for statistically sampling the accuracy of information sent with inbound product.
- (e) Liability associated with accuracy of product information and pedigree using inference shall be specified in the board's regulations.

Section 4163.4 is added to the Business and Professions Code, to read:

**4163.4. Holding Legal Title on Pedigree Requirement Effective Date**

- (a) All units of dangerous drug in the possession of a wholesaler or pharmacy, for which the manufacturer does not hold legal title on the effective date of the pedigree requirement set forth in Section 4163.5, shall not be subject to the pedigree requirements set forth in Sections 4034 and 4163. However, if any units of those drugs are subsequently returned to the manufacturer, they shall be subject to the pedigree requirements if the manufacturer distributes those units in California.
- (b) All units of dangerous drug manufactured in California but distributed outside the state for dispensing outside the state shall not be subject to the pedigree requirements set forth in Sections 4034 and 4163 at either the time of initial distribution or in the event that any of those units are subsequently returned to the manufacturer.

**Repeal:** Section 4163.5 of the Business and Professions Code is repealed. (A new section 4163.5 was added, see below.)

Section 4163.5 is added to the Business and Professions Code, to read:

**4163.5. Implementation of Pedigree Requirement**

- (a) The Legislature hereby finds and declares that:
- (1) The electronic pedigree system required by Sections 4034 and 4163 will provide tremendous benefits to the public and to all participants in the distribution chain. Those benefits should be made available as quickly as possible through the full cooperation of prescription drug supply chain participants. To this end, all drug manufacturers and repackagers are strongly encouraged to serialize drug products and initiate electronic pedigrees as soon as possible, and all participants in the supply chain are encouraged to immediately ready themselves to receive and pass electronic pedigrees.
- (2) At the same time, it is recognized that the process of implementing serialized electronic pedigree for all prescription drugs in the entire chain of distribution is a complicated technological and logistical undertaking for manufacturers, wholesalers, repackagers, pharmacies, and other supply chain participants. The Legislature seeks to ensure continued availability of prescription drugs in California while participants implement these requirements.
- (b) Before January 1, 2015, each manufacturer of a dangerous drug distributed in California shall designate those dangerous drugs representing a minimum of 50 percent of its drugs, generic or single source, distributed in California, for which it is listed as the manufacturer by the federal Food and Drug Administration, which shall be the subject of its initial phase of compliance with the January 1, 2015, deadline of the state's serialized electronic pedigree requirements set forth in Sections 4034 and 4163. Each manufacturer shall notify the Board of Pharmacy of the drugs so designated and the measure or measures used in designating its drugs to be serialized, and shall include in the notification the technology to be used to meet the serialized electronic pedigree requirements. The notification process for these specific actions may be specified by the board.
- (c) Before January 1, 2016, each manufacturer of a dangerous drug distributed in California shall designate the final 50 percent of its drugs, generic or single source, distributed in California for which it is listed as the manufacturer by the federal Food and Drug Administration that are subject to the state's serialized electronic pedigree

requirements set forth in Sections 4034 and 4163, which shall comply with the state's serialized electronic pedigree requirement by January 1, 2016. Each manufacturer shall notify the Board of Pharmacy of the drugs so designated and the measure or measures used in designating its drugs to be serialized, and shall include in the notification the technology to be used to meet the serialized electronic pedigree requirements. The notification process for these specific actions may be specified by the board.

(d) For purposes of designating drugs to be serialized as required by subdivisions (b) and (c), manufacturers shall select from any of the following measures:

- (1) Unit volume.
- (2) Product package (SKU) type.
- (3) Drug product family.

(e) Drugs not subject to compliance with the pedigree requirements set forth in Sections 4034 and 4163 under this section shall not be subject to the provisions of subdivisions (c), (d), (e), and (f) of Section 4163.

Section 4371 of the Business and Professions Code is amended to read:

**4371. Pharmacists Recovery Program Manager Requirements**

- (a) The ~~board~~ executive officer of the board shall designate a program manager of the pharmacists recovery program. The program manager shall have background experience in dealing with substance abuse issues.
- (b) The program manager shall review the pharmacists recovery program on a quarterly basis. As part of this evaluation, the ~~board~~ program manager shall review files of all participants in the pharmacists recovery program.
- (c) The program manager shall work with the contractor administering the pharmacists recovery program to evaluate participants in the program according to established guidelines and to develop treatment contracts and evaluate participant progress in the program.

Section 11055 of the Health and Safety Code is amended to read:

**11055. Schedule II Controlled Substances**

- (a) The controlled substances listed in this section are included in Schedule II.
- (b) Any of the following substances, except those narcotic drugs listed in other schedules, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by combination of extraction and chemical synthesis:
  - (1) Opium, opiate, and any salt, compound, derivative, or preparation of opium or opiate, with the exception of naloxone hydrochloride (N-allyl-14-hydroxy-nordihydromorphinone hydrochloride), but including the following:
    - (A) Raw opium.
    - (B) Opium extracts.
    - (C) Opium fluid extracts.
    - (D) Powdered opium.
    - (E) Granulated opium.
    - (F) Tincture of opium.
    - (G) Apomorphine.

- (H) Codeine.
  - (I) Ethylmorphine.
  - (J) Hydrocodone.
  - (K) Hydromorphone.
  - (L) Metopon.
  - (M) Morphine.
  - (N) Oxycodone.
  - (O) Oxymorphone.
  - (P) Thebaine.
- (2) Any salt, compound, isomer, or derivative, whether natural or synthetic, of the substances referred to in paragraph (1), but not including the isoquinoline alkaloids of opium.
  - (3) Opium poppy and poppy straw.
  - (4) Coca leaves and any salt, compound, derivative, or preparation of coca leaves, but not including decocainized coca leaves or extractions which do not contain cocaine or ecgonine.
  - (5) Concentrate of poppy straw (the crude extract of poppy straw in either liquid, solid, or powder form which contains the phenanthrene alkaloids of the opium poppy).
  - (6) Cocaine, except as specified in Section 11054.
  - (7) Ecgonine, whether natural or synthetic, or any salt, isomer, derivative, or preparation thereof.
- (c) Opiates. Unless specifically excepted or unless in another schedule, any of the following opiates, including its isomers, esters, ethers, salts, and salts of isomers, esters, and ethers whenever the existence of those isomers, esters, ethers, and salts is possible within the specific chemical designation, dextrophan and levopropoxyphene excepted:
- (1) Alfentanyl.
  - (2) Alphaprodine.
  - (3) Anileridine.
  - (4) Bezitramide.
  - (5) Bulk dextropropoxyphene (nondosage forms).
  - (6) Dihydrocodeine.
  - (7) Diphenoxylate.
  - (8) Fentanyl.
  - (9) Isomethadone.
  - (10) Levoalphacetylmethadol, also known as levo-alpha-acetylmethadol, levomethadyl acetate, or LAAM. This substance is authorized for the treatment of narcotic addicts under federal law (see Part 291 (commencing with Section 291.501) and Part 1308 (commencing with Section 1308.01) of Title 21 of the Code of Federal Regulations).
  - (11) Levomethorphan.
  - (12) Levorphanol.
  - (13) Metazocine.
  - (14) Methadone.
  - (15) Methadone-Intermediate, 4-cyano-2-dimethylamino-4, 4-diphenyl butane.
  - (16) Moramide-Intermediate, 2-methyl-3-morpholino-1, 1-diphenylpropane-carboxylic acid.

- (17) Pethidine (meperidine).
  - (18) Pethidine-Intermediate-A, 4-cyano-1-methyl-4-phenylpiperidine.
  - (19) Pethidine-Intermediate-B, ethyl-4-phenylpiperidine-4-carboxylate.
  - (20) Pethidine-Intermediate-C, 1-methyl-4-phenylpiperidine-4-carboxylic acid.
  - (21) Phenazocine.
  - (22) Piminodine.
  - (23) Racemethorphan.
  - (24) Racemorphan.
  - (25) Sufentanyl.
- (d) Stimulants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system:
- (1) Amphetamine, its salts, optical isomers, and salts of its optical isomers.
  - (2) Methamphetamine, its salts, isomers, and salts of its isomers.
  - (3) Dimethylamphetamine (N,N-dimethylamphetamine), its salts, isomers, and salts of its isomers.
  - (4) N-Ethylmethamphetamine (N-ethyl, N-methylamphetamine), its salts, isomers, and salts of its isomers.
  - (5) Phenmetrazine and its salts.
  - (6) Methylphenidate.
  - (7) Khat, which includes all parts of the plant classified botanically as Catha Edulis, whether growing or not, the seeds thereof, any extract from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or extracts.
  - (8) Cathinone (also known as alpha-aminopropiophenone, 2-aminopropiophenone, and norephedrone).
- (e) Depressants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a depressant effect on the central nervous system, including its salts, isomers, and salts of isomers whenever the existence of those salts, isomers, and salts of isomers is possible within the specific chemical designation:
- (1) Amobarbital.
  - (2) Pentobarbital.
  - (3) Phencyclidines, including the following:
    - (A) 1-(1-phenylcyclohexyl) piperidine (PCP).
    - (B) 1-(1-phenylcyclohexyl) morpholine (PCM).
    - (C) Any analog of phencyclidine which is added by the Attorney General by regulation pursuant to this paragraph.

The Attorney General, or his or her designee, may, by rule or regulation, add additional analogs of phencyclidine to those enumerated in this paragraph after notice, posting, and hearing pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The Attorney General shall, in the calendar year of the regular session of the Legislature in which the rule or regulation is adopted, submit a draft of a proposed bill to each house of the Legislature which would incorporate the analogs into this code. No rule or regulation shall remain in effect beyond January 1 after the calendar year of the regular session in which the draft of the proposed bill is submitted to each house.

However, if the draft of the proposed bill is submitted during a recess of the Legislature exceeding 45 calendar days, the rule or regulation shall be effective until January 1 after the next calendar year.

- (4) Secobarbital.
- (5) Glutethimide.
- (f) Immediate precursors. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances:
  - (1) Immediate precursor to amphetamine and methamphetamine:
    - (A) Phenylacetone. Some trade or other names: phenyl-2 propanone; P2P; benzyl methyl ketone; methyl benzyl ketone.
  - (2) Immediate precursors to phencyclidine (PCP):
    - (A) 1-phenylcyclohexylamine.
    - (B) 1-piperidinocyclohexane carbonitrile (PCC).

Section 11057 of the Health and Safety Code is amended to read:

**11057. Schedule IV Controlled Substances**

- (a) The controlled substances listed in this section are included in Schedule IV.
- (b) Schedule IV shall consist of the drugs and other substances, by whatever official name, common or usual name, chemical name, or brand name designated, listed in this section.
- (c) Narcotic drugs. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation containing any of the following narcotic drugs, or their salts calculated as the free anhydrous base or alkaloid, in limited quantities as set forth below:
  - (1) Not more than 1 milligram of difenoxin and not less than 25 micrograms of atropine sulfate per dosage unit.
  - (2) Dextropropoxyphene (alpha-(+)-4-dimethylamino-1, 2-diphenyl-3-methyl-2-propionoxybutane).
  - (3) Butorphanol.
- (d) Depressants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances, including its salts, isomers, and salts of isomers whenever the existence of those salts, isomers, and salts of isomers is possible within the specific chemical designation:
  - (1) Alprazolam.
  - (2) Barbitol.
  - (3) Chloral betaine.
  - (4) Chloral hydrate.
  - (5) Chlordiazepoxide.
  - (6) Clobazam.
  - (7) Clonazepam.
  - (8) Clorazepate.
  - (9) Diazepam.
  - (10) Estazolam.
  - (11) Ethchlorvynol.
  - (12) Ethinamate.

- (13) Flunitrazepam.
  - (14) Flurazepam.
  - (15) Halazepam.
  - (16) Lorazepam.
  - (17) Mebutamate.
  - (18) Meprobamate.
  - (19) Methohexital.
  - (20) Methylphenobarbital (Mephobarbital).
  - (21) Midazolam.
  - (22) Nitrazepam.
  - (23) Oxazepam.
  - (24) Paraldehyde.
  - (25) Petrichoral.
  - (26) Phenobarbital.
  - (27) Prazepam.
  - (28) Quazepam.
  - (29) Temazepam.
  - (30) Triazolam.
  - (31) Zaleplon.
  - (32) Zolpidem.
- (e) Fenfluramine. Any material, compound, mixture, or preparation which contains any quantity of the following substances, including its salts, isomers (whether optical, position, or geometric), and salts of those isomers, whenever the existence of those salts, isomers, and salts of isomers is possible:
- (1) Fenfluramine.
- (f) Stimulants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system, including its salts, isomers (whether optical, position, or geometric), and salts of those isomers is possible within the specific chemical designation:
- (1) Diethylpropion.
  - (2) Mazindol.
  - (3) Modafinil.
  - (4) Phentermine.
  - (5) Pemoline (including organometallic complexes and chelates thereof).
  - (6) Pipradrol.
  - (7) SPA ((-)-1-dimethylamino-1,2-diphenylethane).
  - (8) Cathine ((+)-norpseudoephedrine).
- (g) Other substances. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture or preparation which contains any quantity of pentazocine, including its salts.

Section 56.10 of the Civil Code is amended to read:

**56.10. Prohibition of Unauthorized Disclosure of Medical Information**

- (a) No provider of health care, health care service plan, or contractor shall disclose medical information regarding a patient of the provider of health care or an

enrollee or subscriber of a health care service plan without first obtaining an authorization, except as provided in subdivision (b) or (c).

- (b) A provider of health care, a health care service plan, or a contractor shall disclose medical information if the disclosure is compelled by any of the following:
- (1) By a court pursuant to an order of that court.
  - (2) By a board, commission, or administrative agency for purposes of adjudication pursuant to its lawful authority.
  - (3) By a party to a proceeding before a court or administrative agency pursuant to a subpoena, subpoena duces tecum, notice to appear served pursuant to Section 1987 of the Code of Civil Procedure, or any provision authorizing discovery in a proceeding before a court or administrative agency.
  - (4) By a board, commission, or administrative agency pursuant to an investigative subpoena issued under Article 2 (commencing with Section 11180) of Chapter 2 of Part 1 of Division 3 of Title 2 of the Government Code.
  - (5) By an arbitrator or arbitration panel, when arbitration is lawfully requested by either party, pursuant to a subpoena duces tecum issued under Section 1282.6 of the Code of Civil Procedure, or ~~any other~~ another provision authorizing discovery in a proceeding before an arbitrator or arbitration panel.
  - (6) By a search warrant lawfully issued to a governmental law enforcement agency.
  - (7) By the patient or the patient's representative pursuant to Chapter 1 (commencing with Section 123100) of Part 1 of Division 106 of the Health and Safety Code.
  - (8) By a coroner, when requested in the course of an investigation by the coroner's office for the purpose of identifying the decedent or locating next of kin, or when investigating deaths that may involve public health concerns, organ or tissue donation, child abuse, elder abuse, suicides, poisonings, accidents, sudden infant deaths, suspicious deaths, unknown deaths, or criminal deaths, or when otherwise authorized by the decedent's representative. Medical information requested by the coroner under this paragraph shall be limited to information regarding the patient who is the decedent and who is the subject of the investigation and shall be disclosed to the coroner without delay upon request.
  - (9) When otherwise specifically required by law.
- (c) A provider of health care or a health care service plan may disclose medical information as follows:
- (1) The information may be disclosed to providers of health care, health care service plans, contractors, or other health care professionals or facilities for purposes of diagnosis or treatment of the patient. This includes, in an emergency situation, the communication of patient information by radio transmission or other means between emergency medical personnel at the scene of an emergency, or in an emergency medical transport vehicle, and emergency medical personnel at a health facility licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code.
  - (2) The information may be disclosed to an insurer, employer, health care service plan, hospital service plan, employee benefit plan, governmental authority, contractor, or any other person or entity responsible for paying for health care services rendered to the patient, to the extent necessary to allow responsibility

for payment to be determined and payment to be made. If (A) the patient is, by reason of a comatose or other disabling medical condition, unable to consent to the disclosure of medical information and (B) no other arrangements have been made to pay for the health care services being rendered to the patient, the information may be disclosed to a governmental authority to the extent necessary to determine the patient's eligibility for, and to obtain, payment under a governmental program for health care services provided to the patient. The information may also be disclosed to another provider of health care or health care service plan as necessary to assist the other provider or health care service plan in obtaining payment for health care services rendered by that provider of health care or health care service plan to the patient.

- (3) The information may be disclosed to a person or entity that provides billing, claims management, medical data processing, or other administrative services for providers of health care or health care service plans or for any of the persons or entities specified in paragraph (2). However, ~~no~~ information so disclosed shall not be further disclosed by the recipient in ~~any a~~ way that would violate this part.
- (4) The information may be disclosed to organized committees and agents of professional societies or of medical staffs of licensed hospitals, licensed health care service plans, professional standards review organizations, independent medical review organizations and their selected reviewers, utilization and quality control peer review organizations as established by Congress in Public Law 97-248 in 1982, contractors, or persons or organizations insuring, responsible for, or defending professional liability that a provider may incur, if the committees, agents, health care service plans, organizations, reviewers, contractors, or persons are engaged in reviewing the competence or qualifications of health care professionals or in reviewing health care services with respect to medical necessity, level of care, quality of care, or justification of charges.
- (5) The information in the possession of a provider of health care or health care service plan may be reviewed by a private or public body responsible for licensing or accrediting the provider of health care or health care service plan. However, no patient-identifying medical information may be removed from the premises except as expressly permitted or required elsewhere by law, nor shall that information be further disclosed by the recipient in ~~any a~~ way that would violate this part.
- (6) The information may be disclosed to the county coroner in the course of an investigation by the coroner's office when requested for all purposes not included in paragraph (8) of subdivision (b).
- (7) The information may be disclosed to public agencies, clinical investigators, including investigators conducting epidemiologic studies, health care research organizations, and accredited public or private nonprofit educational or health care institutions for bona fide research purposes. However, no information so disclosed shall be further disclosed by the recipient in ~~any a~~ way that would disclose the identity of a patient or violate this part.
- (8) A provider of health care or health care service plan that has created medical information as a result of employment-related health care services to an

employee conducted at the specific prior written request and expense of the employer may disclose to the employee's employer that part of the information that:

- (A) Is relevant in a lawsuit, arbitration, grievance, or other claim or challenge to which the employer and the employee are parties and in which the patient has placed in issue his or her medical history, mental or physical condition, or treatment, provided that information may only be used or disclosed in connection with that proceeding.
  - (B) Describes functional limitations of the patient that may entitle the patient to leave from work for medical reasons or limit the patient's fitness to perform his or her present employment, provided that no statement of medical cause is included in the information disclosed.
- (9) Unless the provider of health care or health care service plan is notified in writing of an agreement by the sponsor, insurer, or administrator to the contrary, the information may be disclosed to a sponsor, insurer, or administrator of a group or individual insured or uninsured plan or policy that the patient seeks coverage by or benefits from, if the information was created by the provider of health care or health care service plan as the result of services conducted at the specific prior written request and expense of the sponsor, insurer, or administrator for the purpose of evaluating the application for coverage or benefits.
- (10) The information may be disclosed to a health care service plan by providers of health care that contract with the health care service plan and may be transferred among providers of health care that contract with the health care service plan, for the purpose of administering the health care service plan. Medical information ~~may shall~~ not otherwise be disclosed by a health care service plan except in accordance with ~~the provisions of~~ this part.
- (11) ~~Nothing in this part shall~~ This part does not prevent the disclosure by a provider of health care or a health care service plan to an insurance institution, agent, or support organization, subject to Article 6.6 (commencing with Section 791) of Chapter 1 of Part 2 of Division 1 of the Insurance Code, of medical information if the insurance institution, agent, or support organization has complied with all of the requirements for obtaining the information pursuant to Article 6.6 (commencing with Section 791) of Chapter 1 of Part 2 of Division 1 of the Insurance Code.
- (12) The information relevant to the patient's condition ~~and~~, care, and treatment provided may be disclosed to a probate court investigator in the course of ~~any~~ an investigation required or authorized in a conservatorship proceeding under the Guardianship-Conservatorship Law as defined in Section 1400 of the Probate Code, or to a probate court investigator, probation officer, or domestic relations investigator engaged in determining the need for an initial guardianship or continuation of an ~~existent~~ existing guardianship.
- (13) The information may be disclosed to an organ procurement organization or a tissue bank processing the tissue of a decedent for transplantation into the body of another person, but only with respect to the donating decedent, for the purpose of aiding the transplant. For the purpose of this paragraph, ~~the terms~~ "tissue bank" and "tissue" have the same ~~meaning~~ meanings as defined in Section 1635 of the Health and Safety Code.

- (14) The information may be disclosed when the disclosure is otherwise specifically authorized by law, including, but not limited to, the voluntary reporting, either directly or indirectly, to the federal Food and Drug Administration of adverse events related to drug products or medical device problems.
- (15) Basic information, including the patient's name, city of residence, age, sex, and general condition, may be disclosed to a state state-recognized or federally recognized disaster relief organization for the purpose of responding to disaster welfare inquiries.
- (16) The information may be disclosed to a third party for purposes of encoding, encrypting, or otherwise anonymizing data. However, no information so disclosed shall be further disclosed by the recipient in any a way that would violate this part, including the unauthorized manipulation of coded or encrypted medical information that reveals individually identifiable medical information.
- (17) For purposes of disease management programs and services as defined in Section 1399.901 of the Health and Safety Code, information may be disclosed as follows: (A) to an entity contracting with a health care service plan or the health care service plan's contractors to monitor or administer care of enrollees for a covered benefit, if the disease management services and care are authorized by a treating physician, or (B) to a disease management organization, as defined in Section 1399.900 of the Health and Safety Code, that complies fully with the physician authorization requirements of Section 1399.902 of the Health and Safety Code, if the health care service plan or its contractor provides or has provided a description of the disease management services to a treating physician or to the health care service plan's or contractor's network of physicians. ~~Nothing in this paragraph shall be construed to~~ This paragraph does not require physician authorization for the care or treatment of the adherents of a well-recognized church or religious denomination who depend solely upon prayer or spiritual means for healing in the practice of the religion of that church or denomination.
- (18) The information may be disclosed, as permitted by state and federal law or regulation, to a local health department for the purpose of preventing or controlling disease, injury, or disability, including, but not limited to, the reporting of disease, injury, vital events, including, but not limited to, birth or death, and the conduct of public health surveillance, public health investigations, and public health interventions, as authorized or required by state or federal law or regulation.
- (19) The information may be disclosed, consistent with applicable law and standards of ethical conduct, by a psychotherapist, as defined in Section 1010 of the Evidence Code, if the psychotherapist, in good faith, believes the disclosure is necessary to prevent or lessen a serious and imminent threat to the health or safety of a reasonably foreseeable victim or victims, and the disclosure is made to a person or persons reasonably able to prevent or lessen the threat, including the target of the threat.
- (20) The information may be disclosed as described in Section 56.103.
- (d) Except to the extent expressly authorized by ~~the~~ a patient or enrollee or subscriber or as provided by subdivisions (b) and (c), ~~no~~ a provider of health care, health care service plan, contractor, or corporation and its subsidiaries and affiliates shall

not intentionally share, sell, use for marketing, or otherwise use any medical information for any a purpose not necessary to provide health care services to the patient.

- (e) Except to the extent expressly authorized by ~~the~~ a patient or enrollee or subscriber or as provided by subdivisions (b) and (c), ~~no~~ a contractor or corporation and its subsidiaries and affiliates shall not further disclose medical information regarding a patient of the provider of health care or an enrollee or subscriber of a health care service plan or insurer or self-insured employer received under this section to any a person or entity that is not engaged in providing direct health care services to the patient or his or her provider of health care or health care service plan or insurer or self-insured employer.