BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF CONSUMER AFFAIRS
GOVERNOR EDMUND G. BROWN JR.

To: Board Members

Subject: AGENDA ITEM V Consideration of Waivers Previously Granted by the Board

Pursuant to Business and Professions Code section 4118 Relating to Centralized

Hospital Packaging Licenses

Background

In 2012 the California Society of Health System Pharmacists and the California Hospital Association sponsored legislation to establish a centralized hospital packaging license. The legislation would allow a hospital chain under common ownership to consolidate packaging operations into a single location in a specialized pharmacy to prepare single dose medications that are barcoded. The specific provisions were contained in AB 377 (Solorio, Chapter 687, Statutes of 2012).

Included in the provisions of this measure was the requirement that the unit dose medications filled by the centralized hospital packaging license be barcoded to be readable at the inpatient's bedside. The measure also specified the information which must be retrievable when the barcode is read. The board supported this measure and actively advocated for its passage because of the significant positive impact the use of barcoding would have on the reduction of medication errors that occur in hospitals. Specifically, the board's letter to the governor included the following:

"...Bar coding is important for patient safety. Before a medication is administered to a patient, by scanning the bar code on a medication, a patient's chart and a patient's wristband the right medication, in the right dose will be ensured at the patient's bedside. This provides an important step forward to improve patient safety and decrease the rate of medication errors and potential adverse drug events..."

Since January 2014, the board has considered and approved seven requests from hospitals seeking an exemption to allow them to secure a centralized packaging license – where the board has interpreted the barcode requirements specified in Section 4128.4 more broadly to allow additional time following licensure for the hospitals to fully comply with the requirements of the statute.

Recent Update

Assembly Bill 486 (Bonilla, Chapter 241, Statutes of 2015) was signed by the governor on September 2, 2015. As AB 486 contained an "Urgency" clause; upon the Governor's signature and upon filing with the Secretary of State, the new law will be in effective, thereby making the waivers unnecessary.

<u>Licensing Committee Discussion and Recommendation</u>

The committee briefly discussed the issue during its September 10 meeting and offers the following recommendation: Direct staff to prepare correspondence advising appropriate parties that because of changes in the law, the waiver is no longer necessary. Include as part of the correspondence that the board encourages development in technology to address the current limitations and to ultimately achieve all of the bar coding requirements originally envisioned in AB 377 (Solorio, Chapter 687, Statutes of 2012).