

**MEETING SUMMARY
LEGISLATION AND REGULATION COMMITTEE**

DATE: MARCH 30, 2004

LOCATION: TELECONFERENCE

BOARD MEMBERS PRESENT:

ANDREA ZINDER, CHAIR
DAVE FONG

BOARD STAFF PRESENT:

PATRICIA HARRIS
VIRGINIA HEROLD
PAUL RICHES

The meeting was convened at 10:35 a.m.

Legislation

The committee was provided with an update regarding Senate Bill 1307 (Figuroa) which is a board sponsored bill relating to wholesalers. The committee was informed that the bill would be amended to reflect the board approved policy on this issue. A draft of the amendments was included in the meeting materials for the committee's reference.

It was observed that the bill has broad implications in for both wholesalers and pharmacies and that many in the pharmacy community have not formulated a position on the proposal at this time. Staff indicated its continuing willingness to work on issues identified by any interested party as the bill moves through the legislative process.

The committee was also provided with an update regarding Senate Bill 1913 (Business and Professions Committee) which contains numerous technical or non-controversial changes to the pharmacy law. The text of the relevant provisions was provided in the meeting materials for the committee's reference.

The Legislation and Regulation Committee (committee) recommended that the board support Assembly Bill 320.

Discussion: The committee inquired as to how the enforcement cases involving civil complaints were handled currently. Staff informed the committee that existing law requires the board to be notified by the court of civil settlements exceeding \$5,000 and that the board does received such notifications. This bill would be consistent with preserving the board's role of public protection by ensuring that consumers would be free to report potential violations at any time.

The committee recommended that the board support Assembly Bill 1826.

Discussion: The committee inquired about the potential fiscal impact of this bill. Staff indicated that the criminal charges allowed by this bill would have to be filed by a prosecutor and would have no additional fiscal impact for the board.

The committee recommended that the board consider Assembly Bill 1957 without a recommendation from the Committee.

Discussion: The bill discussed the tension between affordability and the present law relating to the importation of prescription drugs and the potential conflicts that the bill would present to the board. In light of the fluid nature of bill relating to importation, the committee chose to forward the bills relating to importation to the full board without recommendation. These bills are likely to be subject to significant amendments during the legislative hearing process in the coming weeks.

The committee recommended that the board support Assembly Bill 1960 if it is amended.

Discussion: The committee discussed the findings of the board's 2003 task force regarding pharmacy benefits managers. The task force found that there was not sufficient demonstrated consumer harm to justify licensing pharmacy benefits managers at this time. The task force did identify numerous concerns between pharmacy benefit managers, their clients and pharmacies that would be best resolved by collaboration among those entities. Staff indicated that the bill would require the board to administer and enforce its provisions despite the findings of the task force. The committee recommended that the bill be amended to ensure that the board would not be responsible for enforcing its provisions.

The committee recommended that the board consider Assembly Bill 2125 without a recommendation from the Committee.

Discussion: The committee discussed the balance between the potential benefit to older patients and caregivers of having an indication or diagnosis on the prescription and the prescription label. The committee expressed concern about adopting this change absent hard evidence to indicate that this would increase patient compliance with prescribed therapy. In light of the potentially competing concerns presented the committee forwarded this bill for consideration without a recommendation.

The committee recommends that the board oppose Assembly Bill 2184 unless it is amended.

Discussion: The committee discussed the implications of expanding the use of automated dispensing devices and the bill's requirement to license these devices individually. The committee also discussed the need for a license category for these devices and the need for such new license categories to be subject to a sunrise review. The committee directed staff to continue working with the sponsor to find an acceptable resolution to this bill.

The committee recommends that the board support Assembly Bill 2660.

Discussion: The committee discussed recent amendments to the bill that resolved concerns articulated by staff in the analysis provided and recommended a support position

The committee recommended that the board support Assembly Bill 2682 if it is amended.

Discussion: The committee discussed the overlap and inconsistencies with the board sponsored bill on wholesaling (SB 1307). The committee indicated support for the concept of improving the safety of the wholesale distribution system but requested amendments to the bill ensuring consistency with SB 1307.

The committee recommended that the board consider Senate Bill 1149 without a recommendation from the Committee.

Discussion: The bill discussed the tension between affordability and the present law relating to the importation of prescription drugs and the potential conflicts that the bill would present to the board. In light of the fluid nature of bill relating to importation, the committee chose to forward the bills relating to importation to the full board without recommendation. These bills are likely to be subject to significant amendments during the legislative hearing process in the coming weeks.

The committee recommended that the board support Senate Bill 1159.

Discussion: The committee indicated continued support for eliminating the prescription requirement for needles and syringes. The discussion included consideration of the needle disposal options provided in the bill.

The committee recommended that the board consider Senate Bill 1333 without a recommendation from the Committee.

Discussion: The bill discussed the tension between affordability and the present law relating to the importation of prescription drugs and the potential conflicts that the bill would present to the board. In light of the fluid nature of bill relating to importation, the committee chose to forward the bills relating to importation to the full board without recommendation. These bills are likely to be subject to significant amendments during the legislative hearing process in the coming weeks.

The committee recommended that the board support Senate Bill 1427.

Discussion: The committee indicated its support for increased penalties for drug counterfeiting.

The committee recommended that the board oppose Senate Bill 1728 unless it is amended.

Discussion: The committee discussed the challenges that this bill would present for pharmacy inspections and requested amendments excluding the board from its provisions.

The committee recommended that the board support Senate Bill 1735.

Discussion: The committee discussed the impact of lost resources (both personnel and financial) that have resulted from the hiring freeze and other budget reductions. The committee indicated its support for the bill as it would result in better service to the public without harming the state's general fund budget deficit.

Regulations Update

The committee was provided with a status update on pending regulations and notified that the board would have two regulation hearings followed by votes and one regulation vote without a hearing at the April 2004 board meeting.

The committee was further informed that the pending regulations cleared the board's regulation backlog with the exception of updating the pharmacy self-assessment form which would be done later this year.

Adjournment

The committee adjourned at 12:30 p.m.