



California State Board of Pharmacy

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STATE AND CONSUMER SERVICES AGENCY
DEPARTMENT OF CONSUMER AFFAIRS
ARNOLD SCHWARZENEGGER, GOVERNOR

**STATE BOARD OF PHARMACY
DEPARTMENT OF CONSUMER AFFAIRS
PUBLIC BOARD MEETING
MINUTES**

DATE: July 27, 2006

LOCATION: State Capitol Building
Room 4203
Sacramento, CA 95814

BOARD MEMBERS

PRESENT: William Powers, President
Kenneth Schell, Pharm. D., Vice President
Ruth Conroy, Pharm. D.
Stanley Goldenberg, R.Ph.
Clarence Hiura, Pharm. D.
Henry Hough
Robert Swart, Pharm. D.
Andrea Zinder

BOARD MEMBER

ABSENT: Susan Ravnan, Pharm. D.

STAFF

PRESENT: Virginia Herold, Interim Executive Officer
Karen Cates, Assistant Executive Officer
Robert Ratcliff, Supervising Inspector
Judith Nurse, Supervising Inspector
Joan Coyne, Supervising Inspector
Joshua Room, Deputy Attorney General
Don Chang, Department of Consumer
Affairs Legal Counsel
Anne Sodergren, Legislative Coordinator
Kim deLong,
Victor Perez
Candy Place, Administrative Assistant
Julie C. Baker, Administrative Assistant

CALL TO ORDER

President Powers called the public meeting to order at 9:00 a.m. on July 27, 2006.

PRESIDENT'S REPORT

President Powers announced three newly appointed board members Henry Hough, Susan Ravnan and Robert Swart. Dr. Ravnan was unable to attend the board meeting.

President Powers announced that Virginia Herold was appointed by the board as interim executive officer until a new executive officer is selected. Ms. Herold was selected interim executive officer in a closed session meeting conducted before the start of the public meeting.

President Powers officially swore in Virginia Herold as the interim executive officer of the California Board of Pharmacy. President Powers acknowledged former board member John Jones, who was in the audience.

COMMUNICATION AND PUBLIC EDUCATION COMMITTEE

- **Report on the June 28, 2006 Meeting**

Chairperson Zinder stated that the Communication and Public Education Committee met on June 28, 2006, in a public session.

- **Update on the Development of Consumer Fact Sheet Series with UCSF's Center for Consumer Self Care**

Chairperson Zinder provided the board with an update on the new fact sheets being developed by the UCSF's pharmacist interns.

Nearly two years ago, the board approved a proposal to integrate pharmacy students into public outreach activities. The project chosen was the development of a consumer fact sheet series by pharmacist interns. This project is being coordinated by the UCSF Center for Consumer Self Care.

The board has printed nine fact sheets developed under this program, and more are being written by the interns for release before the end of the year. The fact sheets contain general information on a health care topic, and contain questions consumers can discuss with their pharmacists on making wise decisions in the subject area.

The nine fact sheets available publicly are now being translated by the board into Spanish, Chinese and Vietnamese. These are:

General Pharmaceutical Care Issues

1. "Is Your Medicine in the News?"
2. "Generic Drugs . . . Real Medicines at High Quality, Low Cost"
3. "Lower Your Drug Costs So You Can Keep On Taking Your Medicines"
4. "Don't Flush Your Medicines Down the Toilet"

Medicine Safety

5. "What's the Deal with Double Dosing? Too Much Acetaminophen, That's What!"
6. "Ever Miss a Dose of Your Medicine? Here are some Tips"
7. "Thinking of Herbals? Check Carefully Before You Take Them with Medicines"

Health Topics

8. "Diabetes – Engage Your Health Team"
9. "Did You Know? Good Oral Health Means Good Overall Health"

The board distributes these materials at consumer outreach fairs and they are listed on the Web site so interested individuals can access them. The board is promoting their availability in the next *The Script*. Pharmacists are encouraged to download and photocopy these materials for patients. The format of each one-page fact sheet has been designed to be attractive when photocopied. The fact sheet on disposing of unwanted medication is of special note and will be highlighted in *The Script*. Former Board Member John Jones referred to the fact sheet "Don't Flush Your Medicines Down the Toilet," and stated that it is important to inform the public about how to safely dispose of prescription drugs.

President Powers expressed concern regarding the lack of information available to consumers about how to take their medicines and encouraged the additional development of materials.

- **Update on Activities of the California Health Communication Partnership**

Chairperson Zinder stated that the board is a founding member of California Health Communication Partnership. This group is spearheaded by the UCSF's Center for Consumer Self Care to improve the health of Californians by developing and promoting consumer health education programs and activities developed by the members in an integrated fashion. The function of the group is to develop or disseminate integrated public information campaigns on priority health topics identified by the partnership members.

At the June Communication and Public Education Meeting, Bill Soller, PhD, of the Center for Consumer Self Care, made a presentation about the recent activities of the partnership. Past campaigns are:

2004-05: Preserve the Treasure – avoiding antibiotic overuse.
2005: Generic Medicines – same as brand names at lower costs.
2005: It's Your Life – breast cancer and prostate cancer screening.

The partnership is moving ahead with the fourth project – a 2006 version of last year's highly successful "It's Your Life" cancer screening campaign. The 2006 campaign is "It's Your Life, Do it Today." Again the Center for Consumer Self Care has received funding from a private foundation, which will greatly broaden the outreach effects through use of a firm that specializes in dissemination of public service announcements and prewritten articles to a diversity of media outlets nationwide.

Later this summer, the partnership will resume work on other future campaigns:

2006: Generic Medicine
2006: Diabetes and Aspirin

Chairperson Zinder stated that the committee also discussed the importance of public education campaigns about pharmacist-to-patient consultation since many consumers are not aware of this requirement and the importance of seeking and following a pharmacist's knowledge of drug therapy and how this can benefit their health. The committee suggested that some form of outreach to educate other health care providers about a pharmacist's requirement to consult would benefit both providers and patients. The board's representatives will also encourage a future campaign in this area.

Written information handed to patients with their prescription medication was also discussed. The issue is that only 44 percent of patients surveyed stated that they read the material provided to them with their medications. Concern is that this percentage may be higher than actually occurs because patients know they should read this material, and don't want to admit that they are not reading it.

There is need to encourage patients to read the label and especially seek out black box warnings.

Mr. Goldenberg stated that pharmacies are becoming information centers and the Communication and Public Education Committee has a great opportunity to produce the information that will assist in promoting better public health to consumers, and can be distributed by pharmacies.

Mr. Goldenberg suggested that the board advertise in *The Script* the information available on the board's Web site. Ms. Herold added that the next issue of *The Script* will focus on the availability of information on the board's Web site.

- **Approval of Committee's Strategic Plan**

Ms. Zinder stated that the committee supports the new objectives and activities in the strategic plan.

MOTION: Communication and Public Education Committee: That the Board of Pharmacy approve the Committee's Strategic Plan for 2006-07.

SUPPORT: 7 OPPOSE: 0

- **Update on *The Script***

Chairperson Zinder stated that the next board newsletter, *The Script*, will be published in August 2006, distributed to California pharmacies and placed on the board's Web site. The Pharmacy Foundation of California will publish and mail the newsletter to California's pharmacists. The newsletter will resume listing disciplinary actions taken. The name of the licensee will be listed along with the disciplinary action.

The board will also publish statistics on the top 10 corrections ordered during inspections and the types of fines the board has issued under the citation and fine program.

- **New Consumer Materials**

Chairperson Zinder stated that the new state's budget took effect on July 1, 2006, and restores a half-time position for its public education and licensee education duties that was lost during the hiring freezes of the early 2000s. The board will fill this position on a full-time basis because the need is so great for these materials. Recruitment is now underway.

1. **Targeted for development is:**

- Prescription Drug Discount Program for Medicare Recipients.
- The Beers List of Medications that should not be provided to elderly patients.
- Update of Facts About Older Adults and Medicines (revision).

1. **Web Site Modification:**

Kim Delong, board analyst, gave a presentation on the new "Enforcement Actions" feature on the board's Web site. This feature allows access of key documents involved with formal discipline of a licensee directly from the Web site by accessing the licensee's name. Additionally, another section lists all formal disciplinary actions taken in a three-month period. The board also is redesigning its Web page, which should be unveiled in August.

2. **AB 2583's Requirements to Add to the "Notice to Consumers"**

The board received an update on new consumer materials developed by the committee. Draft language was shared for an addition to the Notice to Consumers poster that would comply with a proposal in AB 2583 (Nation).

Mr. Goldenberg referred to AB 2583 and the consideration to have more than one poster in the pharmacy. He expressed concern that too many notices in a pharmacy may go unread. If AB 2583 is enacted, the board would be required to add a statement that describes a patient's right to obtain medication from a pharmacy:

1. even if a pharmacist has ethical, moral or religious grounds against dispensing a particular drug, in which case protocols for getting the patient the medication are required.
2. unless based upon the pharmacist's professional training and judgment that dispensing a drug is contrary to law or the drug would cause a harmful drug interaction or otherwise adversely affect the patient's medical condition.
3. unless the medication is out of stock or not available from the pharmacy.
4. unless the patient cannot pay for the medication or pay any required co-payment.

The committee noted that the addition of this material to the Notice to Consumers will be a challenge because the current poster is very full of text already. The exact text required by AB 2583 will need to eventually be promulgated in a regulation. The committee considered options for the poster:

1. Eliminating some material currently required on the Notice to Consumers
2. Increasing the size of the poster
3. Graphically redesigning the poster

The committee recommends that the board comply with AB 2583 by developing a new and second poster because the content of the new notice would be so different from the current required language.

The committee reviewed two drafts of language developed by staff to comply with this requirement and selected as a working text, the following:

California law provides that patients have the right to get prescription medicine timely from a pharmacy unless:

1. the pharmacist believes the prescription was not lawfully written
2. the pharmacist believes that the medicine, if provided, would harm the patient
3. the patient cannot pay for the medicine or pay the co-payment

The pharmacy is required to help you get your medicine timely even if the pharmacy does not stock or is out of the medicine, or if the pharmacist has ethical, moral or religious reasons why he or she will not provide it. In this case, the pharmacy may transfer your prescription to a pharmacy of your choice.

If you have questions, ask the pharmacist or contact the California State Board of Pharmacy.

The committee will work on the development of a new draft notice in future meetings. It may also be important to include information about a patient's right to pharmacist consultation on this poster as well.

- **Update on Public Outreach Activities**

Chairperson Zinder provided an update on the board's public outreach activities in the last quarter. Five presentations were made to students in schools of pharmacy, four information booths were hosted at public education events, and three presentations on pharmacy law were made to pharmacy associations or other professional groups.

LICENSING COMMITTEE

- **Report on the Meeting of June 15, 2006**

Chairperson Conroy reported on the Licensing Committee Meeting held June 15, 2006.

Chairperson Conroy acknowledged various pharmacy students from universities in the audience.

- **Recommendation to Recognize the School of Pharmacy at the University of Appalachia. (Title 16 CCR § 1719)**

Chairperson Conroy stated that the University of Appalachia College of Pharmacy (UACP) is requesting that the Board of Pharmacy recognize its school of pharmacy for purposes of approving intern applications. Current regulation, California Code of Regulations, Title 16, section 1719, states that a "recognized school of pharmacy" means a school accredited, or granted candidate status, by the Accreditation Council for Pharmacy Education (ACPE).

UACP was granted pre-candidate status by the ACPE in June 2005 to admit the first class of students in August 2005. Ms. Herold stated that according to the ACPE, the UACP is continuing to advance toward candidate status.

MOTION: Licensing Committee: That the Board of Pharmacy recognize the School of Pharmacy at the University of Appalachia for purposes of issuing intern pharmacist licenses.

SUPPORT: 7 OPPOSE: 0

- **Approval of the Licensing Committee's Strategic Plan**

Chairperson Conroy stated that at the April Board Meeting, the board updated its strategic plan. At the last meeting the Licensing Committee reviewed each of the 12 strategic issues for content and relevancy to the goal of licensing. The committee reviewed each of the five objectives for relevancy under each strategic issue. Additionally, activities have been added to the plan to achieve the objective and board goal.

MOTION: Licensing Committee: That the Board of Pharmacy approve the Strategic Plan of the Licensing Committee.

SUPPORT: 7 OPPOSE: 0

- **Restrictions on the Transfer of California Pharmacist License to Other States**

Chairperson Conroy stated that in a memorandum dated March 31, 2006, the National Association of Boards of Pharmacy reported on the state restrictions for license transfer. State restrictions prevent a pharmacist licensed in one state who wishes to become licensed in another state from transferring the North American Pharmacist Licensure Exam Score (NAPLEX) to the new state. While most states do reciprocate with each other; several states do not allow an applicant to transfer exam scores when using a particular license for the basis of transfer. Currently there are 26 states that do not allow a pharmacist from California to transfer a NAPLEX score to another state. As a result, such pharmacist would have to retake the NAPLEX.

The Licensing Committee requested that staff contact these 26 states to determine why a California license cannot be used for the basis of the transfer and determine what options would facilitate revision of their policy.

- **Licensing Statistics 2005/06 – Review**

The board reviewed licensing statistics for fiscal year 2005-06.

Dr. Schell noted that recently there were delays with the board's processing of pharmacists-in-charge applications.

Ms. Herold indicated that in the months of May and June there was an unusually large amount of new pharmacy applications processed due to the change of ownership structure of

Albertsons and Longs group purchase of a number of pharmacies. Unfortunately, this application process took a substantial amount of staff time from other processing duties.

- **Competency Committee Report**

The overall pass rate for fiscal year 2005-06 on the California Pharmacist Jurisprudence Examination (CPJE) is 79.9 percent. Detailed statistics on examine performance are provided at the April and October board meetings.

Chairperson Conroy stated that the Office of Examination Resources (OER) within the Department of Consumer Affairs is seeking a new contract with a vendor to provide computer based testing through requests for Proposal (RFP) process. Currently a new RFP has been released, with an award date in the fall. The award and activation of the contract are important to the board to continue computer-based test administration for the CPJE.

- **Recognition of Pharmacists Who Have Been Licensed for 50 Years:**

President Powers recognized pharmacists with 50 years of service who were present in the audience and publicly commended them. The pharmacists were given a Board of Pharmacy pin for 50 years of service.

President Powers thanked each pharmacist attending the board meeting for making the effort to attend the meeting.

- Anthony Petrulakis, licensed since 1955, stated that it has been a pleasure and an honor to be in his profession and he had enjoyed each day at work. He stated that it was a very rewarding career for him. He thanked the board for this recognition.
- Kenneth Costello, licensed since 1955, stated that the most rewarding part of his experience as a pharmacist was the opportunity to help people and talk with their families. He added that many changes occurred through the years, but he felt these have generally been positive.
- Mr. Richard Wayland, licensed since 1956, stated that he felt his pharmacist career was rewarding throughout the years.
- Mr. William Gellen, licensed since 1956, stated that he has worked as a pharmacist for the past 50 years, and continues to work today.

ENFORCEMENT COMMITTEE

Mr. Goldenberg stated that in 2004, the Board of Pharmacy sponsored SB 1307 (Figueroa), which was signed by Governor Schwarzenegger and became law on January 1, 2005.

The bill made various changes to the wholesaler requirements and distribution of dangerous drugs. Most of the changes strengthened and clarified the requirements for the distribution of dangerous drugs and dangerous devices in California.

- **Report on the Enforcement Committee and Meeting of the Workgroup on E-Pedigree of June 20, 2006.**

Chairperson Goldenberg reported on the Enforcement Committee meeting on June 20, 2006.

- **Request to Delay Implementation of Electronic Pedigree to January 1, 2008.**

Over the last year, the Enforcement Committee has been monitoring the implementation of this legislation especially the implementation of the pedigree requirement. The bill requires an electronic pedigree by January 1, 2007 and gives the board the authority to extend the compliance date to January 1, 2008.

The purpose of the pedigree is to maintain the integrity of the pharmaceutical supply chain in the United States. At the February board meeting, the board agreed to form a workgroup on E-Pedigree

Meanwhile, based on concern by the industry that they will be unable to meet the January 1, 2007 implementation date for the pedigree requirement, the Senate Business, Professions and Economic Development Committee introduced SB 1476 (Figueroa) to extend the implementation date to January 1, 2008. At the April meeting, the board did not take formal action to extend the implementation date to January 1, 2008. However, the board did take a support position on SB 1476. They took this position “reluctantly.”

At the June Enforcement Committee and Workgroup on E-Pedigree Meeting, Ilisa Bernstein, PharmD, JD, Director of Pharmacy Affairs, Office of the Commissioner of the FDA and William McConagha, Associate General Counsel, Office of the General Counsel presented, via telephone, recent actions by the FDA regarding the implementation of the regulations related to the Prescription Drug Marketing Act of 1987 (PDMA).

Dr. Bernstein provided a history of the Prescription Drug Marketing Act of 1987 (PDMA), and as modified by the Prescription Drug Amendments of 1992, that established requirements related to the wholesale distribution of prescription drugs. A primary purpose of the PDMA is to increase the safeguards to prevent the introduction and retail sale of substandard, ineffective, and counterfeit drugs in the U.S. drug supply chain.

Section 503(e)(1)(A) of the Act establishes the pedigree requirement for prescription drugs. A drug pedigree is a statement of origin that identifies each prior sale, purchase, or trade of a drug, including the date of those transactions and the names and addresses of all parties to them. Under the pedigree requirement, each person engaged in the wholesale distribution of a prescription drug in interstate commerce, which is not the manufacturer or an authorized

distributor of record for that drug, must provide to the person who receives the drug a pedigree for the drug. The PDMA states that an authorized distributor of record is a wholesaler that has an “ongoing relationship” with a manufacturer to distribute that manufacturer’s drug. However, the PDMA does not define “ongoing relationship.”

In 1999, the FDA published the final regulations implementing the PDMA. The regulations were to take effect in December 2000. After publication of the 1999 final rule, the agency received comments objecting to some of the provisions. The regulations defined “ongoing relationship” to include a written agreement between a manufacturer and wholesaler. The regulation specified the fields of information to be included in the drug pedigree and that this information must be traceable back to the first sale by the manufacturer. Based on concerns raised by various stakeholders, the agency delayed the effective date of these regulations several times.

In February 2004, the FDA delayed the effective date of these regulatory provisions until December 1, 2006, in part because the stakeholders in the U.S. drug supply chain informed the FDA that the industry would voluntarily implement electronic track and trace technology in 2007. If widely adopted, this technology would create a electronic pedigree that would document the sale of a drug product from the place of manufacture through the U.S. drug supply chain to the final dispenser and if properly implemented would meet the requirements of the PDMA regulation.

In June 2006, the FDA noted that although progress had been made, the use of electronic pedigree would not be widely adopted by 2007. The FDA stated that it did not intend to delay the effective date of the regulations beyond December 1, 2006. Therefore, the provisions defining an “ongoing relationship” and setting forth the pedigree requirements will go into effect in December 2006.

Dr. Bernstein stated that the enforcement priorities of the FDA would reflect a phased-in approach to the enforcement of the stayed pedigree provisions. The FDA contends that by providing guidance on the types of drugs that are of greatest concern, wholesale distributors will have a better idea of where and how to focus their initial energies as they implement systems to come into compliance. The policy guide will expire one year from the issue date of the final document.

Dr. Bernstein explained that the FDA Counterfeit Drug Task Force also recommended that stakeholders continue to expeditiously implement widespread use of e-pedigree across the drug supply chain and that the FDA would provide technical assistance if legislation related to e-pedigree is considered in Congress. It is desired that stakeholders continue moving forward in implementing RFID across the drug chain. The FDA is also working on an RFID Impact Study examining drugs and biologics, and publicly will share the results.

The Task Force’s recommendation is that the pedigree would be to the individual drug product package which would require mass serialization and that the NDC number should

continue to be closely associated with the product, and for non-line-of-sight technology, such as RFID, the unique identifier for the product should either include an encrypted NDC number or an accessible link to the NDC number to protect privacy. There should be one numbering schedule in the drug supply chain. To implement a universal and nationally uniform pedigree would require that the PDMA be amended by Congress.

Dr. Bernstein acknowledged and commended the California Board of Pharmacy in its effort to implement an electronic pedigree for prescription drugs. For a secure supply chain, FDA contends that it is imperative that there be transparency and accountability. The widespread adoption of electronic track and trace holds tremendous promise in securing the U.S. supply chain and the lifting of the stay of the PDMA regulations will provide a more effective enforcement of the law. Further, stakeholders (manufacturers, wholesalers, pharmacies, states and the Federal government) must remain vigilant in their responsibility to deliver safe and effective drugs to patients.

The California Pedigree Working Group (CPWG), which is comprised of five trade associations representing all sectors of the pharmaceutical supply chain submitted its comments to support its request to extend the implementation date of the electronic pedigree. It was noted that more than 70 representatives – from over 22 manufacturers, six distributors, nine trade associations, seven pharmacy chains and providers met twice to develop a unified position regarding the electronic pedigree requirements and focused on ensuring that solutions put in place do not limit or otherwise impede patient access to authentic products.

The members of the CPWG stated that there are substantial issues that make the adoption of any electronic pedigree system impossible by January 1, 2007. Neither the industry nor the technologies are capable of complying with board's goals at this time.

The working group explained that an extension of the electronic pedigree implementation date would provide the opportunity to continue to develop effective, interoperable solutions for California that will enhance security throughout the supply chain. It would allow time to develop a compliance model based on reasonable and unified steps and to create a non-disruptive and more effective electronic pedigree system. This time would also allow the industry to more carefully and thoroughly introduce major changes within the supply chain that the statutory mandates require.

The CPWG provided the following reasons to extend the implementation date: (1) no uniform standards in place for a drug pedigree (2) the supply chain lacks alignment in critical areas that it needs to resolve such as technology, processes, data security, resource availability, and agreement on the channels through which products should flow (3) a lack of consistency among states and federal requirements – California's pedigree requirements are unprecedented and unparalleled to other states and the federal requirements.

The CPWG identified short-term milestones that the industry agreed to continue working on in order to progress toward compliance:

- Develop Standards – The first step is to establish standards for product identification, data sets, ownership, and sharing, and interoperability. It is anticipated that the electronic pedigree messaging standards will be adopted by mid-November. Once adopted, it is anticipated that testing will begin around March 2007.
- Support Technologies – While some guidelines for exchanging product information have been developed for use between manufacturers and distributors, this transaction is not a pedigree document. However, it may contain information to assist in the creation of a pedigree. How the new and existing capabilities can be linked needs to be explored.
- Support Education – The CPWG will work to develop education vehicles for preparing its various members for compliance by sharing best practices.

The CPWG stated that it would continue to pilot approaches to define best practices for implementing and managing electronic pedigree solutions. Once there is interoperable software, the supply chain can begin to pilot and validate these systems for use. As an interim step to assure a safe supply chain, it was recommended that the board adopt the “primary distribution channel regulatory” model. This would be in addition to the use by pharmaceutical companies of a variety of counterfeit-resistant technologies on drug packaging and labeling.

The California Pharmacists Association and the California Society of Health-Systems Pharmacists provided a letter in support of an electronic pedigree to assure a secure drug supply in the United States and commended the board with its efforts in addressing such an important safety issue. However, they cautioned the board that there are serious hurdles that must be overcome before such a system can be put in place. Therefore, they requested that the implementation date be extended substantially beyond 2007 to allow time to work in concert with the federal government in implementation of the PDMA.

It is their position that the extension should be coupled with adoption of a single standard, interoperability, sightless reading, ease of use and reasonable cost. The additional time will also allow for resolution of other questions, such as the application of the pedigree requirement to the transfer of drugs not addressed in current law (samples, “recycled” drugs) as well as other issues that periodically surface as the electronic pedigree system is developed. They concluded their letter by advising the Board of Pharmacy that forging ahead with electronic pedigree implementation too quickly will result in substantial, and perhaps disastrous disruptions of the current drug distribution system resulting in unintentional harm or delay of medication to the patient.

During the board meeting, Mr. Goldenberg provided comments regarding the problems with counterfeit drugs and drug diversion. He discussed how the rising costs of drugs have made it marketable for counterfeit drug makers to profit, and how dangerous these counterfeit drugs can be to consumers. He expressed that a primary focus of the board is to insure that all drugs in California are as secure and safe as possible, and standards to prevent counterfeiting need to be in place as quickly as possible.

Ms. Herold stated that there is a need for additional enforcement committee meetings to address the concerns of implementation of the electronic pedigree. Moreover, there have been a number of inquires from the Senate Business and Professions Committee staff, who are working on amendments to SB 1476 to strengthen the law if a further delay is sought.

Ms. Herold emphasized one important component missing from existing requirements is that in the event a counterfeit drug is determined in the system, that patients, as well as the board are notified. Other items that may be amended into the bill are a longer delay past 2008 for implementation, new requirements for serialization and interoperability, and the prioritization to first establish an electronic pedigree for the drugs most likely to be counterfeited.

- **Comments from the public**

Steve Kyle, a pharmacist from the audience addressed the board about prescription errors. He stated that many times the prescriptions his pharmacy receives are prescriptions written by prescribers who write information for the wrong drug. Mr. Kyle inquired how he could get assistance with this issue.

President Powers advised Mr. Kyle to contact Senator Speier's Office and speak with the person who is working on the SCR 49 Task Force.

- **Approval of the Committee's Strategic Plan.**

Mr. Goldenberg stated that at the April board meeting, the board updated its strategic plan. However, several key tasks remained to finalize the new plan. To finalize the new plan, the Enforcement Committee reviewed and updated its segment of the strategic plan.

At the last meeting the Enforcement Committee reviewed each of the five strategic issues for content and relevancy to the goal of enforcement. Then the committee reviewed each objective for relevancy under each strategic issue. As a result, some activities were added.

MOTION: Enforcement Committee: That the Board of Pharmacy approve the strategic plan for the Enforcement Committee.

SUPPORT: 7 OPPOSE: 0

- **Recognition of Former Executive Officer Patricia Harris**

President Powers recognized former Executive Officer Patricia Harris, who was in the audience. President Powers stated that during Ms. Harris' tenure and leadership as the Executive Officer of the Board of Pharmacy, she had secured multiple initiatives that have strengthened consumer protection in California patients. He stated that Ms. Harris was highly respected and liked by board members, staff, and stakeholders for her integrity, honesty, and hard work.

President Powers thanked Ms. Harris for her tireless efforts and dedication to the state of California and its consumers.

The board presented Ms. Harris with a commemorative clock to thank her for her dedication to public safety over the years.

Ms. Harris thanked everyone for their kind words, and she stated that her accomplishments were made possible by the dedication and assistance of the staff, board members, and stakeholders. She expressed how fortunate she felt to have worked with these groups, and that she would miss everyone.

LEGISLATION AND REGULATION COMMITTEE

Chairperson Schell stated that the Legislation and Regulation Committee has not met since the April Board Meeting.

Chairperson Schell announced that Anne Sodergren is the board's new legislative coordinator.

Regulation Report and Action

Board Approved – Pending Administration Approval

- **Adoption of Proposed Addition of 16 CCR § 1727.1 – Exemption for Intern Pharmacist Addresses from Posting Online**

Chairperson Schell stated that on October 25, 2005 the board approved section 1727.1 to exclude the posting of pharmacist intern addresses of record on the board's Web page. This proposed rulemaking was filled with OAL for review and approval. It is anticipated that this regulation will be effective in the fall of 2006.

- **Adoption of Proposed Amendment to Repeal 16 CCR § 1717(e) and to add 16 CCR, § 1713 – Prescription Drop Boxes and Automated Self-Use Delivery Devices for Refill Prescriptions**

Chairperson Schell stated that on April 26, 2006, the board voted to amend section 1717(e) and adopt section 1713. These changes would allow the use of prescription drop off boxes in areas outside a licensed pharmacy premises, and authorize the use of automated delivery machines for refill medications. Staff completed the necessary 15-day notice as required in May 2006 to incorporate changes approved by the board during the April Board Meeting. As no new comments were received relevant to the specific changes made by the board, board staff is moving forward to compile the rulemaking file to submit for administrative review. It is anticipated that this regulation will be effective early next year.

- **Adoption of Proposed Amendment to 16 CCR § 1793.7 and 1793.8
Pharmacy Technician Checking Pharmacy Technicians in and Acute Care Hospital Pharmacy**

Chairperson Schell stated that on April 26, 2006, the board approved an amendment to CCR 1793.7 and to adopt CCR 1793.8 to define the conditions under which a pharmacy technician may check the work of another technician. Board staff is adding materials to the rulemaking file (to formally admit underlying studies, written legal opinions and other relevant background information that were not included in the Initial Statement of Reasons) which requires a 15-day notice.

Chairperson Schell stated that the regulation package is being completed for administrative review. Staff completed 15-day notice, as of now there are no new comments; the board is moving forward and the anticipated effective date is 2007.

Board Approved – Awaiting Notice

- **Proposed Amendment to Repeal 1717.2 – Notice of Electronic Prescription Files**

Chairperson Schell stated that the purpose for repealing this regulation is to remove barriers that prevent pharmacists, in certain situations, from having full knowledge of all the prescription drugs that a patient is taking. Removing this barrier will result in better patient care while protecting patient medical record privacy. Due to staff changes, the initial rulemaking documents have not yet been completed.

- **Proposed Amendment to 16 CCR § 1760 – Disciplinary Guidelines**

Chairperson Schell stated that this rulemaking would allow the board to use the 2006 revision of the disciplinary guidelines when assigning appropriate disciplinary actions for violations for pharmacy law. He stated that the guidelines will be ready for public notice at the October board meeting this year.

- **Proposed Adoption to 16 CCR § 1784 – Self Assessment of a Wholesaler by the Designated Representative-In-Charge**

Chairperson Schell stated that staff has completed the necessary documents to release this regulation for a 45-day notice. The board will take action on the regulation at the October 2006 meeting.

Board Approved – Awaiting Adoption by the California Building Standards

- **Addition to the California Building Code – 24 CCR 490A.3 and 505.12.2 Related to Compounding Parenteral Solutions; Technical Changes to the Building Code Relating to Pharmacies**

Chairperson Schell stated the board was recently advised about new procedures needed for the Building Standards Commission to adopt this rulemaking. The board needs to compile additional materials for submission to the California Building Commission.

- **Board Approved – Pending Action at the January 2007 Board Meeting**

- Proposed Amendment of 16 CCR § 1706.2 - Abandonment of Application Files for Veterinary Food-Animal Drug Retailer, Hypodermic Needle and Syringes Distributor and Designated Representative
- Proposed Amendment to 16 CCR § 1709.1 – Replace the term “Exemptee-in-Charge” with “Designated Representative-in-Charge” (Section 100 Technical Change)
- Proposed Amendment to Repeal 16 CCR § 1717.2 – Notice of Electronic Prescription Files
- Proposed Amendment to CCR § 1760 – Disciplinary Guidelines
- Proposed Amendment to CCR § 1775.4 – Reschedule of an Office Conference to Contest a Citation
- Proposed Amendment to CCR § 1780 – Update the USP Standards Reference Material (Section 100 Technical Change)
- Proposed Amendment to CCR § 1780.1 and 1781 – Replace the term “Exemptee” with “Designated Representative”
- Proposed Adoption to CCR § 1784 – Self-Assessment of a Wholesaler by the Designated Representative-in-Charge
- Proposed Repeal of 16 CCR § 1786 – Exemptions for a Supplier

- **Board Approved - Proposed Language To Be Developed**

Chairperson Schell stated that at the April Board Meeting, the board agreed to move forward with a proposed regulation on the processing criteria to approve accreditation agencies for pharmacies that compound sterile-injectable products.

Legislation Report and Action

Chairperson Schell stated that the board took the following positions on the following bills at the April 2006 meeting.

Board-Sponsored Legislation

- **AB 595 (Negrete- McLeod) Pharmacy: Compounding of Prescription Drugs**

This bill is sponsored by the board to establish standards for pharmacies that compound medication. The board approved this legislative proposal at its January 2005 meeting and the bill is now on the Senate Floor. Staff has continued to meet with the Department of Health Services, which has an oppose unless amended position on the bill, to address their concerns to ensure the successful passage of this legislation.

- **AB 2408 (Negrete- McLeod) Pharmacists, Pharmacies, and Nonresident Pharmacies.**

Chairperson Schell stated that this bill would update the definition of a pharmacy, nonresident pharmacy, and the professional practice of pharmacy.

The board recently received opposition from the California Medical Association (CMA). Board staff is working with CMA to address their concerns during the Legislature's summer recess. This bill has been referred to the Senate Appropriations Committee.

- **SB 1475 (Senate Business and Professions and Economic Development Committee) Omnibus Bill.**

The board approved eight proposals for the omnibus bill; however, only three of the eight proposals are currently in the bill principally due to a problem with Senator Morrow's office. This bill has been referred to the Assembly Appropriations Committee. Meanwhile, staff is working to have the rest of the amendments sought by the board added to the bill.

Proposals in SB 1475

B&P 4104 Licensed Employee, Theft, Impairment: Pharmacy Procedures.

B&P 4162 Wholesalers Surety Bond Requirements.

B&P 4180-4182 and 4190-4192 Nonprofit or Free Clinics.

Proposals NOT in SB 1475

B&P 4314 & 4315 Cite and Fine, Letter of Admonishment.

B&P 4084 Adulterated or Counterfeit Drug or Dangerous Device.

B&P 4160 Wholesaler License.

B&P 4127.1 Injectable Sterile Drug Products.

B&P 4073 Substitution of Generic Drug, Check off Box on Electronic Prescriptions.

B & P 4162.5 Wholesale License Surety Bond Requirements. (This amendment was approved for inclusion at the April 2006 Board meeting.)

Pending Legislation Related to the Practice of Pharmacy

- **AB 2583 (Nation): Dispensing prescription drugs and devices: refusal to dispense.**

This bill would require that the Notice to Consumers poster that must be posted in pharmacies be changed to contain a statement describing patients' rights relative to access to prescription drugs or devices.

The board initially had an “oppose unless amended” position on this bill. Amendments were made to the bill that require the board to modify the existing Notice to Consumers to advise patients of these rights. At the direction of the board president, the board’s position was changed after these amendments were made to a support position immediately before the Senate policy committee hearing. This bill has been referred to the Senate Appropriations Committee.

- **SB 1476 (Figueroa): Board Sunset Extension Bill.**

Chairperson Schell stated that this bill will extend the board’s sunset date two years, from 2008 to 2010. The board’s sunset report to the Legislature will be due September 2008, instead of September 2006. Additionally the measure would repeal Business and Professions section 4163.5, effectively moving the implementation date of the electronic pedigree requirement from January 1, 2007 to January 1, 2008.

The board’s Enforcement Committee has been holding quarterly meetings with pharmacies, manufacturers, and wholesalers on the implementation progress of the electronic pedigree requirement. Amendments are expected to extend the implementation date to 2009, and make several other changes including interoperability, serialization and notice to the board about counterfeiting.

Chairperson Schell added that this bill has been referred to the Assembly Appropriations Committee.

- **ARJ 40 (Chan): Medicare Prescription Drugs.**

This resolution was signed by the Governor (Res. Chapter 60, Statutes of 2006). This resolution advocated the enactment of H.R. No. 3861, "The Medicare Informed Choice Act of 2005." The board sent a support letter to the author in late April.

2006 Bills of Interest

- **AB 2198 (Houston): Health Care: Controlled Substances and Dangerous Drugs.**

Chairperson Schell stated that this bill revises and recasts existing law relating to the prescribing or administration of drugs for the treatment or management of pain, and provides that physicians who have a medical basis for prescribing or administering dangerous drugs or controlled substances will not be subject to disciplinary action or prosecution under specified circumstances. This bill revises and recasts provisions relating to physicians who prescribe, dispense, or administer a controlled substance to an addict or habitual user, and recasts and broadens the Intractable Pain Treatment Act.

This bill has been referred to the Senate Appropriations Committee

- **AB 2308 (Plescia) - Ambulatory Surgical Centers: Licensure.**

This bill would require the Department of Health Services (DHS) to convene a workgroup to develop licensure criteria to protect patients receiving care in ambulatory surgical centers, and to submit workgroup conclusions and recommendations to the appropriate policy committees of the Legislature no later than March 1, 2007.

This bill has been referred to the Senate Appropriations Committee.

- **AB 2743 (Matthews) Pharmacists: Ancillary Personnel.**

This bill would have prohibited a pharmacy from employing more than 8 ancillary personnel, per pharmacist and would have given a pharmacist discretion over how many personnel he or she supervises. This bill died.

- **AB 2986 (Houston) Controlled Substances: Prescription Requirements.**

This bill would bring California law in conformity with the federal National All Schedules Prescription Electronic Reporting (NASPER) Act of 2005 by adding Schedule IV controlled substances to the CURES (Controlled Substance Utilization Review and Evaluation System). The bill would also require weekly submission of CURES data. This bill is currently in the Senate Appropriations Committee.

- **SB 1366 (Aanestad) Controlled substances.**

This bill would have removed the requirement for controlled substances to be prescribed on a security prescription form. This bill died.

- **2005/2006 Watch Bills**

Chairperson Schell referred to the following list of bills. He added that copies of the bills can be found at <http://www.leginfo.ca.gov/bilinfo.html>.

2006 Bills

AB 1908 (Karnette) Medi-Cal: Pharmacy Reimbursement.

Status: Died in Assembly.

AB 2057 (Cogdill) Controlled Substances.

Status: Died in Assembly.

AB 2373 (Plescia) Automated Drug Delivery System.

Status: Referred to Senate Appropriations Committee.

AB 2730 (Nation) Medi-Cal: Contract Drug List: Advertising.

Status: Died in Assembly.

AB 2856 (Hancock) Informed Consent: Prescription Medication Off-Label Use.

Status: Died in Assembly.

AB 2877 (Frommer) Prescription Drugs: Importation: Procurement.

Status: Senate Appropriations Committee.

AB 2911 (Nunez) California Discount Prescription Drug Program.

Status: Senate Rules Committee.

AJR 49 (Nation) Direct-To-Consumer Prescription Drug Advertisements

Status: Senate Appropriations Committee.

SB 1305 (Figueroa) The Medical Waste Management Act.

Status: Chaptered.

SB 1430 (Alquist) The Local Pandemic and Emergency Health Preparedness Act of 2006.

Status: Assembly Judicial Committee.

SB 1683 (Scott) Pharmaceutical Information: Clinical Trial Data.

Status: Died in Senate.

2005 Bills

AB 651 (Berg) California Compassionate Choices Act.

Status: In committee: Set second hearing. Failed passage. Reconsideration granted.

AB 21 (Levine) Pharmacists: Contraceptive Devices.

Status: In committee: Set first hearing. Failed passage. Reconsideration granted.

AB 71 (Chan) Pharmaceuticals: Adverse Drug Reactions: Office of CA Drug Safety Watch.

Status: Re-referred to Senate Committee on Health

AB 75 (Frommer) Pharmaceutical Assistance Program.

Status: Senate Health Committee - Hearing Cancelled.

AB 225 (Negrete McLeod) Electronic Prescription Information.

Status: Re-referred to Senate Appropriations Committee

AB 283 (Koretz) Pseudoephedrine: Retail Sale.

Status: Re-referred to Senate Committee on Public Safety.

AB 657 (Karnette) Pharmacies: Prescription Containers.

Status: Senate Business, Professions, and Economic Development Committee - Hearing cancelled.

SB 380 (Alquist) Drugs: Adverse Event Reporting.

Status: Re-referred to Assembly Rules Committee.

SB 592 (Aanestad) Acute Care Hospitals: Inpatient Pharmacy Technician Services.

Status: Assembly Health Committee - Failed passage in committee. Reconsideration granted.

- **Approval of Committee's Strategic Plan**

Chairperson Schell stated that the Legislation and Regulation Committee has not met since the April board meeting. He referred to the strategic plan provided in the board packet.

MOTION: That the board approve the Legislation and Regulation Committee's Strategic Plan as proposed.

M/S/C: ZINDER/POWERS

SUPPORT: 7 OPPOSE: 0

ORGANIZATIONAL DEVELOPMENT COMMITTEE

- **Report on the July 11, 2006 Meeting**

Chairperson Conroy stated that the Organizational Development Committee met in a nonpublic, teleconferenced meeting on July 11, 2006.

- **Approval of the Committee's Strategic Plan**

Chairperson Conroy referred to the committee's plan provided in the board packet.

MOTION: Organizational Committee: That the board approve the committee's strategic plan for 2006-2007 as proposed.

SUPPORT: 7 OPPOSE: 0

- **Approval of the 2006-2011 Strategic Plan Revision**

Chairperson Conroy referred to the strategic plan for 2006-2011 provided in the board packet and stated that the changes made by the board during the April Board Meeting have

been incorporated. Additionally, each of the committees' strategic plans approved earlier during each committee's report at this board meeting will be incorporated into the appropriate chapter of the board's strategic plan.

MOTION: Organizational Committee: That the board approve the strategic plan for 2006-2011.

SUPPORT: 7 OPPOSE: 0

- **Recognition of Pharmacists Who Have Been Licensed 50 Years**

Chairperson Conroy stated that at the July 2005 Board Meeting, the board initiated a program to identify and publicly commend those pharmacists with 50 years of licensure as pharmacists.

The board recognized some of these pharmacists earlier during this board meeting. The pharmacists so honored receive a letter from the board's president and a commendation certificate. Each is invited to a future board meeting to be publicly recognized. Additionally, his or her name is published in *The Script*.

Chairperson Conroy stated that since the last board meeting, 57 additional pharmacists have been sent certificates based on having reached the 50-year mark.

Since July 2005, the board has acknowledged 573 pharmacists.

Personnel Update

- **Executive Officer Resignation**

Chairperson Conroy stated that Officer Harris was appointed as Deputy Director, Bureau Relations in the Department of Consumer Affairs by Governor Schwarzenegger on July 1, 2006. With this appointment, Patricia Harris resigned her position as executive officer.

Executive Officer Harris has been with the board for 25 years. She was hired as the enforcement coordinator, became assistant executive officer and since 1990, has been the executive officer. A reception in her honor will be scheduled for the October Board Meeting.

On July 1, Vice President Ken Schell, acting in the absence of President Bill Powers, appointed Virginia Herold as acting executive officer.

- **Inspector Vacancies and Recruitment Efforts**

Ms. Herold stated that the board has lost two inspectors since the April Board meeting:

- Inspector Jeff Smith, who was with the board over five years, and was assigned to the drug diversion team, transferred to the Department of Health Services at the beginning of July.
- Inspector Robert Grimm, who was with the board for about 10 years on the compliance team, transferred to a dispensing pharmacist position at a correctional facility in Orange County.

Ms. Herold noted that Dr. Smith and Dr. Grimm both transferred to public-sector positions where they will earn substantially more than at the board. The board's salary inequity has been a long-standing problem, and the board's staff has recently begun activities to secure a salary adjustment for its pharmacists.

When Inspector Smith resigned at the end of June to transfer to the Department of Health Services, he immediately received an annual salary \$24,000 more than at the board due to a "recruitment and retention differential" paid by some state employers of pharmacists, like the Department of Health Services. This is necessary because private sector pharmacists make salaries of \$110,000 annually.

Board staff hopes to present a successful case for a similar augment for board inspectors. If approved there will be an annual increase to each inspector and supervising inspector of \$24,000 annually, raising inspector salaries to \$99,660 and supervising inspector salaries to \$103,460. The annual increase for these salaries to the board will be \$552,000.

MOTION: Organizational Development Committee: That the board support a comparable retention and recruitment differential for inspectors of \$24,000 annually.

SUPPORT: 7 OPPOSE: 0

The board has four inspector vacancies:

- A new, restored position beginning July 1, 2006
- Jeff Smith's position
- Bob Grimm's position
- Nahal Bahrapour's position (vacant since 3/06)

The board is working with the department's Personnel Office to schedule a new civil service examination from which pharmacists can be hired to work for the board. This process will take at least four more months. The board hopes to fill these positions in the fall. This is a priority for the board's senior staff.

Dennis Ming, a supervising inspector for the last three years, resigned on June 30, 2006. Dr. Ming was a supervisor of the compliance team. Dr. Ming will remain on the board's staff as a retired annuitant.

The board is also working with the department on a new civil service examination for supervising inspector. Again, this process will likely take four more months and this position should be filled in the fall: this is also a priority for the board's senior staff.

Other Staff Changes:

The board has made several personnel changes since the April meeting:

- Anne Sodergren has become the board's Legislative Manager, replacing Jan Perez whose training and development assignment ended in April.
- Christine Sanchez has joined the board as the new Licensing Unit Manager, replacing Ms. Sodergren. Ms. Sanchez formerly worked for the Women, Infant and Children's program in the Department of Health Services.
- Julie Baker has become the board's new receptionist, a position that was restored by the state budget on July 1. Ms. Baker formerly worked for the California Highway Patrol. And in early July, Ms. Baker was appointed to a technician position in the board's executive office where she will eventually replace Candy Place, who will retire in November.
- Nicole Mullnix has joined the board as a part-time receptionist; she formerly worked as a student assistant at the Department of General Services.

The board is recruiting for the following positions:

- A part-time manager/specialist position to serve as coordinator of the Pharmacists Recovery Program.
- An associate analyst to develop consumer and licensee educational materials.
- A budget analyst and business position (duties currently performed in part by Ms. Place).
- An enforcement analyst.
- A receptionist to replace Julie Baker
- A seasonal clerk to perform filing and mailing duties.

• Board Member Appointments

Ken Schell, PharmD, was appointed July 1 to a second term by Governor Schwarzenegger. Also, Susan Ravnar, PharmD, was appointed July 1 to the union pharmacist member position on the board. Henry "Hank" Hough was appointed by Governor Schwarzenegger to a public member position with the board in mid July. Governor Schwarzenegger appointed Robert Swart, PharmD, to a pharmacist position on the board also in mid July.

Board Member Marion Balay resigned from the board in May.

The board currently has three public board member positions and one professional member positions vacant. All are governor appointments.

- **Specialized Training**

In June all board staff completed a 12-hour, two-day team building training called “colors.” The training focuses on individuals’ working styles, personality traits and working together.

- **Executive Officer Recruitment and Selection Process**

President Powers introduced representatives from the Department of Consumer Affairs Personnel Office who presented information on a recruitment process for selecting an executive officer.

MOTION: Organizational Development Committee: That the board use the services of the Department of Consumer Affairs Personnel Office to recruit and select an executive officer.

SUPPORT: 7 OPPOSE: 0

Following the presentation, the board discussed how it would recruit and select the next executive officer. President Powers announced that he had appointed Vice President Schell and board member Goldenberg as the recruitment committee.

President Powers stated that Karen Cates will act as the liaison with the personnel during the selection process for the executive officer.

- **Committee Appointments**

President Powers announced the appointment of committee members as indicated below:

Enforcement Committee

Bill Powers (Chair), Ruth Conroy, Stanley Goldenberg, Rob Swart

Licensing Committee

Ruth Conroy, (Chair), Clarence Hiura, Susan Ravnan.

Communication and Public Education

Ken Schell (Chair), Andrea Zinder, Bill Powers, Hank Hough

Legislation and Regulations Committee

Andrea Zinder (Chair), Ken Schell, Henry Hough

Organizational Development Committee

Stanley Goldenberg (Chair), Bill Powers

Competency Committee

Susan Ravnan, Ken Schell

- **Approval of the Full Board Minutes from April 26-27, 2006 Board Meeting.**

President Powers asked if there were any corrections to the board minutes of April 26 and 27, 2006. There were none.

MOTION: Approve the board minutes from the April 26, 27 board meeting.

M/S/C: SCHELL/CONROY

SUPPORT: 7 OPPOSE: 0

- **NABP National Meeting in San Francisco in April 2006, and Districts VII and VIII Meeting in Anaheim in October 2006:**

Chairperson Conroy stated that this year, two of the National Association of Boards of Pharmacy meetings have been scheduled in California:

- April 2006: The NABP annual meeting took place in San Francisco. The NABP recently thanked the board for its assistance as the host state in providing assistance in the hospitality suite throughout the meeting.
- October 2006: The NABP Districts VII and VIII meeting will be in Anaheim. A draft agenda provided in the board packets was developed for the District VII and VIII meeting by former Executive Officer Harris, Dr. Sam Shimomura of Western University, and Virginia Herold.

Chairperson Conroy stated that all board members are invited to attend this regional meeting.

Budget Update and Report

I. Budget Report for 2005/06

The prior fiscal year ended June 30, 2006. Final figures of revenue and expenditures will not be available until mid-August, so the figures provided below are estimates. A final budget report for the year will be provided to the board at the October meeting.

Revenue Projected: \$9,120,296

This fiscal year the board received repayment of \$3.2 million borrowed in 2001 to offset a deficit in the state's General Fund. This repayment is classified as revenue for the year. (Three million dollars is still owed to the board from the 2001 loan.)

The board's revenue for the year is projected to be comprised of:

| | |
|--------------------------------------|-------------|
| Licensing Fees (estimated): | \$5,360,000 |
| Interest: | \$90,000 |
| General Fund Loan repayment: | \$3,227,000 |
| Cite & Fine (actual as of 6/30/06) | \$273,969 |
| Cost Recovery (actual as of 6/30/06) | \$169,327 |
| | \$9,120,296 |

Expenditures Projected: \$7,954,121

The board's maximum expenditure authority for the year was \$7.9 million. The board did not spend all of this allocation.

II. Governor's Proposed Budget for 2006/07

The budget for the fiscal year that started July 1, 2006, has been signed by the Governor and is in place.

Revenue Projected: \$8,356,000

Revenue for the year is projected to be comprised of \$5,316,000 in fees and \$40,000 in interest on money in the board's contingency fund.

The board is currently projected to receive the final repayment of \$3 million from the 2001 loan of \$6 million borrowed from the board's fund by the state's General Fund during a period of California's budget crisis.

Expenditures Projected: \$8,446,000

Expenditures for the new fiscal year are \$240,000 more than those projected for the last fiscal year. This increase includes:

- Restoration of 2.5 of the 10 positions the board lost during the budget restrictions of early 2000. (\$208,000). The board will receive restoration of one inspector position, one receptionist position and one half-time public outreach position.
- An increase of \$91,000 to cover increased hourly fees that will be charged by the Office of the Attorney General for legal fees (the hourly rate will be \$158, up from \$112 (or \$120 for the LA Office) in 2003)

III. Board Fund Condition

The board ended the last fiscal year (on June 30, 2006) with a projected reserve of \$4,834,000. This is 7.1 months of expenditures.

The board's fund condition projections over the next few years (as estimated in early May 2006) are:

- 2006-07: A reserve of 7.2 months is projected.
- 2007-08: A reserve of 2.8 months is projected.
- 2008-09: A deficit in the reserve of is projected of -1.7 months

A fee increase may be needed to take effect July 1, 2008 to prevent a deficit during 2008-09. Board staff will continue to watch these figures closely and report to the board.

IV. Board Member Expenditures and Reimbursements

Chairperson Conroy referred to the travel expenses and compensation of board members claimed during the last fiscal year provided in the board packet.

Board members are paid for their attendance at board meetings. If they are interested in pursuing payment for other duties, board members can receive \$100 for every 8 hours they spend reading board materials, voting on mail ballots or otherwise performing approved duties. (Travel time is not reimbursed.)

- **Proposed Meeting Dates for 2007**

Chairperson Conroy stated that the Committee has agreed to a staff proposal to move the July 2007 board meeting from San Diego to another location (to switch the location with the January board meeting which is usually scheduled for LA/Orange County).

The reason for this move is that for the last two years, trying to arrange a board meeting in July in San Diego has been difficult and expensive. As a resort community, the areas downtown (that are near the airport) are very expensive during the summer. Had the 2006 board meeting been in San Diego as initially scheduled, the cost of the meeting room with the necessary sound system would have exceeded \$7,300, and each overnight room would have been at least \$175.

The proposed board meeting dates and locations are:

- **2006**

October 25 and 26 – San Francisco/Bay Area (*CSHP's Seminar is in Sacramento on Oct 12-15*)

- **2007**

January 31 and February 1 -- San Diego (*CPhA's Outlook is February 15-18 in Palm Springs*)

April 18, 19 – Sacramento (*NABP's Annual Meeting is in Portland Oregon in May*)

July 25, 26 – Los Angeles/Orange County

October 24 and 25 -- San Francisco/Bay Area (*CSHP's Seminar is October 18-21 in Palm Springs*)

- **Update On I-Licensing Project – Online License Application And Renewal**

Chairperson Conroy stated that seven DCA agencies have the ability to provide online license renewal due to participation in a project started under the Davis Administration. However, the state's budget crisis in the early 2000s prevented the Board of Pharmacy from joining this project, although the board has been striving to be added for years.

The Department of Consumer Affairs is now moving ahead with a proposal so other interested agencies can offer online application and renewal of licenses. A feasibility study report has been approved by the Department of Finance, and the board is in the first tier of new agencies that may be able to offer this service in the future, possibly in 2008.

A budget change proposal will need to be written and approved for the board to participate in this project in the future as well. The DCA will be developing this budget change proposal for all participating agencies. No costs are yet available for this conversion.

Ms. Herold discussed how the board would inform licensees about the status of online registration and renewal of licenses. Ms. Herold stated that a future article in *The Script* would also include information on the online registration and renewals.

- **New Business Items for Future Meetings**

President Powers asked if there were additional matters from the board or audience for future board meetings.

Ms. Herold announced that the board's phone tree change was changed and updated to allow callers the option to dial "0" to reach a live operator.

ADJOURNMENT

There being no further business, President Powers adjourned the meeting at 2:54 p.m.