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OHIO LEGISLATIVE SERVICE COMMISSION

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H.B. 136
135th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Introduced

Primary Sponsors: Reps. Holmes and Stewart

Local Impact Statement Procedure Required: No

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Highlights

- The State Board of Pharmacy will incur minimal costs to adopt rules and then to regulate the operation of remote dispensing pharmacies. Those costs can likely be absorbed by utilizing existing staff and appropriated funds.

Detailed Analysis

The bill authorizes the operation of remote dispensing pharmacies and requires the State Board of Pharmacy to adopt rules governing the operation of such pharmacies and to subsequently regulate them.

For the operation of a remote dispensing pharmacy, the bill: (1) establishes eligibility conditions, e.g., being licensed by the Pharmacy Board as a terminal distributor of dangerous drugs, (2) sets limits on the practice of pharmacy interns and certified pharmacy technicians, (3) establishes requirements and prohibitions on the pharmacies that supervise remote dispensing pharmacies, and (4) sets conditions and limits on the supervising pharmacist.

The bill defines a “remote dispensing pharmacy” as one where a supervising pharmacist – using a telepharmacy system – dispenses drugs and drug therapy-related devices, counsels patients, and provides other pharmacist care, and a “telepharmacy system” as one that monitors the dispensing of drugs and provides for related drug utilization review and patient counseling services by an electronic method.

State Board of Pharmacy

Rulemaking

The bill requires the Pharmacy Board, not later than 18 months after its effective date, to adopt rules governing the regulation of remote dispensing pharmacies in accordance with Ohio’s

Administrative Procedure Act. The one-time costs for the Pharmacy Board to adopt the required rules are likely to be minimal at most and absorbed by utilizing existing Pharmacy Board staff and appropriated funds.

If the Pharmacy Board fails to meet this deadline, the bill authorizes the Ohio Attorney General or a county prosecuting attorney to apply to a court of common pleas for a court order requiring the rules to be adopted. As the Pharmacy Board is expected to comply with the deadline for the adoption of rules, this provision should have no direct fiscal effect on the state or political subdivisions. However, if the Pharmacy Board fails to meet this deadline, and the Ohio Attorney General or a county prosecuting attorney files for a court order, the one-time costs for the court of common pleas to adjudicate the matter, the Ohio Attorney General or county prosecuting attorney as plaintiff, and the Pharmacy Board as defendant should be minimal at most and easily absorbed into their respective daily operations.

Regulation

The number of remote dispensing pharmacies that may become operational after the bill's effective date is unknown. However, to the extent that additional pharmacies require oversight, the Pharmacy Board will experience some manner of ongoing annual operating costs related to inspections, investigations, and possible disciplinary action if warranted. It is anticipated that those costs will be minimal and likely absorbed by utilizing existing staff and appropriated funds.

Possible indirect effects

Public/government hospitals and health care systems

Depending on the rules that will be promulgated by the Pharmacy Board, public/government hospitals and health care systems that operate a pharmacy could be impacted if their current operational plans include implementing a remote dispensing pharmacy. However, such plans would be undertaken voluntarily, and it is presumed that such entities would comply with any such rules enacted by the Pharmacy Board and as stipulated in the bill. It is expected that remote dispensing pharmacies could create certain efficiencies and cost savings in the health care delivery system as a whole, the magnitude of which is unknown and would depend on a variety of factors, including certain regional characteristics, the availability of brick and mortar locations, pharmacies, and community needs.