



## **Budget Testimony – State of Ohio Board of Pharmacy**

***May 2, 2023***

Chair Huffman, Vice-Chair Johnson, Ranking Member Antonio, and members of the Senate Health Committee, thank you for the opportunity to provide testimony on the State of Ohio Board of Pharmacy’s Fiscal Year (FY) 2024 & 2025 budget proposal. My name is Steve Schierholt and I serve as the Executive Director of the Board.

The State of Ohio Board of Pharmacy was established by the legislature in May of 1884 and consists of nine members, including 8 pharmacists, who are appointed by the Governor for terms of four years. The Board currently has a staff of 100 employees who are responsible for carrying out day-to-day operations. The duties of the Board have grown over the years to include the enforcement of six chapters of the Ohio Revised Code.<sup>1</sup> In enforcing these chapters, the Board licenses and regulates more than 100,000 pharmacists, pharmacy interns, technicians, dispensary employees, and sites where prescription drugs, medical equipment, and medical marijuana are maintained and distributed.

The proposed FY 24 & 25 budget, which is funded entirely by licensure fees and federal grants, will allow the Board to: 1) Safeguard the health and safety of Ohioans through the consistent enforcement of state drug laws and rules; 2) Provide efficient licensure of regulated entities; and 3) Continue efforts to improve the effectiveness and ease-of-use of the Ohio Automated Rx Reporting System (OARRS), including the continuation of no-cost integration for Ohio prescribers and pharmacists.

### *Enforcing the Drug Laws of Ohio*

The State of Ohio Board of Pharmacy is charged with preventing, detecting, and investigating the diversion of dangerous drugs, including controlled substances. The Board investigates and presents evidence of violations of drug laws by any person and refers them for prosecution and/or administrative action. In these efforts, the Board works collaboratively with other prescriber boards and law enforcement agencies to conduct investigations of health care professionals who may be in violation of Ohio law. For example, a [joint investigation](#) between the Board and several federal law enforcement agencies resulted in a Northeast Ohio physician recently pleading guilty to 31 counts of illegally prescribing opioids and other controlled substances, one count of illegally distributing controlled substances, and 20 counts of healthcare fraud.

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<sup>1</sup> (2925. – Criminal Drug Laws, 3715. – Pure Food and Drug Law, 3719. – Controlled Substance Act, 3796. – Medical Marijuana Control Program, 4729. – Pharmacy Practice Act & Dangerous Drug Distribution Act, and 4752. – Home Medical Services).



To ensure compliance with Ohio laws and rules, the Board significantly increased the number of inspections conducted by staff. In 2015, the Board conducted 685 inspections. By 2022, that number had increased to 2,323 or an increase of 239 percent. As part of this inspection process, the Board also developed and issued external inspection guides over the last biennium.<sup>2</sup> These inspection guides align with internal guidance used by Board inspectors and allow licensees to conduct self-inspections to ensure compliance. The guides also include links to the rules, important definitions, and reminders of when a licensee is required to notify or submit additional information to the Board.

The Board's proposed budget appropriation will allow for the continued funding of the operations outlined above with the overarching goal of stopping drug diversion and promoting licensee compliance with Ohio law.

### *Efficient Licensure of Regulated Entities*

As stated previously, the Board licenses and regulates pharmacists, pharmacy interns, pharmacy technicians, dispensary employees, and locations where dangerous drugs, medical marijuana, and/or home medical equipment are maintained and distributed. Over the past several years, the number of licenses issued by the Board has increased substantially. For example, in FY 2018, the Board reported 66,434 active licenses. In FY 2022, that number increased by 56 percent to 103,318 active licenses.

The Board recognizes that an efficient and timely licensing process is critical to the success of those we serve. During the last biennium, we implemented a streamlined onboarding process and removed registration barriers for pharmacy technician applicants, including the implementation of a pharmacy technician reciprocity program for those licensed in other states. These reforms ensure that pharmacies can quickly onboard staff to meet the health care needs of Ohioans. As a result of these efforts, a completed pharmacy technician application is reviewed and processed within 1-2 business days.

The Board's FY 24 and FY 25 budget provides the necessary resources to manage existing and prospective licensees. This includes all aspects of licensure including staff to process and issue licenses, hold administrative hearings, and the continued operation of Ohio's eLicense system.

### *Improving the Effectiveness and Ease-of-Use of the Ohio Automated Rx Reporting System*

The Board operates Ohio's prescription drug monitoring program (PDMP), known as the Ohio Automated Rx Reporting System (OARRS). Established in 2006, OARRS collects information on all prescriptions for controlled substances, and two non-controlled drugs, that are dispensed by pharmacies and personally furnished by licensed prescribers in Ohio.

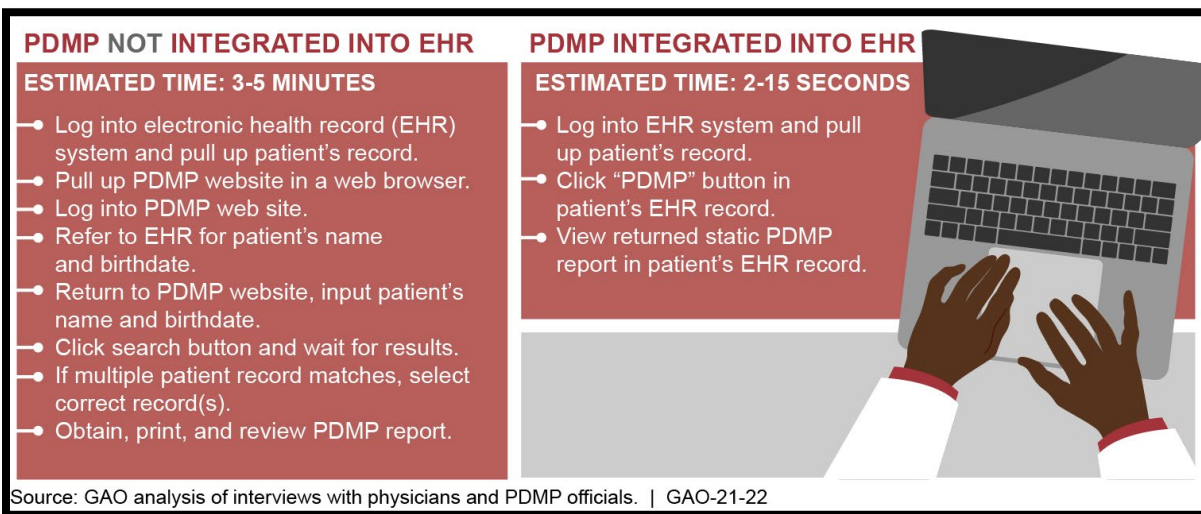
OARRS is a tool that can be used to address prescription drug diversion and abuse. It serves multiple functions, including patient care tool; drug epidemic early warning system; and drug diversion and insurance fraud investigative tool. As the only statewide electronic database that stores all controlled substance dispensing information, OARRS helps prescribers and pharmacists

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<sup>2</sup> <https://www.pharmacy.ohio.gov/Compliance/InspectionGuides>

avoid potentially life-threatening drug interactions as well as identify individuals fraudulently obtaining controlled substances from multiple health care providers, a practice commonly referred to as “doctor shopping.” It can also be used by professional licensing boards to identify or investigate clinicians with patterns of inappropriate prescribing and dispensing, and to assist law enforcement in cases of controlled substance diversion.

Ohio’s efforts to integrate OARRS into the clinical workflow of electronic health records and pharmacy dispensing systems has resulted in a significant increase in the overall use of the system. The image below from a recent Governmental Accountability Office (GAO) report demonstrates the ease and efficiency of PDMP integration and the estimated time saved by providers.



This important integration initiative is partially supported through funding provided by the Centers for Medicare and Medicaid Services. The Board’s proposed FY 24 and FY 25 budget, including a provision in temporary law that permits the use of medical marijuana funds to support the system, ensures that we can continue to provide integration services to the more than 68,000 prescribers and pharmacists currently accessing OARRS via integration.

In addition to integration, the Board works to ensure that OARRS remains an indispensable health care tool. We have particularly focused on efforts to support the coordination of care across the healthcare system. To ensure that providers have the best possible information when deciding to prescribe or dispense a controlled substance, the Board has added other non-pharmacy data sources into OARRS, including:

- Collecting data on individuals receiving treatment from state-licensed opioid treatment programs (OTP). Through a collaboration with the Ohio Department of Mental Health and Addiction Services, patients who are actively treated as part of an OTP are now flagged for health care providers in OARRS.
- Through a partnership with the Ohio Supreme Court, patients who are active participants in one of Ohio’s local drug court programs are also flagged for health care providers. This

allows physicians and other prescribers to coordinate care that is consistent with the participant's court-directed treatment plan.

Before I close, I would also like to address a common question I received during the House discussion of the Governor's proposed budget, which is the transfer of the Medical Marijuana Control Program to the Ohio Department of Commerce. The Board has had the privilege of working collaboratively with the Ohio Department of Commerce and we feel confident that the Governor's proposal will continue to allow for a safe, and well-regulated medical marijuana market. The Board stands ready to offer the Department any technical assistance or support to ensure a smooth transition. This includes ensuring our processes intended to safeguard patients, such as product recalls and adverse event reporting, are successfully transferred to the Department.

Additionally, the Board will still oversee the reporting of medical marijuana dispensations to OARRS, which will ensure that physicians and other health care providers have a complete list of all controlled substances a patient is receiving. This will also allow for law enforcement to be able to continue to access the system in the case of an open criminal investigation.

The State of Ohio Board of Pharmacy is committed to working with Governor DeWine and the General Assembly to safeguard the health and safety of the citizens of this state. Chair Huffman and members of the committee, thank you again for the opportunity to testify and I would welcome any questions you may have at this time.