Budget Testimony – Senate Health Committee – 5/7/2025

Chair Huffman, Vice-Chair Johnson, Ranking Member Liston, and members of the Senate Health Committee, thank you for the opportunity to testify on the Ohio Board of Pharmacy's ("Board") budget priorities for FY 26 & FY 27. My name is Steven Schierholt, and I serve as the Executive Director of the Board. Our proposed funding levels, which do not utilize any general revenue funds, allow the Board to continue its mission to support our licensees and protect the health and safety of the citizens of this state.

The Ohio Board of Pharmacy is the single state agency in Ohio responsible for administering and enforcing laws governing the practice of pharmacy and the legal distribution of prescription drugs. We have a staff of 92 employees that are responsible for carrying out day-to-day operations. The Board is charged with the licensure and regulation of more than 93,000 pharmacists, pharmacy interns, pharmacy technicians, and locations where prescription drugs and home medical equipment are maintained and distributed. This means we license both businesses and individuals, giving us a unique regulatory structure compared to most other occupational licensing boards.

The proposed funding levels in HB 96 will allow the Board to ensure critical operations such as the timely issuance of licenses to ensure our state remains open for business. The Board strongly believes that proper staffing is essential to the success of the professionals and businesses we serve. By doing so, we have created efficiencies in our licensing process that allow, for example, the processing of pharmacy technician applications, a profession in high demand, in less than three business days.

In addition to licensure and regulation, the Board is responsible for conducting both criminal and administrative investigations into violations of Ohio law, including Ohio's criminal drug laws (ORC 2925.). In these efforts, the Board works collaboratively with other state prescriber

boards and law enforcement to conduct investigations of healthcare professionals. Some recent examples include:

- The criminal conviction of a northern Ohio physician for prescribing controlled substances without a legitimate medical purpose. This prescriber received a 42-month prison sentence and was ordered to repay over $850,000 in restitution.
- The criminal conviction of an Eastern Ohio pain management physician on 24 counts of unlawful distribution of controlled substances, resulting in an 84-month prison sentence.
- The criminal conviction of a former Columbus pharmacist for conspiracy to commit health care fraud and defrauding Ohio Medicaid. The former pharmacist received a five-year prison sentence and is required to pay $2.3 million dollars in restitution.
- The immediate license suspension of several Ohio clinics for administering non-FDA approved weight loss medications that were illegally imported.

This last action highlights a critical challenge the Board will be addressing over the next biennium – the proliferation of counterfeit and substandard medications being distributed to Ohio patients. Many people do not understand that the most targeted drugs include antibiotics, painkillers, oncology drugs, and lifestyle medications such as weight loss drugs and psychotropic drugs. For example, Customs and Border Patrol in Cincinnati reported at least eleven seizures of counterfeit Ozempic in 2024. Last year, the Board of Pharmacy worked with FDA to seize more than 11,000 units of counterfeit Ozempic.

The unintended consequences of using substandard or falsified medications not only cause harm or even death to patients, but the drugs often fail to treat the condition they were intended to treat. The Board is working closely with both state and federal law enforcement and regulators to address this threat through investigations as well as state implementation of federal law changes (The Drug Supply Chain Security Act) aimed at reducing opportunities for counterfeit drugs to enter the supply chain. Additionally, the Board developed

educational materials[1] for healthcare providers to help them learn how to avoid the purchase of counterfeit or unapproved medications.

The Board also prioritizes routine inspections to educate our licensees on compliance with Ohio law. Last year, the Board implemented new rules aimed at improving working conditions for pharmacy personnel. These rules ensure that pharmacists can practice safely and that patients are able to obtain medication in a timely manner. To promote compliance with these new rules, the Board will continue to utilize its inspection staff to address pharmacy working conditions and other potential violations before they begin to negatively impact patient care.

The Board expects to see an increase in the number of investigations and inspections over the next biennium as evidenced by trends over time, for example:

- The number of case investigations increased from 1,290 in 2015 to 2,346 in 2024, an increase of 82 percent.
- The number of inspections increased from 685 in 2015 to 2,944 in 2024, an increase of 330 percent.

An important component of the Board's budget request is continued funding to support the operation of Ohio's prescription drug monitoring program (PDMP), known as the Ohio Automated Rx Reporting System (OARRS). Established in 2006 to address the growing misuse and diversion of prescription drugs, OARRS is an indispensable healthcare tool that collects information on all prescriptions for controlled substances, medical marijuana, and two non-controlled drugs (naltrexone and gabapentin) that are dispensed by pharmacies and personally furnished by licensed prescribers in Ohio.

Utilization of OARRS is a key component of Ohio's strategy to combat drug abuse and diversion. To that end, Ohio became the first state to offer no-cost integration of its PDMP within electronic health records and pharmacy dispensing systems. This initiative allows instant access to a patient's OARRS information, saving clinicians valuable time that can be

[1] www.pharmacy.ohio.gov/counterfeitPC

redirected to patient care. Currently, 94 percent of Ohio prescribers and 75 percent of pharmacies access OARRS via an integrated system. As a result, OARRS is one of the most highly utilized PDMPs in the country. In 2023, more than 463 million patient reports were requested by OARRS users, averaging 38.6 million patient reports per month.

Record use of OARRS has also led to significant reductions in prescription drug misuse and overprescribing. In fact, the number of individuals who see multiple prescribers to obtain controlled substances illicitly (commonly referred to as "doctor shopping") decreased by 94.6 percent between 2011 and 2023. Additionally, the number of opioid doses dispensed to Ohio patients has decreased by more than 63 percent during that same period (an overall reduction of 501 million doses).

The Board is also leveraging outside data sources to promote care coordination across the healthcare landscape. For example, the Board announced last December that all non-fatal overdoses treated by Ohio hospitals are being reported to OARRS. As research shows that people at risk of overdose frequently interact with the healthcare system, the Board is providing this information to prescribers and pharmacists in hopes of improving care coordination and promoting access to medication for opioid use disorder and other tools to prevent fatal overdoses. To learn more about this effort, we have included some of the educational materials provided to OARRS users regarding this new initiative with my testimony (see Appendix I).

OARRS data is also widely utilized across state and local agencies. In Appendix II of my testimony, you will see the number of entities that utilize OARRS data to reduce controlled substance diversion, combat Medicaid fraud, and provide critical public health data to prevent drug overdoses. So, while the system supports all these efforts, the Board is primarily responsible for funding OARRS. To do so, we utilize a mix of federal funds, which have seen cuts over the years, and state (non-GRF) funding to operate the system.

To ensure the sustainability of the system, HB 96 includes a cash transfer from the Department of Commerce to cover the costs of collecting medical marijuana dispensation records. Currently, 39% of all prescriptions reported into OARRS are medical marijuana records. Therefore, the Board is requesting a cash transfer from the Medical Marijuana

Control Program to cover the operating costs of the system as was approved in the last biennial budget. This request was coordinated with the Governor's Office and has the support of the Ohio Department of Commerce.

The Board is also requesting the following be maintained as part of the current bill passed by the House:

- Streamlining of non-resident licensure and minor fee adjustments. Currently, the Board has several types of non-resident licenses for those pharmacies and other entities operating outside of the state. We are proposing to consolidate these licenses into a single category to improve efficiency and remove confusion for non-Ohio companies seeking to do business in Ohio. Additionally, as part of this reorganization, the Board is proposing modest fee increases for certain license types to ensure that it is not exceeding its revenue from the shared occupational licensing fund (4K90). It should be noted the Board has been a net contributor to the 4K90 fund over the past decade and that some fee increases, notably pharmacy technician trainees, also include an extension of the licensing period (from one year to 18 months). Additionally, the Board is still proposing to maintain discounted licensure for solo-practice prescribers, veterinarians, EMS, and charitable organizations.

- Authorizes the Board to approve additional tools that have efficacy for reducing fatal drug overdoses. Upon approval by the Board via administrative rule, these tools would not be subject to Ohio's drug paraphernalia laws. The proposed language does not authorize the Board to approve instruments or tools intended to measure drug purity. Currently, tools such as xylazine and benzodiazepine test strips are not permitted under Ohio's drug paraphernalia law whereas fentanyl test strips are legal under an exception made by the legislature in the last biennium. This creates inconsistencies in the ability of state and local officials to respond to the rapidly changing and deadly drug supply by limiting the tools available. This is especially concerning given the rapid increase in overdose deaths attributable to these new compounds. For example, the number of xylazine deaths (a veterinary tranquilizer) increased by 2,400% between 2019-2023. As with fentanyl test strips, the detection of xylazine using a test strip could

alter consumption behaviors, such as avoiding the use of contaminated drugs or reducing the quantity consumed and can save lives.

- Improving efficiency by requiring the Board to submit a single annual report to the legislature on the operation of OARRS. Currently, the Board is required to submit both biennial and semiannual reports on OARRS to the legislature.

Chair Huffman and members of the Senate Health Committee, thank you for allowing me the opportunity to present on the Ohio Board of Pharmacy's FY 2026-2027 budget request. I am happy to answer any questions you may have at this time.

Quick Reference Guide:

Appendix I

Non-Fatal Drug Overdose Indicator

Board of Pharmacy

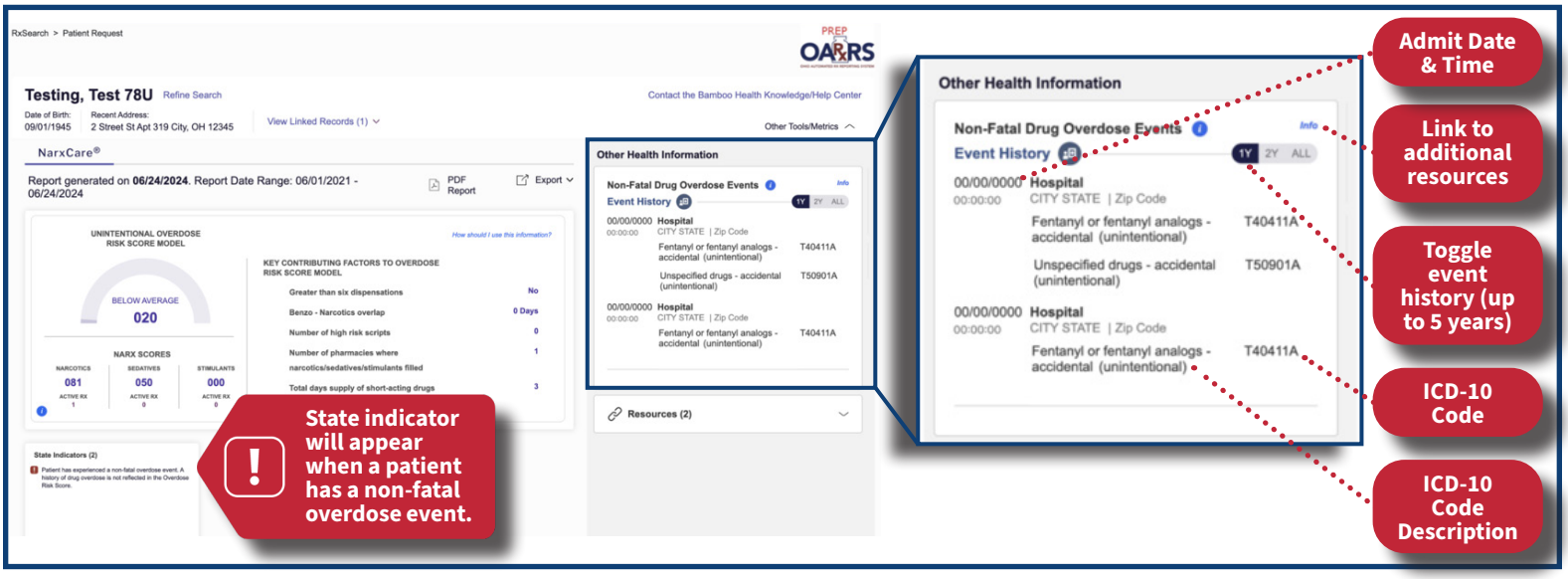
Ohio Automated Rx Reporting System

Research shows that people at risk of overdose frequently interact with the healthcare system.[1]

Medication for opioid use disorder is associated with decreased non-fatal overdose risk.[2]

Understanding the Indicator

Starting December 16, 2024, patients who have experienced a non-fatal drug overdose, as reported by an Ohio emergency department, will be reported to the Ohio Automated Rx Reporting System (OARRS).



Important Reminders About the Indicator

Overdose Risk Score

A history of non-fatal drug overdose is NOT reflected in the Overdose Risk Score (ORS).

The ORS takes into consideration several pieces of information within OARRS such as quantity and combination of high-risk medications, and certain patient demographics such as age and gender. The addition of the non-fatal overdose reporting should be used in conjunction with the ORS to determine the best treatment options for your patient. ***Please be advised that patients with a recent history of non-fatal overdose are associated with an increased risk of a fatal overdose.***

APRIL 08

Indicates a patient experienced a non-fatal overdose as reported by an Ohio emergency department on or after April 8, 2024.

Does not include overdoses treated by EMS where the patient refused transport to a hospital or overdoses that were treated in Ohio hospitals prior to April 8, 2024. Therefore, it is still important to ask patients about previous overdose events.

ICD T50.9

Includes both intentional and unintentional drug overdoses as well as overdoses of undetermined intent.

Please be advised that many overdoses reported to OARRS will be listed as unspecified (using the T50.9 code series), which means they do not include the specific substance involved in the patient's overdose and may include any drug poisoning.

This information is available to prescribers and pharmacists only.

It is not available to other OARRS users such as law enforcement.

Incorrect Patient Flagged in OARRS?

OARRS uses a sophisticated algorithm to match patients based on data reported. However, there is a chance that a patient may have been flagged incorrectly. If this situation arises, please contact the Ohio Board of Pharmacy's OARRS Department via email (support@pharmacy.ohio.gov) or phone (614-466-4143).

How to Use this Information

- This information is intended to be used to improve care coordination and ***should not*** be used to terminate a patient relationship.
- Patients should be offered the opportunity to begin medication for opioid use disorder (MOUD). Given the lethality of the illicit drug supply, improving access to these medications can decrease overdose deaths. MOUD use is associated with reductions in overdose compared with other treatments.[3]
- If available, ask for assistance from a care coordination team or peer recovery specialist (sometimes referred to as a peer supporter) — a person with lived experience that guides someone else through the system of care.
- Not all patients are ready for or want treatment. Patients with substance use disorder should be provided access to harm reduction services such as overdose reversal drugs (e.g., naloxone) and fentanyl test strips. If such services are not immediately available or are cost prohibitive, patients should be referred to a local harm reduction program or Ohio's statewide mail order naloxone program to obtain free naloxone and fentanyl test strips. To request mail order naloxone or to access a list of local harm reduction programs, visit: **https://naloxone.ohio.gov**.

  Ohio NaloxoneOhio
- Prescribers can also issue a prescription for naloxone that can be dispensed by a local pharmacy.

Words Matter
People Matter

Tips to Address Stigma Against People with Substance Use Disorder

Substance use disorder (SUD) is a chronic, treatable medical condition. However, feeling stigmatized can make people with SUD less willing to seek treatment. In 2021, about 10.4% of people who felt they needed substance use treatment but did not receive it in the past year said they did not seek treatment because they feared attracting negative attitudes from their communities.[4]

Providers should respond to their patient's questions and concerns using non-judgmental and non-stigmatizing language, sharing factual information, seeking understanding of the patient's goals and experiences, refraining from lecturing or patronizing, and approaching the interaction through a lens of shared decision-making.

An important step toward eliminating stigma is replacing stigmatizing language with preferred, empowering language that doesn't equate people with their condition or have negative connotations. Studies show that terms like "junkie" and "addict" feed negative biases and dehumanize people.

Use person-first language and let individuals choose how they are described. Person-first language maintains the integrity of individuals as whole human beings—by removing language that equates people to their condition or has negative connotations.

For example, "person with a substance use disorder" has a neutral tone and distinguishes the person from their diagnosis. For more information, visit: **www.pharmacy.ohio.gov/WordsMatter**.

Additional Resources

Prescriber FAQ/Resources
Pharmacist FAQ/Resources
Stigma and Discrimination
SAMHSA Overdose Prevention and Response Toolkit
Ohio's Mail Order Naloxone Program (naloxone.ohio.gov)
Ohio Peer Supporter Resources
Take Charge Ohio

Supported By:

Ohio

RecoveryOhio
Board of Pharmacy
State Medical Board of Ohio
Board of Nursing
State Dental Board

1 The Effect of Overdose Education and Naloxone Distribution: An Umbrella Review of Systematic Reviews. Am J Public Health. 2021 Aug;111(8):e1-e12. doi: 10.2105/AJPH.2021.306306. Epub 2021 Jul 2. PMID: 34214412 | 2 Non-fatal overdose risk during and after opioid agonist treatment: A primary care cohort study with linked hospitalisation and mortality records. https://doi.org/10.1016/j.lanepe.2022.100489 | 3 JAMA Netw Open. 2020;3(2):e1920622. doi:10.1001/jamanetworkopen.2019.20622 | 4 NIDA. Stigma and Discrimination. https://nida.nih.gov/research-topics/stigma-discrimination

Appendix II – State and Local Agencies Utilizing OARRS

User	Authorized Use
Ohio Board of Pharmacy	Ohio law requires the Board to review the database for violation of laws and rules (ORC 4729.81).
Ohio Healthcare Regulatory Boards	For active administrative investigations. Data was also utilized to develop prescribing guidelines for acute, subacute, and chronic pain.
Law Enforcement	For active criminal investigations, including the Ohio Medicaid Fraud Control Unit.
Medicaid Managed Care Organizations	To review an active Medicaid patient.
BWC Managed Care Organizations	To review an active BWC patient.
RecoveryOhio	OARRS data is being used in the following projects: • Integrated behavioral health dashboards • Predictive analytics and toxicology dashboards • Statewide data reporting dashboard • ONIC/RecoveryOhio monthly drug trends call
Ohio Department of Medicaid	To review an active Medicaid patient. ODM also uses OARRS data to support Ohio's SUD 1115 waiver and to meet the federal reporting requirements under SUPPORT Act.
Ohio Department of Health	For public health surveillance, including the Ohio Violent Death Reporting System. OARRS data is also provided to meet grant objectives for CDC funding.
Ohio Department of Mental Health and Addiction Services	Data from OARRS is used for key indicators in SAMSHA grants, including the Ohio Strategic Prevention Framework for Prescription Drug Grant.
Local Health Departments	For use as part of a local Overdose or Suicide Fatality Review Committee.
Ohio Drug Courts	For current and prospective program participants (to monitor treatment compliance).
Coroners and Medical Examiners	To assist with drug overdose investigations.
Ohio Department of Commerce	For active investigations involving the Ohio Medical Marijuana Control Program.
Academics/Researchers	Healing Communities Study: OARRS data was provided for community data dashboards and multiple outcome measures that evaluated the impact and success of interventions implemented.