



**ARIZONA STATE SENATE**  
*Fifty-Fourth Legislature, Second Regular Session*

**AMENDED**  
FACT SHEET FOR S.B. 1137

pharmacy board; permittee operations; fees

Purpose

Expands the definitions of *unethical conduct* and *unprofessional conduct* as they relate to Board of Pharmacy (Board) licensees and permittees. Permits the Board to establish a fee for use of the Board's online application process.

Background

Established in 1903, the Board regulates the practice of pharmacy and the distribution, sale and storage of prescription medications, prescriptive devices and nonprescription medications. The Board is charged with licensing pharmacists, pharmacy interns, pharmacy technicians and pharmacy technician trainees and issues permits to pharmacies, drug manufacturers, wholesalers, distributors and suppliers in Arizona. Current statute grants the Board free access to establishments regulated by the Board to conduct inspections to determine if any violations are present and requires the Board to establish annual inspection fees by rule.

The Board consists of nine Governor-appointed members, including: 1) six pharmacists; 2) two consumer members; and 3) one pharmacy technician. The Board annually elects a Board President and Vice-President from among its membership and selects an Executive Director of the Board (Executive Director), who may also be a Board member. The Executive Director serves at the pleasure of the Board, acts as the executive officer in charge of the Board's office and is tasked with administering Board duties, requirements and rules, under the direction of the Board. Additionally, the Executive Director is required to maintain all Board records, including a register of all licensees and businesses registered with the Board, and may perform any other duties the Board requires (A.R.S. §§ [32-1902](#); [32-1903](#); and [32-1904](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Establishes the failure to operate according to the hours of operation as submitted to the Board by a permittee as *unethical conduct*, with certain exceptions.
2. Establishes the failure to promptly produce any book, record or document as requested by an official during an investigation, inspection or audit as *unprofessional conduct* as it relates to disciplining pharmacists, pharmacy interns, pharmacy technicians and pharmacy technician trainees.

3. Requires permittees to include the name of the business that matches the name on the permittee's building and business license and enter the hours of operation in the permittee's online profile.
4. Requires an applicant for licensure as a permittee, pharmacist, pharmacy intern, pharmacy technician or pharmacy technician trainee to pay a convenience fee determined by the Board when using the Board's online application process.
5. Requires designated representatives of full-service wholesale permittees to have a valid fingerprint clearance card and requires that a newly designated representative obtain and submit a fingerprint clearance card prior to representing a permittee.
6. Requires full-service wholesale permittees to maintain a bond as required by federal law, rather than as required by the Board.
7. Permits the Board to determine a fee to provide certain redacted data to public and private entities for research and educational purposes.
8. Modifies the definition of *direct supervision of a pharmacist* to specify that a supervising pharmacist has training on current standards and information pertaining to the supervised activity.
9. Modifies the definition of *full-service wholesale permittee* to include permittees who are authorized to distribute precursor chemicals and restricted chemicals.
10. Recasts and expands the definition of *third-party logistics provider* to include entities that provide or coordinate logistics services to, and distribute specified drugs, devices and chemicals as directed by, Board-permitted durable medical equipment suppliers.
11. Makes technical and conforming changes.
12. Becomes effective on the general effective date.

Amendments Adopted by Committee of the Whole

1. Removes proposed language from the definition of *good manufacturing practice*.
2. Specifies that a permittee who notifies the Board within 48 hours of an unexpected closure has not committed an act of unethical conduct.

Senate Action

HHS            1/29/20    DP    7-0-1

Prepared by Senate Research

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CRS/kja