



**California State Board of Pharmacy**

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BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY  
DEPARTMENT OF CONSUMER AFFAIRS  
GOVERNOR EDMUND G. BROWN JR.

**ORGANIZATIONAL DEVELOPMENT COMMITTEE**

Amy Gutierrez, PharmD, Board President  
Debbie Veale, RPh, Board Vice-President

**a. FOR INFORMATION: Fee Audit Update**

As previously discussed, the board secured a contract with a company to conduct an independent audit of the board's fee structure to determine the costs to deliver services. The intent of the audit was to address the structural imbalance of the board's current budget and to determine the appropriate fees that should be assessed for various application and renewal fees. As part of this audit, the board also hoped to determine the appropriate fee it should be assessing for inspector investigation and inspection time. Unfortunately, after consultation with the DCA's budget office, it is clear that the board is unable to use the draft information provided by the contractor. The board has severed its contractual relationship with the vendor.

The DCA's budget office will complete the necessary independent assessment and provide written recommendations on the appropriate fees necessary to ensure the board receives full recovery for the costs it incurs to deliver services.

**b. FOR DISCUSSION AND POSSIBLE ACTION: Determination of Reimbursement Rates for Specified Inspector Duties**

Relevant Statutes

Business and Professions Code Section 125.3 provides the authority for an administrative law judge to direct a licensee to pay a cost recovery, including the reasonable costs of the investigation and enforcement of the case.

B&PC 4400(v) provides the authority for the board to collect the costs necessary to cover the board's expenses relating to performing the inspection of a nonresident sterile compounding pharmacy.

Background

The board uses an internal activity tracker to manage the activities completed by field staff. The information from this activity tracker is then used to demonstrate the inspector's time related to a case.

The board currently assesses a reimbursement rate of \$102/hour for inspector's time, which was the recommended rate provided during the last independent fee audit of the board. As stated in the prior item, staff had intended to secure this information again as part of the new fee audit, however this did not occur.

The DCA currently uses its budget office to assess the reimbursement rates for investigators in the Division of Investigation. At our request, the DCA has completed an assessment and determined \$121/hour and \$127/hour would be an appropriate hourly rate for inspectors and supervising inspectors respectively.

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Staff recommends that the board consider these new reimbursement rates, and if deemed appropriate, direct staff to use these new rates effective July 1, 2015.

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**c. FOR DISCUSSION AND POSSIBLE ACTION: Request for the Board of Award Continuing Education Credit for Critical Point USP Chapter 797 Compliance Training.**

On May 27-28, 2015, board inspectors as well as pharmacists employed by the Department of Public Health, will receive two days of intensive sterile compounding training. This training is designed to provide board inspectors with the opportunity to secure the knowledge and skills necessary to facilitate regulatory inspections of pharmacies that compound sterile injectable products.

This training meets the criteria for continuing education coursework established in California Code of Regulations Section 1732.3.

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Board staff is requesting board consideration and, if deemed appropriate, awarding 14 hours of continuing education credit to all pharmacists that attend this training.

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**d. FOR DISCUSSION AND POSSIBLE ACTION: Sunset Oversight Review of the Board of Pharmacy 2015-2016**

On April 30, 2014, board staff received notice that the Senate Committee on Business, Professions and Economic Development and the Assembly Committee on Business and Professions will begin its Sunset Oversight Review this fall.

As part of the review process, board staff will prepare a report that addresses 13 specific content areas requested by the committee. The report is due December 1, 2015.

Historically the development of this report has been a significant undertaking by board staff. Because of the due date of the report, board staff would request board consideration to delegate review of the report to either an ad hoc committee of the board or the board's organizational development committee. The committee would review the draft and provide general direction to staff as necessary. The final report would be provided to the board during the January 2016 meeting.