

California State Board of Pharmacy

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DEPARTMENT OF CONSUMER AFFAIRS

GOVERNOR EDMUND G. BROWN JR.

To: Board Members

Subject: Discussion and Consideration of the Proposed Regulation to Amend Title 16 CCR Section 1749, Related to Fees

Attachment 1

Background:

To address a structural imbalance in the board's budget, the board worked with the Department of Consumer Affairs on a fee analysis, where the department determined the cost the board incurs to provide various services. The results of this analysis were included in the board's Sunset Report as well as served as the baseline for the development of the legislative proposal to recast the board's fees. This proposal was included in SB 1039 (Hill, Chapter 799, Statutes of 2016) and was signed by the governor on September 29, 2016, with an effective date of July 1, 2017.

In addition to the statute, the board's fees are specified in Title 16 CCR section 1749. This regulatory change is necessary to provide the board's regulated public with a clear understanding of the fees that will be assessed for the various services, including application and renewal as well as delinquent fees.

At the October 2016 Board Meeting, the board approved proposed text to amend 16 CCR Section 1749, related to the board's fee schedule. The 45-day comment period began on April 14, 2017 and ended May 30, 2017.

The Board received one comment during the comment period.

At this Meeting

The board will have the opportunity to discuss the regulation, the comment received, and determine the next course of action.

The Attachment contains the following:

- 1. The regulation text as noticed by the board on April 14, 2017.
- 2. The comment received during the 45-day comment period.

Board staff recommends rejection of the comment. The commenter questions why the fees are higher for renewal versus initial application and also asserts that pharmacists should shoulder the higher fees rather than increasing the fees for pharmacy technicians. The fees established in this regulation conform to statute. The board does not have the authority within the regulation to establish fees outside of the statutory ranges provided in BPC Section 4400.

Staff Recommendation: Adopt the regulation language as noticed on April 14, 2017, and delegate to the executive officer the authority to make technical or non-substantive changes as may be required by a Control agency to complete the rulemaking file.

Attachment 1

Fee Schedule 16 CCR 1749

Title 16. Board of Pharmacy

Amend section 1749 in Article 6 of Division 17 of Title 16 California Code of Regulations to read as follows:

1749. Fee Schedule

The fees for the issuance and renewal of licenses, certificates, and permits, and the penalties to be assessed for failure to renew in accordance with sections 163.5, 4110, 4127.5, 4128.2, 4196, and 4400 of the Business and Professions Code and Pharmacy Law are hereby fixed as follows:

- (a) The fee for the issuance of any pharmacy license is five hundred twenty dollars (\$520). The fee for the annual renewal of pharmacy license is three hundred twenty-five dollars (\$325) six hundred sixty five dollars (\$665). The penalty for failure to renew is one hundred fifty dollars (\$150).
- (b) The fee for the issuance of a temporary license is three hundred twenty-five dollars (\$325).
- (c) The fee for the issuance of a pharmacy technician license shall be one hundred five dollars (\$105) one hundred and forty dollars (\$140). The fee for the biennial renewal of a pharmacy technician license shall be one hundred thirty dollars (\$130) one hundred forty dollars (\$140). The penalty for failure to renew a pharmacy technician license is sixty-five dollars (\$65) seventy dollars (\$70).
- (d) The fee for application and examination as a pharmacist is two hundred sixty dollars (\$260).
- (e) The fee for regrading an examination is one hundred fifteen dollars (\$115).
- (f)(1) The fee for the issuance of an original pharmacist license is one hundred ninety-five dollars (\$195).
- (2) The fee for application of an advanced practice pharmacist license is three hundred dollars (\$300). If granted, there is no fee for the initial license issued, which will expire at the same time the pharmacist's license expires.
- (g)(1) The fee for the biennial renewal of a pharmacist's license is one hundred ninety-five dollars (\$195) three hundred sixty dollars (\$360). The penalty fee for failure to renew is ninety-seven dollars (fifty cents (\$97.50) one hundred fifty dollars (\$150).
- (2) The fee for the biennial renewal of an advanced practice pharmacist license is three hundred dollars (\$300). The penalty fee for failure to renew is one hundred fifty dollars (\$150). The fees in this paragraph are in addition to the fees required to renew the pharmacist's license as specified in paragraph 1.
- (h) The fee for the issuance or renewal of a wholesaler's license <u>or third-party logistics provider</u> is seven hundred eighty dollars (\$780). The penalty for failure to renew is one hundred fifty dollars (\$150).
- (i) The fee for the issuance or renewal of a hypodermic license is one hundred sixty five dollars (\$165) one hundred seventy dollars (\$170). The fee for the annual renewal of a hypodermic needle license is two hundred dollars (\$200). The penalty for failure to renew is eighty two dollars fifty cents (\$82.50) one hundred dollars (\$100).
- (j) The fee for the issuance of a license as a designated representative pursuant to Section 4053 of the Business and Professions Code or designated representative-3PL pursuant to Section 4053.1 shall be three hundred thirty dollars (\$330) is one hundred fifty dollars (\$150). The fee for the annual renewal of a license as a designated representative or designated representative-3PL shall be one hundred ninety-five dollars (\$195) two hundred

- and fifteen dollars (\$215). The penalty for failure to renew is ninety seven dollars and fifty cents (\$97.50) one hundred seven dollars and fifty cents (\$107.50).
- (k) The fee for the <u>issuance application</u> or renewal of a license as a nonresident wholesaler or nonresident third-party logistics provider is seven hundred eighty dollars (\$780). The penalty for failure to renew is one hundred fifty dollars (\$150). The fee for a temporary license is seven hundred fifteen dollars (\$715).
- (I) The fee for an intern pharmacist license is one hundred fifteen dollars (\$115) one hundred sixty-five dollars (\$165). The fee for transfer of intern hours or verification of licensure to another state is thirty dollars (\$30).
- (m) The fee for the reissuance of any permit, license, or certificate, or renewal thereof, which must be reissued because of change in the information, other than name change, is one hundred dollars (\$100).
- (n) The fee for the reissuance of any license that has been lost or destroyed or reissued due to a name change is forty-five dollars (\$45).
- (n) (o) The fee for evaluation of continuing education courses for accreditation is forty dollars (\$40) for each hour of accreditation requested.
- (o) (p) The fee for the issuance of a clinic license is five hundred twenty dollars (\$520). The fee for the annual renewal of a clinic license is three hundred twenty-five dollars (\$325). The penalty for failure to renew is one hundred fifty dollars (\$150).
- (p) (q) The fee for the issuance of a nongovernmental license, or renewal of a license, to compound sterile drug products is seven hundred eighty dollars (\$780) one thousand six hundred forty-five dollars (\$1,645). The fee for the annual renewal of a nongovernmental license to compound sterile drug products is one thousand three hundred twenty-five dollars (\$1,325). The penalty for failure to renew is one hundred fifty dollars (\$150). The fee for a temporary license is five hundred fifty dollars (\$550).
- (r) The fee for the issuance of a nonresident sterile compounding pharmacy is two thousand three hundred eighty dollars (\$2,380). The fee for the annual renewal of nonresident sterile compounding pharmacy license is two thousand two hundred seventy dollars (\$2,270). The penalty for failure to renew is one hundred fifty dollars (\$150). The fee for a temporary license is five hundred fifty dollars (\$550).
- (q) (s) The fee for the issuance of a license as a designated representative for a veterinary food-animal drug retailer shall be three hundred thirty dollars (\$330) is one hundred fifty dollars (\$150). The fee for the annual renewal of a license as a designated representative shall be one hundred and ninety-five dollars (\$195) is two hundred fifteen dollars (\$215). The penalty for failure to renew is ninety-seven dollars and fifty cents (\$97.50) is one hundred seven dollars and fifty cents (\$107.50).
- (r) (t) The fee for a veterinary food-animal drug retailer license is four hundred twenty-five dollars (\$425) four hundred and thirty-five dollars (\$435). The annual renewal fee for a veterinary food-animal drug retailer is three hundred twenty-five dollars (\$325) three hundred thirty dollars (\$330). The fee for the issuance of a temporary license is two hundred and fifty dollars (\$250). The penalty for failure to renew is one hundred twenty-five dollars (\$125) one hundred fifty dollars (\$150).
- (s) (u) The fee for the issuance of a retired pharmacist license shall be forty-five dollars (\$45).
- (t) (v) The fee for the issuance of a centralized hospital packaging pharmacy license shall be \$800 is eight hundred twenty dollars (\$820). The annual renewal fee for a centralized hospital packaging pharmacy license shall be \$800 is eight hundred five dollars (\$805). The penalty for failure to renew is one hundred fifty dollars (\$150).

- (w) The fee for the issuance of an outsourcing facility license is two thousand two hundred seventy dollars (\$2,270). The annual renewal fee for an outsourcing facility is one thousand three hundred twenty-five dollars (\$1,325). The penalty for failure to renew is one hundred fifty dollars (\$150). The fee for a temporary outsourcing facility license is seven hundred fifteen dollars (\$715).
- (x) The fee for the issuance of a nonresident outsourcing facility license is two thousand three hundred eighty dollars (\$2,380). The annual renewal fee for a nonresident outsourcing facility is two thousand two hundred seventy dollars (\$2,270). The penalty for failure to renew is one hundred fifty dollars (\$150).

Note: Authority cited: Sections <u>163.5 and 4005 and 4400</u>, Business and Professions Code. Reference: Sections 163.5, 4005, <u>4053, 4053.1</u>, 4110, 4112(h), 4120, <u>4127.1</u>, 4127.2, 4128.2, <u>4129.1</u>, <u>4129.2</u>, <u>4160</u>, <u>4161</u>, <u>4180</u>, 4190, 4196, 4200, <u>4202</u>, 4203, 4208, 4210, <u>4304</u>, 4400, 4401 and 4403, Business and Professions Code.

Fee Schedule 16 CCR 1749 45- Day Comment Comment Period Closed May 30, 2017

Martinez, Lori@DCA

From: Jeremiah Joson <josonone@mac.com>

Sent: Friday, April 14, 2017 2:43 PM

To: Martinez, Lori@DCA

Subject: Proposed text on fee schedule

To Whom It May Concern,

Why is the annual renewal fee for pharmacy licensure (\$660) higher than the initial fee (\$520)? I would think the processing of new applications would be commensurate to the higher fee.

Also, pharmacy technicians don't make that much money and in the industry, their wages have been stagnant. I'd rather the initial fee be \$140 and renewal fees be \$105. I think pharmacists should shoulder higher fees because we make, like three times as much as they do.

Thank you.

-jay

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