



California State Board of Pharmacy
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Business, Consumer Services and Housing Agency
Department of Consumer Affairs
Gavin Newsom, Governor



To: Members

From: Greg Lippe, 
President, California State Board of Pharmacy

Re: Agenda Item XIV. Discussion and Possible Action for the Increase in the Exempt Level and Salary of the Executive Officer Position

Last year, President Lippe attended a meeting provided by the Department of Consumer Affairs to discuss the new process for a Board to request an increase in an exempt level and salary increase for an executive officer. As required by this process, the Board is required to discuss any such request as part of the open session of a meeting and take formal action as a Board to initiate such a request.

In consultation of Nicole Le, Chief of the Office of Human Resources, President Lippe is providing the following information for consideration by members. In 2015, the executive officer exempt salary level was increased to its current level G. A subsequent request submitted in 2017 seeking to increase the salary level to a level D was denied.

As part of its consideration, the Board should consider several factors including:

- Program complexity
- Program growth
- Health and safety considerations
- Salary compaction

In addition, to discussion on the above topics, it may be appropriate to consider the independent findings documented in the Executive Officer Salary Study Report prepared by KH Consulting Group. A copy of the relevant summary page is provided following this memo.

Program Complexity

The executive officer is responsible for all Board operations as well as implementing board policies, advising the board on critical issues and initiating formal discipline when appropriate. Consequently, the executive officer must have demonstrated knowledge and ability to understand the pharmacy profession as well as several other related businesses including drug wholesalers, hospitals and clinics to name a few. The diversity of the populations regulated by the Board is unique when compared to other health care professional boards. The Board is unlike any other program or Board within the Department of Consumer Affairs because of the broad spectrum of individuals, businesses, and products that the Board regulates throughout the entire drug distribution chain.

All of the Board's licensees are regulated at the state level; however, because of the significant potential for consumer harm and death, Board licensees must also comply with a myriad of other federal laws. The Board regulates all businesses and personnel that touch drug

product after it leaves the manufacturing site, until it reaches the ultimate consumer. As prescription drug distribution frequently occurs across state lines, the board also licenses and regulates entities in other states. Because of the significant potential for patient harm, the executive officer has unique authority to issue a cease and desist order when the executive officer has reasonable belief based on information obtained during an inspection or investigation that preparations compounded by a pharmacy or outsourcing facility pose an immediate threat to the public health or safety. Although such authority was originally limited to sterile compounding pharmacies, this authority now expands to unlicensed entities as well as outsourcing facilities.

Program Growth

Regulation of drug distribution is complex, with a myriad of state and federal laws designed to ensure the safety and efficacy of prescription drugs, consequently the Board's regulatory framework is extremely complex and has expanded significantly.

Changes in the Board's regulatory authority has significantly expanded from 20 different licensure categories in 2015 to 31 licensing categories in 2020. With the expansion, the Board is now regulating highly specialized entities such as outsourcing facilities that perform large scale compounding for distribution throughout the nation, to advanced level practitioners performing direct patient care services beyond those of traditional pharmacists.

Further, over the last five years, the scope of practice for pharmacists has also expanded to allow for direct patient care activities, including independent initiation and furnishing of hormonal contraception, naloxone, and PrEP and PEP to name a few. In all such instances, the Board's implementation efforts, which include development of regulations, education, and enforcement activities must be done appropriately to ensure safeguards are in place to protect consumers.

In addition to regulatory growth, the Board has experienced tremendous growth in its operations. Whereas in FY 2015/16, the Board's expenditure authority was about \$19.7 million, the Board's expenditure authority for FY 2020/21 is about \$29.3 million, a 48 percent growth.

There is also notable growth in authorized personnel, a 30 percent increase. In addition to growth in authorized personnel and in response to expansion of program growth and complexity, the Board's executive management includes three CEA positions as well as a 22 percent increase in the number of authorized professional pharmacist staff.

Health and Safety Consideration

Timely and consistent enforcement of pharmacy laws and regulations preserves public safety. Under the general direction of the executive officer, Board inspectors investigate consumer complaints and referrals from other governing agencies to determine violations of laws, rules or regulations. Failure to act timely on these investigations will permit health endangering activities to occur, violating the board's consumer protection mandate.

The Board's consumer protection mandate expands beyond completing investigations. It demands the Board exercise its full licensure and enforcement authority, including seeking revocation or other discipline necessary to remove or restrict licensees when appropriate, or the denial of licensure to entities or individuals when appropriate. For example, failure to adequately and appropriately inspect facilities that compound sterile products could result in

significant patient harm or death if compromised product is dispensed to patients. All of this is achieved through the leadership and guidance of the Board's executive officer.

More recently, throughout the COVID-19 pandemic, the Board's role in responding to health and safety considerations has taken on a new significance, as the Board exercises its unique authority to waive provisions of Pharmacy Law and its regulations. To facilitate such approval the Board's executive officer offers recommendations to the Board, or the Board's President, for approval. To date the Board has issued 24 broad waivers and over 300 site specific waivers.

Salary Compaction

As documented in the Executive Officer Salary Study Report prepared by KH Consulting Group, salary compaction is a current issue facing the Board. The executive officer currently oversees a significant number of employees with similar salaries.

For purposes of illustration:

Position	Level	Salary Range
Executive Officer	Exempt level G	\$10,822 - \$12,056
Assistant Executive Officer	CEA Level B	\$10,360 - \$12,341
Supervising Inspector (11 positions)	Civil Service	\$9,231 - \$11,963 (includes \$2,000 recruitment and retention pay)

The EO's current salary is current at the top of level G.

The next higher exempt level to the current level G is level F, salary range \$11,109 – \$12,377. Should the Board determine that an increase in the exempt salary range and salary are appropriate for the executive officer position, the following motion could be used.

Move to submit a request to the Department of Consumer Affairs to increase the exempt level of the Board's executive officer position to a level F and further increase the salary of the executive officer to the maximum of the salary range for level F.



California State Board of Pharmacy (CSBP)

Historical Comparison. The CSBP staff has nearly doubled (92%) since 2010. The budget has more than doubled (149%) in that same time period, while the number of licensees has not increased considerably (13%). The Executive Officer was recognized with an exempt level increase in 2015 in response to the resulting increase in programmatic and operational responsibility and oversight.

California State Board of Pharmacy	1989-1990	2009-2010	2018-2019	Percent change since 2009-2010
Monthly Salary	NA	\$8,235	\$11,648	+41%
Staff	52.0	59.5	114.5	+92%
Budget	\$5,965,000	\$10,149,000	\$25,240,000	+149%
Licensee population	64,757	123,061	139,640	+13%

Individual Position Assessment. Based on the Questionnaire response:

Considerations	
Program-specific details	<ul style="list-style-type: none"> The CSBP has cease and desist authority within California. This authority gives the Executive Officer the ability to stop the disbursement of medications that are not up to product quality standards and, thus, a potential risk to public safety. Similarly the CSBP has the authority to embargo drugs. The CSBP will add a second funding source, along with a new organizational unit in 2019 for the implementation of SB 212. The CSBP's licensing program has expanded nearly 50% since 2010 with the addition of 11 licenses.
Potential for salary compaction	Salary compaction is of concern. The Assistant Executive Officer, 10 supervising inspectors, and 44 inspector staff members have salaries that are similar to or exceed that of the Executive Director, who is now at the top of the current salary scale.
Changes in Programmatic or operational responsibility and oversight since 2010	The CSBP's increased regulatory responsibility, although not evident with the nominal increase in licensee population, is reflected in considerable staff and budget growth.
Variance from current duty statement	No significant variance