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Pharmacy, Board of

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mn.gov/boards/pharmacy/

AT A GLANCE

Board Members and Staff (As of 7/1/2020)

- 9 board members (six pharmacists and three public members) appointed by the Governor
- 23 full time employees

Licenses & Registrations Issued (as of 7/1/2020)

- 19,749 individuals
- 3,789 businesses

Inspections (For FY 2018 and 2019)

- 589 inspections of licensed facilities, including pharmacies, drug manufacturers and wholesalers, and medical gas distributors

Complaint & Discipline (For FY 2018 and 2019)

- 283 new jurisdictional complaints received
- 309 jurisdictional complaints resolved
- 49 disciplinary actions taken

Prescription Monitoring Program (PMP) (For calendar year 2018)

- 6.98 million controlled substance prescriptions reported to PMP
- 25,798 enrolled PMP Users
- 1.58 million database queries

PURPOSE

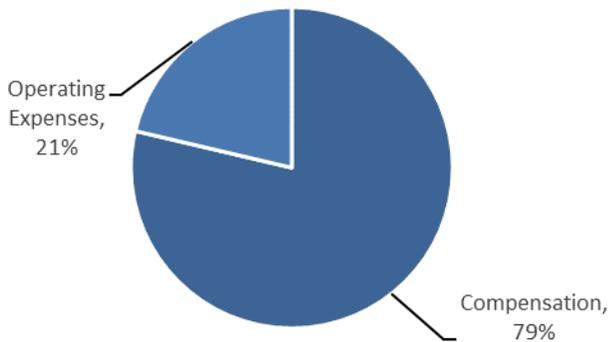
The Board's mission is to preserve and protect the public health, safety, and welfare of Minnesotans by promoting the safe distribution of pharmaceuticals and the provision of quality pharmacy care.

The Board fulfills this mission through examination and licensure of pharmacists, regulation of the practice of pharmacy, regulation of the manufacturing and distribution of pharmaceuticals, inspection of licensed facilities, investigation of complaints, and the issuance of disciplinary orders and agreements for corrective action. Board staff also help educate pharmacists and others about laws, rules and best standards of practice. The Board provides information to the public on its Website related to the practice of pharmacy and prescription drugs.

The Board also administers several programs, including: The Minnesota Prescription Monitoring Program, the Opiate Product Fee Registration Program, and the Minnesota Insulins Safety Net Program.

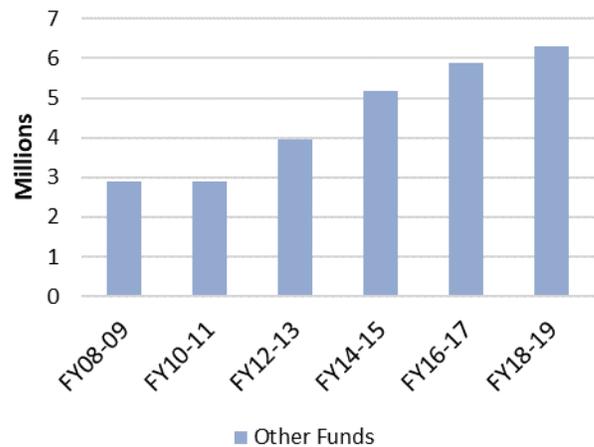
BUDGET

**Spending by Category
FY 2019 Actual**



Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Source: Consolidated Fund Statement

The Board is mostly funded by licensure fees and, with two recent and temporary exceptions for the Opiate Product Registration Fee Program and the Insulin Safety Net Program, has received no general fund or healthcare access fund dollars. Minnesota Statutes section 214.06, subdivision 1(a) requires the Board to collect fees in the amount sufficient to cover direct and indirect expenditures. Funds are deposited as non-dedicated revenue into the state government special revenue fund. From this fund, the Board receives a direct appropriation to pay for agency expenses such as salaries, rent, costs associated with disciplinary/contested cases and operating expenditures. It also pays statewide indirect costs through an open appropriation.

In addition to Board operations, licensure fees fund activities that support other boards and agencies. Some of these are: the Administrative Services Unit (inter-board), Health Professionals Services Program (inter-board), Prescription Monitoring Program (Pharmacy Board), Office of the Attorney General for legal services, and the Criminal Background Check Program (inter-board).

STRATEGIES

The Board's primary strategy is to promote adherence to state and federal laws and rules relating to the practice of pharmacy and the manufacture and distribution of drugs. Another, equally important strategy is to promote the adoption of cutting-edge standards of practice that go beyond the minimum requirements specified in the statutes and rules. The Board's activities can be divided into several areas of focus:

Licensing. Licensing is the Board's "foundation," on which most activities ultimately rest. The ability to issue licenses and registrations empowers the Board to inspect facilities, investigate complaints, and take disciplinary action when necessary. In addition, the Board is primarily funded by the licensing and registration fees that it collects. Most of the Board's staff members are involved in some aspect of the licensing process. Administrative staff members process applications and work with the National Association of Boards of Pharmacy to make sure that applicants for a pharmacist license have passed the required examinations. Compliance staff members conduct initial inspections of facilities before they are allowed to be licensed.

Compliance. Activities in this area can be further divided as follows:

- **Inspections.** The Board licenses or registers over 2,000 in-state pharmacies, drug wholesalers, drug manufacturers, medical gas distributors and controlled substance researchers. Each facility is inspected by a Board Surveyor before it can open. Subsequent, unannounced inspections are also periodically conducted.
- **Complaint Investigations.** The Board investigates every jurisdictional complaint it receives. A Board Surveyor visits the pharmacy in question, meets with pharmacy staff, reviews the policies and procedures of the pharmacy, and directs pharmacy staff to make necessary changes to policies and procedures. For cases involving certain issues, such as alleged physical or mental impairment of a licensee, the Board refers the matter to the Attorney General’s Office (AGO) for investigation. The Surveyor or the AGO Investigator issues a report which is reviewed by the Board’s Complaint Review Panel (CRP). CRP may dismiss the complaint if the allegations aren’t proven or may refer the matter on for discipline.
- **Discipline.** If either the CRP or the Board’s Executive Director (ED) determines that the evidence substantiates a serious violation of statutes or rules, the matter is turned into a disciplinary case. The ED works with the AGO to initiate the due process procedures that the Board must follow. The licensee or registrant is directed to appear before a Committee on Professional Standards, which weighs the available evidence. In most cases, if the Committee determines that discipline is warranted, it reaches a settlement agreement with the licensee or registrant. Such agreements, which must be approved by the full Board, usually involve the issuance of a disciplinary order which places limitations and conditions on the license or registration of the person or business that was investigated.
- **Consultations.** The Executive Director, Deputy Director, and Board Surveyors are licensed pharmacists with, collectively, nearly 200 years of experience working in a variety of pharmacy settings. As such, their advice is sought on a daily basis by pharmacists and other licensees and registrants. The ED, DD and Surveyors provide consultations on issues that are often extremely technical and complex. The goal of all consultations is to promote both adherence to laws and rules and the adoption of cutting-edge standards of practice and technology that help protect the health, welfare, and safety of citizens.

Policy, Regulatory and Legislative Activities. As new standards of practice emerge and new technologies are developed, the Board and its staff work to update guidances, rules, and statutes. Guidances help licensees and registrants use new technologies and procedures in a way that best promotes the health, welfare, and safety of citizens. As new technologies and standards of practice become more broadly accepted, the Board will promulgate rules, as necessary, to replace the guidances or propose statutory changes. In addition, Board staff very frequently provide technical assistance to legislators and their staff on a variety of issues concerning pharmacy and drugs. The Board also works on policy issues with other local, state, and federal agencies, including local law enforcement agencies, county attorneys, the state Departments of Human Services and Health, the Minnesota Pollution Control Agency, the Bureau of Criminal Apprehension, the U.S. Drug Enforcement Administration, and the U.S. Food and Drug Administration.

Services for the General Public. Board staff provides direct services to the public. Staff provide information to the public in response to inquiries concerning the legal requirements and standards for pharmacy practice. The public can use the Board’s online license verification system to verify that individuals and businesses are licensed by the Board and to determine if any disciplinary action has been taken against a licensee or registrant. The Board provides free copies of disciplinary orders to the public upon request.

Prescription Monitoring Program. The purpose of the Prescription Monitoring Program (PMP) is to promote public health, safety, and welfare by detecting abuse or misuse of controlled substances— drugs that have a high potential for abuse and addiction, such as narcotics and stimulants. The PMP collects information concerning controlled substance prescriptions dispensed for people residing in Minnesota. Prescribers, pharmacists, and certain Medicaid staff can access this data through a secure online system. The PMP is a tool that these authorized users can employ in order to detect if a patient is obtaining prescriptions from multiple prescribers and

having them filled by multiple pharmacies. The Board encourages prescribers and pharmacists who identify individuals who appear to be engaged in such an activity to refer them for appropriate care – either chemical dependency treatment or pain management. Law enforcement officials can obtain data from the system as well, but only after obtaining a court-issued search warrant and serving it on the Board.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Percentage of in-state facility inspections completed annually	17.1%	19.3%	FY 2017 FY 2018
Quality	Percentage of complaints investigated and resolved within 12 months	68.1%	76.8%	FY 2018 FY 2019
Results	Number of individuals who receive prescriptions from five or more prescribers and have them filled at five or more pharmacies within a three-month period of time	637	556	7/1/2018 – 12/31/2018 7/1/2019 – 12/31/2019

Sections of MN Statutes Chapters 151 (<https://www.revisor.mn.gov/statutes/?id=151>), 152 (<https://www.revisor.mn.gov/statutes/?id=152>) and 214 (<https://www.revisor.mn.gov/statutes/?id=214>) provide the Board of Pharmacy with legal authority to carry out its duties.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General			87	283				
1201 - Health Related Boards	3,105	3,181	3,833	4,836	4,338	4,338	4,403	4,403
2000 - Restrict Misc Special Revenue	12	17	14	66	16	16	16	16
2001 - Other Misc Special Revenue				365	365	365	365	365
2005 - Opiate Epidemic Response				126	126	126	126	126
2360 - Health Care Access				76	76	76	76	76
3000 - Federal	131	109	321	542	220		220	
Total	3,248	3,307	4,256	6,294	5,141	4,921	5,206	4,986
Biennial Change				3,995		(488)		(358)
Biennial % Change				61		(5)		(3)
Governor's Change from Base								130
Governor's % Change from Base								1

Expenditures by Program

Pharmacy Board	3,248	3,307	4,256	6,294	5,141	4,921	5,206	4,986
Total	3,248	3,307	4,256	6,294	5,141	4,921	5,206	4,986

Expenditures by Category

Compensation	2,491	2,600	2,828	2,947	3,004	3,016	3,004	3,016
Operating Expenses	753	705	1,426	3,337	2,127	1,895	2,192	1,960
Other Financial Transaction	4	2	2	10	10	10	10	10
Total	3,248	3,307	4,256	6,294	5,141	4,921	5,206	4,986

Full-Time Equivalent

	19.82	20.36	21.30	21.10	21.00	21.00	21.00	21.00
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Pharmacy, Board of

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
1000 - General								
Balance Forward In				283				
Direct Appropriation			370					
Balance Forward Out			283					
Expenditures			87	283				
Biennial Change in Expenditures				370		(370)		(370)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			0.44					

1201 - Health Related Boards

Balance Forward In		117		495				
Direct Appropriation	3,164	3,243	4,307	4,341	4,338	4,338	4,403	4,403
Open Appropriation		23	15					
Transfers In	58		6					
Transfers Out	1							
Cancellations		202						
Balance Forward Out	117		494					
Expenditures	3,105	3,181	3,833	4,836	4,338	4,338	4,403	4,403
Biennial Change in Expenditures				2,384		7		137
Biennial % Change in Expenditures				38		0		2
Governor's Change from Base								130
Governor's % Change from Base								2
Full-Time Equivalents	19.49	19.31	20.49	20.75	21.00	21.00	21.00	21.00

2000 - Restrict Misc Special Revenue

Balance Forward In		1	3	4	4	4	4	4
Receipts	13	18	16	66	16	16	16	16
Balance Forward Out	1	3	4	4	4	4	4	4
Expenditures	12	17	14	66	16	16	16	16
Biennial Change in Expenditures				51		(48)		(48)
Biennial % Change in Expenditures				177		(60)		(60)
Governor's Change from Base								0

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Governor's % Change from Base								0
Full-Time Equivalents			0.04	0.10				

2001 - Other Misc Special Revenue

Receipts				365	365	365	365	365
Expenditures				365	365	365	365	365
Biennial Change in Expenditures				365		365		365
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

2005 - Opiate Epidemic Response

Direct Appropriation				126	126	126	126	126
Expenditures				126	126	126	126	126
Biennial Change in Expenditures				126		126		126
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

2360 - Health Care Access

Direct Appropriation				76	76	76	76	76
Expenditures				76	76	76	76	76
Biennial Change in Expenditures				76		76		76
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	1	1	1	1	1	1	1	1
Receipts	131	108	320	542	220		220	
Balance Forward Out	1		1	1	1	1	1	1
Expenditures	131	109	321	542	220		220	
Biennial Change in Expenditures				622		(643)		(643)

Pharmacy, Board of

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Biennial % Change in Expenditures				259		(75)		(75)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.33	1.05	0.33	0.25				

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Direct				
Fund: 1201 - Health Related Boards				
FY2021 Appropriations	4,341	4,341	4,341	8,682
Base Adjustments				
Current Law Base Change		(3)	(3)	(6)
Forecast Base	4,341	4,338	4,338	8,676
Change Items				
MN.IT Cost Reduction and Appropriation Transfer		65	65	130
Total Governor's Recommendations	4,341	4,403	4,403	8,806
Fund: 2005 - Opiate Epidemic Response				
FY2021 Appropriations	126	126	126	252
Forecast Base	126	126	126	252
Total Governor's Recommendations	126	126	126	252
Fund: 2360 - Health Care Access				
FY2021 Appropriations	76	76	76	152
Forecast Base	76	76	76	152
Total Governor's Recommendations	76	76	76	152
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	66	16	16	32
Forecast Base	66	16	16	32
Total Governor's Recommendations	66	16	16	32
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	365	365	365	730
Forecast Base	365	365	365	730
Total Governor's Recommendations	365	365	365	730
Fund: 3000 - Federal				
Planned Spending	542	220		220
Forecast Base	542	220		220
Total Governor's Recommendations	542	220		220
Revenue Change Summary				
Dedicated				

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	66	16	16	32
Total Governor's Recommendations	66	16	16	32
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	365	365	365	730
Total Governor's Recommendations	365	365	365	730
Fund: 3000 - Federal				
Forecast Revenues	542	220		220
Total Governor's Recommendations	542	220		220
<i>Non-Dedicated</i>				
Fund: 1201 - Health Related Boards				
Forecast Revenues	3,327	3,327	3,327	6,654
Total Governor's Recommendations	3,327	3,327	3,327	6,654
Fund: 2005 - Opiate Epidemic Response				
Forecast Revenues	13,675	13,675	13,675	27,350
Total Governor's Recommendations	13,675	13,675	13,675	27,350

Board of Pharmacy

FY 2022-23 Biennial Budget Change Item

Change Item Title: MN.IT Cost Reduction and Appropriation Transfer

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
ASU (Transfer from BELTSS to Dentistry)				
General Fund*				
Expenditures	0	0	0	0
Revenues	0	0	0	0
State Government Special Revenue				
Expenditures	(647)	(647)	(647)	(647)
Revenues	0	0	0	0
Pharmacy, Board of				
State Government Special Revenue				
Expenditures	65	65	65	65
Revenues	0	0	0	0
Dentistry, Board of				
State Government Special Revenue				
Expenditures	40	40	40	40
Revenues	0	0	0	0
Chiropractic Examiners, Board of				
State Government Special Revenue				
Expenditures	25	25	25	25
Revenues	0	0	0	0
Optometry, Board of				
State Government Special Revenue				
Expenditures	15	15	15	15
Revenues	0	0	0	0
BELTSS				
State Government Special Revenue				
Expenditures	15	15	15	15
Revenues	0	0	0	0
Social Work, Board of				
State Government Special Revenue				
Expenditures	50	50	50	50
Revenues	0	0	0	0
Marriage and Family Therapy, Board of				
State Government Special Revenue				
Expenditures	22	22	22	22
Revenues	0	0	0	0
Podiatric Medicine, Board of				
State Government Special Revenue				
Expenditures	15	15	15	15
Revenues	0	0	0	0
Veterinary Medicine, Board of				
State Government Special Revenue				
Expenditures	10	10	10	10

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
Revenues	0	0	0	0
Dietetics and Nutrition Practice, Board of				
State Government Special Revenue				
Expenditures	15	15	15	15
Revenues	0	0	0	0
Physical Therapy, Board of				
State Government Special Revenue				
Expenditures	15	15	15	15
Revenues	0	0	0	0
Behavioral Health and Therapy, Board of				
State Government Special Revenue				
Expenditures	35	35	35	35
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(325)	(325)	(325)	(325)
FTEs	0	0	0	0

*There is no General Fund impact to the health licensing boards listed in Fiscal Impact chart.

Recommendation:

The Governor recommends the Health-Related Licensing Boards’ IT expense reorganization and reduction. The Administrative Services Unit (ASU) is authorized by Minn. Stat. 214.107 and serves as an agent to the Health-Related Licensing Boards. ASU is seeking a \$647,000 reduction in its FY 2022 and FY 2023 appropriation and a corresponding \$322,000 increase in appropriation for twelve (12) Health-Related Licensing Boards (Table 1) for a net reduction of \$325,000. This appropriation decrease is the result of the Health-Related Licensing Boards’ restructuring and reduction of IT-related costs. The appropriation increases for the twelve (12) Health-Related Licensing Boards will fund IT expenses previously paid by ASU.

Rationale/Background:

Since the creation of MN.IT Services in 2012, funds to pay all technology-related costs of the Health-Related Licensing Boards have been appropriated to ASU as the boards’ agent. MN.IT staff were assigned to the boards and costs consolidated and paid by ASU. As part of its IT restructuring efforts, the Health-Related Licensing Boards worked with MN.IT to reduce the number of MN.IT staff directly assigned to the boards and move to direct-billing. This requires a transfer of the appropriation for IT-related costs from ASU to certain boards.

The Health-Related Licensing Boards are fee-supported agencies. The Boards are required by Minnesota Statutes to collect enough revenue to cover all direct-appropriated and indirect costs. The Health-Related Licensing Boards’ collected fee revenues are deposited into the State Government Special Revenue fund to cover the boards’ IT-related costs. This reduction does not impact the State’s General Fund.

Proposal:

The Health-Related Licensing Boards’ IT reorganization includes reduction of FTEs including software developer position and IT manager position. Database support and project management services will now be paid as needed by contract instead of by assigned FTE. These staffing changes result in a \$325,000 annual reduction in ASU’s appropriation. The remaining IT-related costs have been itemized and allocated to the boards and related programs for payment as direct expenditures beginning in FY 2022. The itemization and allocation results in a \$647,000 reduction in the ASU appropriation and an appropriation increase for twelve (12) boards to cover IT-related costs which will now be direct-billed.

This proposal is impacted by the transfer of the ASU appropriation from the Board of Executives for Long Term Services and Supports (BELTSS) to the Board of Dentistry beginning in FY 2022, which was submitted as a separate change item. The ASU appropriation for MN.IT will be reduced by \$647,000 (from \$1,214,000 to \$567,000) when it transfers from BELTSS to Dentistry.

Impact on Children and Families:

The Health-Related Licensing Boards work to promote public protection, including the protection of the children and families of the State of Minnesota. This change will not impact the boards' ability to continue to protect the people of Minnesota.

Equity and Inclusion:

The Health-Related Licensing Boards do not discriminate on the basis of race, ethnicity, gender, sexual orientation, or disability. This change will not impact the boards' ability to provide services for all people of the State of Minnesota, without discrimination.

Pharmacy, Board of

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
U.S Department of Justice Office of Justice Programs - 16.754	2018 Harold Rogers Prescription Drug Monitoring Program. Purpose: Further enhancement of the MN Prescription Monitoring Program.	No	\$ 73	\$ 457	\$ 220	\$ -	no	0.25
US Department of Justice, Office of Justice Programs - 16.754	2016-Harold Rogers Prescription Drug Monitoring Program Purpose: To enhance the MN Prescription Monitoring Program (PMP).	no	\$ 100	\$ -	\$ -	\$ -	no	
MN Department of Health - 93.136	Injury Prevention and Control Research and State and County Based Programs Purpose: Increase registration and use of PMP through integrating account registration into the health professional's licensing process. Funds to be, in part, awarded to health licensing boards.	no	\$ 121	\$ -	\$ -	\$ -	no	
MN Department of Human Services - 93.243	Substance Abuse and Mental Health Service Project of Regular and National Significance Purpose: Plan and carryout the delivery of four regional information/educations sessions for health care providers with permissible use of PMP data.	no	\$ 26	\$ 85	\$ -	\$ -	no	
Federal Fund – Agency Total			\$ 320	\$ 542	\$ 220	\$ -		0.25

Narrative

2018 Harold Rogers Prescription Drug Monitoring Program:

Funds were awarded to educate end users about the database and the updated functionalities; to ensure continued and accurate use of the system; create and distribute an educational tool; deploy analytics, visualization, and clinical intervention tools for system end users; expand the system's report generation capabilities; travel to mandatory meetings as required by the grant conditions; and fund up to .38 FTE for grant management during the first year of the grant.

The creation and distribution of educational tools and resources is expected to cease within 12 months of the implementation of the updated system functionalities. There is a long-term commitment to continue to provide the enhanced version of the system, including the analytics, visualization and additional clinical tools and to expand the report generation capabilities of the system.

2016 Harold Rogers Prescription Drug Monitoring Program:

Funds were awarded to enhance the functioning of the data collection and analysis system; enhance educational and training programs; facilitate information sharing among states; enhance the capacity to provide unsolicited reports to health care professionals regarding their patients; and travel as required by the grant conditions.

Injury Prevention and Control Research and State and County Based Programs:

Funds were provided by the MN Department of Health specifically to support the development of a solution to integrate the PMP registration process into the health licensing board's initial licensee application process, and to measure the effectiveness of their solutions. It is anticipated that this funding once expended will not have an impact on the day-to-day operations of the program.