



**MARYLAND
BOARD OF PHARMACY**

**REPORT TO THE
SENATE EDUCATION, HEALTH AND
ENVIRONMENTAL AFFAIRS COMMITTEE AND
THE HOUSE HEALTH AND GOVERNMENT
OPERATIONS COMMITTEE**

**ON THE REASONABLENESS OF THE
PHARMACY TECHNICIAN REGISTRATION
FEES TO COVER THE EXPENDITURES OF THE
PHARMACY TECHNICIAN PROGRAM**

January 1, 2010

**REPORT ON THE REASONABLENESS OF THE PHARMACY TECHNICIAN
REGISTRATION FEES TO COVER THE EXPENDITURES OF THE PHARMACY
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BACKGROUND

Pursuant to SB 371, the Board was required to review its fees and expenditures for the registration of pharmacy technicians and report to the Senate Education, Health and Environmental Affairs Committee and the House Health and Government Operations Committee by January 1, 2009, on the reasonableness of the fees to cover the expenditures. The Board did not begin registering pharmacy technicians until the end of January 2008 and the final deadline was eventually extended to February 28, 2009. Therefore, the Board did not have sufficient data by January 1, 2009 to report on the reasonableness of the fees to cover the expenditures. The Board submitted a letter of explanation on July 18, 2008 informing both Committees that a complete picture of program expenditures and revenues would not be available by the end of 2008.

This report on the reasonableness of fees to cover expenditures related to implementation and on-going registration of pharmacy technicians in Maryland is submitted in lieu of the report originally due on January 1, 2009.

PROGRAM IMPLEMENTATION

The Pharmacy Technician Program was established by the passage of SB 371, State Board of Pharmacy – Registration of Pharmacy Technicians, Chapter 523, 2006. The purpose of the program is to allow pharmacy technicians, who meet certain educational and experiential requirements, to register with the Board of Pharmacy. Registering pharmacy technicians:

- (1) Allows the Board the authority to ensure minimum competency of registered pharmacy technicians and therefore protect the public health;
- (2) Allows for the safe expansion of the role of registered pharmacy technicians in the medication delivery system under the supervision of a pharmacist;
- (3) Makes registered pharmacy technicians more accountable for their actions;
- (4) Allows for the standardization of pharmacy technician education and training; and
- (5) Allows the Board to institute a disciplinary action against a registered pharmacy technician who violates the proposed law.

Following the July 1, 2006 effective date of SB 371, the Board worked diligently with stakeholders to draft comprehensive regulations for the registration of pharmacy technicians. The Board released informal draft regulations to stakeholders on September 27, 2006; less than three months after the bill went into effect. The Board also released informally the revised draft regulations to stakeholders again on February 26, 2007. The following issues were discussed at Board meetings and resolved between October 2006 and March 2007: 1) the nature of pharmacy technician exams; 2) the addition of reinstatement regulations pursuant to HB 1569; 3) the topic areas to be included in pharmacy technician training courses; 4) the registration of pharmacy students; and 5) reciprocity registration for out-of-state pharmacy technicians. The proposed

regulations were first published on May 11, 2007 and 11 comments were received. The Board responded in writing to the 11 comments, made revisions to the published proposal in response to those comments and submitted a re-proposal which was published on September 28, 2007. The re-proposal was adopted as proposed and became effective on January 28, 2008.

On January 28, 2008, the Board began registering pharmacy technicians and approving employer based training courses for pharmacy technicians. Due to the number of pharmacy technicians, the complexity of approving employer training courses and the start up implementation of a new program, the Board allowed a six month "start up" period, until July 28, 2008, for the pharmacy community to comply with pharmacy technician registration.

At the June 18, 2008 Board Meeting, the Board approved extending the final date for registration to February 28, 2009 so that all pharmacy technicians would have sufficient opportunity to obtain training and apply for registration. The February date also allowed eligible pharmacy technicians to take national exams, one of which was not be administered until after July 28, 2008, rather than training and an exam offered by a Board approved pharmacy training program.

Despite the slow start-up of the program, the Pharmacy Technician Registration Program is ongoing with some registrants having been renewed since early in 2009.

EXPLANATION OF REVENUE AND EXPENDITURES

The fiscal note during the 2006 Legislative Session for the Pharmacy Technician Registration Program for revenue from FY 2007 through FY 2010 was estimated to be \$274,500 based on the estimated receipt of fees for 3,050 registration applications. See Appendix I. The actual revenue, collected from FY 2007 through the first quarter of FY 2010 is \$367,723. See Appendix II. Over this time period fees have been collected for 8,171 applications and 6,671 technicians are registered with the Board as pharmacy technicians. The remainder of the revenue represents 591 pending applications and 909 applications that have either been withdrawn, were not approved by the Board, or were incomplete and allowed by the applicant to expire after a year.

When the Board submitted a fiscal note during the 2006 Legislative Session for the Pharmacy Technician Registration Program the expenditures from FY 2007 through FY 2010 were estimated to be \$114,801. The actual expenditures, however; during FY 2007 through the first quarter of FY 2010 totaled \$341,445. These expenditures include a full time Administrative Specialist II, two half time Office Secretaries, a half time staff attorney since last year, a number of agency temps to assist during particularly busy periods, and extensive printing and copying costs. Although the Board initially estimated that one Administrative Specialist, an Office Secretary and a Compliance Investigator would be sufficient to implement and maintain the pharmacy technician program, the Board found that far more help was and continues to be needed.

Throughout the start up and implementation of this program the Board has found it necessary to hire agency temps and take advantage of volunteer help when it has been available. The volume of applications has exceeded the Board's initial projection. Many delays in the registration process for pharmacy technicians have been caused by the length of time it takes to obtain the

State criminal history records checks. Additional delays in obtaining a pharmacy technician registration were often due to the applicant not completing the application in full. Whenever a pharmacy technician would submit an incomplete application, the Board staff would send a letter notifying the applicant of missing items. Sometimes this would occur more than once for each applicant. Additionally, Board staff spent countless hours fielding phone calls from applicants and employers with questions about the program and the status of applications.

CONCLUSION

The Board is happy to report that a review of its fees and expenditures for the registration of pharmacy technicians has shown that the current fee of \$45 per applicant is reasonable to cover the current and projected program growth. The revenue received through the first quarter of FY 2010 totals \$367,723. The expenditures through the first quarter of FY 2010 total \$341,445. The \$26,278 balance currently available will be used to cover temporary agency support that is anticipated to be recruited for data entry or mailings throughout the year. The Board hesitates to lower the pharmacy technician fees at this time because agency temps are necessary to keep pace with the high volume of new and renewal applications. Any fee decrease in the next five years would be minimal. The Board further anticipates that any additional funds required to administer the program will be generated from revenue acquired through and growth in the number of technicians registered.

APPENDIX I

2006 SESSION FISCAL ESTIMATE WORKSHEET

BILL NUMBER: HB-492 COMPANION BILL: DATE: February 3, 2008
 SHORT TITLE: State Board of Pharmacy - Registration of Pharmacy Technicians
 PREPARED BY: Linda Beyer TITLE: Fiscal Officer PHONE: 410-764-4712
 AGENCY: DHMH / Boards & (FAX: 410-358-1810 E-Mail: beyerl@dhmh.state.md.us

**PLEASE PROVIDE A DETAILED RESPONSE TO QUESTIONS 1 THROUGH 7 ON A SEPARATE STATEMENT
 SEE ATTACHED LIST OF MORE DETAILED QUESTIONS FOR GUIDANCE IN ANSWERING THESE QUESTIONS.**

1. Describe the effect of this proposed legislation on your agency (operations, funding, etc.). If there is no operational effect, or there is no fiscal impact, please explain why.
see below

2. Even if the bill would not directly affect your agency's operations or finances, does your agency have any information that could be useful in determining the fiscal effect of this legislation? If yes, please provide and discuss.
N/A

3. Have funds been included in your agency's proposed operating or capital budget in anticipation of this legislation? If yes, please indicate specific amount(s) budgeted and budget code(s).
The following positions are included in the proposed budget for 2007
 Administrative Specialist II - Grade 11/6 (contractual conversion requested) \$37,917 - Budget Code 02
 Office Secretary I - Grade 8/Base (contractual) \$23,258 - Budget Code 02
 Compliance Investigator - Grade 11/Base (contractual) \$28,126 proposed for 2008 through 2011.

4. Has your agency submitted a request for funding of this legislation in a supplemental budget? If yes, please indicate specific amount(s) budgeted and budget code(s).
No

5. Will federal funding of your agency be affected by this legislation? If yes, please describe (e.g., loss of funds for noncompliance, availability of new funds, State matching funds).
No, none of the Boards receive federal funds.

6. Will local governments be affected by this legislation? If yes, please describe.
No

7. Does your agency have information which could be useful in determining the economic impact of this legislation on small businesses? If yes, please provide and discuss.
see below

PLEASE PROVIDE SUPPORTING DOCUMENTATION FOR QUESTIONS 8 AND 9

8. Does this legislation affect State, local or federal REVENUES? If yes, indicate whether the change is an increase or (decrease). Off-budget funds, such as the Injured Worker's Insurance Fund, reimbursable funds, etc., should be included in "other funds". Keep in mind the effective date(s) of the legislation.
Yes

Fund	REVENUES				
	First Year FY 2007	Second Year FY 2008	Third Year FY 2009	Fourth Year FY 2010	Fifth Year FY 2011
General	\$0	\$0	\$0	\$0	\$0
Special	\$112,500	\$18,000	\$130,500	\$13,500	\$144,000
Federal	\$0	\$0	\$0	\$0	\$0
Local	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0
Total	\$112,500	\$18,000	\$130,500	\$13,500	\$144,000

Explain variation if revenue is not constant:
 FY07- Estimated # of applicants = 2,500 @ \$45 each with biannual renewals
 FY08 & FY09 Estimated # of new applicants 400 @ \$45 each
 FY10 & FY11 Estimated # of new applicants 300 @ \$45 each

9. Does this legislation affect your agency's EXPENDITURES? If yes, provide an analysis of the estimated increase or (decrease) in State expenditures by budget object category and by fund type (general, special, federal, or other).
Yes

.01 Salaries & Wages	EXPENDITURES				
	First Year FY 2007	Second Year FY 2008	Third Year FY 2009	Fourth Year FY 2010	Fifth Year FY 2011
Position Tit # Positions	0.0	0	0	0	0
	0.0	0	0	0	0
	0.0	0	0	0	0
	0.0	0	0	0	0
	0.0	0	0	0	0
Total Salaries & Wages	0	0	0	0	0
Fringe Benefits at 14.81% o	0	0	0	0	0
Health Insurance @ \$10,700	0	0	0	0	0
401(a) @ \$380 per employe	0	0	0	0	0
Subtotal	0	0	0	0	0
Less 25% Start-up Delay (1st yr.)					
3% Turnover (out-yea	0	0	0	0	0
Total Salaries, Wages & Fri	0	0	0	0	0

Other Operating Expenses

Please provide a separate detailed breakdown of the estimated costs associated with each of the operating expenses (by object category) noted below (e.g., .03 Communications: \$5,000 = \$4,000 for telephone expenses/\$1,000 for postage expenses).

	First Year Annualized	First Year FY 2007	Second Year FY 2008	Third Year FY 2009	Fourth Year FY 2010	Fifth Year FY 2011
.02 Contractual Employees		0	28,128	29,420	30,773	32,189
.02 Other	0	0	0	0	0	0
.03 Phone	600	450	906	915	924	933
.03 Phone	640	640				
.04 Travel	223	167	225	227	229	231
.06 Fuel &	0	0	0	0	0	0
.07 Automx	0	0	0	0	0	0
.07 Automx	0	0	0	0	0	0
.08 Contra	0	0	0	0	0	0
.08 Contra	0	0	0	0	0	0
.09 Supplie	270	203	408	412	416	420
.10 Equipm	0	0	0	0	0	0
.11 Equipm	13,640	13,640	6,820			
.12 Grants	0	0	0	0	0	0
.13 Fixed C	0	0	0	0	0	0
.14 Land &	0	0	0	0	0	0
Total Other Operating Expet	15,000	36,485		30,974	32,342	33,773
Total Exp. or (Savings) (obj)	15,000	36,485		30,974	32,342	33,773

Funding

General Funds	0	0	0	0	0
Special Funds	15,000	36,485	30,974	32,342	33,773
Federal Funds	0	0	0	0	0
Other Funds	0	0	0	0	0
Total Funds	15,000	36,485	30,974	32,342	33,773

This form is to be completed and returned to the Department of Legislative Services within the time frame requested on the "Request for Fiscal Estimate" letter. Information not received at least 72 hours prior to the bill's scheduled hearing date will generally result in the indication of "NO AGENCY REPLY" on that particular fiscal note.

Please submit to: Manager, Fiscal Analysis & Note System, Department of Legislative Services
90 State Circle, Room 228, Annapolis, Maryland 21401
FAX: 410-946-5529 Baltimore/Annapolis Area; 301-970-5529 Washington, DC Area
E-Mail Address: fnotes@mls.state.md.us

Questions 1 through 7

1) Without knowing how many pharmacy technicians will register and what the fee may be for registration, an exact fiscal impact on the Board cannot be determined. There are 1735 PTCB techs and the Board expects other programs to qualify, therefore an estimated initial number of people registering will be 2,500. It can be expected that the Board will expend more resources, but will be able to cover the added expense through the registration fees of pharmacy technicians. A sufficient number of pharmacy technicians are expected to register to cover the expense of registering pharmacy technicians.

7) No, the bill does not require a pharmacy to employ registered Pharmacy Technicians. The expanded use of registered pharmacy technicians should positively affect the industry. By creating the registered pharmacy technician, who will have specified training and will be allowed to perform certain duties that uncensured personnel are not presently allowed to perform, pharmacies will be able to provide more pharmacy services, thereby generating more revenue. The cost to provide certain services should decrease because registered pharmacy technicians will undoubtedly be paid less than pharmacists.

The cost to the patient for certain pharmacy services may be decreased as well because certain tasks can be performed with lower operating expenses per service. This would be dependent on the policy of each pharmacy permit holder.

9)

Compliance Investigator

This is an important position in the Board's Compliance Unit. The Health Occupations Investigator (HOI) will assist the Pharmacist Compliance Officer (PCO) in the investigation of alleged misconduct of pharmacy businesses and professional pharmacists. Perform investigations of complaints received by the Board regarding the operation of pharmacies and the performance of licensed and/or registered pharmacy personnel. Under the supervision of the Board's Pharmacist Compliance Officer, the HOI will: gather information from complainants, witnesses and respondents; conduct on-site investigations; obtain signed statements when warranted; prepares subpoenas for obtaining physical or documentary evidence; work with Board members, Board Counsel, Executive Director and Compliance Officer in developing cases and performing technical tasks. Summarizes complaints received by the Board and obtains in

object 03 - Telephone operation - 1 additional lines and 1 additional multi-line phones

object 04 - 500 miles @ .445 cents

object 09 - Office supplies

object 11 - 1 phones, Office furniture (new) secretarial position

APPENDIX II

2009 Worksheet FISCAL ESTIMATE WORKSHEET

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SHORT TITLE: State Board of Pharmacy - Registration of Pharmacy Technicians		
PREPARED BY: Linda Beyer	TITLE: Fiscal Officer	PHONE: 410-764-4712
AGENCY: DHMH / Boards & Commission	FAX: 410-358-1610	E-Mail: beyerl@dnhmh.state.md.us

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2. Even if the bill would not directly affect your agency's operations or finances, does your agency have any information that could be useful in determining the fiscal effect of this legislation? If yes, please provide and discuss.
N/A

3. Have funds been included in your agency's proposed operating or capital budget in anticipation of this legislation? If yes, please indicate specific amount(s) budgeted and budget code(s).
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5. Will federal funding of your agency be affected by this legislation? If yes, please describe (e.g., loss of funds for noncompliance, availability of new funds, State matching funds).
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8. Does this legislation affect State, local or federal REVENUES? If yes, indicate whether the change is an increase or (decrease). Off-budget funds, such as the Injured Worker's Insurance Fund, reimbursable funds, etc., should be included in "other funds". Keep in mind the effective date(s) of the legislation.
Yes

Fund	REVENUES					
	First Year FY 2007	Second Year FY 2008	Third Year FY 2009	Fourth Year FY 2010	Fifth Year FY 2011	
General	\$0	\$0	\$0	\$0	\$0	
Special Actual	\$45	\$110,686	\$204,095	\$52,897	\$0	
Federal	\$0	\$0	\$0	\$0	\$0	
Local	\$0	\$0	\$0	\$0	\$0	
Other	\$0	\$0	\$0	\$0	\$0	
Total	\$45	\$110,686	\$204,095	\$52,897	\$0	\$367,723

Explain variation if revenue is not constant:
 FY07- Estimated # of applicants = 2,500 @ \$45 each with biannual renewals
 FY08 & FY09 Estimated # of new applicants 400 @ \$45 each
 FY10 & FY11 Estimated # of new applicants 300 @ \$45 each

9. Does this legislation affect your agency's EXPENDITURES? If yes, provide an analysis of the estimated increase or (decrease) in State expenditures by budget object category and by fund type (general, special, federal, or other).
Yes

			EXPENDITURES				
			First Year	Second Year	Third Year	Fourth Year	Fifth Year
			FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
.01 Salaries & Wages							
Position Title Grade/Step	# Positions						
Adm Spec II (Fannie)	1.0		40,074	41,917	43,845	11,468	0
Office Secretary I (Laurie)	0.5		12,500	12,500	13,075	3,419	0
Office Secretary III (Vanessa)	0.5		0	15,948	16,682	4,362	0
Staff Attorney (Francesca)	0.5		0	0	5,388	3,699	0
	0.0		0	0	0	0	0
Total Salaries & Wages			52,574	70,365	78,990	22,948	0
Fringe Benefits at 14.81% of .01			7,786	10,421	11,698	3,398	0
Health Insurance @ \$10,700 per emp.			0	0	0	0	0
401(a) @ \$380 per employee			0	0	0	0	0
Subtotal			60,360	80,786	90,688	26,344	0
Less 25% Start-up Delay (1st yr.)							
3% Turnover (out-years)			(15,090)	(2,424)	(2,721)	(790)	0
Total Salaries, Wages & Fringe Benefits:			45,270	78,362	87,967	25,554	0

Other Operating Expenses

Please provide a separate detailed breakdown of the estimated costs associated with each of the operating expenses (by object category) noted below (e.g., .03 Communications: \$5,000 = \$4,000 for telephone expenses/\$1,000 for postage expenses).

		First Year	First Year	Second Year	Third Year	Fourth Year	Fifth Year	
		Annualized	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	
.02 Contractual Employees			0	0	7,802	8,161	0	0 Agency Temp
.02 Other Tech. & Special Fe	0	0	0	0	0	2,700	0	PT Sub Comm
.02 Other Tech. & Special Fees:				6,300	6,300	1,575		PT Hearings
.03 Phone, Postage-Operation	600	450	906	11,460	915	924	0	
Postage					18,936	2,748		
.03 Phone - Installation	540	540						
.04 Travel:	223	167	225		227	229	0	
.06 Fuel & Utilities:	0	0	0		0	0	0	
.07 Automobile Operations:	0	0	0		0	0	0	
.07 Automobile purchase:	0	0						
Print Shop	0	0	953		896	98	0	PT Print Jobs
.08 Contractual one-time:	0	0						
Printed Licenses				1086		1195		
.09 Supplies:	270	203	408		412	416	0	
Copier Lease			1,911		3,823	956		Additional
Replacement Printer	0	0	0		0	900	0	
.11 Equipment - Additional:	13,640	13,640	6,820					
.12 Grants, Subsidies, etc.:	0	0	0		0	0	0	
.13 Fixed Charges:	0	0	0		0	0	0	
.14 Land & Structures:	0	0	0		0	0	0	
Total Other Operating Expenditures:		15,000	30,079		39,311	19,902	0	
Total Exp. or (Savings) (objs .01 thru .14):		60,270	108,441		127,278	45,456	0	

Funding

General Funds	0	0	0	0	0	0	
Special Funds	60,270	108,441	127,278	45,456	0	0	
Federal Funds	0	0	0	0	0	0	
Other Funds	0	0	0	0	0	0	
Total Funds	60,270	108,441	127,278	45,456	0	0	341,445

ALL FY 10 FIGURES REFLECT FIRST QUARTER ONLY (JULY - SEPTEMBER 2009)
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