
Health Care & Wellness Committee

SSB 6558

Brief Description: Allowing a hospital pharmacy license to include individual practitioner offices and multipractitioner clinics owned and operated by a hospital and ensuring such offices and clinics are inspected according to the level of service provided.

Sponsors: Senate Committee on Health Care (originally sponsored by Senators Parlette and Cleveland).

Brief Summary of Substitute Bill

- Clarifies provisions regarding allowing hospital pharmacy licenses to include individual practitioner offices and multipractitioner clinics owned, operated, or under common control with a hospital.
- Requires interpretation of the provisions regulating the practice of pharmacy to be in a manner that supports regulatory, inspection, and investigation standards that are reasonable and appropriate based on the level of risk and the type of services provided in a pharmacy.
- Provides timelines in which the Pharmacy Quality Assurance Commission must adopt rules regarding pharmacy inspection standards and updates to application or renewal forms for hospital pharmacy licenses.

Hearing Date: 2/19/16

Staff: Ariele Landstrom (786-7190).

Background:

Pharmacy Licensing.

The Pharmacy Quality Assurance Commission (Commission) regulates the practice of pharmacy, and the distribution, manufacturing, and delivery of pharmaceuticals within and into the state. The Commission issues licenses, registrations, and certifications to qualified persons and entities and responds to complaints or reports of unprofessional conduct.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The owner of each pharmacy must: (1) file with the Department of Health (DOH) a declaration of ownership and location; and (2) pay an original license fee and an annual renewal fee for a license of location, which entitles the owner to operate the pharmacy at the specified location. The pharmacy owner must immediately notify the DOH of any change of location or ownership.

Pharmacies are subject to periodic inspections by the Commission to determine compliance with laws regulating the practice of pharmacy, including requirements regarding licenses, patient health and safety, professional responsibilities, and facilities.

Legislation enacted in 2015 allows a licensed hospital applying for a pharmacy license of location to include any individual practitioner's office or multipractitioner clinic owned and operated by a hospital and identified by the hospital on the pharmacy application or renewal. A hospital that includes one or more offices or clinics on its pharmacy application must maintain the office or clinic under its pharmacy license through at least one pharmacy inspection or 24 months.

Summary of Bill:

Intent.

The Legislature intends to clarify its directive in the legislation enacted in 2015 to require the Pharmacy Quality Assurance Commission (Commission) to allow hospital pharmacy licenses to include individual practitioner offices and multipractitioner clinics owned, operated, or under common control with a hospital and that the offices and clinics must be regulated, inspected, and investigated according to the level of service provided. The Legislature intends to specify a timeline for implementation for such a system.

Pharmacy Licensing.

The owner of a pharmacy applying for a license of location must file with the Commission, instead of the Department of Health (DOH), a declaration of ownership and location.

The definition of "hospital" to exclude "clinics, or physician's offices where patients are not regularly kept as bed patients for twenty-four hours or more" does not limit the ability of a hospital to include individual practitioner's offices or multipractitioner clinics owned, operated, or under common control with a hospital on the pharmacy application or renewal.

A hospital that elects to include one or more offices or clinics on its pharmacy application no longer must maintain the office or clinic under its pharmacy license through at least one pharmacy inspection or 24 months.

In addition to an individual practitioner's office or multipractitioner clinic owned or operated by a hospital, an office or clinic under common control with a hospital may also be included in the hospital's pharmacy license of location. A hospital that elects to include one or more offices or clinics on its pharmacy application must describe the type of services relevant to the practice of pharmacy provided at each office or clinic as requested by the Commission.

Any updates to the application, renewal, or related forms that are necessary for a hospital to include one or more offices or clinics on its pharmacy application or renewal must be made no later than 90 days after the bill's effective date.

Interpretation and Rule Making.

Interpretation of the provisions regulating the practice of pharmacy must be in a manner that supports regulatory, inspection, and investigation standards that are reasonable and appropriate based on the level of risk and the type of services provided in a pharmacy, including pharmacy services provided in a hospital and pharmacy services provided in an individual practitioner's office or multipractitioner clinic owned, operated, or under common control with a hospital regardless of the office or clinic's physical address.

The Commission must provide clear and specific information regarding the standards to which particular pharmacy services will be held, as appropriate, based on the type of pharmacy service provided at a particular location.

If the Commission determines that rules are necessary for the immediate implementation of the provisions regarding inspection standards, it must adopt emergency rules no later than 90 days after the effective date of the bill. The Commission must then begin the process to adopt any necessary permanent rules and ensure the emergency rules remain in effect until the permanent rules are adopted. The Commission must also ensure that during the transition to permanent rules there is no interruption to the required updates to forms that are necessary for a hospital to include of one or more offices or clinics on its pharmacy application or renewal.

Appropriation: None.

Fiscal Note: Requested on February 18, 2016.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.