

**SUBJECT:** Regulating telepharmacy services

**COMMITTEE:** Public Health — committee substitute recommended

**VOTE:** 8 ayes — Gray, Coleman, Capelo, Delisi, Glaze, Maxey, Uresti, Wohlgemuth

0 nays

1 absent — Longoria

**WITNESSES:** For — Jose Camacho, Texas Association of Community Health Centers; Dan Dugi; David Gonzales, Texas Pharmacy Association; Michael Rupp; Craig Walker, HealthCare Computers Corp.; *Registered but did not testify:* Tom Roy, JPS Health Network; Jill Turner, Texas Farm Bureau

Against — None

On — *Registered but did not testify:* Gay Dodson, Texas State Board of Pharmacy

**BACKGROUND:** Occupations Code, sec. 560 governs the regulation of pharmacies in Texas. To dispense prescription drugs, a pharmacy must have a license for each principal place of business. Pharmacy licenses include a Class A license, under which prescriptions may be dispensed to the general public, and an institutional Class C.

42 U.S.C., sec. 1395x(aa) designates as a “rural health clinic” a clinic in a non-urban area with insufficient health care. Under sec. 254(b), a “health center” is an entity that serves a medically underserved population.

**DIGEST:** CSHB 611 would authorize telepharmacy services in Texas. It would define a telepharmacy system as a system that electronically monitors the dispensing of prescription drugs, provides drug use review, and counsels patients. It would authorize Class A or Class C pharmacies, under supervision of a pharmacist, to provide telepharmacy services to a health-care facility that is licensed or regulated by the state or federal government.

The Texas State Board of Pharmacy would have to adopt rules regulating telepharmacy services. The board could determine the types of facilities that could employ a telepharmacy system but would have include rural health centers and health centers, as defined under federal guidelines. The board also would have to determine recordkeeping rules and security requirements for facilities with telepharmacy.

CSHB 611 would prohibit telepharmacy systems in communities that already had a Class A or C pharmacy, unless that community also already had a telepharmacy system.

The bill would take effect September 1, 2001. The pharmacy board would have to adopt the required rules by February 28, 2002. Telepharmacy systems would not be permitted to operate until the rules were established.

**SUPPORTERS  
SAY:**

CSHB 611 would bring pharmacy services to medically underserved and health professional shortage areas of Texas. During the interim before the 77th Legislature, the Senate Health Committee found a disparity between the proportion of Texans living in rural communities and the proportion of pharmacists serving those communities. Telepharmacy systems can bring the knowledge and experience of a pharmacist to areas where none practice.

This bill would protect established community pharmacies from telepharmacy competition. Prohibiting telepharmacy services in communities with a Class A or C pharmacy would ensure that only communities with inadequate services are targeted.

The bill would define “telepharmacy services” broadly enough that it could adapt to changing technologies, but the oversight of the pharmacy board would ensure that the services met the standards of good pharmacy. Often telemedicine is defined by the technology it employs and rapidly becomes obsolete. This bill would allow telepharmacy to evolve with the technology while remaining under close state regulation.

This bill would improve the quality of health care in remote locations at a reasonable expense. This technology would enable the pharmacist to be in greater control of the prescription process, reducing error and ensuring

compliance. The cost of implementing these systems could be offset by grant funding that is currently available.

OPPONENTS  
SAY:

CSHB 611 would force residents in rural areas to use higher-cost services of pharmacists. The Internet and mail-order services offer lower-cost ways to fill a prescription, which insurers often prefer. This bill would create a network of services that are more expensive than the system used by rural areas now.

This bill temporarily would shut down grandfathered telepharmacy systems in Texas. It would require telepharmacy services to cease operation until the pharmacy board adopted the required rules, which could be as late as February of 2002.

OTHER  
OPPONENTS  
SAY:

CSHB 611 would not create a monitoring system. Telepharmacy is a relatively new concept that has not been proven to save money or work better than the current pharmacy system. The Legislature should require the Texas Department of Health to monitor telepharmacy and report back.

NOTES:

The committee substitute differs from the bill as filed by including a grandfather clause for telepharmacy systems already in place in communities with a Class A or C pharmacy.

An identical bill, SB 65 by Moncrief, passed the Senate on the Local and Uncontested Calendar on March 29 and was reported favorably as substituted by the House Public Health Committee on April 18, making it eligible to be considered in lieu of CSHB 611.

A similar bill, SB 98 by Nelson, passed the Senate on April 4 by 29-0 and was reported favorably without amendment by the House Public Health Committee on April 18.