

BILL ANALYSIS

Senate Research Center
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AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, the Texas State Board of Pharmacy (board) may issue Class E pharmacy licenses to out of state pharmacies which provide to the board evidence that the applicant holds a pharmacy license, registration, or permit in good standing issued by the state in which the pharmacy is located; the name of the owner and pharmacist in charge of the pharmacy for service of process; evidence of the applicant's ability to provide to the board a record of the prescription drug order dispensed by the applicant to a resident of this state not later than 72 hours after the time the board requests the record; and an affidavit by the pharmacist-in-charge that states that the pharmacist has read and understands the laws and rules relating to a Class E pharmacy.

As proposed, S.B. 518 allows the board to issue Class F licenses to Canadian pharmacies to sell prescription medicines to Texans in a manner similar to the licensing of out-of-state Class E pharmacies.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas State Board of Pharmacy (board) in SECTION 4 (Section 556.0555, Occupations Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Sets forth legislative findings pertaining to prescription drug costs and purchases.

SECTION 2. Amends Section 551.003, Occupations Code, by adding Subdivision (7-a), to define "Class F pharmacy license."

SECTION 3. Amends Subchapter A, Chapter 554, Occupations Code, by adding Section 554.016, as follows:

Sec. 554.016. CANADIAN PHARMACY INFORMATION. Requires the Texas State Board of Pharmacy (board) to establish and maintain an Internet website to provide information about Class F pharmacies necessary to enable residents of this state to conveniently order prescription drugs from those pharmacies in accordance with this subtitle and board rules.

SECTION 4. Amends Subchapter B, Chapter 556, Occupations Code, by adding Section 556.0555, as follows:

Sec. 556.0555. INSPECTIONS. (a) Requires the board to conduct random inspections of Class F pharmacies at least annually as necessary to ensure compliance with the safety standards and the licensing requirements of this subtitle and board rules.

(b) Authorizes the board, notwithstanding the requirements of this chapter, by rule, to establish the standards and procedures for inspections under this section.

SECTION 5. Amends Section 560.001, Occupations Code, by adding Subsection (c), to prohibit a pharmacy located in Canada from shipping, mailing, or delivering a prescription drug to this state dispensed under a prescription order to a resident of this state unless the pharmacy is licensed by the board.

SECTION 6. Amends Section 560.051, Occupations Code, by amending Subsection (a) and adding Subsection (f-1), as follows:

(a) Includes a Class F pharmacy license amongst the classifications of pharmacy licenses for which a pharmacy license applicant may apply.

(f-1) Authorizes a Class F pharmacy license to be issued to a pharmacy located in Canada whose primary business is to dispense a prescription drug order to Canadian residents. Requires the board to issue a Class F pharmacy license to each Canadian pharmacy that applies and is qualified for the license under this subtitle.

SECTION 7. Amends Subchapter B, Chapter 560, Occupations Code, by adding Section 560.0525, as follows:

Sec. 560.0525. ADDITIONAL QUALIFICATIONS AND LICENSING REQUIREMENTS FOR CANADIAN PHARMACIES. (a) Requires a Class F pharmacy to meet Texas licensing standards.

(b) Requires an applicant, in addition to satisfying other requirements of this chapter, to make certain submissions to the board to qualify for a Class F pharmacy license.

(c) Requires a representative of the board, before issuing a Class F pharmacy license, to visit the pharmacy's facilities and to review the pharmacy's compliance with the licensing requirements and state standards established under this subtitle.

SECTION 8. Amends Section 562.101, Occupations Code, by adding Subsection (f-1), to require a Class F pharmacy to be under the continuous on-site supervision of a pharmacist and to designate one pharmacist licensed to practice pharmacy by the regulatory licensing agency of Canada or of the Canadian province in which the Class F pharmacy is located to serve as the pharmacist in charge of the Class F pharmacy.

SECTION 9. Amends Subchapter C, Chapter 562, Occupations Code, by adding Section 562.111, as follows:

Sec. 562.111. PRESCRIPTION DRUG ORDER FOR CONSUMER. (a) Authorizes a pharmacy in this state to order a prescription drug from a Class F pharmacy for a consumer.

(b) Authorizes a pharmacy to order a prescription drug under this section only with the knowledge and clear consent of the consumer.

SECTION 10. Amends Chapter 562, Occupations Code, by adding Subchapter E, as follows:

SUBCHAPTER E. PRACTICE BY CANADIAN PHARMACY

Sec. 562.201. ADDITIONAL PRACTICE REQUIREMENTS. Sets forth certain requirements of a Class F pharmacy.

Sec. 562.202. LIMITATIONS ON PRACTICE. Sets forth certain restrictions for Class F pharmacies.

Sec. 562.203. COMPLAINT REPORT. Requires a Class F pharmacy to provide to the board periodic reports in accordance with board rules on each complaint received by the pharmacy from a consumer in this state who purchases a prescription drug from that pharmacy.

Sec. 562.204. PRICE LIST. Requires a Class F pharmacy to compile and maintain a current price list for prescription drugs provided in this state and to guarantee those prices for not less than 30 days from the date the list is effective.

SECTION 11. (a) Requires the board, not later than the 30th day after the effective date of this Act, to adopt the initial rules necessary to implement the change in law made by this Act to Subtitle J, Title 3, Occupations Code, in the manner provided by law for the adoption of emergency rules. Provides that this subsection expires January 1, 2006.

(b) Requires the board, not later than January 1, 2006, to adopt the rules necessary to implement the changes in law made by this Act to Subtitle J, Title 3, Occupations Code.

(c) Makes the licensing requirements for a Canadian pharmacy under Subtitle J, Title 3, Occupations Code, as amended by this Act, prospective to March 1, 2006.

SECTION 12. Effective date: upon passage or September 1, 2005.