Friday May 10,1991 Hearing Room A 3:15 p.m. Tapes 89 - 90 MEMBERS PRESENT: Sen. Bill McCoy, Chair Sen. Cliff Trow, Vice-Chair Sen. Shirley Gold Sen. Paul Phillips MEMBER EXCUSED: Sen. Bill Kennemer STAFF PRESENT: Janice J. Fiegener, Committee Administrator Mike Meriwether, Research Assistant Debbie Schieno, Committee Assistant Andra Woodrum, Page MEASURES CONSIDERED: SB 147 - Defines certain mail order vendors located outside state, but doing business within state, as drug outlets. PH SB 149- Adds definition of "dispensing drug outlet" to pharmacy law. PH WITNESSES: RUTH VANDEVER, BOARD OF PHARMACY JIM GARDENER, OREGON MEDICAL ASSOCIATION BOB WILLIAMS, PHARMACIST CONSULTANT SCOTT GALLANT, OREGON MEDICAL ASSOCIATION BRIAN DELASH1 IUTT, OREGON NURSES ASSOCIATION ARTS CAMPBELL, OREGON ASSOCIATION NATUROPATHIC PHYSICIANS DELL ISHAM, OREGON ASSOCIATION NATUROPATHIC PHYSICIANS CHUCK GRESS, OREGON STATE PHARMACISTS ASSOCIATION .

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TAPE 89, SIDE A

002 CHATR McCOY: Calls the meeting to order at 3:15 p.m.

PUBLIC HEARING ON SB 149

MIKE MERIWETHER, RESEARCH ASSISTANT: Gives background of bill in Preliminary Staff Measure Summary (EXHIBIT A). RUTH VANDEVER, BOARD OF PHARMACY: Reviews sections of bill in prepared testimony (EXHIBIT B).

SEN. PHILLIPS: Refers to Section 2. Is concerned that someone might be excluded or not included in this definition change.

CHAIR McCOY: Will check with Legislative Counsel. VANDEVER: Has checked with John Welling, Exec. Director Board of Medical Examiners, who had conferred with Walt Barry, assigned Counsel. Has also checked with the Board's assigned Counsel, Frank Macell. They have agreed with the language "dispensing drug outlet". When it says it means a "drug outlet", it would have to be defined under the term drug outlet to be included in that definition. SEN. PHILLIPS: That would take care of health clinics, nurse practitioners, etc. that can dispense?

VANDEVER: If they are not defined under Subsection 13 in the definitions of a drug outlet, or any other place in the statute as a drug outlet, we cannot regulate them. - In Section 2, there is an attempt to clarify "prescription drug". This was a critical clarification to the Board of Pharmacy. SEN. PHILLIPS: Refers to Section 7, line 6, page 17. What other classes does the Board currently establish by rule?

VANDEVER: We have not established any other classes. That was a suggestion of our assistant Attorney General simply to anticipate that there may be some others because there seems to be so many types of dispensing drug outlets evolving.

SEN. PHILLIPS: Can you give me examples of types of things you may be establishing by rule?

VANDEVER: Specialty pharmacies. Sen. Phillips and Vendever clarify the intent this section.

VANDEVER: Continues review of EXHIBIT B, Section 9.

SEN. PHILLIPS: Refers to language in Subsection 5. Does that in no way limit from who can already dispense now? It just says they must dispense with a clear and legible label.

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VANDEVER: That's correct.

VANDEVER: Continues with review of Sections 10, 11. The Board of Pharmacy has not addressed Subsection 12, it will be addressed by someone else. Reviews Section 12. SEN. PHILLIPS: Refers to Section 12. Those in the pharmacy industry who are potentially subject to civil penalties and violations will be interested in how you write this. Have they concurred with this change?

VANDEVER: We already have the authority because we license all of them. This will allow us to impose a civil fine on people not licensed by us. An example would be health food stores that are selling prescription drugs.

SEN. PHILLIPS: Have you had any feedback from them?

VANDEVER: No, I have not. JIM GARDENER, PHARMACEUTICAL MANUFACTURERS ASSOCIATION: - PMA confirms on the legislative history that nothing contained in the SB 149 language, page 20, (EXHIBIT C) is intended to restrict or affect the practice of pharmaceutical sampling as it is now practiced in Oregon. Supports the Board of Pharmacy.

SEN. PHILLIPS: Requests statement of support from R. Vandever.

RUTH VANDEVER, BOARD OF PHARMACY: Agrees with the above statement from Jim Gardener. JIM GARDENER, OREGON HEALTH CARE ASSOCIATION: Testifies in opposition to a mandate language on page 23, Subsection 12. This language was brought forward from Robert Williams, Institutional Pharmacy Consultants. In the short term it will increase costs to Oregon nursing homes. It creates restrictions on pharmacy practices and prohibits pharmacy services currently provided in order to compete in this institutional service market. Because 60% of nursing home patients are Medicaid paid for out of state and general fund resources, this will have a fiscal impact on Oregon. SDSD budget cannot handle this impact. Urges deletion of this language. SCOTT GALLANT, OREGON MEDICAL ASSOCIATION: Refers to (EXHIBIT C) page 3, Subsection 4. Asks committee to further discuss the full impact in the change regarding the definition of consulting pharmacist. - Refers to language change of person under rulemaking authority of the Board of Pharmacy. OMA is concerned with the possibility of physicians being under the authority of the BOP. A physcian might unknowingly violate a new Dept. of Pharmacy rule, but be in compliance with the Board of Medical Examiners rule. Appreciates BOP not including physicans in that process. Suggests adding language "drug outlets" on line 6 (E) page 17 for clarification.

TAPE 90 SIDE A SCOTT GALLANT: In Section 12, page 23 the word "person" is broadly defined. Suggests - These minutes contain nuteriale which paraphreae and/or summarize state~nents made during this session. Only text enclosed in quotation marks repon a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. _ _ Senate Committee on Human Resource~ May 10, 1991- Page 4

defining who civil penalties may be imposed upon.

SEN. PHILLIPS: Comments on "person" language.

GALLANT: OMA staff has suggested "person" is too broadly defined in other sections of the bill. BOB WILLIAMS, CONSULTANT PHARMACIST: Refers to his proposed amendment in Subsection 12, page 23. Has submitted written testimony (EXHIBIT D). Requests withdrawing his testimony and striking Subsection 12. The nursing homes in Oregon are under considerable financial strain. Regrets doing this because he believes the long term benefit for the patients and the health care facilities would be sign) ficant. Literature and data supports that. Has worked in nursing homes for 12 years, and has seen what limited budgets can do. Will work with OHCA to achieve a benefit for everyone. BRIAN DELASHMUTT, OREGON NURSES ASSOCIATION: OMA has raised many points ONA wanted to testify on. Requests clarification of language on page 3 line 30, page 4 line 1. Will that now include nurse practitioners who dispense medications?

VANDEVER: It would not include nurse practitioners or anybody who is not in the drug outlet defintion. DELASHMUTT: Is concerned with lines 12-15, page 23. Has some proposed amendments to SB 149 dealing with college health centers. There has been concern that nurse practitioners who are authorized to prescribe medications within their formulary were not able to dispense them to patients or students. This has been inconvenient. Compromise amendments have been drafted by Vandever, BOP. Will be working further with her.

SEN. PHILLIPS: Have the drafted amendments been given to staff?

DELASHMUTT: Not yet. SEN. PHILLIPS: Suggests before hearing testimony, staff should have materials for committee members.

DELL ISHAM, OREGON ASSOCIATION OF NATUROPATHIC PHYSICIANS: Expresses concern over vagueness of language and definitions in SB 149. Requests licensed health care practitioners, or naturopathic physicians be excluded from the definition on dispensing drug outlet. OANP wants them excluded from the regulation of the Board of Pharmacy. They already have their own board. - Refers to page 17, Subsection E. Is concerned this opens the door to all kinds of interpretations in the future. We have a legislature to make these kinds of public policy decisions, and if there is a need for this it should be done by the legislature, not by a board that is one step removed from your control. SEN. PHILLIPS: Mr. Gallant suggested we make sure of such other classes of drug outlets, which ties it back in the definition. Would you have a problem with that?

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ISHAM: That certainly would be an improvement. ARIS CAMPBELL, OREGON ASSOCIATION OF NATUROPATHIC PHYSICIANS: Reads prepared testimony (EXHIBIT E). VANDEVER, BOARD OF PHARMACY: Comments on the assumption that the BOP's only function in Oregon is to regulate the practice of pharmacy. BOP has been assigned the regulation of the distribution of all drugs in Oregon, which has become a far greater chore than regulating the practice of pharmacy. We are analygous to the CEA and FDA at the national level, and those two have a great impact on practitioners in Oregon. I don't think it's accurate that only the licensing board should be involved in drugs in Oregon. It's frustrating to have statutes that cut us off from regulating the distribution of drugs effectively. - I am uncertain that it is clearly established in statute that naturopathic physicians can dispense drugs. SEN. PHILLIPS: My reflection of this bill as you went through it does not broaden or enhance your ability to regulate either naturopaths or Mr. Gallant's clients. Is that your interpretation?

VANDEVER: That is correct. It was not our intent to broaden our regulatory authority.

CHAIR McCOY: Has there been occasion when BOP has had to step in on cases with the naturopaths or the medical doctors?

VANDEVER: BOP frequently makes referrals to both of those boards when we find problems with drug distribution. That has always been our policy, to give information to the health licensing boards. Most of those boards would say they get alot of information from the BOP relating to drug distribution.

CHAIR McCOY: Closes public hearing on SB 149.

PUBLIC HEARING ON SB 147 MIKE MERIWETHER: Gives background of bill in Preliminary Staff Measure Summary (EXHIBIT F).

RUTH VANDEVER, BOARD OF PHARMACY: Reads prepared testimony (EXHIBIT G). - Proposed amendment (EXHIBIT I) includes any type of drug outlet in or out of state. Intent was to clarify we were not only talking about mail order vendors, but about out of state pharmacies dispensing to Oregon. We were also talking about over the counter outlets who are sending massive amounts of ephedrine into Oregon. We want to license anybody who sends any drug into Oregon, provided they are defined as a drug outlet.

CHAIR McCOY: Do you know of out of state pharmacies dispensing into Oregon?

VANDEVER: Most of the pharmacies are contracted to third party payers, or are a retired persons pharmacy. We are aware of those.

Is not surprised on the volume of mail on this issue. This has been before the Boards of

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Pharmacy in ever state. Is aware of arguements and legislation on this issue in other states.

Gives overview of (EXHIBIT G) pages 2,3. Points out importance of numbers 9, 10 page 2.

SEN. PHILLIPS: Refers to definitions of "dispensing drug outlet" and "drug outlet" and the definitions of those dispensing, there is a distinct lack of consistency. Feels this needs to be clarified in the way it is verbalized and articulated. CHUCK GRESS, OREGON STATE PHARMACISTS ASSOCIATION: Supports SB 147. Pharmacies practicing in terms of dispensing drugs into Oregon should be equally regulated just as pharmacies into Oregon.

CHAIR McCOY: Closes public hearing on SB 147.

CHAIR McCOY: With no further business to come before the committee, the meeting is adjourned.

Submitted by, Reviewed by, Debbie Schieno Janice Fiegener, Committee Assistant Committee Administrator

Transcribed by, Margie Neukomm

EXHIBIT LOG:

A - STAFF MEASURE SUMMARY ON SB 149, 1 PAGE B - TESTIMONY, R. VANDEVER, 3 PAGES C - -2 AMENDMENTS TO SB 149, STAFF, 24 PAGES D - TESTIMONY, B. WILLIAMS, 1 PAGE E - TESTIMONY, A. CAMPBELL, 1 PAGE F - STAFF MEASURE SUMMARY ON SB 147, 1 PAGE G - TESTIMONY, R. VANDEVER, 6 PAGES H - -1 AMENDMENTS TO SB 147, STAFF, 4 PAGES I - PROPOSED AMENDMENT TO SB 147, R. VANDEVER, 2 PAGES .

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