REFERENCE TITLE: pharmacy board; duties; regulation

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SB 1452

Introduced by
Senator Shope

AN ACT

AMENDING SECTIONS 32-1901.01, 32-1904, 32-1925, 32-1926, 32-1926.01, 32-1927, 32-1927.01, 32-1927.02, 32-1930, 32-1941, 32-1965, 36-2602, 36-2604, 36-2606 AND 36-2608, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA STATE BOARD OF PHARMACY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 32-1901.01, Arizona Revised Statutes, is amended to read:

32-1901.01. Definition of unethical conduct and unprofessional conduct; permittees; licensees

A. In this chapter, unless the context otherwise requires, for the purposes of disciplining a permittee, "unethical conduct" means the following, whether occurring in this state or elsewhere:

1. Committing a felony, whether or not involving moral turpitude, or a misdemeanor involving moral turpitude or any drug-related offense. In either case, conviction by a court of competent jurisdiction or a plea of no contest is conclusive evidence of the commission.

2. Committing an act that is substantially related to the qualifications, functions or duties of a permittee and that demonstrates an actual or potential unfitness to hold a permit in light of the public's safety.

3. Working under the influence of alcohol or other drugs.

4. Using alcohol or other drugs to such a degree as to render the permittee unfit to perform the permittee's employment duties.

5. Violating a federal or state law or administrative rule relating to the manufacture, sale or distribution of drugs, devices, poisons, hazardous substances or precursor chemicals.

6. Violating a federal or state law or administrative rule relating to marijuana, prescription-only drugs, narcotics, dangerous drugs, controlled substances or precursor chemicals.

7. Violating state or federal reporting or recordkeeping requirements on transactions relating to precursor chemicals.

8. Intending to sell, transfer or distribute, or to offer for sale, transfer or distribution, or selling, transferring, distributing or dispensing or offering for sale, transfer or distribution an imitation controlled substance, imitation over-the-counter drug or imitation prescription-only drug as defined in section 13-3451.

9. Having the permittee's permit to manufacture, sell, distribute or dispense drugs, devices, poisons, hazardous substances or precursor chemicals denied or disciplined in another jurisdiction. THE PERMITTEE SHALL NOTIFY THE BOARD IN WRITING WITHIN FIFTEEN BUSINESS DAYS AFTER THE OTHER JURISDICTION'S FINAL ACTION ON THE PERMITTEE'S PERMIT.

10. Committing an offense in another jurisdiction that if committed in this state would be grounds for discipline.

11. Obtaining or attempting to obtain a permit or a permit renewal by fraud, by misrepresentation or by knowingly taking advantage of the mistake of another person or an agency.

12. Wilfully making a false report or record that is required by this chapter, that is required by federal or state laws pertaining to drugs, devices, poisons, hazardous substances or precursor chemicals or

that is required to pay for drugs, devices, poisons or hazardous substances or precursor chemicals or for services pertaining to such drugs or substances.

13. Knowingly filing with the board any application, renewal or other document that contains false or misleading information.

14. Providing false or misleading information or omitting material information in any communication to the board or the board's employees or agents.

15. Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate this chapter.

16. Violating a formal order, terms of probation, a consent agreement or a stipulation issued or entered into by the board or its executive director pursuant to this chapter.

17. Failing to comply with a board subpoena or failing to comply in a timely manner with a board subpoena without providing any explanation to the board for not complying with the subpoena.

18. Failing to provide the board or its employees or agents or an authorized federal or state official conducting a site investigation, inspection or audit with access to any place for which a permit has been issued or for which an application for a permit has been submitted.

19. Failing to notify the board of a change of ownership, management or pharmacist in charge.

20. Failing to ~~promptly~~ produce, WITHIN FIFTEEN BUSINESS DAYS, on the request of the official conducting ~~a site~~ AN investigation~~, inspection~~ or audit A RESPONSE, any ~~book, record or document~~ BOOKS, RECORDS OR DOCUMENTS AND, IF AVAILABLE, AUDIO OR VISUAL RECORDINGS.

21. Overruling or attempting to overrule a pharmacist in matters of pharmacy ethics or interpreting laws pertaining to the practice of pharmacy or the distribution of drugs or devices.

22. Distributing premiums or rebates of any kind in connection with the sale of prescription medication, other than to the prescription medication recipient.

23. Failing to maintain effective controls against the diversion of controlled substances or precursor chemicals to unauthorized persons or entities.

24. Fraudulently claiming to have performed a service.

25. Fraudulently charging a fee for a service.

26. Advertising drugs or devices, or services pertaining to drugs or devices, in a manner that is untrue or misleading in any particular, and that is known, or that by the exercise of reasonable care should be known, to be untrue or misleading.

27. FAILING TO ROUTINELY OPERATE ACCORDING TO THE PERMITTEE'S HOURS OF OPERATION AS SUBMITTED TO THE BOARD BY CLOSING FOR FIVE CONSECUTIVE DAYS OR MORE. THIS PARAGRAPH DOES NOT APPLY IF THE PERMITTEE NOTIFIES THE

BOARD WITHIN FORTY-EIGHT HOURS AFTER AN UNEXPECTED CLOSURE OF FIVE DAYS OR MORE.

28. FAILING TO SUBMIT, WITHIN FIFTEEN BUSINESS DAYS AFTER CONFIRMED DELIVERY TO THE LICENSEE OR PERMITTEE, A FINAL REPORT OR FINDING FROM A STATE AGENCY, FEDERAL AGENCY, LICENSED PATHOLOGIST OR CREDENTIALED HEALTH CARE PROVIDER THAT A PATIENT WAS HOSPITALIZED OR DIED FROM AN ADULTERATED OR MISBRANDED COMPOUNDED MEDICATION DISPENSED BY A 503A PHARMACY OR DISTRIBUTED BY A 503B OUTSOURCING FACILITY AS DEFINED IN THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.

B. In this chapter, unless the context otherwise requires, for the purposes of disciplining a pharmacist or pharmacy intern, "unprofessional conduct" means the following, whether occurring in this state or elsewhere:

1. Using alcohol or other drugs to such a degree as to render the licensee unfit to practice the profession of pharmacy.

2. Violating any federal or state law, rule or regulation relating to the manufacture or distribution of drugs and devices or the practice of pharmacy.

3. Dispensing a different drug or brand of drug in place of the drug or brand of drug ordered or prescribed without the express permission in each case of the orderer, or in the case of a prescription order, the medical practitioner. The conduct prohibited by this paragraph does not apply to substitutions authorized pursuant to section 32-1963.01.

4. Obtaining or attempting to obtain a license to practice pharmacy or a license renewal by fraud, by misrepresentation or by knowingly taking advantage of the mistake of another person or an agency.

5. Having the licensee's license to practice pharmacy denied or disciplined in another jurisdiction. THE LICENSEE SHALL NOTIFY THE BOARD IN WRITING WITHIN FIFTEEN BUSINESS DAYS AFTER THE OTHER JURISDICTION'S FINAL ACTION ON THE LICENSEE'S LICENSE.

6. Claiming professional superiority in compounding or dispensing prescription orders.

7. Failing to comply with the mandatory continuing professional pharmacy education requirements of sections 32-1936 and 32-1937 and rules adopted by the board.

8. Committing a felony, whether or not involving moral turpitude, or a misdemeanor involving moral turpitude or any drug-related offense. In either case, conviction by a court of competent jurisdiction or a plea of no contest is conclusive evidence of the commission.

9. Working under the influence of alcohol or other drugs.

10. Violating a federal or state law or administrative rule relating to marijuana, prescription-only drugs, narcotics, dangerous drugs, controlled substances or precursor chemicals when determined by the board or by conviction in a federal or state court.

11. Knowingly dispensing a drug without a valid prescription order as required pursuant to section 32-1968, subsection A.

12. Knowingly dispensing a drug on a prescription order that was issued in the course of the conduct of business of dispensing drugs pursuant to diagnosis by mail or the internet, unless the order was any of the following:

(a) Made by a physician who provides temporary patient supervision on behalf of the patient's regular treating licensed health care professional or provides a consultation requested by the patient's regular treating licensed health care professional.

(b) Made in an emergency medical situation as defined in section 41-1831.

(c) Written to prepare a patient for a medical examination.

(d) Written or the prescription medications were issued for use by a county or tribal public health department for immunization programs or emergency treatment or in response to an infectious disease investigation, a public health emergency, an infectious disease outbreak or an act of bioterrorism. For the purposes of this subdivision, "bioterrorism" has the same meaning prescribed in section 36-781.

(e) Written or antimicrobials were dispensed by the prescribing or dispensing physician to a contact as defined in section 36-661 who is believed to have had significant exposure risk as defined in section 36-661 with another person who has been diagnosed with a communicable disease as defined in section 36-661.

(f) Written or the prescription medications were issued for administering immunizations or vaccines listed in the United States centers for disease control and prevention's recommended immunization schedule to a household member of a patient.

(g) For epinephrine auto-injectors that are written or dispensed for a school district or charter school and that are to be stocked for emergency use pursuant to section 15-157 or for an authorized entity to be stocked pursuant to section 36-2226.01.

(h) Written by a licensee through a telehealth program that is covered by the policies and procedures adopted by the administrator of a hospital or outpatient treatment center.

(i) Written pursuant to a physical or mental health status examination that was conducted through telehealth as defined in section 36-3601 and consistent with federal law.

(j) For naloxone hydrochloride or any other opioid antagonist approved by the United States food and drug administration and written or dispensed for use pursuant to section 36-2228 or 36-2266.

13. Failing to report in writing to the board WITHIN FIFTEEN BUSINESS DAYS any evidence that a pharmacist, ~~or~~ pharmacy intern, ~~is or~~ PHARMACY TECHNICIAN OR PHARMACY TECHNICIAN TRAINEE may be professionally incompetent~~, is or may be guilty of unprofessional conduct or is or may be~~

~~mentally or physically unable to safely engage in the~~ OR EXHIBITING SIGNS AND SYMPTOMS THAT ARE CONTRARY TO THE SAFE practice of pharmacy OR PHARMACY TECHNOLOGY.

~~14. Failing to report in writing to the board any evidence that a pharmacy technician or pharmacy technician trainee is or may be professionally incompetent, is or may be guilty of unprofessional conduct or is or may be mentally or physically unable to safely engage in the permissible activities of a pharmacy technician or pharmacy technician trainee.~~

~~15.~~ 14. Failing to report in writing to the board WITHIN FIFTEEN BUSINESS DAYS any evidence that a permittee or a permittee's employee is or may be guilty of unethical conduct or is or may be violating this chapter or a rule adopted under this chapter.

~~16.~~ 15. Committing an offense in another jurisdiction that if committed in this state would be grounds for discipline.

~~17.~~ 16. Knowingly filing with the board any application, renewal or other document that contains false or misleading information.

~~18.~~ 17. Providing false or misleading information or omitting material information in any communication to the board or the board's employees or agents.

~~19.~~ 18. Violating or attempting to violate, directly or indirectly, or assisting in or abetting in the violation of, or conspiring to violate this chapter.

~~20.~~ 19. Violating a formal order, terms of probation, a consent agreement or a stipulation issued or entered into by the board or its executive director pursuant to this chapter.

~~21.~~ 20. Failing to comply with a board subpoena or failing to comply in a timely manner with a board subpoena without providing any explanation to the board for not complying with the subpoena.

~~22.~~ 21. Refusing without just cause to allow authorized agents of the board to examine documents that are required to be kept pursuant to this chapter or title 36.

~~23.~~ 22. Participating in an arrangement or agreement to allow a prescription order or a prescription medication to be left at, picked up from, accepted by or delivered to a place that is not licensed as a pharmacy. This paragraph does not prohibit a pharmacist or a pharmacy from using an employee or a common carrier to pick up prescription orders at or deliver prescription medications to the office or home of a medical practitioner, the residence of a patient or a patient's hospital.

~~24.~~ 23. Paying rebates or entering into an agreement for paying rebates to a medical practitioner or any other person in the health care field.

~~25.~~ 24. Providing or causing to be provided to a medical practitioner prescription order blanks or forms bearing the pharmacist's or pharmacy's name, address or other means of identification.

~~26.~~ 25. Fraudulently claiming to have performed a professional service.

~~27.~~ 26. Fraudulently charging a fee for a professional service.

~~28.~~ 27. Failing to report TO THE BOARD WITHIN FIFTEEN BUSINESS DAYS a change of the licensee's home address, contact information, employer or employer's address as required by section 32-1926.

~~29.~~ 28. Failing to report TO THE BOARD WITHIN FIFTEEN BUSINESS DAYS a change in the licensee's residency status as required by section 32-1926.01.

~~30.~~ 29. Failing to maintain effective controls against the diversion of controlled substances or precursor chemicals to unauthorized persons or entities.

30. FAILING TO PRODUCE WITHIN FIFTEEN BUSINESS DAYS, ON THE REQUEST OF THE OFFICIAL CONDUCTING AN INVESTIGATION PURSUANT TO A COMPLAINT, A RESPONSE, ANY BOOKS, RECORDS, DOCUMENTS OR STATEMENTS AND, IF AVAILABLE, AUDIO OR VISUAL RECORDINGS.

C. In this chapter, unless the context otherwise requires, for the purposes of disciplining a pharmacy technician or pharmacy technician trainee, "unprofessional conduct" means the following, whether occurring in this state or elsewhere:

1. Using alcohol or other drugs to such a degree as to render the licensee OR REGISTRANT unfit to perform the licensee's OR REGISTRANT'S employment duties.

2. Violating a federal or state law or administrative rule relating to the manufacture or distribution of drugs or devices.

3. Obtaining or attempting to obtain a pharmacy technician LICENSE OR LICENSE RENEWAL or pharmacy technician trainee ~~license or a pharmacy technician license renewal~~ REGISTRATION by fraud, by misrepresentation or by knowingly taking advantage of the mistake of another person or an agency.

4. Having the licensee's license to practice as a pharmacy technician denied or disciplined in another jurisdiction.

5. Failing to comply with the mandatory continuing professional education requirements of section 32-1925, subsection H and rules adopted by the board.

6. Committing a felony, whether or not involving moral turpitude, or a misdemeanor involving moral turpitude or any drug-related offense. In either case, conviction by a court of competent jurisdiction or a plea of no contest is conclusive evidence of the commission.

7. Working under the influence of alcohol or other drugs.

8. Violating a federal or state law or administrative rule relating to marijuana, prescription-only drugs, narcotics, dangerous drugs, controlled substances or precursor chemicals when determined by the board or by conviction in a federal or state court.

9. Failing to report in writing to the board WITHIN FIFTEEN BUSINESS DAYS any evidence that a pharmacist, ~~or~~ pharmacy intern, ~~is or~~ PHARMACY TECHNICIAN OR PHARMACY TECHNICIAN TRAINEE may be professionally incompetent~~, is or may be guilty of unprofessional conduct or is or may be mentally or physically unable to safely engage in the~~ OR EXHIBITING SIGNS AND SYMPTOMS THAT ARE CONTRARY TO THE SAFE practice of pharmacy OR PHARMACY TECHNOLOGY.

~~10. Failing to report in writing to the board any evidence that a pharmacy technician or pharmacy technician trainee is or may be professionally incompetent, is or may be guilty of unprofessional conduct or is or may be mentally or physically unable to safely engage in the permissible activities of a pharmacy technician or pharmacy technician trainee.~~

~~11.~~ 10. Failing to report in writing to the board WITHIN FIFTEEN BUSINESS DAYS any evidence that a permittee or a permittee's employee is or may be guilty of unethical conduct or is or may be violating this chapter or a rule adopted under this chapter.

~~12.~~ 11. Committing an offense in another jurisdiction that if committed in this state would be grounds for discipline.

~~13.~~ 12. Knowingly filing with the board any application, renewal or other document that contains false or misleading information.

~~14.~~ 13. Providing false or misleading information or omitting material information in any communication to the board or the board's employees or agents.

~~15.~~ 14. Violating or attempting to violate, directly or indirectly, or assisting in or abetting in the violation of, or conspiring to violate this chapter.

~~16.~~ 15. Violating a formal order, terms of probation, a consent agreement or a stipulation issued or entered into by the board or its executive director pursuant to this chapter.

~~17.~~ 16. Failing to comply with a board subpoena or failing to comply in a timely manner with a board subpoena without providing any explanation to the board for not complying with the subpoena.

~~18.~~ 17. Failing to report TO THE BOARD WITHIN FIFTEEN BUSINESS DAYS a change of the licensee's OR REGISTRANT'S home address, contact information, employer or employer's address as required by section 32-1926.

~~19.~~ 18. Failing to report TO THE BOARD WITHIN FIFTEEN BUSINESS DAYS a change in the licensee's OR REGISTRANT'S residency status as required by section 32-1926.01.

19. FAILING TO PRODUCE WITHIN FIFTEEN BUSINESS DAYS, ON THE REQUEST OF THE OFFICIAL CONDUCTING AN INVESTIGATION PURSUANT TO A COMPLAINT, A RESPONSE, ANY BOOKS, RECORDS, DOCUMENTS OR STATEMENTS AND, IF AVAILABLE, AUDIO OR VISUAL RECORDINGS.

Sec. 2. Section 32-1904, Arizona Revised Statutes, is amended to read:

32-1904. Powers and duties of board; immunity

A. The board shall:

1. Make bylaws and adopt rules that are necessary to protect the public and that pertain to the practice of pharmacy, the manufacturing, wholesaling or supplying of drugs, devices, poisons or hazardous substances, the use of pharmacy technicians and support personnel and the lawful performance of its duties.

2. Fix standards and requirements to register and reregister pharmacies, except as otherwise specified.

3. Investigate compliance as to the quality, label and labeling of all drugs, devices, poisons or hazardous substances and take action necessary to prevent the sale of these if they do not conform to the standards prescribed in this chapter, the official compendium or the federal act.

4. Enforce its rules. In so doing, the board or its agents have free access, during the hours reported with the board or the posted hours at the facility, to any pharmacy, manufacturer, wholesaler, third-party logistics provider, nonprescription drug permittee or other establishment in which drugs, devices, poisons or hazardous substances are manufactured, processed, packed or held, or to enter any vehicle being used to transport or hold such drugs, devices, poisons or hazardous substances for the purpose of:

(a) Inspecting the establishment or vehicle to determine whether any provisions of this chapter or the federal act are being violated.

(b) Securing samples or specimens of any drug, device, poison or hazardous substance after paying or offering to pay for the sample.

(c) Detaining or embargoing a drug, device, poison or hazardous substance in accordance with section 32-1994.

5. Examine and license as pharmacists and pharmacy interns all qualified applicants as provided by this chapter.

6. Require each applicant for an initial license to apply for a fingerprint clearance card pursuant to section 41-1758.03. If an applicant is issued a valid fingerprint clearance card, the applicant shall submit the valid fingerprint clearance card to the board with the completed application. If an applicant applies for a fingerprint clearance card and is denied, the applicant may request that the board consider the application for licensure notwithstanding the absence of a valid fingerprint clearance card. The board, in its discretion, may approve an application for licensure despite the denial of a valid fingerprint clearance card if the board determines that the applicant's criminal history information on which the denial was based does not alone disqualify the applicant from licensure.

7. Issue duplicates of lost or destroyed permits on the payment of a fee as prescribed by the board.

8. Adopt rules to rehabilitate pharmacists and pharmacy interns as provided by this chapter.

9. At least once every three months, notify pharmacies regulated pursuant to this chapter of any modifications on prescription writing privileges of podiatrists, dentists, doctors of medicine, registered nurse practitioners, osteopathic physicians, veterinarians, physician assistants, optometrists and homeopathic physicians of which it receives notification from the state board of podiatry examiners, state board of dental examiners, Arizona medical board, Arizona state board of nursing, Arizona board of osteopathic examiners in medicine and surgery, Arizona state veterinary medical examining board, Arizona regulatory board of physician assistants, state board of optometry or board of homeopathic and integrated medicine examiners.

10. Charge a permittee a fee, as determined by the board, for an inspection if the permittee requests the inspection.

11. Issue only one active or open license per individual.

12. Allow a licensee to regress to a lower level license on written explanation and review by the board for discussion, determination and possible action.

13. Open an investigation only if the identifying information regarding a complainant is provided or the information provided is sufficient to conduct an investigation.

14. Provide notice to an applicant, licensee, REGISTRANT or permittee using only the information provided to the board through the board's licensing database.

B. The board may:

1. Employ chemists, compliance officers, clerical help and other employees subject to title 41, chapter 4, article 4 and provide laboratory facilities for the proper conduct of its business.

2. Provide, by educating and informing the licensees and the public, assistance in curtailing abuse in the use of drugs, devices, poisons and hazardous substances.

3. Approve or reject the manner of storage and security of drugs, devices, poisons and hazardous substances.

4. Accept monies and services to assist in enforcing this chapter from other than licensees:

(a) For performing inspections and other board functions.

(b) For the cost of copies of the pharmacy and controlled substances laws, the annual report of the board and other information from the board.

5. Adopt rules for professional conduct appropriate to the establishment and maintenance of a high standard of integrity and dignity in the profession of pharmacy.

6. Grant permission to deviate from a state requirement for modernization of pharmacy practice, experimentation or technological advances.

7. Adopt rules for the training and practice of pharmacy interns, pharmacy technicians and support personnel.

8. Investigate alleged violations of this chapter, conduct hearings in respect to violations, subpoena witnesses and take such action as it deems necessary to revoke or suspend a license, A REGISTRATION or a permit, place a licensee, REGISTRANT or permittee on probation or warn a licensee, REGISTRANT or permittee under this chapter or to bring notice of violations to the county attorney of the county in which a violation took place or to the attorney general.

9. By rule, approve colleges or schools of pharmacy.

10. By rule, approve programs of practical experience, clinical programs, internship training programs, programs of remedial academic work and preliminary equivalency examinations as provided by this chapter.

11. Assist in the continuing education of pharmacists and pharmacy interns.

12. Issue inactive status licenses as provided by this chapter.

13. Accept monies and services from the federal government or others for educational, research or other purposes pertaining to the enforcement of this chapter.

14. By rule, except from the application of all or any part of this chapter any material, compound, mixture or preparation containing any stimulant or depressant substance included in section 13-3401, paragraph 6, subdivision (c) or (d) from the definition of dangerous drug if the material, compound, mixture or preparation contains one or more active medicinal ingredients not having a stimulant or depressant effect on the central nervous system, provided that such admixtures are included in such combinations, quantity, proportion or concentration as to vitiate the potential for abuse of the substances that do have a stimulant or depressant effect on the central nervous system.

15. Adopt rules for the revocation, suspension or reinstatement of licenses, REGISTRATIONS or permits or the probation of licensees, REGISTRANTS or permittees as provided by this chapter.

16. Issue a certificate of free sale to any person that is licensed by the board as a manufacturer for the purpose of manufacturing or distributing food supplements or dietary supplements as defined in rule by the board and that wants to sell food supplements or dietary supplements domestically or internationally. THE APPLICANT SHALL SUBMIT AN APPLICATION APPROVED BY THE BOARD. ~~The application shall contain all of the following:~~

~~(a) The applicant's name, address, email address, telephone and fax number.~~

~~(b) The product's full, common or usual name.~~

~~(c) A copy of the label for each product listed. If the product is to be exported in bulk and a label is not available, the applicant shall include a certificate of composition.~~

~~(d) The country of export, if applicable.~~

~~(e) The number of certificates of free sale requested.~~

17. Establish an inspection process to issue certificates of free sale or good manufacturing practice certifications. The board shall establish in rule:

(a) A fee to issue certificates of free sale.

(b) A fee to issue good manufacturing practice certifications.

~~(c) An annual inspection fee.~~

18. ON REQUEST, GRANT AN EXTENSION FOR ANY NOTIFICATIONS REQUIRED UNDER THIS SECTION. THE BOARD MAY DELEGATE THIS AUTHORITY TO THE EXECUTIVE DIRECTOR OR STAFF. THE BOARD MAY SET A SHORTER RESPONSE TIME ON THE BOARD'S DETERMINATION AFTER AN INVESTIGATION THAT THERE IS AN IMMINENT THREAT TO THE PUBLIC OR PATIENT SAFETY, BUT ONLY AS NECESSARY TO REASONABLY ADDRESS THE THREAT.

19. ISSUE A SUBPOENA TO COMPEL THE ATTENDANCE OF RESPONDENTS AND WITNESSES OR FOR THE PRODUCTION OF DOCUMENTS OR OTHER PHYSICAL EVIDENCE PURSUANT TO A BOARD INVESTIGATION. THE BOARD MAY DELEGATE THIS AUTHORITY TO THE EXECUTIVE DIRECTOR.

~~18.~~ 20. Delegate to the executive director the authority to:

(a) If the president or vice president of the board concurs after reviewing the case, enter into an interim consent agreement with a licensee or permittee if there is evidence that a restriction against the license or permit is needed to mitigate danger to the public health and safety. The board may subsequently formally adopt the interim consent agreement with any modifications the board deems necessary.

(b) Take no action or dismiss a complaint that has insufficient evidence that a violation of statute or rule governing the practice of pharmacy occurred.

(c) Request an applicant or licensee to provide court documents and police reports if the applicant or licensee has been charged with or convicted of a criminal offense. The executive director may do either of the following if the applicant or licensee fails to provide the requested documents to the board within thirty business days after the request:

(i) Close the application, deem the application fee forfeited and not consider a new application complete unless the requested documents are submitted with the application.

(ii) Notify the licensee of an opportunity for a hearing in accordance with section 41-1061 to consider suspension of the licensee.

(d) Pursuant to section 36-2604, subsection B, review prescription information collected pursuant to title 36, chapter 28, article 1.

(e) ENTER INTO AGREEMENTS OR MEMORANDA OF UNDERSTANDING BETWEEN A STATE OR FEDERAL REGULATORY AGENCY. THE AGREEMENT OR MEMORANDA OF UNDERSTANDING SHALL BE APPROVED IN AN OPEN MEETING OF THE BOARD.

C. At each regularly scheduled board meeting, the executive director shall provide to the board a list of the executive director's actions taken pursuant to subsection B, paragraph 18, subdivisions ~~(a),~~ (b) AND (c) ~~and (d)~~ of this section since the last board meeting.

D. The board may issue nondisciplinary civil penalties or delegate to the executive director the authority to issue nondisciplinary civil penalties. The nondisciplinary civil penalties shall be prescribed by the board in rule and issued using a board-approved form. If a licensee, REGISTRANT or permittee fails to pay a nondisciplinary civil penalty that the board has imposed on it, the board shall hold a hearing on the matter. In addition to any other nondisciplinary civil penalty adopted by the board, either of the following acts or omissions that is not an imminent threat to the public health and safety is subject to a nondisciplinary civil penalty:

1. An occurrence of either of the following:

(a) Failing to submit a remodel application before remodeling a permitted facility.

(b) Failing to notify the board of the relocation of a business BEFORE RELOCATING.

2. The occurrence of any of the following violations or any of the violations adopted by the board in rule, with three or more violations being presented to the board as a complaint:

(a) The licensee, REGISTRANT or permittee fails to update the licensee's, REGISTRANT'S or permittee's online profile within ~~ten~~ FIFTEEN days after a change in contact information, address, telephone number or email address.

(b) The licensee OR REGISTRANT fails to update the licensee's OR REGISTRANT'S online profile within ~~ten~~ FIFTEEN days after a change in employment.

(c) The licensee fails to complete the required continuing education for a license renewal.

(d) The licensee fails to update the licensee's online profile to reflect a new pharmacist in charge within fourteen days after the position change.

(e) The permittee fails to update the permittee's online profile to reflect a new designated representative within ten days after the position change.

(f) The licensee, REGISTRANT or permittee fails to notify the board of a new criminal charge, arrest or conviction against the licensee, REGISTRANT or permittee in this state or any other jurisdiction.

(g) The licensee, REGISTRANT or permittee fails to notify the board of a disciplinary action taken against the licensee, REGISTRANT or

permittee by another regulating agency in this state or any other jurisdiction.

(h) ~~A~~ THE licensee or permittee fails to renew a license or permit within sixty days after the license or permit expires. If more than sixty days have lapsed after the expiration of a license or permit, the licensee or permittee shall appear before the board.

(i) A new pharmacist in charge fails to conduct a controlled substance inventory within ten days after starting the position.

(j) A person fails to obtain a permit before shipping into this state anything that requires a permit pursuant to this chapter.

(k) Any other violations of statute or rule that the board or the board's designee deems appropriate for a nondisciplinary civil penalty.

E. The board shall develop substantive policy statements pursuant to section 41-1091 for each specific licensing and regulatory authority the board delegates to the executive director.

F. The executive director and other personnel or agents of the board are not subject to civil liability for any act done or proceeding undertaken or performed in good faith and in furtherance of the purposes of this chapter.

Sec. 3. Section 32-1925, Arizona Revised Statutes, is amended to read:

32-1925. Renewal of license of pharmacists, interns and pharmacy technicians; fees; expiration dates; penalty for failure to renew; continuing education

A. Except for interns and pharmacy technician trainees, the board shall assign all persons who are licensed under this chapter to one of two license renewal groups AS PRESCRIBED BY THE BOARD IN RULE. Except as provided in section 32-4301, a holder of a license certificate designated in the licensing database as even by way of verbiage or numerical value shall renew it biennially on or before November 1 of the even-numbered year, two years after the last renewal date. Except as provided in section 32-4301, a holder of a license certificate designated in the licensing database as odd by way of verbiage or numerical value shall renew it biennially on or before November 1 of the odd-numbered year, two years after the last renewal date. Failure to renew and pay all required fees on or before November 1 of the year in which the renewal is due suspends the license. The board shall vacate a suspension when the licensee pays all past due fees and reinstatement penalties. Reinstatement penalties shall not exceed $350. The board may waive collection of a fee or reinstatement penalty due after suspension under conditions established by a majority of the board.

B. A person shall not apply for license renewal more than sixty days before the expiration date of the license.

C. A person who is licensed as a pharmacist or a pharmacy technician and who has not renewed the license for five consecutive years

shall furnish to the board satisfactory proof of fitness to be licensed as a pharmacist or a pharmacy technician. A person whose license has lapsed for two or more renewal cycles shall pay the fees for the two most recent renewal cycles and the penalties before being reinstated.

D. Biennial renewal fees for licensure shall be not more than:

1. For a pharmacist, $250.

2. For a pharmacy technician, $100.

3. For a duplicate renewal license, $25.

E. Fees that are designated to be not more than a maximum amount shall be set by the board for the following two fiscal years beginning November 1. The board shall establish fees approximately proportionate to the maximum fee allowed to cover the board's anticipated expenditures for the following two fiscal years. Variation in a fee is not effective except at the expiration date of a license.

F. The board shall not renew a license for a pharmacist unless the pharmacist has complied with the mandatory continuing professional pharmacy education requirements of sections 32-1936 and 32-1937.

G. The board shall prescribe intern licensure renewal fees that do not exceed $75. The license of an intern who does not receive specific board approval to renew the intern license or who receives board approval to renew but who does not renew and pay all required fees before the license expiration date is suspended after the license expiration date. The board shall vacate a suspension if the licensee pays all past due fees and penalties. Penalties shall not exceed $350. The board may waive collection of a fee or penalty due after suspension under conditions established by the board.

H. The board shall not renew a license for a pharmacy technician unless that person has a current board-approved license and has complied with board-approved mandatory continuing professional education requirements. If a pharmacy technician prepares, compounds or dispenses prescription medications at a remote dispensing site pharmacy, the pharmacy technician shall complete, in addition to any other board-approved mandatory continuing professional education requirements, a two-hour continuing education program on remote dispensing site pharmacy practices provided by an approved provider.

Sec. 4. Section 32-1926, Arizona Revised Statutes, is amended to read:

32-1926. Notice of change of information required

A. Except as prescribed in subsection B of this section, a pharmacist, intern, pharmacy technician or pharmacy technician trainee, within ~~ten~~ FIFTEEN days after a change in that person's employer, employer's address, home address or contact information, shall electronically update the person's online board profile or give written notice to the board office staff of the new information.

B. Pursuant to board rule, a pharmacist designated as the pharmacist in charge for a permit issued under this chapter shall give immediate notice to the board office staff of the initiation and termination of such responsibility. The pharmacist shall either electronically update the pharmacist's online board profile or give written notice to the board office staff of the new information.

Sec. 5. Section 32-1926.01, Arizona Revised Statutes, is amended to read:

32-1926.01. Change in residency status; written notice required

A. ~~A~~ EACH licensee AND REGISTRANT shall give written notice to the board office staff ~~of~~ WITHIN FIFTEEN DAYS AFTER a change in the licensee's OR REGISTRANT'S residency status authorized by the United States citizenship and immigration services.

B. If the licensee's OR REGISTRANT'S residency status ceases to be authorized by the United States citizenship and immigration services, the ~~licensee shall give written notice to the board office staff that the licensee voluntarily terminates~~ BOARD SHALL RECIND the license OR REGISTRATION.

Sec. 6. Section 32-1927, Arizona Revised Statutes, is amended to read:

32-1927. Pharmacists; pharmacy interns; disciplinary action

A. A pharmacist or pharmacy intern is subject to disciplinary action by the board for any of the following:

1. The board determines that the licensee has committed an act of unprofessional conduct.

2. The licensee is found by psychiatric examination to be mentally unfit to practice the profession of pharmacy.

3. The licensee is found to be physically or mentally incapacitated to such a degree as to render the licensee unfit to practice the profession of pharmacy.

4. The licensee is found to be professionally incompetent to such a degree as to render the licensee unfit to practice the profession of pharmacy.

5. The license was issued through error.

B. A pharmacist or pharmacy intern who after a formal hearing is found by the board to be guilty of unprofessional conduct, to be mentally or physically unable safely to engage in the practice of pharmacy or to be professionally incompetent is subject to any one or combination of the following:

1. A civil penalty of not more than $1,000 for each violation of this chapter or a rule adopted under this chapter.

2. A letter of reprimand.

3. A decree of censure.

4. Completion of board-designated continuing pharmaceutical education courses.

5. Probation.

6. Suspension or revocation of the license.

C. The board may charge the costs of formal hearings to the licensee whom it finds to be in violation of this chapter or a rule adopted under this chapter.

D. The board on its own motion may investigate any evidence that appears to show that a pharmacist or pharmacy intern is or may be professionally incompetent, is or may be guilty of unprofessional conduct or is or may be mentally or physically unable safely to engage in the practice of pharmacy. Any person may, and a licensee or permittee of the board must, report to the board any information that appears to show that a pharmacist or pharmacy intern is or may be professionally incompetent, is or may be guilty of unprofessional conduct or is or may be mentally or physically unable safely to engage in the practice of pharmacy. The board or the executive director shall notify the pharmacist or pharmacy intern as to the content of the complaint as soon as reasonable. Any person or entity that reports or provides information to the board in good faith is not subject to an action for civil damages. It is an act of unprofessional conduct for any pharmacist or pharmacy intern to fail to report as required by this subsection.

E. The pharmacy permittee or pharmacist in charge of a pharmacy located in this state must inform the board if a pharmacist or pharmacy intern employed by the pharmacy is terminated because of actions by the pharmacist or pharmacy intern that appear to show that the pharmacist or pharmacy intern is or may be professionally incompetent, is or may be guilty of unprofessional conduct or is or may be mentally or physically unable safely to engage in the practice of pharmacy, along with a general statement of the reasons that led the pharmacy to take the action. The pharmacy permittee or pharmacist in charge of a pharmacy located in this state must inform the board if a pharmacist or pharmacy intern under investigation resigns or if a pharmacist or pharmacy intern resigns in lieu of disciplinary action by the pharmacy. Notification must include a general statement of the reasons for the resignation. A person who reports information in good faith pursuant to this subsection is not subject to civil liability.

F. The board or, if delegated by the board, the executive director shall require any combination of mental, physical, psychological, psychiatric or medical competency examinations or pharmacist licensure examinations and conduct necessary investigations, including investigational interviews between representatives of the board and the pharmacist or pharmacy intern, to fully inform itself about any information filed with the board under this section. These examinations may also include biological fluid testing. The board may require the

pharmacist or pharmacy intern, at that person's expense, to undergo assessment by a board-approved substance abuse treatment and rehabilitation program.

G. If after completing its investigation the board finds that the information provided pursuant to this section is not of sufficient seriousness to merit disciplinary action against the license of the pharmacist or pharmacy intern, the board may take any of the following actions:

1. Dismiss if the complaint is without merit.

2. File an advisory letter. The licensee may file a written response with the board within thirty days after receiving the advisory letter.

3. Require the licensee to complete board-designated continuing pharmaceutical education courses.

H. The board shall not disclose the name of the person who provides information regarding a licensee's drug or alcohol impairment or the name of the person who files a complaint if that person requests anonymity.

I. If after completing its investigation the board believes that the information is or may be true, it may request a conference with the pharmacist or pharmacy intern. If the pharmacist or pharmacy intern refuses the invitation for a conference and the investigation indicates that grounds may exist for revocation or suspension of a license, probation, issuance of a decree of censure or a letter of reprimand or imposition of a civil penalty, the board shall issue a formal notice that a hearing be held pursuant to title 41, chapter 6, article 10.

J. If through information provided pursuant to this section or by other means the board finds that the protection of the public health, welfare and safety requires emergency action against the license of a pharmacist or pharmacy intern, the board may restrict a license or order a summary suspension of a license pending proceedings for revocation or other action. If the board acts pursuant to this subsection, the board shall also serve the licensee with a written notice of complaint and formal hearing that sets forth the charges and licensee's right to a formal hearing before the board or an administrative law judge on the charges within sixty days pursuant to title 41, chapter 6, article 10.

K. If after completing the conference the board finds the information provided pursuant to this section is not of sufficient seriousness to merit revocation or suspension of a license, probation, issuance of a decree of censure or a letter of reprimand or imposition of a civil penalty, it may take the following actions:

1. Dismiss if the information is without merit.

2. File an advisory letter. The licensee may file a written response with the board within thirty days after the licensee receives the advisory letter.

3. Require the licensee to complete board-designated continuing pharmaceutical education courses.

L. If during a conference the board finds that the information provided pursuant to this section indicates that grounds may exist for revocation or suspension of a license, probation, issuance of a decree of censure or a letter of reprimand or imposition of a civil penalty, it may take the following actions:

1. Dismiss if the information is without merit.

2. File an advisory letter. The licensee may file a written response with the board within thirty days after the licensee receives the advisory letter.

3. Require the licensee to complete board-designated continuing pharmaceutical education courses.

4. Enter into an agreement with the licensee to discipline the licensee, restrict the licensee's practice or professional activities or rehabilitate, retrain or assess the licensee in order to protect the public and ensure the licensee's ability to safely engage in the practice of pharmacy. The agreement may include at least the following:

(a) Issuance of a letter of reprimand.

(b) Issuance of a decree of censure.

(c) Practice or professional restrictions, such as not acting as a pharmacist in charge or pharmacy intern preceptor or working with another pharmacist.

(d) Rehabilitative, retraining or assessment programs, including:

(i) Board-approved community service.

(ii) Successful completion of additional board-designated continuing pharmaceutical education courses.

(iii) Successful passage of board-approved pharmacist licensure examinations.

(iv) Successful completion of a board-approved substance abuse treatment and rehabilitation program at the licensee's own expense.

(e) A civil penalty of not more than $1,000 for each violation of this chapter or a rule adopted under this chapter.

(f) A period and terms of probation best adapted to protect the public health and safety and rehabilitate or educate the licensee concerned. Probation may include temporary suspension and any or all of the disciplinary actions, practice or professional restrictions, rehabilitative, retraining or assessment programs listed in this section or any other program agreed to by the board and the licensee.

M. If the board finds that the information provided pursuant to this section and additional information provided during the conference warrants revocation or suspension of a license, probation, issuance of a decree of censure or a letter of reprimand or imposition of a civil penalty, it shall initiate formal proceedings pursuant to title 41, chapter 6, article 10.

N. If the licensee wishes to be present at the formal hearing in person or by representation, or both, the licensee must file with the board an answer to the charges in the notice of hearing. The answer must be in writing, be verified under oath and be filed within thirty days after service of the notice of hearing. Failure to answer the board's notice of hearing is deemed an admission of the charges in the notice of hearing, AT WHICH TIME THE BOARD MAY ADOPT THE FINDINGS OF FACT, ALLEGATIONS AND CONCLUSIONS OF LAW AND TAKE DISCIPLINARY ACTION AUTHORIZED BY THIS CHAPTER.

O. An advisory letter is a nondisciplinary public document.

P. If the board during an investigation determines that a criminal violation might have occurred, it shall disclose its investigative evidence and information to the appropriate criminal justice agency for its consideration.

Q. In determining the appropriate disciplinary action under this section, the board shall consider all previous nondisciplinary and disciplinary actions against a licensee.

R. The board may deny a license to an applicant for the grounds prescribed in subsection A of this section.

S. A person who is licensed pursuant to this chapter or by any other jurisdiction and who has a license revoked or suspended shall not obtain a license as a pharmacy intern or pharmacy technician or a registration as a pharmacy technician trainee or work as a pharmacy intern, pharmacy technician or pharmacy technician trainee without the approval of the board or its designee.

Sec. 7. Section 32-1927.01, Arizona Revised Statutes, is amended to read:

32-1927.01. Pharmacy technicians; pharmacy technician trainees; disciplinary action

A. A pharmacy technician or pharmacy technician trainee is subject to disciplinary action by the board for any of the following:

1. The board determines that the licensee or registrant has committed an act of unprofessional conduct.

2. The licensee or registrant is found by psychiatric examination to be mentally unfit to safely perform the licensee's or registrant's employment duties.

3. The licensee or registrant is found to be physically or mentally incapacitated to such a degree as to render the licensee or registrant unfit to safely perform the licensee's or registrant's employment duties.

4. The licensee or registrant is found to be professionally incompetent to such a degree as to render the licensee or registrant unfit to safely perform the licensee's or registrant's employment duties.

5. The license or registration was issued through error.

B. A pharmacy technician or pharmacy technician trainee who after a formal hearing is found by the board to be guilty of unprofessional

conduct, to be mentally or physically unable safely to engage in the practice of pharmacy or to be professionally incompetent is subject to any one or combination of the following:

1. A civil penalty of not more than $1,000 for each violation of this chapter or a rule adopted under this chapter.
2. A letter of reprimand.
3. A decree of censure.
4. Completion of board designated continuing education courses.
5. Probation.
6. Suspension or revocation of the license or registration.

C. The board may charge the costs of formal hearings to the licensee or registrant whom it finds to be in violation of this chapter or a rule adopted under this chapter.

D. The board on its own motion may investigate any evidence that appears to show that a pharmacy technician or pharmacy technician trainee is or may be professionally incompetent, is or may be guilty of unprofessional conduct or is or may be mentally or physically unable safely to engage in the permissible activities of a pharmacy technician or pharmacy technician trainee. Any person may, and a licensee, registrant or permittee of the board must, report to the board any information that appears to show that a pharmacy technician or pharmacy technician trainee is or may be professionally incompetent, is or may be guilty of unprofessional conduct or is or may be mentally or physically unable safely to engage in the permissible activities of a pharmacy technician or pharmacy technician trainee. The board or the executive director shall notify the pharmacy technician or pharmacy technician trainee as to the content of the complaint as soon as reasonable. Any person or entity that reports or provides information to the board in good faith is not subject to an action for civil damages. It is an act of unprofessional conduct for any pharmacy technician or pharmacy technician trainee to fail to report as required by this subsection.

E. The pharmacy permittee or pharmacist in charge of a pharmacy located in this state must inform the board if a pharmacy technician or pharmacy technician trainee employed by the pharmacy is terminated because of actions by that person that appear to show that the person is or may be professionally incompetent, is or may be guilty of unprofessional conduct or is or may be mentally or physically unable safely to engage in the permissible activities of a pharmacy technician or pharmacy technician trainee, along with a general statement of the reasons that led the pharmacy to take the action. The pharmacy permittee or pharmacist in charge of a pharmacy located in this state must inform the board if a pharmacy technician or pharmacy technician trainee under investigation resigns or if a pharmacy technician or pharmacy technician trainee resigns in lieu of disciplinary action by the pharmacy. Notification must include a general statement of the reasons for the resignation. A person who

reports information in good faith pursuant to this subsection is not subject to civil liability.

F. The board or, if delegated by the board, the executive director shall require any combination of mental, physical, psychological, psychiatric or medical competency examinations or pharmacy technician licensure examinations and conduct necessary investigations, including investigational interviews between representatives of the board and the pharmacy technician or pharmacy technician trainee, to fully inform itself about any information filed with the board pursuant to this section. These examinations may also include biological fluid testing. The board may require the licensee or registrant, at that person's expense, to undergo assessment by a board-approved substance abuse treatment and rehabilitation program.

G. If after completing its investigation the board finds that the information provided pursuant to this section is not of sufficient seriousness to merit disciplinary action against the license or registration of the pharmacy technician or pharmacy technician trainee, the board may take any of the following actions:

1. Dismiss if the complaint is without merit.

2. File an advisory letter. The licensee or registrant may file a written response with the board within thirty days after receiving the advisory letter.

3. Require the licensee or registrant to complete board-designated continuing pharmaceutical education courses.

H. The board shall not disclose the name of the person who provides information regarding a licensee's or registrant's drug or alcohol impairment or the name of the person who files a complaint if that person requests anonymity.

I. If after completing its investigation the board believes that the information is or may be true, it may request a conference with the licensee or registrant. If the licensee or registrant refuses the invitation for a conference and the investigation indicates that grounds may exist for revocation or suspension of a license or registration, probation, issuance of a decree of censure or a letter of reprimand or imposition of a civil penalty, the board shall issue a formal notice that a hearing be held pursuant to title 41, chapter 6, article 10.

J. If through information provided pursuant to this section or by other means the board finds that the protection of the public health, welfare and safety requires emergency action against the license or registration of a pharmacy technician or pharmacy technician trainee, the board may restrict a license or registration or order a summary suspension of a license or registration pending proceedings for revocation or other action. If the board acts pursuant to this subsection, the board shall also serve the licensee or registrant with a written notice of complaint and formal hearing that sets forth the charges made against the licensee

or registrant and the licensee's or registrant's right to a formal hearing before the board or an administrative law judge on the charges within sixty days pursuant to title 41, chapter 6, article 10.

K. If after completing the conference the board finds the information provided pursuant to this section is not of sufficient seriousness to merit revocation or suspension of a license or registration, probation, issuance of a decree of censure or a letter of reprimand or imposition of a civil penalty, it may take the following actions:

1. Dismiss if the information is without merit.

2. File an advisory letter. The licensee or registrant may file a written response with the board within thirty days after the licensee or registrant receives the advisory letter.

3. Require the licensee or registrant to complete board-designated continuing pharmaceutical education courses.

L. If during a conference the board finds that the information provided pursuant to this section indicates that grounds may exist for revocation or suspension of a license or registration, probation, issuance of a decree of censure or a letter of reprimand or imposition of a civil penalty, it may take the following actions:

1. Dismiss if the information is without merit.

2. File an advisory letter. The licensee or registrant may file a written response with the board within thirty days after the licensee or registrant receives the advisory letter.

3. Require the licensee or registrant to complete board-designated continuing pharmaceutical education courses.

4. Enter into an agreement with the licensee or registrant to discipline the licensee or registrant, restrict the licensee's or registrant's practice or professional activities or rehabilitate, retrain or assess the licensee or registrant in order to protect the public and ensure the licensee's or registrant's ability to safely engage in the permissible activities of a pharmacy technician or pharmacy technician trainee. The agreement may include at least the following:

(a) Issuance of a letter of reprimand.

(b) Issuance of a decree of censure.

(c) Practice or professional restrictions, such as doing the following only under pharmacist supervision:

(i) Entering prescription or patient data.

(ii) Initiating or accepting verbal refill authorization.

(iii) Counting, pouring, packaging or labeling prescription medication.

(iv) Compounding, reconstituting, prepackaging or repackaging drugs.

(d) Rehabilitative, retraining or assessment programs, including:

(i) Board-approved community service.

(ii) Successful completion of additional board-designated continuing pharmaceutical education courses.

(iii) Successful passage of board-approved pharmacist technician licensure examinations.

(iv) Successful completion of a board-approved substance abuse treatment and rehabilitation program at the licensee's or registrant's own expense.

(e) A civil penalty of not more than $1,000 for each violation of this chapter or a rule adopted under this chapter.

(f) A period and terms of probation best adapted to protect the public health and safety and rehabilitate or educate the licensee or registrant concerned. Probation may include temporary suspension and any or all of the disciplinary actions, practice or professional restrictions, rehabilitative, retraining or assessment programs listed in this section or any other program agreed to by the board and the licensee or registrant.

M. If the board finds that the information provided pursuant to this section and additional information provided during the conference warrants revocation or suspension of a license or registration, probation, issuance of a decree of censure or a letter of reprimand or imposition of a civil penalty, it shall initiate formal proceedings pursuant to title 41, chapter 6, article 10.

N. If the licensee or registrant wishes to be present at the formal hearing in person or by representation, or both, the licensee or registrant must file with the board an answer to the charges in the notice of hearing. The answer must be in writing, be verified under oath and be filed within thirty days after service of the notice of hearing. Failure to answer the board's notice of hearing is deemed an admission of the charges in the notice of hearing, AT WHICH TIME THE BOARD MAY ADOPT THE FINDINGS OF FACT, ALLEGATIONS AND CONCLUSIONS OF LAW AND TAKE DISCIPLINARY ACTION AUTHORIZED BY THIS CHAPTER.

O. An advisory letter is a nondisciplinary public document.

P. If the board during an investigation determines that a criminal violation might have occurred, it shall disclose its investigative evidence and information to the appropriate criminal justice agency for its consideration.

Q. In determining the appropriate disciplinary action under this section, the board shall consider all previous nondisciplinary and disciplinary actions against a licensee or registrant.

R. The board may deny a license or registration to an applicant for the grounds prescribed in subsection A of this section.

S. A person who is licensed or registered pursuant to this chapter or by any other jurisdiction and who has a license or registration revoked or suspended shall not obtain a license or registration as a pharmacy technician or pharmacy technician trainee or work as a pharmacy technician

or pharmacy technician trainee without the approval of the board or its designee.

Sec. 8. Section 32-1927.02, Arizona Revised Statutes, is amended to read:

32-1927.02. Permittees; disciplinary action

A. The board may discipline a permittee if:

1. The board determines that the permittee or permittee's employee is guilty of unethical conduct pursuant to section 32-1901.01, subsection A.

2. Pursuant to a psychiatric examination, the permittee or the permittee's employee is found to be mentally unfit to safely engage in employment duties.

3. The board determines that the permittee or the permittee's employee is physically or mentally incapacitated to such a degree as to render the permittee or permittee's employee unfit to safely engage in employment duties.

4. The permit was issued through error.

5. A permittee or permittee's employee allows a person who does not possess a current license or registration issued by the board to work as a pharmacist, pharmacy intern, pharmacy technician or pharmacy technician trainee.

B. A permittee who after a formal hearing is found by the board to be guilty of unethical conduct, to be mentally or physically unable safely to engage in employment duties or to be in violation of this chapter or a rule adopted under this chapter or whose employee after a formal hearing is found by the board to be guilty of unethical conduct, to be mentally or physically unable safely to engage in employment duties or to be in violation of this chapter or a rule adopted under this chapter is subject to any one or combination of the following:

1. A civil penalty of not more than $1,000 for each violation of this chapter or a rule adopted under this chapter.

2. A letter of reprimand.

3. A decree of censure.

4. Completion of board-designated pharmacy law continuing education courses.

5. Probation.

6. Suspension or revocation of the permit.

C. The board may charge the costs of formal hearings to the permittee whom it finds to be in violation of this chapter or a rule adopted under this chapter or whose employee it finds to be in violation of this chapter or a rule adopted under this chapter.

D. The board on its own motion may investigate any evidence that appears to show that a permittee or permittee's employee is or may be guilty of unethical conduct, is or may be mentally or physically unable safely to engage in employment duties or is or may be in violation of this

chapter or a rule adopted under this chapter. Any person may, and any licensee or permittee must, report to the board any information that appears to show that a permittee or permittee's employee is or may be guilty of unethical conduct, is or may be mentally or physically unable safely to engage in employment duties or is or may be in violation of this chapter or a rule adopted under this chapter. The board or the executive director shall notify the permittee as to the content of the complaint as soon as reasonable. Any person or entity that reports or provides information to the board in good faith is not subject to an action for civil damages. It is an act of unethical conduct for any permittee to fail to report as required by this subsection.

E. The board or, if delegated by the board, the executive director shall require any combination of mental, physical, psychological, psychiatric or medical competency examinations and conduct necessary investigations, including investigational interviews between representatives of the board and the permittee or permittee's employee, to fully inform itself about any information filed with the board under subsection D of this section. These examinations may also include biological fluid testing. The board may require the permittee or permittee's employee, at that person's expense, to undergo assessment by a board-approved substance abuse treatment and rehabilitation program.

F. If after completing its investigation the board finds that the information provided pursuant to subsection D of this section is not of sufficient seriousness to merit disciplinary action against the permit, the board may take any of the following actions:

1. Dismiss if the complaint is without merit.

2. File an advisory letter. The permittee may file a written response with the board within thirty days after receiving the advisory letter.

3. Require the permittee to complete board-designated pharmacy law continuing education courses.

G. The board shall not disclose the name of the person who provides information regarding a permittee's or permittee's employee's drug or alcohol impairment or the name of the person who files a complaint if that person requests anonymity.

H. If after completing its investigation the board believes that the information is or may be true, it may request a conference with the permittee or permittee's employee. If the permittee or permittee's employee refuses the invitation for a conference and the investigation indicates that grounds may exist for revocation or suspension of a permit, probation, issuance of a decree of censure or a letter of reprimand or imposition of a civil penalty, the board shall issue a formal notice that a hearing be held pursuant to title 41, chapter 6, article 10.

I. If through information provided pursuant to subsection D of this section or by other means the board finds that the protection of the

public health, welfare and safety requires emergency action against the permit, the board may restrict a permit or order a summary suspension of a permit pending proceedings for revocation or other action. If the board acts pursuant to this subsection, the board shall also serve the permittee with a written notice of complaint and formal hearing that sets forth the charges and the permittee's right to a formal hearing on the charges before the board or an administrative law judge within sixty days pursuant to title 41, chapter 6, article 10.

J. If after completing the conference the board finds the information provided pursuant to subsection D of this section is not of sufficient seriousness to merit revocation or suspension of a permit, probation, issuance of a decree of censure or a letter of reprimand or imposition of a civil penalty, it may take the following actions:

1. Dismiss if the information is without merit.

2. File an advisory letter. The permittee may file a written response with the board within thirty days after receiving the advisory letter.

3. Require the permittee to complete board-designated pharmacy law continuing education courses.

K. If during a conference the board finds that the information provided pursuant to subsection D of this section indicates that grounds may exist for revocation or suspension of a permit, probation, issuance of a decree of censure or a letter of reprimand or imposition of a civil penalty, it may take the following actions:

1. Dismiss if the information is without merit.

2. File an advisory letter. The permittee may file a written response with the board within thirty days after the permittee receives the advisory letter.

3. Require the permittee to complete board-designated pharmacy law continuing education courses.

4. Enter into an agreement with the permittee to discipline the permittee, restrict the permittee's business activities or rehabilitate or assess the permittee in order to protect the public and ensure the permittee's ability to safely engage in employment duties. The agreement may include, at a minimum, the following disciplinary actions, business activity restrictions and rehabilitative or assessment programs:

(a) Issuance of a letter of reprimand.

(b) Issuance of a decree of censure.

(c) Business activity restrictions, including limitations on the number, type, classification or schedule of drug, device, poison, hazardous substance, controlled substance or precursor chemical that may be manufactured, sold, distributed or dispensed.

(d) Successful completion of board-designated pharmacy law continuing education courses.

(e) Rehabilitative or assessment programs, including board-approved community service or successful completion of a board-approved substance abuse treatment and rehabilitation program at the permittee's own expense.

(f) A civil penalty of not more than $1,000 for each violation of this chapter or a rule adopted under this chapter.

(g) A period and terms of probation best adapted to protect the public health and safety and rehabilitate or assess the permittee concerned. Probation may include temporary suspension and any or all of the disciplinary actions, business practice restrictions, rehabilitative or assessment programs listed in this section or any other program agreed to by the board and the permittee.

L. If the board finds that the information provided pursuant to subsection D of this section and additional information provided during the conference indicate that grounds may exist for revocation or suspension of a permit, probation, issuance of a decree of censure or a letter of reprimand or imposition of a civil penalty, it shall initiate formal proceedings pursuant to title 41, chapter 6, article 10.

M. If the permittee wishes to be present at the formal hearing in person or by representation, or both, the permittee must file with the board an answer to the charges in the notice of hearing. The answer must be in writing, be verified under oath and be filed within thirty days after service of the notice of hearing. Failure to answer the board's notice of hearing is deemed an admission of the charges in the notice of hearing, AT WHICH TIME THE BOARD MAY ADOPT THE FINDINGS OF FACT, ALLEGATIONS AND CONCLUSIONS OF LAW AND TAKE DISCIPLINARY ACTION AUTHORIZED BY THIS CHAPTER.

N. If the board, during any investigation, determines that a criminal violation might have occurred, it shall disclose its investigative evidence and information to the appropriate criminal justice agency for its consideration.

O. In determining the appropriate disciplinary action under this section, the board shall consider all previous nondisciplinary and disciplinary actions against a permittee.

P. The board may deny a permit to an applicant for the grounds prescribed in subsection A of this section.

Q. If the board approves a permit and the business fails to become operational within nine months after the date the permit is granted, the permit is no longer valid. The board may grant a onetime extension for the business to become operational.

Sec. 9. Section 32-1930, Arizona Revised Statutes, is amended to read:

32-1930. Types of permits; permit restrictions and requirements; discontinuance of pharmacy permit

A. On application, the board may issue the following classes or kinds of permits:

1. If approved by the board, a pharmacy, limited service pharmacy, automated prescription-dispensing kiosk, full service wholesale drug, third-party logistics provider, nonprescription drug wholesale and drug manufacturer's permit.

2. A drug packager or drug prepackager permit to an individual or establishment that is currently listed by the United States food and drug administration and has met the requirements of that agency to purchase, repackage, relabel or otherwise alter the manufacturer's original package of an approved drug product with the intent of reselling these items to persons or businesses authorized to possess or resell the repackaged, prepackaged or relabeled drug.

3. A durable medical equipment distributor and compressed medical gas distributor permit and a durable medical equipment supplier and compressed medical gas supplier permit.

B. The board shall deny or revoke a pharmacy permit if a medical practitioner receives compensation, either directly or indirectly, from a pharmacy as a result of the practitioner's prescription orders. This does not include compensation to a medical practitioner who is the owner of a building where space is leased to a pharmacy at the prevailing rate, not resulting in a rebate to the medical practitioner.

C. If a pharmacy permanently discontinues operation, the permittee shall immediately surrender the permit to the executive director. The permittee shall remove all drug signs and symbols, either within or without the premises, and shall remove or destroy all drugs, devices, poisons and hazardous substances.

D. An automated prescription-dispensing kiosk may not contain or dispense a controlled substance as defined in section 36-2501 and the controlled substances act (P.L. 91-513; 84 Stat. 1242; 21 United States Code section 802).

E. ALL PERMITS SHALL CONTAIN THE NAME OF THE BUSINESS THAT MATCHES THE NAME ON THE PERMITTEE'S FACILITY STOREFRONT SIGNAGE AND PRESCRIPTION MEDICATION OR PRESCRIPTION DRUG MANUFACTURER OR DISTRIBUTOR PROOF OF PURCHASE INVOICES. THIS SUBSECTION DOES NOT PROHIBIT THE TRANSACTION INVOICE FROM INDICATING A DIFFERENT PERSON FROM BEING LISTED AS THE RESPONSIBLE PARTY FOR PAYMENT.

F. THE PERMITTEE'S HOURS OF OPERATION SHALL BE ENTERED IN THE PERMITTEE'S ONLINE PROFILE AND UPDATED WITHIN FIFTEEN DAYS AFTER ANY CHANGE IN THE PERMITTEE'S HOURS OF OPERATION.

G. A PERMIT ISSUED BY THE BOARD:

1. SHALL BE ISSUED ONLY TO A SINGLE PHYSICAL ADDRESS. A SINGLE PHYSICAL ADDRESS MAY HAVE DIFFERENT PERMIT TYPES.

2. IS DEEMED INVALID IF THE HOME STATE PERMIT IS NO LONGER ACTIVE.

3. MAY BE RELOCATED WITHIN THE STATE IN WHICH THE PERMIT WAS ISSUED PURSUANT TO THE HOME STATE PERMIT IDENTIFYING THE NEW PHYSICAL ADDRESS.

4. IS NOT TRANSFERABLE OR RELOCATABLE OUTSIDE OF THE STATE FOR WHICH IT WAS ISSUED.

Sec. 10. Section 32-1941, Arizona Revised Statutes, is amended to read:

32-1941. Third-party logistics providers; permit required; designated representative; fingerprinting requirements

A. A third-party logistics provider that engages in logistics services into, within or from this state shall hold a third-party logistics provider permit in this state.

B. A third-party logistics provider shall comply with storage practices, including all of the following:

1. Maintain access to warehouse space of a suitable size to facilitate safe operations, including a suitable area to quarantine a suspect product.

2. Maintain adequate security.

3. Have written policies and procedures to:

(a) Address the receipt, security, storage, inventory, shipment and distribution of a product.

(b) Identify, record and report confirmed significant losses or thefts in the United States.

(c) Correct errors and inaccuracies in inventories.

(d) Provide support for manufacturer recalls.

(e) Prepare for, protect against and address any reasonably foreseeable crisis that affects a facility's security or operation, such as an employee strike, a fire or a flood.

(f) Ensure that any expired product is segregated from other products and returned to the manufacturer, repackager or agent of the manufacturer or repackager or is destroyed.

(g) Maintain records reflecting the receipt and distribution of products and supplies and records of inventories.

(h) Quarantine or destroy a suspect product if directed to do so by the respective manufacturer, wholesale distributor or dispenser or an authorized governmental agency.

C. A third-party logistics provider shall make its facility available to the board for inspection during regular business hours to ensure compliance with this section.

D. A third-party logistics provider shall have a designated representative at each facility who has not been convicted of any felony violation under any federal, state or local law relating to wholesale or retail prescription or over-the-counter dangerous drugs or dangerous devices distribution or the distribution of controlled substances.

E. A third-party logistics provider shall provide the board on the board's request with a list of all manufacturers, wholesale distributors,

dispensers and durable medical equipment suppliers for whom the third-party logistics provider provides services at a facility.

F. A third-party logistics provider's designated representative shall have a valid fingerprint clearance card issued pursuant to title 41, chapter 12, article 3.1, which shall be submitted with the completed application. If the third-party logistics provider changes its designated representative, the new designated representative shall have a valid fingerprint clearance card issued pursuant to title 41, chapter 12, article 3.1 and submitted to the board before the change in representation is made. A FINGERPRINT CLEARANCE CARD IS NOT REQUIRED FOR THE THIRD-PARTY LOGISTICS PROVIDERS WHO ARE COORDINATING WAREHOUSING OR OTHER LOGISTICS FOR ONLY NONPRESCRIPTION DRUGS AND DEVICES.

Sec. 11. Section 32-1965, Arizona Revised Statutes, is amended to read:

32-1965. Prohibited acts

COMMITTING OR CAUSING ANY OF the following acts ~~or the causing of any thereof~~, in addition to any ~~others so~~ OTHER ACT specified in this chapter, ~~are~~ IS prohibited:

1. ~~The manufacture, sale~~ MANUFACTURING, SELLING, holding or offering for sale ~~of~~ any drug, device, poison~~,~~ or hazardous substance that is adulterated or misbranded.

2. ~~The adulteration~~ ADULTERING or misbranding ~~of~~ any drug, device, poison~~,~~ or hazardous substance.

3. ~~The alteration, mutilation, destruction, obliteration,~~ ALTERING, MUTILATING, DESTROYING, OBLITERATING or ~~removal of~~ REMOVING the whole or any part of the labeling of, or ~~the~~ doing ~~of~~ any other act with respect to, a drug, device, poison~~,~~ or hazardous substance, if such AN act is done while ~~such~~ THE article is held for sale and results in ~~such~~ THE article being adulterated or misbranded.

4. ~~The manufacture, sale~~ MANUFACTURING, SELLING, holding or offering for sale ~~of~~ a counterfeit drug or forging, counterfeiting, simulating~~,~~ or falsely representing or without proper authority using any mark, stamp, tag, label~~,~~ or other identification device authorized or required by rules adopted under ~~the provisions of~~ this chapter~~,~~ or ~~of~~ the federal act.

5. ~~The~~ Using, on the labeling of any drug or device~~,~~ or in any advertisement~~,~~ relating to ~~such~~ A drug or device, ~~of~~ any representation or suggestion that ~~such~~ THE drug or device complies with ~~the provisions of~~ this chapter.

6. In the case of a prescription-only drug or a controlled substance that requires a prescription order by state or federal law, the failure of the manufacturer, packer~~,~~ or distributor to transmit, to any medical practitioner who makes a written request for information about such A drug, true and correct copies of all printed matter included in any

package in which that drug is distributed or other printed matter approved under the federal act.

7. Engaging in the practice of pharmacy without first having a current license in good standing issued by the board.

8. Making or offering to make a forged, counterfeit, altered or photocopied prescription or drug order for the purpose of obtaining prescription-only DRUGS or controlled ~~substance drugs~~ SUBSTANCES.

9. WHOLESALING OR DISTRIBUTING A PRESCRIPTION DRUG OR DEVICE, A CONTROLLED SUBSTANCE, A NONPRESCRIPTION DRUG, MEDICAL GAS OR DURABLE MEDICAL EQUIPMENT WITHOUT A VALID BOARD-ISSUED PERMIT.

Sec. 12. Section 36-2602, Arizona Revised Statutes, is amended to read:

36-2602. Controlled substances prescription monitoring program; contracts; retention and maintenance of records

A. The board shall adopt rules to establish a controlled substances prescription monitoring program. The program shall:

1. Be operated, monitored and maintained by the board.

2. Be staffed by the board.

3. Include a computerized central database tracking system to track the ~~prescribing,~~ dispensing ~~and consumption~~ of schedule II, III, IV and V controlled substances that are dispensed by a medical practitioner or by a pharmacy that holds a valid license or permit issued pursuant to title 32. The database shall include data from the department of health services that identifies residents of this state who possess a registry identification card issued pursuant to chapter 28.1 of this title. The tracking system shall not interfere with the legal use of a controlled substance for managing severe or intractable pain.

4. Assist law enforcement to identify illegal activity related to prescribing~~,~~ AND dispensing ~~and consuming~~ schedule II, III, IV and V controlled substances.

5. Provide information to patients, medical practitioners and pharmacists to help avoid the inappropriate use of schedule II, III, IV and V controlled substances.

6. Be designed to minimize inconvenience to patients, prescribing medical practitioners and pharmacies while effectuating the collection and storage of information.

B. The board may enter into private or public contracts, including intergovernmental agreements pursuant to title 11, chapter 7, article 3, to ensure the effective operation of the program. Each contractor must comply with the confidentiality requirements prescribed in this article and is subject to the criminal penalties prescribed in section 36-2610.

C. The board shall maintain the following records for the following periods of time:

1. A record of dispensing a controlled substance for seven years after the date the controlled substance was dispensed.

2. ~~Affidavits~~ SEARCH WARRANTS for the purpose of an open investigation by law enforcement for two years.

3. Court orders requesting medical record information in the program for two years.

4. A patient's request of the patient's own prescription history for two years.

5. A prescriber report for two years.

Sec. 13. Section 36-2604, Arizona Revised Statutes, is amended to read:

36-2604. Use and release of confidential information; definitions

A. Except as otherwise provided in this section, prescription information submitted to the board pursuant to this article is confidential and is not subject to public inspection. The board shall establish procedures to ensure the privacy and confidentiality of patients and that patient information that is collected, recorded and transmitted pursuant to this article is not disclosed except as prescribed in this section.

B. The board or its designee shall review the prescription information collected pursuant to this article. If the board or its designee has reason to believe an act of unprofessional or illegal conduct has occurred, the board or its designee shall notify the appropriate professional licensing board. The board may delegate the duties prescribed in this subsection to the executive director pursuant to section 32-1904.

C. The board may release data collected by the program to the following:

1. A person who is authorized to prescribe or dispense controlled substances, or a delegate who is authorized by the prescriber or dispenser, to assist that person to provide medical or pharmaceutical care to a patient or to evaluate a patient or to assist with or verify compliance with the requirements of this chapter, the rules adopted pursuant to this chapter and the rules adopted by the department of health services to reduce opioid overdose and death.

2. An individual who requests the individual's own prescription monitoring information pursuant to section 12-2293.

3. A medical practitioner regulatory board established pursuant to title 32, chapter 7, 11, 13, 14, 15, 16, 17, 18, 25 or 29.

4. A local, state or federal law enforcement or criminal justice agency. The board shall provide this information only if the requesting agency has a valid search warrant and is using the information for an open investigation or complaint.

5. The Arizona health care cost containment system administration and contractors regarding persons who are receiving services pursuant to chapters 29 and 34 of this title or title XVIII of the social security act. Except as required pursuant to subsection B of this section, the board shall provide this information only if the administration or a contractor states in writing that the information is necessary for an open investigation or complaint or for performing a drug utilization review for controlled substances that supports the prevention of opioid overuse or abuse and the safety and quality of care provided to the member.

6. A health care insurer. Except as required pursuant to subsection B of this section, the board shall provide this information only if the health care insurer states in writing that the information is necessary for an open investigation or complaint or for performing a drug utilization review for controlled substances that supports the prevention of opioid overuse or abuse and the safety and quality of care provided to the insured.

7. A person who is serving a lawful order of a court of competent jurisdiction.

8. A person who is authorized to prescribe or dispense controlled substances and who performs an evaluation on an individual pursuant to section 23-1026.

9. A county medical examiner or alternate medical examiner who is directing an investigation into the circumstances surrounding a death as described in section 11-593 or a delegate who is authorized by the county medical examiner or alternate medical examiner.

10. The department of health services regarding persons who are receiving or prescribing controlled substances in order to implement a public health response to address opioid overuse or abuse, including a review pursuant to section 36-198. Except as required pursuant to subsection B of this section, the board shall provide this information only if the department states in writing that the information is necessary to implement a public health response to help combat opioid overuse or abuse.

D. Data provided by the board pursuant to this section may not be used for any of the following:

1. Credentialing health care professionals.

2. Determining payment.

3. Preemployment screening.

4. Any purpose other than as specified in this section.

E. For a fee determined by the board, the board may provide data to public or private entities for statistical, research or educational purposes after removing information that could be used to identify individual patients or persons who received prescriptions from dispensers.

F. Any employee of the administration, a contractor or a health care insurer who is assigned delegate access to the program shall operate

under the authority and responsibility of the administration's, contractor's or health care insurer's chief medical officer or other employee who is a licensed health care professional and who is authorized to prescribe or dispense controlled substances. A delegate of the administration, a contractor or a health care insurer shall hold a valid license or certification issued pursuant to title 32, chapter 7, 11, 13, 14, 15, 16, 17, 18, 19.1, 25, 29 or 33 as a condition of being assigned and provided delegate access to the program by the board. Each employee of the administration, a contractor or a health care insurer who is a licensed health care professional and who is authorized to prescribe or dispense controlled substances may authorize not more than ten delegates.

G. If, after reviewing the information provided pursuant to subsection C, paragraph 4 of this section, an investigator finds no evidence of a statutory crime but suspects a medical practitioner of prescribing controlled substances inappropriately in manner or amount, the investigator may refer the medical practitioner to the relevant professional licensing board for investigation of possible deviation from the standard of care but may not arrest or otherwise undertake criminal proceedings against the medical practitioner.

H. A person who is authorized to prescribe or dispense controlled substances or the chief medical officer or other licensed health care professional of the administration, a contractor or a health care insurer who is authorized to prescribe or dispense controlled substances shall deactivate a delegate within five business days after an employment status change, the request of the delegate or the inappropriate use of the controlled substances prescription monitoring program's central database tracking system.

I. For the purposes of this section:

1. "Administration" and "contractor" have the same meanings prescribed in section 36-2901.

2. "Delegate" means any of the following:

(a) A licensed health care professional who is employed ~~in~~ BY the office of or ~~in~~ BY a hospital with the prescriber or dispenser.

(b) An unlicensed medical records technician, medical assistant or office manager who is employed ~~in~~ BY the office of or ~~in~~ BY a hospital with the prescriber or dispenser and who has received training regarding both the health insurance portability and accountability act privacy standards (45 Code of Federal Regulations part 164, subpart E) and security standards (45 Code of Federal Regulations part 164, subpart C).

(c) A forensic pathologist, medical death investigator or other qualified person who is assigned duties in connection with a death investigation pursuant to section 11-594.

(d) A registered pharmacy technician trainee, licensed pharmacy technician or licensed pharmacy intern who ~~works in a facility with~~ IS EMPLOYED BY THE PHARMACY OF OR BY A HOSPITAL OF the dispenser.

(e) Any employee of the administration, a contractor or a health care insurer who is authorized by the administration's, contractor's or health care insurer's chief medical officer or other licensed health care professional who is authorized to prescribe or dispense controlled substances.

3. "Health care insurer" has the same meaning prescribed in section 20-3151.

Sec. 14. Section 36-2606, Arizona Revised Statutes, is amended to read:

36-2606. Registration; access; requirements; mandatory use; annual user satisfaction survey; report; definitions

A. A medical practitioner regulatory board shall notify each medical practitioner who receives an initial or renewal license and who intends to apply for registration or has an active registration under the controlled substances act (21 United States Code sections 801 through 904) of the medical practitioner's responsibility to register with the Arizona state board of pharmacy and be granted access to the controlled substances prescription monitoring program's central database tracking system. The Arizona state board of pharmacy shall provide access to the central database tracking system to each medical practitioner who has a valid license pursuant to title 32 and who possesses an Arizona registration under the controlled substances act (21 United States Code sections 801 through 904). The Arizona state board of pharmacy shall notify each pharmacist of the pharmacist's responsibility to register with the Arizona state board of pharmacy and be granted access to the controlled substances prescription monitoring program's central database tracking system. The Arizona state board of pharmacy shall provide access to the central database tracking system to each pharmacist who has a valid license pursuant to title 32, chapter 18 and who is employed by either:

1. A facility that has a valid United States drug enforcement administration registration number.

2. The administration, a contractor or a health care insurer and who has a national provider identifier number.

B. The registration is:

1. Valid in conjunction with a valid United States drug enforcement administration registration number and a valid license issued by a medical practitioner regulatory board established pursuant to title 32, chapter 7, 11, 13, 14, 15, 16, 17, 25 or 29.

2. Valid in conjunction with a valid license issued by the Arizona state board of pharmacy for a pharmacist who is employed by either:

(a) A facility that has a valid United States drug enforcement administration registration number.

(b) The administration, a contractor or a health care insurer and who has a national provider identifier number.

3. Not transferable or assignable.

C. An applicant for registration pursuant to this section must apply as prescribed by the board.

~~D. Pursuant to a fee prescribed by the board by rule, the board may issue a replacement registration to a registrant who requests a replacement because the original was damaged or destroyed, because of a change of name or for any other good cause as prescribed by the board.~~

~~E.~~ D. A person who is authorized to access the controlled substances prescription monitoring program's central database tracking system may do so using only that person's assigned identifier and may not use the assigned identifier of another person.

~~F.~~ E. ~~Beginning the later of October 1, 2017 or sixty days after the statewide health information exchange has integrated the controlled substances prescription monitoring program data into the exchange,~~ A medical practitioner, before prescribing an opioid analgesic or benzodiazepine controlled substance listed in schedule II, III or IV for a patient, shall obtain a patient utilization report regarding the patient for the preceding twelve months from the controlled substances prescription monitoring program's central database tracking system at the beginning of each new course of treatment and at least quarterly while that prescription remains a part of the treatment. Each medical practitioner regulatory board shall notify the medical practitioners licensed by that board of the ~~applicable date~~ MANDATORY USE REQUIREMENTS OUTLINED IN THIS SECTION. ~~A medical practitioner may be granted a one-year waiver from the requirement in this subsection due to technological limitations that are not reasonably within the control of the practitioner or other exceptional circumstances demonstrated by the practitioner, pursuant to a process established by rule by the Arizona state board of pharmacy.~~

~~G.~~ F. Before a pharmacist dispenses or before a pharmacy technician or pharmacy intern of a remote dispensing site pharmacy dispenses a schedule II controlled substance, a dispenser shall obtain a patient utilization report regarding the patient for the preceding twelve months from the controlled substances prescription monitoring program's central database tracking system at the beginning of each new course of treatment.

~~H.~~ G. The medical practitioner or dispenser is not required to obtain a patient utilization report from the central database tracking system pursuant to subsection ~~F~~ E of this section if any of the following applies:

1. The patient is receiving hospice care or palliative care for a serious or chronic illness.

2. The patient is receiving care for cancer, a cancer-related illness or condition or dialysis treatment.

3. A medical practitioner will administer the controlled substance.

4. The patient is receiving the controlled substance during the course of inpatient or residential treatment in a hospital, nursing care facility, assisted living facility, correctional facility or mental health facility.

5. The medical practitioner is prescribing the controlled substance to the patient for not more than a five-day period for an invasive medical or dental procedure or a medical or dental procedure that results in acute pain to the patient.

6. The medical practitioner is prescribing the controlled substance to the patient for not more than a five-day period for a patient who has suffered an acute injury or a medical or dental disease process that is diagnosed in an emergency department setting and that results in acute pain to the patient. An acute injury or medical disease process does not include back pain.

~~I.~~ H. On or before December 31, 2026, a vendor that provides electronic medical records services to a medical practitioner in this state shall integrate the vendor's electronic medical records system with the program's central database tracking system either directly or through the statewide health information exchange or a third-party vendor.

~~J.~~ I. If a medical practitioner or dispenser uses electronic medical records that integrate data from the controlled substances prescription monitoring program, a review of the electronic medical records with the integrated data shall be deemed compliant with the review of the program's central database tracking system as required in subsection ~~F~~ E of this section.

~~K.~~ J. The board shall promote and enter into data sharing agreements to integrate and display patient utilization reports within electronic medical records.

~~L.~~ K. By complying with this section, a medical practitioner or dispenser who acts in good faith, or the medical practitioner's or dispenser's employer, is not subject to liability or disciplinary action arising solely from either:

1. Requesting or receiving, or failing to request or receive, prescription monitoring data from the program's central database tracking system.

2. Acting or failing to act on the basis of the prescription monitoring data provided by the program's central database tracking system.

~~M.~~ L. Notwithstanding any provision of this section to the contrary, medical practitioners or dispensers and their delegates are not in violation of this section during any time period in which the controlled substances prescription monitoring program's central database tracking system is suspended or is not operational or available in a timely manner. If the program's central database tracking system is not accessible, the medical practitioner or dispenser or the medical

practitioner's or dispenser's delegate shall document the date and time the practitioner, dispenser or delegate attempted to use the central database tracking system pursuant to a process established by board rule.

~~N.~~ M. The board shall conduct an annual voluntary survey of program users to assess user satisfaction with the program's central database tracking system. The survey may be conducted electronically. On or before December 1 of each year, the board shall provide a report of the survey results to the president of the senate, the speaker of the house of representatives and the governor and shall provide a copy of this report to the secretary of state.

~~O.~~ N. This section does not prohibit a medical practitioner regulatory board or the Arizona state board of pharmacy from obtaining and using information from the program's central database tracking system.

~~P.~~ O. For the purposes of this section:

1. "Administration" has the same meaning prescribed in section 36-2901.

2. "Contractor" has the same meaning prescribed in section 36-2901.

3. "Dispenser" means a pharmacist who is licensed pursuant to title 32, chapter 18.

4. "Emergency department" means the unit within a hospital that is designed to provide emergency services.

5. "Health care insurer" has the same meaning prescribed in section 20-3151.

Sec. 15. Section 36-2608, Arizona Revised Statutes, is amended to read:

36-2608. Reporting requirements; waiver; exceptions

A. If a medical practitioner OR PHARMACIST dispenses a controlled substance listed in section 36-2513, 36-2514, 36-2515 or 36-2516 or the rules adopted pursuant to chapter 27, article 2 of this title, or if a prescription for a controlled substance listed in any of those sections or naloxone hydrochloride or any other opioid antagonist that is approved by the United States food and drug administration is dispensed by a pharmacy in this state, a health care facility in this state for outpatient use or a board-permitted nonresident pharmacy for delivery to a person residing in this state, the medical practitioner, health care facility or pharmacy must report the following information as applicable and as prescribed by the board by rule:

1. The name, address, telephone number, prescription number and United States drug enforcement administration controlled substance registration number of the dispenser.

2. The name, address and date of birth of the person for whom the prescription is written.

3. The name, address, telephone number and United States drug enforcement administration controlled substance registration number of the prescribing medical practitioner.

4. The name, strength, quantity, dosage and national drug code number of the DISPENSED schedule II, III, IV or V controlled substance ~~or naloxone hydrochloride or other opioid antagonist dispensed~~.

5. The date the prescription was ~~dispensed~~ FILLED.

6. THE DATE THE PRESCRIPTION WAS SOLD TO THE ULTIMATE USER OR AGENT OF THE ULTIMATE USER.

~~6.~~ 7. The number of refills, if any, authorized by the medical practitioner.

B. ~~Except as provided in subsection D of this section,~~ A dispenser must use the latest version of the standard implementation guide for prescription monitoring programs published by the American society for automation in pharmacy to report the required information.

C. The board shall allow the reporter to transmit the required information by electronic data transfer ~~if feasible or, if not feasible, on reporting forms as prescribed by the board~~. The reporter shall submit the required information ~~once each day~~ WITHIN ONE BUSINESS DAY AFTER THE DATE THE PRESCRIPTION WAS SOLD. IF THERE IS NO INFORMATION TO REPORT, THE REPORTER SHALL REPORT ZERO AS A TRANSACTION.

~~D. A dispenser who does not have an automated recordkeeping system capable of producing an electronic report in the established format may request a waiver from electronic reporting by submitting a written request to the board. The board shall grant the request if the dispenser agrees in writing to report the data by submitting a completed universal claim form as prescribed by the board by rule.~~

~~E. The board by rule may prescribe the prescription form to be used in prescribing a schedule II, III, IV or V controlled substance if the board determines that this would facilitate the reporting requirements of this section.~~

~~F.~~ D. The reporting requirements of this section do not apply to the following:

1. A controlled substance that is administered directly to a patient.

2. A controlled substance that is dispensed by a medical practitioner at a health care facility licensed by this state if the quantity dispensed is limited to an amount adequate to treat the patient for a maximum of seventy-two hours with not more than two seventy-two-hour cycles within any fifteen-day period.

3. A controlled substance sample.

4. The wholesale distribution of a schedule II, III, IV or V controlled substance. For the purposes of this paragraph, "wholesale distribution" has the same meaning prescribed in section 32-1981.

5. A facility that is registered by the United States drug enforcement administration as a narcotic treatment program and that is subject to the recordkeeping provisions of 21 Code of Federal Regulations section 1304.24.

~~G.~~ E. A pharmacist who dispenses naloxone hydrochloride or another opioid antagonist to an individual pursuant to section 32-1979 shall report the information listed in subsection A, paragraphs 1, 2, 3 and 5 of this section and the name, strength, quantity, dosage and national drug code number as prescribed by the board by rule pursuant to subsection A of this section.

~~H.~~ F. Naloxone hydrochloride or any other opioid antagonist shall not be viewable in the patient utilization report.

Sec. 16. Effective date

Section 36-2608, Arizona Revised Statutes, as amended by this act, is effective from and after March 31, 2025.