As Amended by House Committee

[As Amended by Senate Committee of the Whole]

As Amended by Senate Committee

Session of 2009

SENATE BILL No. 248

By Committee on Ways and Means

2-9

AN ACT concerning controlled substances; creating a statewide elec-14 tronic logging system for sale of methamphetamine precursor; amending K.S.A. 2008 Supp. 65-1643 and repealing the existing section; also repealing K.S.A. 2008 Supp. 65-1643b.

17 18 19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37 38

39

40

41

42

15

16

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

New Section 1. As used in this act, unless the context otherwise requires:

- (a) "Board" means the state board of pharmacy.
- "Methamphetamine precursor" means any compound, mixture or preparation containing pseudoephedrine, ephedrine or phenylpropanolamine, or any of their salts or optical isomers, or salts of optical isomers, but does not include products that have been formulated in such a way as to effectively prevent the conversion of the active ingredient into methamphetamine, or its salts for precursors, and does not include animal feed products containing ephedrine or any naturally occurring or herbal ephedra or extract of ephedra.
- "Pharmacy" means premises, laboratory, area or other place, including in-state, and out-of-state and internet facilities that are required to be registered under K.S.A. 65-1643 or 65-1657, and amendments thereto: (1) Where drugs are offered for sale where the profession of pharmacy is practiced and where prescriptions are compounded and dispensed; or (2) which has displayed upon it or within it the words "pharmacist," "pharmaceutical chemist," "pharmacy," "apothecary," "drugstore," "druggist," "drugs," "drug sundries" or any of these words or combinations of these words or words of similar import either in English or any sign containing any of these words; or (3) where the characteristic symbols of pharmacy or the characteristic prescription sign "Rx" may be exhibited.
- 43 New Sec. 2. (a) The board shall establish and maintain a program for

a statewide electronic logging system for sale of methamphetamine precursors.

- (b) Each pharmacy shall maintain an electronic methamphetamine precursor recording log documenting the sale of methamphetamine precursors. The board shall promulgate rules and regulations specifying a standardized format for the log and the information that each pharmacy shall submit to the board, which shall include, but not be limited to:
- (1) The name, *and* address and signature of the person purchasing, receiving or otherwise acquiring the methamphetamine precursor;
 - (2) the name of the product and quantity purchased;
 - (3) the date and time of the purchase; and
- (4) the name, or initials, of the licensed pharmacist, registered pharmacy technician or pharmacy intern or clerk supervised by a licensed pharmacist who sold the product.
- (c) Notwithstanding the requirements of this section, each pharmacy shall maintain the purchaser's signature in accordance with subsection (k) of K.S.A. 65-1643, and amendments thereto.
- (e) (d) Each pharmacy **that is capable** shall submit the information from the log at the point of sale in real time in accordance with transmission methods specified in rules and regulations promulgated by the board.
- (d) The board may issue a waiver to a pharmacy that is unable to submit log information by electronic means. (e) The board may grant a waiver exempting a pharmacy from compliance with the requirements of this section upon showing of good cause by the pharmacy that [it] is otherwise unable to submit log information by electronic means for various reasons, including, but not limited to, mechanical or electronic failure or financial, technological or any other undue burden on the pharmacy, established by rules and regulations. Such waiver may permit the pharmacy to submit log information by paper form or other means, provided that all information required by rules and regulations is submitted in this alternative format.
- (e) (f) No pharmacy or pharmacy employee shall be liable to any person in a civil action for damages or other relief arising from a sale of a methamphetamine precursor that occurs at another pharmacy.
- (g) The requirements of this section shall not apply where there is a lawful prescription present for the methamphetamine precursor sold.

New Sec. 3. The board shall not impose any charge for the establishment or maintenance of the program for the recording of methamphetamine precursors on a pharmacy. The board shall not charge any fees for the transmission of data to the program database or for the receipt of information from the database.

- New Sec. 3. (a) The cost of establishing and maintaining the statewide electronic logging system shall be borne by the state, other non-state units of government, private entities, or others. Pharmacies shall not be required to bear the costs associated with establishing and maintaining the electronic logging system, whether statewide, regional, county-wide or otherwise as provided in this section.
- (b) In the event that funding for a statewide program is not available, the board may implement the program on a non-statewide basis, whether such program is funded regionally or countywide or otherwise. The board shall, by rules and regulations, prescribe that such regional or non-statewide program comply with requirements applicable to a statewide program, including that such non-state governmental units or regional programs may not utilize different vendors. Any requirements of this act shall only be applicable to pharmacies within such units of government or regions, if a regional program is established, and all other pharmacies in the state shall be exempt from requirements for the electronic logging system required pursuant to this act.
- (c) If the state, other non-state units of government, private entities or others are unable to bear the costs of establishing and maintaining the electronic logging system, pharmacies within the state, or in the case of regional or other non-statewide programs, pharmacies within those program areas shall be relieved of any obligation to comply with the statewide electronic logging system program pursuant to this act. Such pharmacies shall still be subject to the requirements of maintaining a log as provided in subsection (k) of K.S.A. 65-1643, and amendments thereto.
- (d) The board shall not impose any charges for the establishment or maintenance of the program for the recording of methamphetamine precursors on a pharmacy. The board shall not charge any fees for the transmission of data to the program database or for the receipt of information from the database.
- (e) The state board of pharmacy may receive and expend, or supervise the expenditure of, any donation, gift, grant or bequest made to the board for furthering any phase of the statewide electronic logging system program.
- New Sec. 4. (a) Methamphetamine precursor recording log information submitted to the board shall be confidential and not a public record and not subject to the Kansas open records act, K.S.A. 45-215 et seq., and amendments thereto, except as provided in subsections (c) and (d).
 - (b) The board shall maintain procedures to ensure that the privacy

2

4 5

6

8

9

10

11

12 13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41 42

43

and confidentiality of information collected, recorded, transmitted and maintained is not disclosed to persons except as provided in subsections (c) and (d).

- (c) The board shall be authorized to provide data in the log to the following persons:
- (1) Any person authorized to prescribe or dispense products containing pseudoephedrine, ephedrine or phenylpropanolamine, for the purpose of providing medical or pharmaceutical care for their patients to an individual patient; complying with the provisions of this act; and
- (2) local, state and federal law enforcement or prosecutorial officials $\frac{1}{2}$ and.
- (3) local, state and federal officials who request access for the purpose of facilitating a product recall necessary for the protection of public health and safety.
- (d) 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 methamphetamine precursors from pharmacies.
- New Sec. 5. (a) The board is hereby authorized to contract with another agency of this state or with a private vendor, as necessary, to ensure the effective implementation and operation of the methamphetamine precursor recording log. The log shall be capable of sending real time notification to law enforcement officials. The state agency or private vendor selected shall have the technological capability to receive electronic log data from pharmacies submitted pursuant to section 2, and amendments thereto, and to send real time notification to law enforcement officials. Regardless of the entity selected to manage the program, pharmacies are not required to use any one particular vendor's product to comply with the requirements under section 2, and amendments thereto. Any electronic system implemented by the state shall be capable of bridging with existing and future operational systems used by pharmacies at no cost to such pharmacies. Any contractor shall be bound to comply with the provisions regarding confidentiality of log information in section 5 this section, and amendments thereto, and shall be subject to the penalties specified in section 10 7, and amendments thereto, for unlawful acts.
- (b) All information collected for the program database and any records maintained by the board, or by any entity contracting with the board, submitted to, maintained or stored as a part of the database, shall be retained for five years. Such information and records shall then be destroyed unless a law enforcement entity has submitted a written request to the board for retention of specific information or records in accordance with procedures adopted by the board.

- (c) The board shall develop and implement a program to educate pharmacies and pharmacy employees about the program for the recording of methamphetamine precursors.
- (d) The board shall review the effectiveness of the program for the recording of methamphetamine precursors and submit an annual report to the senate standing committee on public health and welfare and the house standing committee on health and human services.
- New Sec. 6. The board shall adopt, within 90 days <u>a year</u> six months after the effective date of this act, such rules and regulations the board deems necessary to carry out the provisions of this act.
- New Sec. 7. (a) A pharmacy that knowingly fails to submit methamphetamine precursor recording log information to the board as required by this act or knowingly submits incorrect log information shall be guilty of a severity level 10, nonperson felony.
- (b) A person authorized to have log information pursuant to this act who knowingly discloses such information in violation of this act shall be guilty of a severity level 10, nonperson felony.
- (c) A person authorized to have log information pursuant to this act who knowingly uses such information in a manner or for a propose in violation of this act shall be guilty of a severity level 10, nonperson felony.
- New Sec. 8. Sections 1 through 8, and amendments thereto, shall be known and may be cited as the statewide electronic logging system for sale of methamphetamine precursor act.
- Sec. 8. 9. K.S.A. 2008 Supp. 65-1643 is hereby amended to read as follows: 65-1643. It shall be unlawful:
- (a) For any person to operate, maintain, open or establish any pharmacy within this state without first having obtained a registration from the board. Each application for registration of a pharmacy shall indicate the person or persons desiring the registration, including the pharmacist in charge, as well as the location, including the street name and number, and such other information as may be required by the board to establish the identity and exact location of the pharmacy. The issuance of a registration for any pharmacy shall also have the effect of permitting such pharmacy to operate as a retail dealer without requiring such pharmacy to obtain a retail dealer's permit. On evidence satisfactory to the board: (1) That the pharmacy for which the registration is sought will be conducted in full compliance with the law and the rules and regulations of the board; (2) that the location and appointments of the pharmacy are such that it can be operated and maintained without endangering the public health or safety; (3) that the pharmacy will be under the supervision of a pharmacist, a registration shall be issued to such persons as the board shall deem qualified to conduct such a pharmacy.
 - (b) For any person to manufacture within this state any drugs except

2

3

4

6

8

9

10

11

12

13

14

15

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

under the personal and immediate supervision of a pharmacist or such other person or persons as may be approved by the board after an investigation and a determination by the board that such person or persons is qualified by scientific or technical training or experience to perform such duties of supervision as may be necessary to protect the public health and safety; and no person shall manufacture any such drugs without first obtaining a registration so to do from the board. Such registration shall be subject to such rules and regulations with respect to requirements, sanitation and equipment, as the board may from time to time adopt for the protection of public health and safety.

- (c) For any person to distribute at wholesale any drugs without first obtaining a registration so to do from the board.
- (d) For any person to sell or offer for sale at public auction or private sale in a place where public auctions are conducted, any drugs without first having obtained a registration from the board so to do, and it shall be necessary to obtain the permission of the board in every instance where any of the products covered by this section are to be sold or offered for sale.
- (e) For any person to in any manner distribute or dispense samples of any drugs without first having obtained a permit from the board so to do, and it shall be necessary to obtain permission from the board in every instance where the samples are to be distributed or dispensed. Nothing in this subsection shall be held to regulate or in any manner interfere with the furnishing of samples of drugs to duly licensed practitioners, to mid-level practitioners, to pharmacists or to medical care facilities.
- (f) Except as otherwise provided in this subsection (f), for any person operating a store or place of business to sell, offer for sale or distribute any drugs to the public without first having obtained a registration or permit from the board authorizing such person so to do. No retail dealer who sells 12 or fewer different nonprescription drug products shall be required to obtain a retail dealer's permit under the pharmacy act of the state of Kansas or to pay a retail dealer new permit or permit renewal fee under such act. It shall be lawful for a retail dealer who is the holder of a valid retail dealer's permit issued by the board or for a retail dealer who sells 12 or fewer different nonprescription drug products to sell and distribute nonprescription drugs which are prepackaged, fully prepared by the manufacturer or distributor for use by the consumer and labeled in accordance with the requirements of the state and federal food, drug and cosmetic acts. Such nonprescription drugs shall not include: (1) A controlled substance; (2) a prescription-only drug; or (3) a drug product intended for human use by hypodermic injection; but such a retail dealer shall not be authorized to display any of the words listed in subsection $\frac{\langle u \rangle}{\langle u \rangle}$ (dd) of K.S.A. 65-1626 and amendments thereto, for the designation

of a pharmacy or drugstore.

- (g) For any person to sell any drugs manufactured and sold only in the state of Kansas, unless the label and directions on such drugs shall first have been approved by the board.
- (h) For any person to operate an institutional drug room without first having obtained a registration to do so from the board. Such registration shall be subject to the provisions of K.S.A. 65-1637a and amendments thereto and any rules and regulations adopted pursuant thereto.
- (i) For any person to be a pharmacy student without first obtaining a registration to do so from the board, in accordance with rules and regulations adopted by the board, and paying a pharmacy student registration fee of \$25 to the board.
- (j) For any person to operate a veterinary medical teaching hospital pharmacy without first having obtained a registration to do so from the board. Such registration shall be subject to the provisions of K.S.A. 65-1662 and amendments thereto and any rules and regulations adopted pursuant thereto.
- (k) For any person to sell or distribute in a pharmacy a controlled substance designated in subsection (e) or (f) of K.S.A. 65-4113, and amendments thereto, unless:
- (1) (A) Such controlled substance is sold or distributed by a licensed pharmacist, a registered pharmacy technician or a pharmacy intern or clerk supervised by a licensed pharmacist;
- (B) any person purchasing, receiving or otherwise acquiring any such controlled substance produces a photo identification showing the date of birth of the person and signs a log and enters in the log, or allows the seller to enter in the log, such person's address and the date and time of sale or allows the seller to enter such information into an electronic logging system pursuant to section 3 2. The log or database required by the board shall be available for inspection during regular business hours to the board of pharmacy and any law enforcement officer;
- (C) the seller determines that the name entered in the log corresponds to the name provided on such identification and that the date and time entered are correct; and
- (D) the seller enters in the log the name of the controlled substance and the quantity sold; or
 - (2) there is a lawful prescription.
- (l) For any pharmacy to allow customers to have direct access to any controlled substance designated in subsection (e) or (f) of K.S.A. 65-4113, and amendments thereto. Such controlled substance shall be placed behind the counter or stored in a locked cabinet that is located in an area of the pharmacy to which customers do not have direct access.
 - (m) A seller who in good faith releases information in a log pursuant

4

6 7

8

- to subsection (k) to any law enforcement officer is immune from civil 2 liability for such release unless the release constitutes gross negligence 3 or intentional, wanton or willful misconduct.
 - (n) For any person to sell or lease or offer for sale or lease durable medical equipment without first obtaining a registration from the board, in accordance with rules and regulations adopted by the board, except that this subsection shall not apply to:
 - Sales not made in the regular course of the person's business; or
- 9 sales by charitable organizations exempt from federal income tax-10 ation pursuant to the internal revenue code of 1986, as amended.
- 11 Sec. 9. 10. K.S.A. 2008 Supp. 65-1643 and 65-1643b are hereby 12 repealed.
- 13 Sec. 10. 11. This act shall take effect and be in force from and after 14 its publication in the statute book.