

# Regulatory Analysis Form

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INDEPENDENT REGULATORY  
REVIEW COMMISSION

(1) Agency

Department of State, Bureau of Professional and Occupational Affairs, State Board of Pharmacy

(2) I.D. Number (Governor's Office Use)

16A-5422

IRRC Number: 2719

(3) Short Title

## Fees

(4) PA Code Cite

49 Pa. Code, § 27.91

(5) Agency Contacts & Telephone Numbers

Primary Contact: **Carole L. Clarke, Counsel**

**State Board of Pharmacy (717) 783-7200**

Secondary Contact: **Joyce McKeever, Deputy Chief**

**Counsel, Department of State (717) 783-7200**

(6) Type of Rulemaking (check one)

Proposed Rulemaking

Final Order Adopting Regulation

Policy Statement

(7) Is a 120-Day Emergency Certification Attached?

No

Yes: By the Attorney General

Yes: By the Governor

(8) Briefly explain the regulation in clear and nontechnical language.

The proposed regulation will increase the fees for the pharmacy intern certificate, new pharmacy permits, reinspections, and pharmacy permit changes. The proposed regulation will also amend the Board's biennial renewal fees for pharmacists and pharmacies. The proposed regulation raises the pharmacy intern certificate fee from \$30 to \$35, the pharmacist initial license application fee from \$40 to \$45, the reinspection fee from \$90 to \$115, the pharmacy permit change without inspection fee from \$30 to \$45, the pharmacy permit change when inspection required fee from \$95 to \$125, the pharmacist license biennial renewal fee from \$150 to \$190 and the pharmacy permit biennial renewal fee from \$100 to \$125.

(9) State the statutory authority for the regulation and any relevant state or federal court decisions.

The proposed regulation is authorized by section 8.2(a) and (b) of the Pharmacy Act, 63 P.S. § 390-8.2(a) and (b).

## Regulatory Analysis Form

(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

**Yes. Sections 8.2(a) and (b) of the Pharmacy Act, 63 P.S. §390-8.2(a) and (b), require the Board's fees be fixed by regulation and that fees be increased if not sufficient to meet expenditures.**

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

**The new fees allow the Board to comply with the legislative mandate of its enabling statute that the Board sustain its operating and enforcement costs through fees imposed on its licensees.**

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

**Nonregulation of pharmacists and pharmacies increases the risk of substandard pharmacy care, which may adversely affect public health.**

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

**The general public and regulated practitioners will benefit from fee increases which assure that the Board will have sufficient revenue to carry out its operating and enforcement activities and ensure the Commonwealth will have an adequate supply of competent practitioners.**

## Regulatory Analysis Form

(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

**On a biennial basis approximately 18,426 pharmacists and 3,264 pharmacies will pay an additional \$40.00 and \$25.00 respectively. This represents a biennial cost to the regulated community of \$737,040.00 for pharmacists and \$81,600.00 for pharmacies. The increased application and inspection fees will also affect pharmacists, pharmacy interns and pharmacies.**

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

**Approximately 18,426 pharmacists and 3,264 pharmacies renew licenses and permits biennially. In addition, the Board estimates an additional 637 new pharmacists apply for licenses each year; approximately 100 new pharmacy permits are applied for each year; approximately 700 pharmacy interns apply for registration each year; approximately 400 pharmacy change applications are processed each year (with roughly half requiring an inspection); and approximately 5 pharmacies require re-inspection after failing the initial inspection each year.**

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

**In developing and drafting the regulation, the Board considered the fees as both required by law and the least restrictive means of covering the costs of services required to be performed by the Board.**

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

**No legal, accounting or consulting costs are anticipated as a result of the regulation. Biennial renewal fees will cost an additional \$737,040.00 for pharmacists and \$81,600.00 for pharmacies. It is estimated that the increased fees for applications for pharmacists and pharmacy interns will result in an additional \$13,375 in fees biennially. Increased pharmacy permit fees should result in an additional \$5,000 in biennial revenue. The increases in pharmacy permit change fees are expected to result in an additional \$18,000 in biennial revenue. Finally, increased re-inspection fees will result in an additional \$250 in biennial revenue.**

## Regulatory Analysis Form

(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

**Local governments would not be affected by this regulation.**

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

**Because the Board must charge fees that reflect its actual costs in providing services to licensees and applicants, implementing the regulation will produce no identifiable costs or savings to state government.**

## Regulatory Analysis Form

(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY 08-09	FY +1 Year 09-10	FY +2 Year 10-11	FY +3 Year 11-12	FY +4 Year 12-13	FY +5 Year 13-14
<b>SAVINGS:</b>						
Regulated Community						
Local Government						
State Government						
<b>Total Savings</b>	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
<b>COSTS:</b>						
Regulated Community	\$0	\$99,912	\$755,352	\$99,912	\$755,352	\$99,912
Local Government						
State Government						
<b>Total Costs</b>	\$0	\$99,912	\$755,352	\$99,912	\$755,352	\$99,912
<b>REVENUE LOSSES:</b>						
Regulated Community						
Local Government						
State Government						
<b>Total Revenue Losses</b>	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A

(20a) Explain how the cost estimates listed above were derived.

Cost estimates to the regulated community were derived by multiplying the proposed fee increase by the estimated number of licensees/applicants.

18,426 pharmacists x \$40 (increase) = \$737,040 in even-numbered years (beginning in October 2010)  
 3,364 pharmacies x \$25 (increase) = \$81,600 in odd-numbered years (beginning in September 2009)

1,275 pharmacist applicants x \$5 (increase) = \$6,375 biennially or \$3,187.50 per year  
 1,400 pharmacy intern applicants x \$5 (increase) = \$7,000 biennially or \$3,500 per year  
 200 new pharmacy permit applicants x \$25 (increase) = \$5,000 biennially or \$2,500 per year  
 400 pharmacy change applications (inspection required) x \$30 (increase) = \$12,000 biennially or \$6,000 per year  
 400 pharmacy change applications (no inspection required) x \$15 (increase) = \$6,000 biennially or \$3,000 per year  
 10 applications for re-inspection after failure x \$25 (increase) = \$250 biennially or \$125 per year  
 (Total annual cost for miscellaneous fee increases = \$18,312)

## Regulatory Analysis Form

(20b) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY -3	FY -2	FY -1	Current FY
Pharmacy Board	\$1,532,884.94	\$1,433,964.55	\$1,652,516.51	\$1,862,000.00

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

**The regulation provides for the licensure population and applicants for board services to pay for the costs of Board administration through fees which, by law, must provide enough revenue to meet or exceed expenditures. The proposed fees have been set at the lowest amount possible to sustain the Board. The increased fees assure that the Board will have sufficient revenue to carry out its operating and enforcement activities and ensure the Commonwealth will have an adequate supply of competent practitioners.**

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

**No nonregulatory approaches were considered as Section 8.2(b) of the Pharmacy Act, 63 P.S. §390-8.2(b), requires a regulatory approach.**

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

**The Board considered several options in fee increases and elected to adopt the lowest fee increases possible while keeping the Board out of a long run deficit.**

## Regulatory Analysis Form

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

**There are no federal standards that apply.**

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

**The fees are comparable to those in surrounding states. The fees should cause no competitive disadvantage. Not all fees charged by other states are available online, however the following renewal fees are charged.**

<u>State</u>	<u>Pharmacist</u>	<u>Renewal Period</u>	<u>Pharmacy</u>	<u>Renewal Period</u>
New York	\$200.00	3 years	\$260.00	3 years
New Jersey	\$140.00	2 years	\$170.00	1 year
Delaware	\$33.00	2 years	\$60.00	2 years
Ohio	\$97.50	1 year	\$150.00	1 year
West Virginia	\$120.00	2 years	\$100.00	1 year
Maryland	\$150.00	2 years	\$250.00	1 year

**The following pharmacist initial application fees are charged:**

**State**

**New York - \$270**

**New Jersey - \$125**

**Delaware - \$67 (pro-rated fee schedule)**

**Ohio - \$110**

**West Virginia - \$120**

**Maryland - \$100**

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

**The regulation amends §27.91 (relating to schedule of fees) in the existing regulations. No other regulations are affected by the amendments.**

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

**The Board provides an opportunity for public input into its activities, including its rulemaking proposals, at its regularly scheduled monthly meetings. The dates times and places of the Board's meetings are available at the Department of State's Website, [www.state.pa.us](http://www.state.pa.us).**

## Regulatory Analysis Form

(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

No.

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

**The Board has not identified particular needs for which special provisions need to be developed or anticipated in connection with fees charged by the Board.**

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

**The proposed regulation will be effective upon final-form publication in the Pennsylvania Bulletin. The new biennial renewal fees will take effect for the pharmacy permit holders with the biennial period commencing September 1, 2009; and for the pharmacist license holders with the biennial period commencing October 1, 2010. All other fees will be effective immediately upon publication as final rulemaking.**

(31) Provide the schedule for continual review of the regulation.

**The Board will review the effectiveness of this regulation as part of its annual review of its fiscal operations.**



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INDEPENDENT REGULATORY  
REVIEW COMMISSION

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Copy below is hereby approved as to  
form and legality. Attorney General

BY: \_\_\_\_\_  
(DEPUTY ATTORNEY GENERAL)

JUL 17 2008

DATE OF APPROVAL

Copy below is hereby certified to be a true and correct  
copy of a document issued, prescribed or promulgated by:

State Board of Pharmacy  
\_\_\_\_\_  
(AGENCY)

DOCUMENT/FISCAL NOTE NO. 16A-5422

DATE OF ADOPTION: \_\_\_\_\_

BY:   
Michael A. Podgurski, R.Ph.

TITLE: Chairperson  
(EXECUTIVE OFFICER, CHAIRMAN OR SECRETARY)

Copy below is approved as  
to form and legality.  
Executive or Independent  
Agencies.

BY: \_\_\_\_\_  
Andrew C. Clark

JUN 25 2008

DATE OF APPROVAL

~~(Executive Deputy General Counsel  
Strike inapplicable title)~~

Check if applicable  
Copy not approved.  
Objections attached.

Check if applicable. No  
Attorney General approval or  
objection within 30 day after  
submission.

PROPOSED RULEMAKING  
COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
STATE BOARD OF PHARMACY  
49 PA. CODE, CHAPTER 27

FEEES

The State Board of Pharmacy (Board) proposes to amend § 27.91 (relating to schedule of fees) to read as set forth in Annex A. The proposed regulation would increase the application fees for the pharmacy intern certificate, pharmacist license, new pharmacy permit, reinspections, pharmacy permit changes and the biennial renewal fees for pharmacist licenses and pharmacy permits.

### **Effective Date**

The amendment will be effective upon final publication in the Pennsylvania Bulletin. The increased biennial renewal fees will take effect beginning with the pharmacy permit biennial renewal period commencing on September 1, 2009, and the pharmacist license biennial renewal period commencing on October 1, 2010. The other fee increases will take effect upon final publication.

### **Statutory Authority**

The amendment is authorized under section 8.2(a) of the Pharmacy Act (act) (63 P.S. § 390-8.2(a)). In addition, section 8.2(b), requires the Board to increase fees by regulation in an amount adequate to meet the minimum enforcement efforts required by the act.

### **Background and Need for Amendment**

The Board is required by law to support its operations from revenue it generates from fees, fines and civil penalties. In accordance with section 8.2 of the act (63 P.S. § 390-8.2), if the Board anticipates that its revenue will not meet its expenditures, the Board must increase its revenue. The Board raises virtually all of its operating revenue through fees. The biennial license renewal fees are the most substantial revenue generating fees of all the fees charged by the Board.

With the exception of the biennial renewal fees, the Board has not revised its fees since the 1990's. The application fees are now being revised to reflect the current cost of processing an application. The inspection fees are being revised to reflect the current cost to the Board of the inspectors performing the required inspection. The biennial renewal fees were last raised in 2006. Initially, the Board conservatively raised those fees in attempt to not place a hardship on its licensees with a large increase. The Board reviews its revenues on an annual basis and subsequent reviews have shown that another increase is necessary to support its operations. The Board is again being conservative in raising fees so as not to place a hardship on its licensees. Given that a deficit is still projected, the Board will evaluate another fee increase in the future. However, if pending legislation is passed, increased revenue from the registration of pharmacy technicians and imposing investigative costs for disciplinary actions could negate the necessity to further raise renewal fees.

At its April 17, 2007, Board meeting and again at its June 19, 2007, and March 18, 2008, Board meetings, the Bureau of Finance and Operations (BFO) presented a summary of the Board's revenues and expenses for fiscal years 2004-2005, 2005-2006 and 2006-2007, and projected revenues and expenses for fiscal years 2007-2008 through 2013-2014. The summary, presented in table format below, demonstrated that the Board must raise fees to maintain a positive balance after the pharmacist renewal takes place in the even-numbered years.

2004-2005 beginning balance	324,955.04
FY 04-05 revenue	2,304,562.44
FY 04-05 expenses	1,655,000.00
Remaining balance	974,517.48
2005-2006 beginning balance	974,517.48
FY 05-06 revenue	529,381.83
FY 05-06 expenses	1,850,000.00
Remaining balance	(346,100.69)
2006-2007 beginning balance	(346,100.69)
FY 06-07 revenue	3,035,093.83
Prior year returned funds	122,155.06
Adjust for prior year expenses	243,901.49
FY 06-07 projected expenses	1,788,000.00
Remaining balance	779,206.71
2007-2008 beginning balance	779,206.71
FY 07-08 projected revenue	500,000.00
Prior year returned funds	576,709.95
FY 07-08 projected expenses	1,842,000.00
Remaining balance	(24,665.09)
2008-2009 beginning balance	(24,665.09)
FY 08-09 projected revenue	3,000,000.00
FY 08-09 projected expenses	1,934,000.00
Remaining balance	1,041,334.91
2009-2010 beginning balance	1,041,334.91
FY 09-10 projected revenue	502,000.00
FY 09-106 projected expenses	2,031,000.00
Remaining balance	(726,925.77)

2010-2011 beginning balance	(726,925.77)
FY 10-11 projected revenue	3,866,000.00
FY 10-11 projected expenses	2,133,000.00
Remaining balance	1,325,334.91
2011-2012 beginning balance	1,325,334.91
FY 11-12 projected revenue	582,000.00
FY 11-12 projected expenses	2,240,000.00
Remaining balance	(332,665.09)
2012-2013 beginning balance	(332,665.09)
FY 08-09 projected revenue	3,866,000.00
FY 08-09 projected expenses	2,352,000.00
Remaining balance	1,181,334.91
2013-2014 beginning balance	1,181,334.91
FY 09-10 projected revenue	582,000.00
FY 09-10 projected expenses	2,470,000.00
Remaining balance	(706,655.09)

As the foregoing indicates, at the close of FY 2005-2006, the Board's expenses exceeded its revenues by \$346,100.69. While the pharmacist renewal brought the Board's account back to a positive balance in FY 2006-2007, in FY 2007-2008, the Board will run at a deficit again and in the off-renewal years the Board will continue to have a deficit. BFO anticipates that the proposed new fees will enable the Board to recapture the deficits every other year.

The increases in the Board's biennial expenses occurred primarily in administrative costs and law enforcement costs. Administrative costs increased from approximately \$343,682 in FY 2005-2006 to approximately \$513,063 in FY 2006-2007. Law enforcement (the Bureau of Enforcement and Investigation) expenditures increased from approximately \$551,194 in FY 2005-2006 to approximately \$630,080 in FY 2006-2007. Legal office costs remained about the same, however the number of complaints filed continued to rise from previous years. Administrative costs likely increased because the Board began receiving applications for the authority to administer injectable medications, immunizations and biologicals. Additionally, vacant pharmacy inspector positions were filled which led to the increase in law enforcement costs both due to the salaries and the increased inspections the additional inspectors performed.

The Board carefully reviewed several options in fee increases to ensure the lowest fee increase possible while keeping the Board out of a long run deficit. Before the Board dramatically raises its renewal fees it prefers to wait until two pieces of legislation that would bring significantly more revenue to the Board complete their journey through the legislative process. If either of these

pieces of legislation fails to be enacted during this legislative session, the Board will reevaluate. In addition to increasing fees, the Board is looking at ways to streamline procedures to cut costs; however, the fee increases are still necessary to maintain a positive balance in the Board account in the long run. Finally, in developing the proposal, the Board reviewed fees of other states. It found that the proposed fees are comparable to the renewal fees charged in surrounding states and should cause no competitive disadvantage to the Commonwealth.

### **Description of Proposed Amendments**

Based upon the above expense and revenue estimates provided to the Board, the Board proposes to amend § 27.91 (relating to fees) to increase the fee for biennial renewal of licenses for pharmacists from \$150.00 to \$190.00 and increase the biennial renewal fee for pharmacy permits from \$100.00 to \$125.00. The Board is also proposing to increase the application fee for a pharmacy intern certificate from \$30 to \$35, the application fee for a pharmacist license from \$40 to \$45, the application fee for a new pharmacy permit from \$100 to 125, the fee for reinspection of a new pharmacy after failure at first inspection from \$90 to \$115, the application fee for a pharmacy permit change without inspection from \$30 to \$45 and the application fee for a pharmacy permit change when inspection required from \$95 to \$125.

### **Fiscal Impact**

The proposed amendments will increase the biennial renewal fees for pharmacists and pharmacies as well as several other fees the Board charges for its services to applicants. The proposed regulation should have no other fiscal impact on the private sector, the general public or political subdivisions.

### **Paperwork Requirements**

The proposed regulation will require the Board to alter some of its forms to reflect the new biennial renewal fees; however, the proposed regulations should not create additional paperwork for the private sector.

### **Sunset Date**

The act requires that the Board monitor its revenue and expenses on a fiscal year and biennial basis. Therefore, no sunset date has been assigned.

### **Regulatory Review**

Under Section 5(a) of the Regulatory Review Act (71 P.S. §745.5(a)), the Board submitted a copy of this proposed regulation on August 18, 2008, to the Independent Regulatory Review Commission (IRRC), the Senate Consumer Protection and Professional Licensure Committee and the House Professional Licensure Committee. In addition to submitting the proposed regulation, the Board has provided IRRC and the committees with a copy of a detailed Regulatory Analysis Form prepared by the Board. A copy of this material is available to the public upon request.

Under section 5(g) of the Regulatory Review Act (71 P.S. §745.5(g)), if IRRC has comments, recommendations or objections regarding any portion of the proposed rulemaking, it will notify the Board within 30 days after the close of the public comment period. The notification shall specify the regulatory review criteria that have not been met. The Regulatory Review Act specifies detailed procedures for review of comments, recommendations and objections by the Board, the General Assembly, and the Governor prior to publication of the regulations.

### **Public Comment**

Interested persons are invited to submit written comments, recommendations or objections regarding this proposed rulemaking to Melanie Zimmerman, Executive Secretary, State Board of Pharmacy, P.O. Box 2649, Harrisburg, Pennsylvania 17105-2649, within 30 days following publication of this proposed rulemaking in the Pennsylvania Bulletin.

**Annex A**

**TITLE 49. PROFESSIONAL AND VOCATIONAL STANDARDS**

**PART I. DEPARTMENT OF STATE**

**Subpart A. PROFESSIONAL AND OCCUPATIONAL AFFAIRS**

**CHAPTER 27. STATE BOARD OF PHARMACY**

**FEES**

**§ 27.91. Schedule of fees.**

An applicant for a license, certificate, permit or service shall pay the following fees at the time of application:

Application for pharmacy intern certificate..... [\$30] \$35

Application for pharmacist license..... [\$40] \$45

\* \* \*

Registered pharmacist biennial renewal..... [\$150] \$190

\* \* \*

New pharmacy permit application..... [\$100] \$125

Reinspection of new pharmacy after failure at first inspection..... [\$90] \$115

Pharmacy permit change without inspection..... [\$30] \$45

Pharmacy permit change when inspection required..... [\$95] \$125

\* \* \*

Biennial renewal of pharmacy permit..... [\$100] \$125

\* \* \*

# FEE REPORT FORM

Agency: State - BPOA

Date: 04/26/07

Contact: Basil Merenda  
Commissioner, Bureau of Professional and Occupational Affairs

Phone No. 783-7192

## Fee Title, Rate and Estimated Collections:

Pharmacist Biennial Renewal Fee: \$190.00

Pharmacy Biennial Renewal Fee: \$125.00

Estimated Biennial Revenue:

Pharmacist - \$3,524,310.00 (18,549 renewals x \$190.00)

Pharmacy - \$408,625.00 (3,269 renewals x \$125.00)

Total Estimated Biennial Revenue: \$3,932,935.00

## Fee Description:

The fee will be charged biennially to every applicant for license renewal.

## Fee Objective:

The fee should defray a substantial portion of the State Board of Pharmacy's administrative overhead, specifically the difference between the Board's total biennial expenditures and its total biennial revenues from non-renewal sources.

## Fee-Related Activities and Costs:

Estimated balance at end of 06/07 cycle:	1,121,074.23
<b>FOR BIENNIAL CYCLE 7/01/07-6/30/08</b>	
Estimated non-renewal revenue:	175,000.00
Estimated renewal revenue @ above rates:	325,000.00
Total revenue available:	1,621,074.23
Estimated expenditures:	1,842,000.00
<b>Estimated ending balance on 6/30/08:</b>	<b>(220,925.77)</b>
<b>FOR BIENNIAL CYCLE 7/01/08-6/30/09</b>	
Estimated non-renewal revenue:	175,000.00
Estimated renewal revenue @ above rates:	3,524,000.00
Estimated expenditures:	1,934,000.00
Estimated ending balance on 6/30/09:	<b>1,544,074.23</b>

## Analysis, Comment, and Recommendation:

It is recommended that the above renewal fee's be established to cover projected funding shortfalls between the Board's total biennial expenditures and its total biennial revenues from non-renewal sources.



## FEE REPORT FORM

**Agency:** State - BPOA **Date:** August 14, 2006  
**Contact:** Basil Merenda  
Commissioner, Bureau of Professional & Occupational Affairs  
**Phone No.** 783-7192

### Fee Title, Rate and Estimated Collections:

License Application Fee = \$45.00

Estimated Biennial Revenue: \$ 57,375.00 (1,275 applications x \$45.00)

### Fee Description:

The fee will be charged to each applicant for licensure as a Registered Pharmacist.

### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Pharmacy to review and process an application for licensure as a Registered Pharmacist and (2) defray a portion of the Board's administrative overhead.

### Fee-Related Activities and Costs:

Board Staff- (CT3) review application:	(1.00/hr)	25.58
Administrative Overhead:		19.09
	Total Estimated Cost:	44.67
	Proposed Fee:	\$ 45.00

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$45.00 be established to review an application for licensure as a Registered Pharmacist.

Board staff receives application, reviews for completeness, contacts applicant to request any missing information, verifies applicant's educational background for compliance with regulations, verifies examination scores. Processes through computer and issues license if all requirements are met; notifies applicant of denial if ineligible.

## FEE REPORT FORM

Agency: State - BPOA Date: August 14, 2006  
Contact: Basil Merenda  
Commissioner, Bureau of Professional & Occupational Affairs  
Phone No. 783-7192

### Fee Title, Rate and Estimated Collections:

Pharmacy Intern Registration Fee = \$35.00  
Estimated Biennial Revenue: \$49,000.00 (1,400 applications x \$35.00)

### Fee Description:

The fee will be charged to each applicant for registration as a Registered Intern.

### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Pharmacy to review and process an application for registration as a Registered Intern and (2) defray a portion of the Board's administrative overhead.

### Fee-Related Activities and Costs:

Board Staff- (CT3) review application:	(0.50/hr)	12.79
Administrative Overhead:		19.09
	Total Estimated Cost:	31.88
	Proposed Fee:	\$ 35.00

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$35.00 be established to review an application for registration as a Pharmacist Intern.

Board staff receives application, reviews for completeness, contacts applicant to request any missing information, verifies applicant's educational background for compliance with regulations. Processes through computer and issues license if all requirements are met; notifies applicant of denial if ineligible.

## FEE REPORT FORM

**Agency:** State - BPOA **Date:** August 14, 2006  
**Contact:** Basil Merenda  
Commissioner, Bureau of Professional & Occupational Affairs  
**Phone No.** 783-7192

### Fee Title, Rate and Estimated Collections:

New Pharmacy Application Fee = \$125.00  
Estimated Biennial Revenue: \$25,000.00 (200 applications x \$125.00)

### Fee Description:

The fee will be charged to each applicant for registration of a new Pharmacy.

### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Pharmacy to review and process an application for registration for a new Pharmacy and (2) defray a portion of the Board's administrative overhead.

### Fee-Related Activities and Costs:

Board Staff- (CT3) review application:	(1.50/hr)	38.37
Law Enforcement-Inspection:	(2.00/hr)	66.60
Administrative Overhead:		19.09
	Total Estimated Cost:	124.06
	Proposed Fee:	\$125.00

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$125.00 be established to process an application for registration of a new Pharmacy.

Board staff receives application, reviews for completeness, contacts applicant to request any missing information. Forwards to Bureau of Enforcement and Investigation for inspection & confirmation of compliance with regulations. After receipt of inspection results from B.E.I., processes through computer and issues license if all requirements are met; issues discrepancy notice if requirements are not met.

# FEE REPORT FORM

**Agency:** State - BPOA **Date:** August 14, 2006  
**Contact:** Basil Merenda  
Commissioner, Bureau of Professional & Occupational Affairs  
**Phone No.** 783-7192

## Fee Title, Rate and Estimated Collections:

Pharmacy Change/ Inspection Required = \$125.00  
Estimated Biennial Revenue: \$50,000.00 (400 applications x \$125.00)

## Fee Description:

The fee will be charged for each application to modify an existing Pharmacy Permit when an inspection is required.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Pharmacy to process a change application requiring an inspection and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Board Staff- (CT3) review application:	(1.50/hr)	38.37
Law Enforcement Staff- inspection:	(2.0/hr)	66.60
Administrative Overhead:		19.09
	Total Estimated Cost:	124.06
	Proposed Fee:	\$125.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$125.00 be established to process a pharmacy permit change application requiring an inspection.

**Page 2 Pharmacy Change Requiring Inspection:**

**August 14, 2006**

Board staff - receives application from a currently licensed pharmacy requesting a change that requires an inspection of facilities due to remodeling or expansion, etc. Reviews for completeness, contacts applicant to request any missing information, forwards request to Bur. of Enforcement and Investigation for inspection and confirmation of compliance with regulations. Following receipt of inspection results from B.E.I., processes through computer by issuing revised license or notifying applicant that additional information/clarification is necessary prior to processing.



# FEE REPORT FORM

Agency: State - BPOA Date: August 14, 2006  
Contact: Basil Merenda  
Commissioner, Bureau of Professional & Occupational Affairs  
Phone No. 783-7192

## Fee Title, Rate and Estimated Collections:

Pharmacy Change/No Inspection Required = \$45.00

Estimated Biennial Revenue: \$18,000.00 (400 applications x \$45.00)

## Fee Description:

The fee will be charged for each application to modify an existing Pharmacy Permit (change of manager, ownership, director or postal change not requiring an inspection).

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Pharmacy to process a change to modify an existing Pharmacy and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Board Staff- (CT3) review application:	(1.00/hr)	25.58
Administrative Overhead:		19.09

Total Estimated Cost:	44.67
Proposed Fee:	\$45.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$45.00 be established to process a pharmacy permit change application if no inspection is required.

**Page 2 Pharmacy Permit Change/No Insp. Required:**

**June 5, 2007**

Board staff - receives application from a currently licensed pharmacy requesting a change that does not require an inspection of facilities (change in manager, change of ownership, etc.). Information is verified and change is processed by issuing revised license through computer or notifying applicant that additional information/clarification is necessary prior to processing.

# FEE REPORT FORM

**Agency:** State - BPOA **Date:** August 14, 2006  
**Contact:** Basil Merenda  
Commissioner, Bureau of Professional & Occupational Affairs  
**Phone No.** 783-7192

## Fee Title, Rate and Estimated Collections:

Each re-inspection after 1<sup>st</sup> failure (New Pharmacy) = \$115.00

Estimated Biennial Revenue: \$1,150.00 (10 applications x \$115.00)

## Fee Description:

The fee will be charged for each re-inspection required to issue a new Pharmacy Permit.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Pharmacy to re-inspect (after 1<sup>st</sup> failure) a new Pharmacy prior to issuing permit and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Board Staff- (CT3) review application:	(1.00/hr)	25.58
Law Enforcement-Inspection:	(2.00/hr)	66.60
Administrative Overhead:		19.09

Total Estimated Cost:	111.27
Proposed Fee:	\$115.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$115.00 be established to re-inspect (after 1<sup>st</sup> failure) a new Pharmacy.

If all requirements are not met at 1<sup>st</sup> inspection, Bureau of Enforcement and Investigation notifies Board Office. Board staff sends discrepancy, processes fee and information relating to corrections of discrepancies and issues new inspection request. BEI schedules another inspection. Results of the re-inspection are forwarded to Board Office for processing, either through computer to issue license if all requirements are met or by discrepancy notice if requirements are not met. The charge is imposed for every re-inspection necessary to determine compliance.



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
STATE BOARD OF PHARMACY

Post Office Box 2649  
Harrisburg, Pennsylvania 17105-2649  
(717) 783-7156

August 18, 2008

The Honorable Arthur Coccodrilli, Chairman  
INDEPENDENT REGULATORY REVIEW COMMISSION  
14<sup>th</sup> Floor, Harrisstown 2, 333 Market Street  
Harrisburg, Pennsylvania 17101

Re: Proposed Regulation  
State Board of Pharmacy  
16A-5422: Fees

Dear Chairman Coccodrilli:

Enclosed is a copy of a proposed rulemaking package of the State Board of Pharmacy pertaining to fees.

The Board will be pleased to provide whatever information the Commission may require during the course of its review of the rulemaking.

Sincerely,

A handwritten signature in black ink that reads "Michael A. Podgurski".

Michael A. Podgurski, R.Ph., Chairperson  
State Board of Pharmacy

MAP/CLC:klh

Enclosure

cc: Basil L. Merenda, Commissioner  
Bureau of Professional and Occupational Affairs  
Albert H. Masland, Chief Counsel  
Department of State  
Joyce McKeever, Deputy Chief Counsel  
Department of State  
Cynthia Montgomery, Regulatory Counsel  
Department of State  
Cynthia Montgomery, Senior Counsel in Charge  
Department of State  
Carole L. Clarke, Counsel  
State Board of Pharmacy  
State Board of Pharmacy

**TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE  
REGULATORY REVIEW ACT**

I.D. NUMBER: 16A-5422  
 SUBJECT: FEES  
 AGENCY: DEPARTMENT OF STATE  
 STATE BOARD OF PHARMACY

**TYPE OF REGULATION**

- Proposed Regulation
- Final Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor
- Delivery of Tolled Regulation
  - a. With Revisions
  - b. Without Revisions

INDEPENDENT REGULATORY  
REVIEW COMMISSION

2008 AUG 18 AM 11:33

RECEIVED

**FILING OF REGULATION**

DATE	SIGNATURE	DESIGNATION
8/18/08	<i>Jim M. Lane</i>	HOUSE COMMITTEE ON PROFESSIONAL LICENSURE MAJORITY CHAIRMAN <i>Mike Sturla</i>
8/18/08	<i>Mary Walmer</i>	SENATE COMMITTEE ON CONSUMER PROTECTION & PROFESSIONAL LICENSURE MAJORITY CHAIRMAN <i>Robert M. Tomlinson</i>
8/18/08	<i>Kathy Cooper</i>	INDEPENDENT REGULATORY REVIEW COMMISSION  ATTORNEY GENERAL (for Final Omitted only)
8/18/08	<i>Mayra Garas</i>	LEGISLATIVE REFERENCE BUREAU (for Proposed only)