

Testimony concerning SB 113
Senate Committee on Public Health and Welfare
Presented by Alexandra Blasi, Executive Secretary
On behalf of
The Kansas State Board of Pharmacy
March 14-15, 2019

Mr. Chair and Members of the Committee:

The Kansas State Board of Pharmacy respectfully submits this neutral testimony on SB 113. The Board greatly appreciates the invitation extended by the bill's authors to provide feedback prior to introduction and participate in discussion regarding the proposed model. As a result, many questions have been answered and ambiguities clarified. The Board believes it is imperative that pharmacy continue to be engaged in this topic to carry out its mission of protecting the public from unregulated activity and the unqualified practice of pharmacy. While medical cannabis may not be an FDA-approved prescription or non-prescription drug, it certainly enters the realm of the practice of pharmacy and has the potential to impact patients and consumers in such capacity. Though this testimony is neutral on the subject matter, the Board strongly believes the legislature should ensure public protections are enabled including an adequate regulatory framework. The bill would place some of that regulatory responsibility within the Board of Pharmacy and require collaboration with other state agencies.

The Board is capable of licensing and regulating medical cannabis dispensaries, as well as adopting rules and regulations necessary under the bill. These responsibilities are consistent with our current operational models and functions, though we are not yet equipped to handle the increased type or volume of applications, inspections, or investigations, which are relatively unknown quantities at this point. The Board supports formation of an implementation task force to guide this process and appreciates being included as a member.

The Board anticipates a substantial fiscal impact, which would directly impact the revenue of the newly established medical cannabis fund and Board expenditures of that fund. Costs would primarily be in the form of staff time and resources for inspections and investigations to ensure compliance with state law. The Board would also likely need to add administrative staff to manage the licensing application and renewal process. Since volume is unknown, the Board provides the following break-down for staff and agency costs related to operation of this new program.

- Compliance Staff – salaries and benefits ranging from \$60,000 - \$100,000 per person per year
- Admin Staff – salaries and benefits ranging from \$40,000 - \$47,000 per person per year
- Attorney fees - \$150/hr
- Vehicle(s) (\$19,000 each) for travel to dispensaries
- General costs per person – office space rent (200 sq ft x \$15.50 per sq ft per yr), supplies, computer printer monitor (\$2000), phone (\$800 + \$20/month), software (\$1200/yr)
- OITS fees - \$100/hr

While the Board has current processes and staff to support these functions, each added program or task takes additional staff time and the Board has “maxed out” current resources and space. Additionally, the

revenue stream for this program would be separate which would require the Board's Assistant Director of Operations and Budget to properly apportion expenditures between programs.

The Board identified a few challenges and concerns with the bill's current language, outlined below.

- The Board wonders if a dispensary should be required to consult with a Kansas-licensed pharmacist to protect patients against drug interactions, dosage concerns, or other issues. However, the Board notes that nothing in the current language would prohibit a dispensary from voluntarily consulting with a pharmacist.
- The bill contemplates a revenue neutral model. However, the Board does not have sufficient funds on hand for start-up expenditures, hiring, or program development prior to the revenue stream. There would be a substantial initial investment in drafting regulations and publication in the Kansas register, alone. It would be unfair to place this burden on the Board of Pharmacy fee fund. This time lag in expenditures versus revenue collection would need to be resolved.
- The legislature's exclusion of CBD from the definition of marijuana last year created confusion among consumers. This resulted in an increase in inquiries, complaints, and cases to the Board which require staff involvement and response. The Board anticipates that will also be the case with this proposed change.

The Board finds this bill consistent with other functional state models and appreciates your careful consideration of these points.

Respectfully submitted,

Alexandra Blasi, JD, MBA
Executive Secretary