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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
REGULATED INDUSTRIES COMPLAINTS OFFICE

TO THE HOUSE COMMITTEE ON HEALTH

TWENTY-FIFTH STATE LEGISLATURE  
REGULAR SESSION, 2009

TUESDAY, FEBRUARY 3, 2009  
8:30 A.M.

TESTIMONY ON HOUSE BILL NO. 636 – RELATING TO BOARD OF PHARMACY

TO THE HONORABLE RYAN I. YAMANE, CHAIR,  
AND TO THE HONORABLE SCOTT Y. NISHIMOTO, VICE-CHAIR,  
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on House Bill No. 636, Relating to Board of Pharmacy. My name is Jo Ann Uchida, Complaints and Enforcement Officer for the Department's Regulated Industries Complaints Office ("RICO"). The Department opposes House Bill No. 636 for the following reasons.

House Bill No. 636 requires the Board of Pharmacy to conduct unannounced site inspections of pharmacies at least once during the period that a pharmacy permit is in force and makes acceptance of on-site inspections a condition of receiving a permit to operate.

House Bill No. 636 as drafted would provide for inspections to "ensure compliance with this chapter and the rules promulgated thereunder." In this regard, the bill is very broad. It is not clear what particular pharmacy law or rule violations are suspected and whether those violations could be discovered during a site inspection.

If the intent of House Bill No. 636 is to require the Board of Pharmacy to perform mandatory inspections through RICO, the Department is concerned that this additional responsibility will negatively impact RICO's ability to timely and effectively investigate the licensee and unlicensed activity complaints that are already within its enforcement authority. There are nearly 300 licensed pharmacies in the state and the inspections provided for in this bill would necessarily require additional staffing and funding. The Department appreciates the intent of this measure; however, given the current fiscal difficulties, it would not be prudent to pursue enactment at this time.

If the intent of this bill is to require inspections of remote dispensing locations that were authorized in 2008 pursuant to Act 212, the Department notes that no locations are yet in operation and, consequently, there have been no complaints or reports of deficiencies that would justify mandatory annual inspections.

Thank you for the opportunity to testify on House Bill No. 636. I will be happy to answer any questions that the members of the Committee may have.

**PRESENTATION OF THE  
BOARD OF PHARMACY**

TO THE HOUSE COMMITTEE ON HEALTH

TWENTY-FIFTH LEGISLATURE  
Regular Session of 2009

Tuesday, February 3, 2009  
8:30 a.m.

**TESTIMONY ON HOUSE BILL NO. 636, RELATING TO BOARD OF  
PHARMACY.**

TO THE HONORABLE RYAN I. YAMANE, CHAIR,  
AND MEMBERS OF THE COMMITTEE:

My name is Dr. Elwin Goo, Chair of the Board of Pharmacy ("Board"). I appreciate the opportunity to present testimony on this bill that requires the Board to conduct unannounced on-site inspections of each pharmacy during the biennium, to ensure compliance with the pharmacy laws and administrative rules.

I would like to preface my comments by informing the Committee that the Board has not yet reviewed this bill, which is scheduled for discussion at the Board's next meeting on February 19, 2009. It is at this meeting that all proposed legislation regarding amendments to Chapter 461, HRS, is slated to be addressed in a public forum to which all interested parties have been invited.

The Board, when it meets, will need to entertain the following concerns with the bill:

- (1) The bill requires the Board to conduct the inspection of the pharmacies in this State, which currently number 292. The Board or the Professional and Vocational Licensing Division has no staff

available to attend to this brand new responsibility. As such, the provisions of this bill could not be implemented by the Board;

- (2) The purpose of the unannounced inspections is to ensure compliance with the Board's laws and administrative rules.

However, it is not clear what particular compliance concerns there are or whether an on-site inspection would discover such violations; and

- (3) Related to the issue of staffing, there is no funding provided for implementing this new responsibility and if current funding is expected to be the funding mechanism, I believe the Department of Commerce and Consumer Affairs, to which the Board is administratively attached, would oppose this measure. New responsibilities would adversely impact the priorities set forth in the Executive Biennium Budget for Fiscal Years 2009-2010.

Thank you for the opportunity to provide comments on House Bill No. 636.