

Senate Engrossed

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**KEN BENNETT**  
**SECRETARY OF STATE**

State of Arizona  
Senate  
Fifty-first Legislature  
First Regular Session  
2013

CHAPTER 43

## **SENATE BILL 1188**

AN ACT

AMENDING SECTIONS 32-1901, 32-1922, 32-1927, 32-1927.01, 32-1927.02, 32-1930 AND 32-1931, ARIZONA REVISED STATUTES; RELATING TO THE STATE BOARD OF PHARMACY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 32-1901, Arizona Revised Statutes, is amended to  
3 read:

4 32-1901. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Administer" means the direct application of a controlled  
7 substance, prescription-only drug, dangerous drug or narcotic drug, whether  
8 by injection, inhalation, ingestion or any other means, to the body of a  
9 patient or research subject by a practitioner or by the practitioner's  
10 authorized agent or the patient or research subject at the direction of the  
11 practitioner.

12 2. "Advertisement" means all representations disseminated in any  
13 manner or by any means, other than by labeling, for the purpose of inducing,  
14 or that are likely to induce, directly or indirectly, the purchase of drugs,  
15 devices, poisons or hazardous substances.

16 3. "Advisory letter" means a nondisciplinary letter to notify a  
17 licensee or permittee that either:

18 (a) While there is insufficient evidence to support disciplinary  
19 action, the board believes that continuation of the activities that led to  
20 the investigation may result in further board action against the licensee or  
21 permittee.

22 (b) The violation is a minor or technical violation that is not of  
23 sufficient merit to warrant disciplinary action.

24 (c) While the licensee or permittee has demonstrated substantial  
25 compliance through rehabilitation, remediation or reeducation that has  
26 mitigated the need for disciplinary action, the board believes that  
27 repetition of the activities that led to the investigation may result in  
28 further board action against the licensee or permittee.

29 4. "Antiseptic", if a drug is represented as such on its label, means  
30 a representation that it is a germicide, except in the case of a drug  
31 purporting to be, or represented as, an antiseptic for inhibitory use as a  
32 wet dressing, ointment or dusting powder or other use that involves prolonged  
33 contact with the body.

34 5. "Authorized officers of the law" means legally empowered peace  
35 officers, compliance officers of the state board of pharmacy and agents of  
36 the division of narcotics enforcement and criminal intelligence of the  
37 department of public safety.

38 6. "Board" or "board of pharmacy" means the Arizona state board of  
39 pharmacy.

40 7. "Color additive" means a material that either:

41 (a) Is any dye, pigment or other substance made by a process of  
42 synthesis or similar artifice, or extracted, isolated or otherwise derived,  
43 with or without intermediate or final change of identity, from any vegetable,  
44 animal, mineral or other source.

1 (b) If added or applied to a drug, or to the human body or any part of  
2 the human body, is capable of imparting color, except that color additive  
3 does not include any material that has been or may be exempted under the  
4 federal act. Color includes black, white and intermediate grays.

5 8. "Compounding" means the preparation, mixing, assembling, packaging  
6 or labeling of a drug by a pharmacist or an intern or pharmacy technician  
7 under the pharmacist's supervision, for the purpose of dispensing to a  
8 patient based on a valid prescription order. Compounding includes the  
9 preparation of drugs in anticipation of prescription orders prepared on  
10 routine, regularly observed prescribing patterns and the preparation of drugs  
11 as an incident to research, teaching or chemical analysis or for  
12 administration by a medical practitioner to the medical practitioner's  
13 patient and not for sale or dispensing. Compounding does not include the  
14 preparation of commercially available products from bulk compounds or the  
15 preparation of drugs for sale to pharmacies, practitioners or entities for  
16 the purpose of dispensing or distribution.

17 9. "Compressed medical gas distributor" means a person who holds a  
18 current permit issued by the board to distribute compressed medical gases  
19 pursuant to a compressed medical gas order to compressed medical gas  
20 suppliers and other entities that are registered, licensed or permitted to  
21 use, administer or distribute compressed medical gases.

22 10. "Compressed medical gas order" means an order for compressed  
23 medical gases that is issued by a medical practitioner.

24 11. "Compressed medical gas supplier" means a person who holds a  
25 current permit issued by the board to supply compressed medical gases  
26 pursuant to a compressed medical gas order and only to the consumer or the  
27 patient.

28 12. "Compressed medical gases" means gases and liquid oxygen that a  
29 compressed medical gas distributor or manufacturer has labeled in compliance  
30 with federal law.

31 13. "Controlled substance" means a drug, substance or immediate  
32 precursor identified, defined or listed in title 36, chapter 27, article 2.

33 14. "Corrosive" means any substance that when it comes in contact with  
34 living tissue will cause destruction of tissue by chemical action.

35 15. "Counterfeit drug" means a drug that, or the container or labeling  
36 of which, without authorization, bears the trademark, trade name or other  
37 identifying mark, imprint, number or device, or any likeness of these, of a  
38 manufacturer, distributor or dispenser other than the person who in fact  
39 manufactured, distributed or dispensed that drug.

40 16. "Dangerous drug" has the same meaning prescribed in section  
41 13-3401.

42 17. "Decree of censure" means an official action that is taken by the  
43 board and that may include a requirement for restitution of fees to a patient  
44 or consumer.

1       18. "Deliver" or "delivery" means the actual, constructive or attempted  
2 transfer from one person to another whether or not there is an agency  
3 relationship.

4       19. "Deputy director" means a pharmacist employed by the board and  
5 selected by the executive director to perform duties as prescribed by the  
6 executive director.

7       20. "Device", except as used in paragraph 15 of this section, section  
8 32-1965, paragraph 4 and section 32-1967, subsection A, paragraph 15 and  
9 subsection C, means instruments, apparatus and contrivances, including their  
10 components, parts and accessories, including all such items under the federal  
11 act, intended either:

12       (a) For use in the diagnosis, cure, mitigation, treatment or  
13 prevention of disease in the human body or other animals.

14       (b) To affect the structure or any function of the human body or other  
15 animals.

16       21. "Direct supervision of a pharmacist" means the pharmacist is  
17 present. If relating to the sale of certain items, direct supervision of a  
18 pharmacist means that a pharmacist determines the legitimacy or advisability  
19 of a proposed purchase of those items.

20       22. "Director" means the director of the division of narcotics  
21 enforcement and criminal investigation of the department of public safety.

22       23. "Dispense" means to deliver to an ultimate user or research subject  
23 by or pursuant to the lawful order of a practitioner, including the  
24 prescribing, administering, packaging, labeling or compounding necessary to  
25 prepare for that delivery.

26       24. "Dispenser" means a practitioner who dispenses.

27       25. "Distribute" means to deliver, other than by administering or  
28 dispensing.

29       26. "Distributor" means a person who distributes.

30       27. "Drug" means:

31       (a) Articles recognized, or for which standards or specifications are  
32 prescribed, in the official compendium.

33       (b) Articles intended for use in the diagnosis, cure, mitigation,  
34 treatment or prevention of disease in the human body or other animals.

35       (c) Articles other than food intended to affect the structure or any  
36 function of the human body or other animals.

37       (d) Articles intended for use as a component of any articles specified  
38 in subdivision (a), (b) or (c) of this paragraph but does not include devices  
39 or their components, parts or accessories.

40       28. "Drug enforcement administration" means the drug enforcement  
41 administration of the United States department of justice or its successor  
42 agency.

43       29. "Drug or device manufacturing" means the production, preparation,  
44 propagation or processing of a drug or device, either directly or indirectly,  
45 by extraction from substances of natural origin or independently by means of

1 chemical synthesis and includes any packaging or repackaging of substances or  
2 labeling or relabeling of its container and the promotion and marketing of  
3 the same. Drug or device manufacturing does not include compounding.

4 30. "Economic poison" means any substance that alone, in chemical  
5 combination or in formulation with one or more other substances is a  
6 pesticide within the meaning of the laws of this state or the federal  
7 insecticide, fungicide and rodenticide act and that is used in the  
8 production, storage or transportation of raw agricultural commodities.

9 31. "Established name", with respect to a drug or ingredient of a drug,  
10 means any of the following:

11 (a) The applicable official name.

12 (b) If there is no such name and the drug or ingredient is an article  
13 recognized in an official compendium, then the official title in an official  
14 compendium.

15 (c) If neither subdivision (a) nor (b) of this paragraph applies, then  
16 the common or usual name of such drug.

17 32. "Executive director" means the executive director of the board of  
18 pharmacy.

19 33. "Federal act" means the federal laws and regulations that pertain  
20 to drugs, devices, poisons and hazardous substances and that are official at  
21 the time any drug, device, poison or hazardous substance is affected by this  
22 chapter.

23 34. "Full service wholesale permittee" means a permittee who may  
24 distribute prescription-only drugs and devices, controlled substances and  
25 over-the-counter drugs and devices to pharmacies or other legal outlets from  
26 a place devoted in whole or in part to wholesaling these items.

27 35. "Graduate intern" means a person who has graduated from a college,  
28 school or program of pharmacy approved by the board and who meets the  
29 qualifications and experience for a pharmacy intern as provided in section  
30 32-1923.

31 36. "Highly toxic" means any substance that falls within any of the  
32 following categories:

33 (a) Produces death within fourteen days in half or more than half of a  
34 group of ten or more laboratory white rats each weighing between two hundred  
35 and three hundred grams, at a single dose of fifty milligrams or less per  
36 kilogram of body weight, when orally administered.

37 (b) Produces death within fourteen days in half or more than half of a  
38 group of ten or more laboratory white rats each weighing between two hundred  
39 and three hundred grams, if inhaled continuously for a period of one hour or  
40 less at an atmospheric concentration of two hundred parts per million by  
41 volume or less of gas or vapor or two milligrams per liter by volume or less  
42 of mist or dust, provided the concentration is likely to be encountered by  
43 humans if the substance is used in any reasonably foreseeable manner.

44 (c) Produces death within fourteen days in half or more than half of a  
45 group of ten or more rabbits tested in a dosage of two hundred milligrams or

1 less per kilogram of body weight, if administered by continuous contact with  
2 the bare skin for twenty-four hours or less.  
3 If the board finds that available data on human experience with any substance  
4 indicate results different from those obtained on animals in the dosages or  
5 concentrations prescribed in this paragraph, the human data shall take  
6 precedence.

7 37. "Hospital" means any institution for the care and treatment of the  
8 sick and injured that is approved and licensed as a hospital by the  
9 department of health services.

10 38. "Intern" means a pharmacy intern and a graduate intern.

11 39. "Internship" means the practical, experiential, hands-on training  
12 of a pharmacy intern under the supervision of a preceptor.

13 40. "Irritant" means any substance, other than a corrosive, that on  
14 immediate, prolonged or repeated contact with normal living tissue will  
15 induce a local inflammatory reaction.

16 41. "Jurisprudence examination" means a board approved pharmacy law  
17 examination that is written and administered in cooperation with the national  
18 association of boards of pharmacy or another board approved pharmacy law  
19 examination.

20 42. "Label" means a display of written, printed or graphic matter on  
21 the immediate container of any article that, unless easily legible through  
22 the outside wrapper or container, also appears on the outside wrapper or  
23 container of the article's retail package. For the purposes of this  
24 paragraph, the immediate container does not include package liners.

25 43. "Labeling" means all labels and other written, printed or graphic  
26 matter either:

27 (a) On any article or any of its containers or wrappers.

28 (b) Accompanying that article.

29 44. "Letter of reprimand" means a disciplinary letter that is a public  
30 document issued by the board and that informs a licensee or permittee that  
31 the licensee's or permittee's conduct violates state or federal law and may  
32 require the board to monitor the licensee or permittee.

33 45. "Limited service pharmacy" means a pharmacy approved by the board  
34 to practice a limited segment of pharmacy as indicated by the permit issued  
35 by the board.

36 46. "Manufacture" or "manufacturer" means every person who prepares,  
37 derives, produces, compounds, processes, packages or repackages or labels any  
38 drug in a place, other than a pharmacy, devoted to manufacturing the drug.

39 47. "Marijuana" has the same meaning prescribed in section 13-3401.

40 48. "Medical practitioner" means any medical doctor, doctor of  
41 osteopathy, dentist, podiatrist, veterinarian or other person licensed and  
42 authorized by law to use and prescribe drugs and devices for the treatment of  
43 sick and injured human beings or animals or for the diagnosis or prevention  
44 of sickness in human beings or animals in this state or any state, territory  
45 or district of the United States.

1           49. "Medication order" means a written or verbal order from a medical  
2 practitioner or that person's authorized agent to administer a drug or  
3 device.

4           50. "Narcotic drug" has the same meaning prescribed in section 13-3401.

5           51. "New drug" means either:

6           (a) Any drug the composition of which is such that the drug is not  
7 generally recognized among experts qualified by scientific training and  
8 experience to evaluate the safety and effectiveness of drugs as safe and  
9 effective for use under the conditions prescribed, recommended or suggested  
10 in the labeling.

11           (b) Any drug the composition of which is such that the drug, as a  
12 result of investigations to determine its safety and effectiveness for use  
13 under such conditions, has become so recognized, but that has not, other than  
14 in the investigations, been used to a material extent or for a material time  
15 under those conditions.

16           52. "Nonprescription drug" or "over-the-counter drug" means any  
17 nonnarcotic medicine or drug that may be sold without a prescription and is  
18 prepackaged and labeled for use by the consumer in accordance with the  
19 requirements of the laws of this state and federal law. Nonprescription drug  
20 does not include:

21           (a) A drug that is primarily advertised and promoted professionally to  
22 medical practitioners and pharmacists by manufacturers or primary  
23 distributors.

24           (b) A controlled substance.

25           (c) A drug that is required to bear a label that states "Rx only."

26           (d) A drug intended for human use by hypodermic injection.

27           53. "Nonprescription drug wholesale permittee" means a permittee who  
28 may distribute only over-the-counter drugs and devices to pharmacies or other  
29 lawful outlets from a place devoted in whole or in part to wholesaling these  
30 items.

31           54. "Notice" means personal service or the mailing of a copy of the  
32 notice by certified mail addressed either to the person at the person's  
33 latest address of record in the board office or to the person's attorney.

34           55. "Official compendium" means the latest revision of the United  
35 States pharmacopeia and the national formulary or any current supplement.

36           56. "Other jurisdiction" means one of the other forty-nine states, the  
37 District of Columbia, the Commonwealth of Puerto Rico or a territory of the  
38 United States of America.

39           57. "Package" means a receptacle defined or described in the United  
40 States pharmacopeia and the national formulary as adopted by the board.

41           58. "Packaging" means the act or process of placing a drug item or  
42 device in a container for the purpose or intent of dispensing or distributing  
43 the item or device to another.

44           59. "Person" means an individual, partnership, corporation and  
45 association, and their duly authorized agents.

1           60. "Pharmaceutical care" means the provision of drug therapy and other  
2 pharmaceutical patient care services.

3           61. "Pharmacist" means an individual currently licensed by the board to  
4 practice the profession of pharmacy in this state.

5           62. "Pharmacist in charge" means the pharmacist who is responsible to  
6 the board for a licensed establishment's compliance with the laws and  
7 administrative rules of this state and of the federal government pertaining  
8 to the practice of pharmacy, the manufacturing of drugs and the distribution  
9 of drugs and devices.

10          63. "Pharmacist licensure examination" means a board approved  
11 examination that is written and administered in cooperation with the national  
12 association of boards of pharmacy or any other board approved pharmacist  
13 licensure examination.

14          64. "Pharmacy" means any place:

15           (a) Where drugs, devices, poisons or related hazardous substances are  
16 offered for sale at retail.

17           (b) In which the profession of pharmacy is practiced or where  
18 prescription orders are compounded and dispensed.

19           (c) That has displayed on it or in it the words, "pharmacist,"  
20 "pharmaceutical chemist," "apothecary," "druggist," "pharmacy," "drugstore,"  
21 "drugs," "drug sundries" or any of these words or combinations of these  
22 words, or words of similar import either in English or any other language, or  
23 that is advertised by any sign containing any of these words.

24           (d) Where the characteristic symbols of pharmacy or the characteristic  
25 prescription sign "Rx" is exhibited.

26           (e) Or a portion of any building or structure that is leased, used or  
27 controlled by the permittee to conduct the business authorized by the board  
28 at the address for which the permit was issued and that is enclosed and  
29 secured when a pharmacist is not in attendance.

30          65. "Pharmacy intern" means a person who has all of the qualifications  
31 and experience prescribed in section 32-1923.

32          66. "Pharmacy technician" means a person licensed pursuant to this  
33 chapter.

34          67. "Pharmacy technician trainee" means a person licensed pursuant to  
35 this chapter.

36          68. "Poison" or "hazardous substance" includes, but is not limited to,  
37 any of the following if intended and suitable for household use or use by  
38 children:

39           (a) Any substance that, according to standard works on medicine,  
40 pharmacology, pharmacognosy or toxicology, if applied to, introduced into or  
41 developed within the body in relatively small quantities by its inherent  
42 action uniformly produces serious bodily injury, disease or death.

43           (b) A toxic substance.

44           (c) A highly toxic substance.

45           (d) A corrosive substance.

1 (e) An irritant.

2 (f) A strong sensitizer.

3 (g) A mixture of any of the substances described in this paragraph, if  
4 the substance or mixture of substances may cause substantial personal injury  
5 or substantial illness during or as a proximate result of any customary or  
6 reasonably foreseeable handling or use, including reasonably foreseeable  
7 ingestion by children.

8 (h) A substance designated by the board to be a poison or hazardous  
9 substance. This subdivision does not apply to radioactive substances,  
10 economic poisons subject to the federal insecticide, fungicide and  
11 rodenticide act or the state pesticide act, foods, drugs and cosmetics  
12 subject to state laws or the federal act or substances intended for use as  
13 fuels when stored in containers and used in the heating, cooking or  
14 refrigeration system of a house. This subdivision applies to any substance or  
15 article that is not itself an economic poison within the meaning of the  
16 federal insecticide, fungicide and rodenticide act or the state pesticide  
17 act, but that is a poison or hazardous substance within the meaning of this  
18 paragraph by reason of bearing or containing an economic poison or hazardous  
19 substance.

20 69. "Practice of pharmacy" means:

21 (a) Interpreting, evaluating and dispensing prescription orders in the  
22 patient's best interests.

23 (b) Compounding drugs pursuant to or in anticipation of a prescription  
24 order.

25 (c) Labeling of drugs and devices in compliance with state and federal  
26 requirements.

27 (d) Participating in drug selection and drug utilization reviews, drug  
28 administration, drug or drug related research and drug therapy monitoring or  
29 management.

30 (e) Providing patient counseling necessary to provide pharmaceutical  
31 care.

32 (f) Properly and safely storing drugs and devices in anticipation of  
33 dispensing.

34 (g) Maintaining required records of drugs and devices.

35 (h) Offering or performing of acts, services, operations or  
36 transactions necessary in the conduct, operation, management and control of a  
37 pharmacy.

38 70. "Practitioner" means any physician, dentist, veterinarian,  
39 scientific investigator or other person licensed, registered or otherwise  
40 permitted to distribute, dispense, conduct research with respect to or  
41 administer a controlled substance in the course of professional practice or  
42 research in this state, or any pharmacy, hospital or other institution  
43 licensed, registered or otherwise permitted to distribute, dispense, conduct  
44 research with respect to or administer a controlled substance in the course  
45 of professional practice or research in this state.

1           71. "Preceptor" means a pharmacist who is serving as the practical  
2 instructor of an intern and complies with section 32-1923.

3           72. "Precursor chemical" means a substance that is:

4           (a) The principal compound that is commonly used or that is produced  
5 primarily for use and that is an immediate chemical intermediary used or  
6 likely to be used in the manufacture of a controlled substance, the control  
7 of which is necessary to prevent, curtail or limit manufacture.

8           (b) Listed in section 13-3401, paragraph 26 or 27.

9           73. "Prescription" means either a prescription order or a prescription  
10 medication.

11           74. "Prescription medication" means any drug, including label and  
12 container according to context, that is dispensed pursuant to a prescription  
13 order.

14           75. "Prescription-only device" includes:

15           (a) Any device that is limited by the federal act to use under the  
16 supervision of a medical practitioner.

17           (b) Any device required by the federal act to bear on its label  
18 essentially the legend "Rx only".

19           76. "Prescription-only drug" does not include a controlled substance  
20 but does include:

21           (a) Any drug that because of its toxicity or other potentiality for  
22 harmful effect, the method of its use, or the collateral measures necessary  
23 to its use is not generally recognized among experts, qualified by scientific  
24 training and experience to evaluate its safety and efficacy, as safe for use  
25 except by or under the supervision of a medical practitioner.

26           (b) Any drug that is limited by an approved new drug application under  
27 the federal act or section 32-1962 to use under the supervision of a medical  
28 practitioner.

29           (c) Every potentially harmful drug, the labeling of which does not  
30 bear or contain full and adequate directions for use by the consumer.

31           (d) Any drug, other than a controlled substance, required by the  
32 federal act to bear on its label the legend "Rx only".

33           77. "Prescription order" means ~~either~~ ANY OF THE FOLLOWING:

34           (a) An order to a pharmacist for drugs or devices issued and signed by  
35 a duly licensed medical practitioner in the authorized course of the  
36 practitioner's professional practice.

37           (b) An order transmitted to a pharmacist through word of mouth,  
38 telephone or other means of communication directed by that medical  
39 practitioner. Prescription orders received by word of mouth, telephone or  
40 other means of communication shall be maintained by the pharmacist pursuant  
41 to section 32-1964 and the record so made by the pharmacist constitutes the  
42 original prescription order to be dispensed by the pharmacist. This  
43 paragraph does not alter or affect laws of this state or any federal act  
44 requiring a written prescription order.

1 (c) AN ORDER INITIATED BY A PHARMACIST PURSUANT TO A PROTOCOL-BASED  
2 DRUG THERAPY AGREEMENT WITH A PROVIDER AS OUTLINED IN SECTION 32-1970, OR  
3 IMMUNIZATIONS OR VACCINES ADMINISTERED BY A PHARMACIST PURSUANT TO SECTION  
4 32-1974.

5 78. "Professionally incompetent" means:

6 (a) Incompetence based on a variety of factors including a lack of  
7 sufficient pharmaceutical knowledge or skills or experience to a degree  
8 likely to endanger the health of patients.

9 (b) When considered with other indications of professional  
10 incompetence, a pharmacist, pharmacy intern or graduate intern who fails to  
11 obtain a passing score on a board approved pharmacist licensure examination  
12 or a pharmacy technician or pharmacy technician trainee who fails to obtain a  
13 passing score on a board approved pharmacy technician licensure examination.

14 79. "Radioactive substance" means a substance that emits ionizing  
15 radiation.

16 80. "Safely engage in employment duties" means that a permittee or the  
17 permittee's employee is able to safely engage in employment duties related to  
18 the manufacture, sale, distribution or dispensing of drugs, devices, poisons,  
19 hazardous substances, controlled substances or precursor chemicals.

20 81. "Symbol" means the characteristic symbols that have historically  
21 identified pharmacy, including "show globes", "mortar and pestle" and the  
22 sign "Rx".

23 82. "Toxic substance" means a substance, other than a radioactive  
24 substance, that has the capacity to produce injury or illness in humans  
25 through ingestion, inhalation or absorption through any body surface.

26 83. "Ultimate user" means a person who lawfully possesses a drug or  
27 controlled substance for that person's own use, for the use of a member of  
28 that person's household or for administering to an animal owned by that  
29 person or by a member of that person's household.

30 Sec. 2. Section 32-1922, Arizona Revised Statutes, is amended to read:

31 32-1922. Qualifications of applicant; reciprocity; preliminary  
32 equivalency examination; honorary certificate; fee

33 A. An applicant for licensure as a pharmacist shall:

34 1. Be of good moral character.

35 2. Be a graduate of a school or college of pharmacy or department of  
36 pharmacy of a university recognized by the board OR THE ACCREDITATION COUNCIL  
37 FOR PHARMACY EDUCATION, or qualify under subsection D of this section.

38 3. Have successfully completed, as substantiated by proper affidavits,  
39 a program of practical experience under the direct supervision of a licensed  
40 pharmacist approved by the board.

41 4. Pass the pharmacist licensure examination and jurisprudence  
42 examination approved by the board. An applicant who fails an examination  
43 three times shall petition the board for permission before retaking the  
44 examination. The board shall evaluate the petition and determine whether to

1 require additional educational training before approving each additional  
2 retake of the examination.

3 5. Pay an application fee prescribed by the board of not more than  
4 five hundred dollars. An applicant for reciprocal licensure shall pay the  
5 fee prescribed in section 32-1924, subsection D.

6 B. The board may license as a pharmacist, without a pharmacist  
7 licensure examination, a person who is licensed as a pharmacist by a  
8 pharmacist licensure examination in some other jurisdiction if that person:

9 1. Produces satisfactory evidence to the board of having had the  
10 required secondary and professional education and training.

11 2. Is possessed of good morals as demanded of applicants for licensure  
12 and relicensure under this chapter.

13 3. Presents proof to the board's satisfaction of ~~initial~~ licensure by  
14 a pharmacist licensure examination ~~substantially~~ equivalent to the pharmacist  
15 licensure examination required by the board and that the applicant ~~holds~~ HAS  
16 HELD the license in good standing FOR AT LEAST ONE YEAR. IF THE APPLICANT  
17 WAS EXAMINED AFTER JUNE 1, 1979, THE APPLICANT MUST PRESENT PROOF TO THE  
18 BOARD'S SATISFACTION OF HAVING PASSED THE NATIONAL ASSOCIATION OF BOARDS OF  
19 PHARMACY LICENSURE EXAMINATION OR THE NORTH AMERICAN PHARMACIST LICENSURE  
20 EXAMINATION.

21 4. Presents proof to the board's satisfaction that any other license  
22 granted to the applicant by any other jurisdiction has not been suspended,  
23 revoked or otherwise restricted for any reason except nonrenewal or for  
24 failure to obtain the required continuing education credits in any  
25 jurisdiction where the applicant is currently licensed but not engaged in the  
26 practice of pharmacy.

27 5. Passes a board approved jurisprudence examination.

28 C. Subsection B of this section applies only if the jurisdiction in  
29 which the person is licensed grants, under like conditions, reciprocal  
30 licensure as a pharmacist to a pharmacist licensed by examination in this  
31 state AND THE APPLICANT HAS HELD A LICENSE IN GOOD STANDING FOR AT LEAST ONE  
32 YEAR ISSUED BY AN ACTIVE MEMBER BOARD OF THE NATIONAL ASSOCIATION OF BOARDS  
33 OF PHARMACY.

34 D. If an applicant for licensure is a graduate of a pharmacy degree  
35 program at a school or college of pharmacy that was not recognized by the  
36 board at the time of the person's graduation, the applicant shall pass a  
37 preliminary equivalency examination approved by the board in order to qualify  
38 to take the examinations prescribed in subsection A of this section.

39 E. The preliminary equivalency examination required pursuant to  
40 subsection D of this section shall cover proficiency in English and academic  
41 areas the board deems essential to a satisfactory pharmacy curriculum.

42 F. An applicant who fails the preliminary equivalency examination  
43 required pursuant to subsection D of this section shall not retake the  
44 preliminary equivalency examination until the applicant files written proof  
45 with the board that the applicant has completed additional remedial academic

1 work previously approved by the board to correct deficiencies in the  
2 applicant's education that were indicated by the results of the applicant's  
3 last preliminary equivalency examination.

4 G. A pharmacist who has been licensed in this state for at least fifty  
5 years shall be granted an honorary certificate of licensure by the board  
6 without the payment of the usual renewal fee, but that certificate of  
7 licensure does not confer an exemption from any other requirement of this  
8 chapter.

9 H. The board may require a pharmacist who has not been actively  
10 engaged in the practice of pharmacy for over one year to serve not more than  
11 four hundred hours in an internship training program approved by the board or  
12 its designee before the pharmacist may resume the active practice of  
13 pharmacy.

14 I. An applicant must complete the application process within twelve  
15 months after submitting the application.

16 Sec. 3. Section 32-1927, Arizona Revised Statutes, is amended to read:  
17 32-1927. Pharmacists; pharmacy interns; graduate interns;  
18 disciplinary action

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

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

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

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

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

31 5. The license was issued through error.

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

37 1. A civil penalty of not to exceed one thousand dollars for each  
38 violation of this chapter or a rule adopted under this chapter.

39 2. A letter of reprimand.

40 3. A decree of censure.

41 4. COMPLETION OF BOARD DESIGNATED CONTINUING PHARMACEUTICAL EDUCATION  
42 COURSES.

43 ~~4.~~ 5. Probation.

44 ~~5.~~ 6. Suspension or revocation of the license.

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

4 D. The board on its own motion may investigate any evidence that  
5 appears to show that a pharmacist, pharmacy intern or graduate intern is or  
6 may be professionally incompetent, is or may be guilty of unprofessional  
7 conduct or is or may be mentally or physically unable safely to engage in the  
8 practice of pharmacy. Any person may, and a licensee or permittee of the  
9 board must, report to the board any information that appears to show that a  
10 pharmacist, pharmacy intern or graduate intern is or may be professionally  
11 incompetent, is or may be guilty of unprofessional conduct or is or may be  
12 mentally or physically unable safely to engage in the practice of pharmacy.  
13 The board or the executive director shall notify the pharmacist, pharmacy  
14 intern or graduate intern as to the content of the complaint as soon as  
15 reasonable. Any person or entity that reports or provides information to the  
16 board in good faith is not subject to an action for civil damages. It is an  
17 act of unprofessional conduct for any pharmacist, pharmacy intern or graduate  
18 intern to fail to report as required by this ~~section~~ SUBSECTION.

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

35 F. The board or, if delegated by the board, the executive director  
36 shall require any combination of mental, physical, psychological, psychiatric  
37 or medical competency examinations or pharmacist licensure examinations and  
38 conduct necessary investigations including investigational interviews between  
39 representatives of the board and the pharmacist, pharmacy intern or graduate  
40 intern to fully inform itself about any information filed with the board  
41 under this section. These examinations may also include biological fluid  
42 testing. The board may require the pharmacist, pharmacy intern or graduate  
43 intern, at that person's expense, to undergo assessment by a board approved  
44 substance abuse treatment and rehabilitation program.

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

6 1. Dismiss if the complaint is without merit.  
7 2. File an advisory letter. The licensee may file a written response  
8 with the board within thirty days after receiving the advisory letter.

9 3. REQUIRE THE LICENSEE TO COMPLETE BOARD DESIGNATED CONTINUING  
10 PHARMACEUTICAL EDUCATION COURSES.

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

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

22 J. If through information provided pursuant to this section or by  
23 other means, the board finds that the protection of the public health,  
24 welfare and safety requires emergency action against the license of a  
25 pharmacist, pharmacy intern or graduate intern, ~~it may order a summary~~  
26 ~~suspension of the license pending a formal hearing for license revocation or~~  
27 ~~other action authorized by this section to be held by the board within ten~~  
28 ~~days after it issues the order~~ THE BOARD MAY RESTRICT A LICENSE OR ORDER A  
29 SUMMARY SUSPENSION OF A LICENSE PENDING PROCEEDINGS FOR REVOCATION OR OTHER  
30 ACTION. IF THE BOARD ACTS PURSUANT TO THIS SUBSECTION, THE BOARD SHALL ALSO  
31 SERVE THE LICENSEE WITH A WRITTEN NOTICE OF COMPLAINT AND FORMAL HEARING THAT  
32 SETS FORTH THE CHARGES AND LICENSEE'S RIGHT TO A FORMAL HEARING BEFORE THE  
33 BOARD OR AN ADMINISTRATIVE LAW JUDGE ON THE CHARGES WITHIN SIXTY DAYS  
34 PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10.

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

40 1. Dismiss if the information is without merit.  
41 2. File an advisory letter. The licensee may file a written response  
42 with the board within thirty days after the licensee receives the advisory  
43 letter.

44 3. REQUIRE THE LICENSEE TO COMPLETE BOARD DESIGNATED CONTINUING  
45 PHARMACEUTICAL EDUCATION COURSES.

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

6 1. Dismiss if the information is without merit.  
7 2. File an advisory letter. The licensee may file a written response  
8 with the board within thirty days after the licensee receives the advisory  
9 letter.

10 3. REQUIRE THE LICENSEE TO COMPLETE BOARD DESIGNATED CONTINUING  
11 PHARMACEUTICAL EDUCATION COURSES.

12 ~~3.~~ 4. Enter into an agreement with the licensee to discipline the  
13 licensee, restrict the licensee's practice or professional activities or  
14 rehabilitate, retrain or assess the licensee in order to protect the public  
15 and ensure the licensee's ability to safely engage in the practice of  
16 pharmacy. The agreement may include at least the following:

17 (a) Issuance of a letter of reprimand.  
18 (b) Issuance of a decree of censure.  
19 (c) Practice or professional restrictions, such as not acting as a  
20 pharmacist in charge or pharmacy intern preceptor or working with another  
21 pharmacist.

22 (d) Rehabilitative, retraining or assessment programs, including:  
23 (i) Board approved community service.

24 (ii) Successful completion of additional ~~pharmacist continuing~~  
25 ~~education hours~~ BOARD DESIGNATED CONTINUING PHARMACEUTICAL EDUCATION COURSES.

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

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

30 (e) A civil penalty not to exceed one thousand dollars for each  
31 violation of this chapter or a rule adopted under this chapter.

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

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

43 ~~N. If the board finds that the information provided pursuant to this~~  
44 ~~section warrants revocation or suspension of a license, probation, issuance~~  
45 ~~of a decree of censure or a letter of reprimand or imposition of a civil~~

1 ~~penalty, it shall initiate formal proceedings pursuant to title 41, chapter~~  
2 ~~6, article 10.~~

3 ~~Θ.~~ N. If the licensee wishes to be present at the formal hearing in  
4 person or by representation, or both, the licensee must file with the board  
5 an answer to the charges in the notice of hearing. The answer must be in  
6 writing, BE verified under oath and BE filed within thirty days after service  
7 of the notice of hearing. Failure to answer the board's notice of hearing is  
8 deemed an admission of the charges in the notice of hearing.

9 ~~Ρ.~~ O. An advisory letter is a nondisciplinary public document.

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

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

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

19 ~~Τ.~~ S. A person licensed pursuant to this chapter or by any other  
20 jurisdiction who has a license revoked or suspended shall not obtain a  
21 license as a pharmacy intern, graduate intern, pharmacy technician or  
22 pharmacy technician trainee or work as a pharmacy intern, graduate intern,  
23 pharmacy technician or pharmacy technician trainee without the approval of  
24 the board or its designee.

25 Sec. 4. Section 32-1927.01, Arizona Revised Statutes, is amended to  
26 read:

27 32-1927.01. Pharmacy technicians; pharmacy technician trainees;  
28 disciplinary action

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

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

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

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

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

41 5. The license was issued through error.

42 B. A pharmacy technician or pharmacy technician trainee who after a  
43 formal hearing is found by the board to be guilty of unprofessional conduct,  
44 to be mentally or physically unable safely to engage in the practice of

1 pharmacy or to be professionally incompetent is subject to any one or  
2 combination of the following:

3 1. A civil penalty of not to exceed one thousand dollars for each  
4 violation of this chapter or a rule adopted under this chapter.

5 2. A letter of reprimand.

6 3. A decree of censure.

7 4. COMPLETION OF BOARD DESIGNATED CONTINUING EDUCATION COURSES.

8 ~~4.~~ 5. Probation.

9 ~~5.~~ 6. Suspension or revocation of the license.

10 C. The board may charge the costs of formal hearings to the licensee  
11 ~~who~~ WHOM it finds to be in violation of this chapter or a rule adopted under  
12 this chapter.

13 D. The board on its own motion may investigate any evidence that  
14 appears to show that a pharmacy technician or pharmacy technician trainee is  
15 or may be professionally incompetent, is or may be guilty of unprofessional  
16 conduct or is or may be mentally or physically unable safely to engage in the  
17 permissible activities of a pharmacy technician or pharmacy technician  
18 trainee. Any person may, and a licensee or permittee of the board must,  
19 report to the board any information that appears to show that a pharmacy  
20 technician or pharmacy technician trainee is or may be professionally  
21 incompetent, is or may be guilty of unprofessional conduct or is or may be  
22 mentally or physically unable safely to engage in the permissible activities  
23 of a pharmacy technician or pharmacy technician trainee. The board or the  
24 executive director shall notify the pharmacy technician or pharmacy  
25 technician trainee as to the content of the complaint as soon as reasonable.  
26 Any person or entity that reports or provides information to the board in  
27 good faith is not subject to an action for civil damages. It is an act of  
28 unprofessional conduct for any pharmacy technician or pharmacy technician  
29 trainee to fail to report as required by this ~~section~~ SUBSECTION.

30 E. The pharmacy permittee or pharmacist in charge of a pharmacy  
31 located in this state must inform the board if a pharmacy technician or  
32 pharmacy technician trainee employed by the pharmacy is terminated because of  
33 actions by that person that appear to show that the person is or may be  
34 professionally incompetent, is or may be guilty of unprofessional conduct or  
35 is or may be mentally or physically unable safely to engage in the  
36 permissible activities of a pharmacy technician or pharmacy technician  
37 trainee, along with a general statement of the reasons that led the pharmacy  
38 to take the action. The pharmacy permittee or pharmacist in charge of a  
39 pharmacy located in this state must inform the board if a pharmacy technician  
40 or pharmacy technician trainee under investigation resigns or if a pharmacy  
41 technician or pharmacy technician trainee resigns in lieu of disciplinary  
42 action by the pharmacy. Notification must include a general statement of the  
43 reasons for the resignation. A person who reports information in good faith  
44 pursuant to this subsection is not subject to civil liability.

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

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

16 1. Dismiss if the complaint is without merit.

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

19 3. REQUIRE THE LICENSEE TO COMPLETE BOARD DESIGNATED CONTINUING  
20 PHARMACEUTICAL EDUCATION COURSES.

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

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

31 J. If through information provided pursuant to this section or by  
32 other means, the board finds that the protection of the public health,  
33 welfare and safety requires emergency action against the license of a  
34 pharmacy technician or pharmacy technician trainee, ~~it may order a summary~~  
35 ~~suspension of the license pending a formal hearing for license revocation or~~  
36 ~~other action authorized by this section to be held by the board within ten~~  
37 ~~days after it issues the order~~ THE BOARD MAY RESTRICT A LICENSE OR ORDER A  
38 SUMMARY SUSPENSION OF A LICENSE PENDING PROCEEDINGS FOR REVOCATION OR OTHER  
39 ACTION. IF THE BOARD ACTS PURSUANT TO THIS SUBSECTION, THE BOARD SHALL ALSO  
40 SERVE THE LICENSEE WITH A WRITTEN NOTICE OF COMPLAINT AND FORMAL HEARING THAT  
41 SETS FORTH THE CHARGES MADE AGAINST THE LICENSEE AND THE LICENSEE'S RIGHT TO  
42 A FORMAL HEARING BEFORE THE BOARD OR AN ADMINISTRATIVE LAW JUDGE ON THE  
43 CHARGES WITHIN SIXTY DAYS PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10.

44 K. If after completing the conference the board finds the information  
45 provided pursuant to this section is not of sufficient seriousness to merit

1 revocation or suspension of a license, probation, issuance of a decree of  
2 censure or a letter of reprimand or imposition of a civil penalty, it may  
3 take the following actions:

4 1. Dismiss if the information is without merit.  
5 2. File an advisory letter. The licensee may file a written response  
6 with the board within thirty days after the licensee receives the advisory  
7 letter.

8 3. REQUIRE THE LICENSEE TO COMPLETE BOARD DESIGNATED CONTINUING  
9 PHARMACEUTICAL EDUCATION COURSES.

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

15 1. Dismiss if the information is without merit.  
16 2. File an advisory letter. The licensee may file a written response  
17 with the board within thirty days after the licensee receives the advisory  
18 letter.

19 3. REQUIRE THE LICENSEE TO COMPLETE BOARD DESIGNATED CONTINUING  
20 PHARMACEUTICAL EDUCATION COURSES.

21 ~~3.~~ 4. Enter into an agreement with the licensee to discipline the  
22 licensee, restrict the licensee's practice or professional activities or  
23 rehabilitate, retrain or assess the licensee in order to protect the public  
24 and ensure the licensee's ability to safely engage in the permissible  
25 activities of a pharmacy technician or pharmacy technician trainee. The  
26 agreement may include at least the following:

27 (a) Issuance of a letter of reprimand.  
28 (b) Issuance of a decree of censure.  
29 (c) Practice or professional restrictions, such as doing the following  
30 only under pharmacist supervision:

31 (i) Entering prescription or patient data.  
32 (ii) Initiating or accepting verbal refill authorization.  
33 (iii) Counting, pouring, packaging or labeling prescription  
34 medication.

35 (iv) Compounding, reconstituting, prepackaging or repackaging drugs.  
36 (d) Rehabilitative, retraining or assessment programs, including:

37 (i) Board approved community service.  
38 (ii) Successful completion of additional ~~pharmacy continuing education~~  
39 ~~hours~~ BOARD DESIGNATED CONTINUING PHARMACEUTICAL EDUCATION COURSES.

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

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

44 (e) A civil penalty not to exceed one thousand dollars for each  
45 violation of this chapter or a rule adopted under this chapter.

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

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

12 ~~N. If the board finds that the information provided pursuant to this~~  
13 ~~section warrants revocation or suspension of a license, probation, issuance~~  
14 ~~of a decree of censure or a letter of reprimand or imposition of a civil~~  
15 ~~penalty, it shall initiate formal proceedings pursuant to title 41, chapter~~  
16 ~~6, article 10.~~

17 ~~Ø.~~ N. If the licensee wishes to be present at the formal hearing in  
18 person or by representation, or both, the licensee must file with the board  
19 an answer to the charges in the notice of hearing. The answer must be in  
20 writing, BE verified under oath and BE filed within thirty days after service  
21 of the notice of hearing. Failure to answer the board's notice of hearing is  
22 deemed an admission of the charges in the notice of hearing.

23 ~~P.~~ O. An advisory letter is a nondisciplinary public document.

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

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

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

33 ~~T.~~ S. A person licensed pursuant to this chapter or by any other  
34 jurisdiction who has a license revoked or suspended shall not obtain a  
35 license as a pharmacy technician or pharmacy technician trainee or work as a  
36 pharmacy technician or pharmacy technician trainee without the approval of  
37 the board or its designee.

38 Sec. 5. Section 32-1927.02, Arizona Revised Statutes, is amended to  
39 read:

40 32-1927.02. Permittees; disciplinary action

41 A. The board may discipline a permittee if:

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

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

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

8           4. The permit was issued through error.

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

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

21           1. A civil penalty not to exceed one thousand dollars for each  
22 violation of this chapter or a rule adopted under this chapter.

23           2. A letter of reprimand.

24           3. A decree of censure.

25           4. COMPLETION OF BOARD DESIGNATED PHARMACY LAW CONTINUING EDUCATION  
26 COURSES.

27           ~~4-~~ 5. Probation.

28           ~~5-~~ 6. Suspension or revocation of the permit.

29           C. The board may charge the costs of formal hearings to the permittee  
30 ~~who~~ WHOM it finds to be in violation of this chapter or a rule adopted under  
31 this chapter or whose employee it finds to be in violation of this chapter or  
32 a rule adopted under this chapter.

33           D. The board ~~of~~ ON its own motion may investigate any evidence that  
34 appears to show that a permittee or permittee's employee is or may be guilty  
35 of unethical conduct, is or may be mentally or physically unable safely to  
36 engage in employment duties or is or may be in violation of this chapter or a  
37 rule adopted under this chapter. Any person may, and any licensee or  
38 permittee must, report to the board any information that appears to show that  
39 a permittee or permittee's employee is or may be guilty of unethical conduct,  
40 is or may be mentally or physically unable safely to engage in employment  
41 duties or is or may be in violation of this chapter or a rule adopted under  
42 this chapter. The board or the executive director shall notify the permittee  
43 as to the content of the complaint as soon as reasonable. Any person or  
44 entity that reports or provides information to the board in good faith is not

1 subject to an action for civil damages. It is an act of unethical conduct  
2 for any permittee to fail to report as required by this ~~section~~ SUBSECTION.

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

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

- 17 1. Dismiss if the complaint is without merit.
- 18 2. File an advisory letter. The permittee may file a written response  
19 with the board within thirty days after receiving the advisory letter.
- 20 3. REQUIRE THE PERMITTEE TO COMPLETE BOARD DESIGNATED PHARMACY LAW  
21 CONTINUING EDUCATION COURSES.

22 G. The board shall not disclose the name of the person who ~~provided~~  
23 PROVIDES information regarding a permittee's or permittee's employee's drug  
24 or alcohol impairment or the name of the person who files a complaint if that  
25 person requests anonymity.

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

34 I. If through information provided pursuant to subsection D of this  
35 section or by other means the board finds that the protection of the public  
36 health, welfare and safety requires emergency action against the permit, ~~it~~  
37 ~~may order a summary suspension of the permit pending a formal hearing for~~  
38 ~~permit revocation or other action authorized by this section to be held by~~  
39 ~~the board within ten days after the board issues the order~~ THE BOARD MAY  
40 RESTRICT A PERMIT OR ORDER A SUMMARY SUSPENSION OF A PERMIT PENDING  
41 PROCEEDINGS FOR REVOCATION OR OTHER ACTION. IF THE BOARD ACTS PURSUANT TO  
42 THIS SUBSECTION, THE BOARD SHALL ALSO SERVE THE PERMITTEE WITH A WRITTEN  
43 NOTICE OF COMPLAINT AND FORMAL HEARING THAT SETS FORTH THE CHARGES AND THE  
44 PERMITTEE'S RIGHT TO A FORMAL HEARING ON THE CHARGES BEFORE THE BOARD OR AN

1 ADMINISTRATIVE LAW JUDGE WITHIN SIXTY DAYS PURSUANT TO TITLE 41, CHAPTER 6,  
2 ARTICLE 10.

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

8 1. Dismiss if the information is without merit.

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

11 3. REQUIRE THE PERMITTEE TO COMPLETE BOARD DESIGNATED PHARMACY LAW  
12 CONTINUING EDUCATION COURSES.

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

18 1. Dismiss if the information is without merit.

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

22 3. REQUIRE THE PERMITTEE TO COMPLETE BOARD DESIGNATED PHARMACY LAW  
23 CONTINUING EDUCATION COURSES.

24 ~~3.~~ 4. Enter into an agreement with the permittee to discipline the  
25 permittee, restrict the permittee's business activities or rehabilitate or  
26 assess the permittee in order to protect the public and ensure the  
27 permittee's ability to safely engage in employment duties. The agreement may  
28 include, at a minimum, the following disciplinary actions, business activity  
29 restrictions and rehabilitative or assessment programs:

30 (a) Issuance of a letter of reprimand.

31 (b) Issuance of a decree of censure.

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

36 (d) SUCCESSFUL COMPLETION OF BOARD DESIGNATED PHARMACY LAW CONTINUING  
37 EDUCATION COURSES.

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

42 ~~(e)~~ (f) A civil penalty not to exceed one thousand dollars for each  
43 violation of this chapter or a rule adopted under this chapter.

44 ~~(f)~~ (g) A period and terms of probation best adapted to protect the  
45 public health and safety and rehabilitate or assess the permittee concerned.

1 Probation may include temporary suspension and any or all of the disciplinary  
2 actions, business practice restrictions, rehabilitative or assessment  
3 programs listed in this section or any other program agreed to by the board  
4 and the permittee.

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

11 ~~M. If the board finds that the information provided pursuant to~~  
12 ~~subsection D of this section warrants revocation or suspension of a license,~~  
13 ~~probation, issuance of a decree of censure or a letter of reprimand or~~  
14 ~~imposition of a civil penalty, it shall initiate formal proceedings pursuant~~  
15 ~~to title 41, chapter 6, article 10.~~

16 N. M. If the permittee wishes to be present at the formal hearing in  
17 person or by representation, or both, the permittee must file with the board  
18 an answer to the charges in the notice of hearing. The answer must be in  
19 writing, BE verified under oath and BE filed within thirty days after service  
20 of the notice of hearing. Failure to answer the board's notice of hearing is  
21 deemed an admission of the charges in the notice of hearing.

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

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

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

31 Sec. 6. Section 32-1930, Arizona Revised Statutes, is amended to read:

32 32-1930. Types of permits; restrictions on permits;  
33 discontinuance of pharmacy permit

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

36 1. A nonprescription drug permit to sell, retail, stock, expose or  
37 offer for sale at retail nonprescription drugs in the original package. A  
38 permittee is not required to conduct business in any fixed place.

39 2. If approved by the board, a pharmacy, limited service pharmacy,  
40 full service wholesale drug, nonprescription drug wholesale and drug  
41 manufacturer's permit.

42 3. Drug packager or drug prepacker permit to an individual or  
43 establishment that is currently listed by the United States federal food and  
44 drug administration and has met the requirements of that agency to purchase,  
45 repackage, relabel or otherwise alter the manufacturer's original package of

1 an approved drug product with the intent of reselling these items to persons  
2 or businesses authorized to possess or resell the repackaged, prepackaged or  
3 relabeled drug.

4 4. A compressed medical gas distributor permit and a DURABLE MEDICAL  
5 EQUIPMENT AND compressed medical gas supplier permit.

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

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

17 Sec. 7. Section 32-1931, Arizona Revised Statutes, is amended to read:  
18 32-1931. Permit fees; issuance; expiration; renewals

19 A. The board shall assign the permit of all persons or firms issued  
20 under this chapter to one of two permit renewal groups. Except as provided  
21 in section 32-4301, a holder of a permit ending in an even number shall renew  
22 it biennially on or before November 1 of the even numbered year, two years  
23 from the last renewal date. Except as provided in section 32-4301, a holder  
24 of a permit ending in an odd number shall renew it biennially on or before  
25 November 1 of the odd numbered year, two years from the last renewal date.  
26 Failure to renew and pay all required fees on or before November 1 of the  
27 year in which the renewal is due suspends the permit. The board shall vacate  
28 a suspension when the permittee pays penalties of not to exceed three hundred  
29 fifty dollars and all past due fees. The board may waive collection of a fee  
30 or penalty due after suspension under conditions established by a majority of  
31 the board.

32 B. The board shall prorate the fee for new permits for the remaining  
33 full calendar months of the respective group to which the permit is assigned.

34 C. Permit fees that are designated to be not more than a maximum  
35 amount shall be set by the board for the following two fiscal years beginning  
36 November 1. The board shall establish the fees approximately proportionate  
37 to the maximum fee allowed to cover the board's anticipated expenditures for  
38 the following two fiscal years. Variation in a fee is not effective except  
39 at the expiration date of the permit.

40 D. Applications for permits shall be accompanied by the following  
41 biennial fees as determined by subsection C of this section:

42 1. A nonprescription drug permit, not more than two hundred  
43 dollars. Permittees stocking thirty different nonprescription drug products  
44 or less shall be classified as category I retailers. Permittees stocking  
45 more than thirty different nonprescription drug products shall be classified

1 as category II retailers. Both categories are subject to biennial permit  
2 fees established by the board pursuant to this chapter.

3 2. A drug manufacturer's permit, not more than one thousand dollars.

4 3. A pharmacy permit, not more than five hundred dollars.

5 4. A limited service pharmacy permit, not more than five hundred  
6 dollars.

7 5. A full service wholesale drug permit, not more than one thousand  
8 dollars.

9 6. A nonprescription drug wholesale permit, not more than five hundred  
10 dollars.

11 7. A drug repackager's permit, not more than one thousand dollars.

12 8. A compressed medical gas distributor permit, not more than two  
13 hundred dollars.

14 9. A DURABLE MEDICAL EQUIPMENT AND compressed medical gas supplier  
15 permit, not more than one hundred dollars.

16 E. If an applicant is found to be satisfactory to the board, the  
17 executive director shall issue to the applicant a permit for each pharmacy,  
18 manufacturer, wholesaler or other place of business in which drugs are sold,  
19 manufactured, compounded, dispensed, stocked, exposed or offered for sale,  
20 for which application is made.

21 F. Permits issued under this section are not transferable.

22 G. If a permittee does not apply for renewal, the permit expires  
23 pursuant to subsection A of this section. A person may activate and renew an  
24 expired permit by filing the required application and fee. Renewal thirty  
25 days after the expiration date of a permit may be made only on payment of the  
26 required biennial renewal fee, all past due fees and a penalty of one-half of  
27 the amount of the applicable biennial renewal fee. The board may waive the  
28 collection of a fee or penalty due after suspension pursuant to conditions  
29 prescribed by the board.

APPROVED BY THE GOVERNOR APRIL 4, 2013.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 4, 2013.

Passed the House March 20, 20 13,

Passed the Senate February 25, 20 13,

by the following vote: 54 Ayes,

by the following vote: 27 Ayes,

4 Nays, 2 Not Voting

1 Nays, 2 Not Voting

[Signature]  
Speaker of the House

[Signature]  
President of the Senate

[Signature]  
Chief Clerk of the House

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

3 day of April, 20 13,

at 12:05 o'clock P M.

[Signature]  
Secretary to the Governor

Approved this 4<sup>th</sup> day of

April, 20 13,

at 3:50 o'clock P M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 4<sup>th</sup> day of April, 20 13,

at 5:00 o'clock P M.

[Signature]  
Secretary of State

S.B. 1188