

Louisiana Board of Pharmacy

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Gentlemen:

As directed by the provisions of the *Alison Neustrom Act* (Act 261 of the 2015 Legislature), more specifically, La. R.S. 40:1046(D), this letter presents the Board of Pharmacy's recommendation for fees necessary to implement the provisions of the act. The act directs the Board of Pharmacy to develop standards and procedures for the dispensing of marijuana for therapeutic purposes, and further, said dispensing shall occur within pharmacies licensed by the Board, and further, there shall be no more than ten (10) such pharmacies within the state.

All of the Board's fees have been set by the legislature; most are enumerated in R.S. 37:1184, but the fees for the Controlled Dangerous Substance (CDS) licenses are enumerated in R.S. 40:972. Finally, the fee for the operation of the state prescription monitoring program (PMP) is authorized in R.S. 40:1013.

The fee for the issuance of a new pharmacy permit is \$150, and the fee for the annual renewal of that permit is \$125. The fee for the issuance of a CDS license for a pharmacy is \$25, and the fee for the annual renewal of that license is \$25. The Board assesses every pharmacy permit a fee of \$25 per year for the operation of the PMP. Thus, the total fee due to the Board for a new pharmacy permit is \$200, and the renewal fees total \$175 per year.

Commissioned Report Act 261 of 2015 Legislature December 23, 2015 Page 2 of 2

The Board's procedure for the issuance of new pharmacy permits requires staff review of completed application forms and supplemental documents and information. When the applicant demonstrates a successful application and there are no questions or concerns identified by the staff review, the Board's policies and procedures delegate the routine issuance of pharmacy permits to the staff. Where concerns are identified by staff, those applications are referred to the Board's Application Review Committee. That committee interviews the applicant and makes a recommendation to the full Board, which then makes a final determination whether or not to issue the permit, and if so, with any possible restrictions. Of note, we have never entertained 'competitive applications', meaning several applicants for the same permit.

Given the limitation on the maximum number of permits to be issued for this special classification, we do not believe any adjustment is necessary in the existing fee structure. However, since we envision the receipt of multiple competitive applications, as well as the referral of all applications for this special permit to the Application Review Committee and ultimately to the Board for their consideration, we believe a non-refundable application fee for this permit classification would be appropriate.

In reviewing our historical meeting costs for this committee as well as the Board, as well as the need for site visits to intended locations by our compliance officers, as well as additional time requirements for staff to vet the applicants' backgrounds, we propose an addition to our current list of fees at R.S. 37:1184(3)(k) for "Application Fee for Marijuana Pharmacy Permit - \$5,000."

We will prepare a legislative instrument to amend the Board's list of fees for your consideration during the Regular Session of the 2016 Legislature. If you have any questions or need any additional information in the interim, please contact me directly at mbroussard@pharmacy.la.gov or 225.925.6481.

For the Board:

Malcolm J. Broussard Executive Director

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