



To: Board Members

Subject: Agenda Item IV Discussion and Consideration of Board's Fund and Proposal to Amend California Code of Regulations, Title 16, Section 1749, Fee Schedule

Background

In November 2015, the Department of Consumer Affairs completed an analysis of the board's fund condition and fee structure. This analysis was initiated at the request of the board and done in partnership with the board. The intent of the analysis was to determine the sustainability of the board's fund and to ensure that the board was collecting sufficient revenue to fully reimburse the board for the cost of regulating those individuals and businesses within its jurisdiction. As indicated in the report, the goal of the analysis was to zero base the board's budget down to the services behind processing each initial and renewal application.

The conclusions of the analysis found that the current level of fees was not sufficient to keep the board's fund solvent and that fees needed to be adjusted to reflect the actual cost to the board to provide service and process each license type. As part of the recommendations from this analysis it was suggested that the set new fee ceilings be set at a rate that would allow the board the flexibility to adjust fees through the regulatory process and maintain the fund's solvency through the next ten years.

After review and consideration of the findings of the analysis, the board pursued a statutory change in 2016 as part of its Sunset Review process to recast its fees. This recasting resulted in new statutory maximum fees.

The board's new fee structure took effect on July 1, 2017, but not all fees were increased at that time. Specifically of the board's 118 fees, seven application fees and 14 renewal fees were increased. Three applications fees were reduced.

It is important to note that since completion of the fee analysis there have been major budget adjustments impacting the board. Although final budget figures for FY 2017/18 are not available, preliminary numbers suggest that overall the board's expenditures have increased 30% since FY 2014/15, the largest areas of expenditure growth being a 31% increase in personnel expenses and a 62% increase in pro rata (including statewide pro rata and DCA pro rata).

Prior Board Discussion Consideration

As discussed during the October Board Meeting, with the approval of President Law, board staff worked with Vice-President Lippe to assess the current state of the board's fund and determine what, if any, action is necessary. It was recommended that an adjustment to the board's fees is

necessary to ensure the solvency of the board's fund.

The board delayed action on the issue at its October Board Meeting and requested that board staff work with Mr. Lippe to provide additional information on the proposed fee increase. Further, the board requested historical fee information as well as a comparison with the fees assessed by the Medical Board.

Recent Update

The board's current application fee for a sterile compounding application is \$1,325 and under this proposal, the fee would increase to \$1,855. By comparison, according to the NABP, an inspection for purposes of the Verified Pharmacy Program ranges from \$3,000 to \$3,500. Further, according to JACHO, a survey costs about \$3,020 for their on-sight survey.

As requested board staff also reviewed fees for other healing arts boards for comparison. The table below provides comparisons between the board's proposed fees for pharmacists and similar fees for physicians and dentists.

Fee Comparison	Exam	License	Renewal
Pharmacist (as proposed)	\$ 272.50	\$ 205	\$ 432.50
Physician	\$ 491	\$ 416.50 or \$ 808	\$ 820
Dentist	\$ 525	\$ 100 or \$ 283	\$ 650

The below table provides fee comparison information for some of the board's proposed site licenses with licenses issued by the California Department of Public Health. The full fee schedule for licenses issued by the California Department of Public Health is provided following this memo.

Fee Comparison	Application	Renewal
Sterile Compounding (as proposed)	\$ 2,305	\$ 1,855
Pharmacy (as proposed)	\$ 545	\$ 797.50
Clinic (as proposed)	\$ 545	\$ 342
CDPH Hospital	\$500/bed	\$ 500/bed
CDPH Surgical Clinics	\$ 5,136	\$ 5,136
CDPH Primary Care Clinic	\$ 1,483	\$ 1,483

For Board Consideration

As indicated in October, the board's budget has a structural imbalance that must be addressed. The below table that details the projected impact such a change would have on the board's fund should the new fees take effect January 1, 2020.

Fund Condition with Recommended Fee Increase		
Fiscal Year	Fund Balance	Months in Reserve
2018/2019*	\$8,164,000	3.3
2019/2020	\$7,242,000	2.9
2020/2021	\$8,746,000	3.4
2021/2022	\$9,568,000	3.6

*This figure includes increased projected revenue generated by new licensing programs and other sources.

Meeting that timeframe is an aggressive schedule as the rulemaking process can at times be extended. The DCA Budget Office agrees with the board’s assessment that a fee increase is necessary, and that action must be taken quickly to ensure the financial viability of the board.

It is recommended that the board again consider a conservative approach to raising fees. Staff and Vice-President Lippe recommend that the board consider:

1. Raising fees to their statutory maximum levels for all sterile compounding and outsourcing facilities.
2. Raising all other fees to the midway point between the statutory minimum and maximum level.
3. Initiating a new fee analysis to determine a long-term sustainable fee structure.

Should the board agree with the recommendation, the following motion could be used to initiate the process:

MOTION: Initiate the formal rulemaking process to amend the text of Title 16 Section 1749 relating to board fees as proposed and authorize the Executive Officer to make any clarifying changes consistent with the board’s policy to the rulemaking package and provide a 45-day public comment period. Direct staff to initiate a new fee analysis to determine the zero-based costs similar to the fee analysis that was completed by the DCA.

To assist the board in its decision making following this memo are the following items:

1. Draft regulation language that could be used to facilitate the recommended changes
2. A table providing fee history and proposed fees along with the percentage increase
3. DCA Fee Analysis Report
4. CDPH Fee Schedule



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December 10, 2018

Virginia Herold
Executive Officer
California State Board of Pharmacy
1625 N Market Blvd N-219
Sacramento, CA 95834

Re: Projected Fund Insolvency

During the process of building the 2019-20 Governor's Budget, the Department of Consumer Affairs Budget Office (Department) has reviewed the California State Board of Pharmacy's (Board) fund condition and have made the following conclusions:

- Expenditures have increased, on average, 11% each year. Increases in expenditures are primarily due to programmatic and legislative Budget Change Proposals, the associated increases in Departmental and State distributed costs (pro rata), and legislatively approved bargaining unit salary and benefit increases.
- Board revenues increased significantly in 2014-15 and 2017-18 due to a fee increase and the creation of new licensure categories and the associated revenue streams.

While revenue has increased significantly, it is not increasing at the same rate as Board's expenditures and the Department is concerned that without Board action to balance expenditures and revenue, the Board will be facing insolvency as early as 2020. The attached simplified fund condition shows five prior years of expenditures and revenue as well as the projected current year and three out years.

Please contact Taylor Schick, Fiscal Officer at (916) 574-7177 if you have any questions.

Sincerely,

Taylor Schick
Fiscal Officer
Department of Consumer Affairs

0767 - Pharmacy Board Contingent Fund

Analysis of Fund Condition

Prepared 12.10.2018

(Dollars in Thousands)

	ACTUAL 2013-14	ACTUAL 2014-15	ACTUAL 2015-16	ACTUAL 2016-17	Estimated PY 2017-18	CY 2018-19	BY 2019-20	BY +1 2020-21	BY +2 2021-22
Beginning Balance	\$ 13,885	\$ 12,878	\$ 11,768	\$ 10,675	\$ 8,084	\$ 6,653	\$ 3,092	\$ -277	\$ -6,798
Revenue	\$ 14,674	\$ 18,227	\$ 18,835	\$ 19,102	\$ 24,016	\$ 23,998	\$ 24,690	\$ 24,624	\$ 24,624
Expenditures (w/ projected growth)	\$ 16,789	\$ 19,363	\$ 20,085	\$ 21,693	\$ 25,447	\$ 27,559	\$ 28,059	\$ 31,145	\$ 34,571
Fund Balance	11770	\$ 11,742	\$ 10,518	\$ 8,084	\$ 6,653	\$ 3,092	\$ -277	\$ -6,798	\$ -16,746
Months in Reserve	7.3	7.0	5.8	3.8	2.9	1.3	-0.1	-2.4	-5.2

*Projected Growth Calculated at 11% in BY+1 and ongoing based on 4 year average growth rate

**Title 16. Board of Pharmacy
Proposed Text**

Proposal to Amend section 1749 in Article 6 of Division 17 of Title 16, California Code of Regulations to read as follows:

1749. Fee Schedule

The application, renewal, penalties, and other fees for the issuance and renewal of licenses, certificates, and permits, and the penalties to be assessed for failure to renew in accordance with section 163.5 of the Business and Professions Code and Pharmacy Law are hereby fixed as follows:

- (a) The application and initial license fee for the issuance of any pharmacy or remote site dispensing pharmacy license is five hundred twenty dollars (\$520) five hundred forty-five dollars (\$545). The application fee for the annual renewal of any pharmacy or remote site dispensing pharmacy license is six hundred sixty five dollars (\$665) seven hundred and ninety-seven dollars and fifty cents (\$797.50). The penalty for failure to renew is one hundred fifty dollars (\$150).
- (b) The application fee for the issuance of a temporary pharmacy license is three hundred twenty-five dollars (\$325).
- (c) The application and initial license fee for the issuance of a pharmacy technician license shall be one hundred and forty dollars (\$140) one hundred sixty-seven dollars and fifty cents (\$167.50). The application fee for the biennial renewal of a pharmacy technician license shall be one hundred forty dollars (\$140) one hundred sixty-seven dollars and fifty cents (\$167.50). The penalty for failure to renew a pharmacy technician license is seventy dollars (\$70) eighty-three dollars and seventy-five cents (\$83.75).
- (d) The application fee for application and examination as a pharmacist is two hundred sixty dollars (\$260) two hundred seventy-two dollars and fifty cents (\$272.50).
- (e) The application fee for regrading an examination is one hundred fifteen dollars (\$115).
- (f)(1) The application fee for the issuance of an original pharmacist license is one hundred ninety-five dollars (\$195) two hundred and five dollars (\$205).
- (2) The application fee for application of an advanced practice pharmacist license is three hundred dollars (\$300). If granted, there is no fee for the initial license issued, which will expire at the same time the pharmacist's license expires.
- (g)(1) The application fee for the biennial renewal of a pharmacist's license is three hundred sixty dollars (\$360) four hundred thirty-two dollars and fifty cents (\$432.50). The penalty fee for failure to renew is one hundred fifty dollars (\$150).
- (2) The application fee for the biennial renewal of an advanced practice pharmacist license is three hundred dollars (\$300). The penalty fee for failure to renew is one hundred fifty dollars (\$150). The fees in this paragraph are in addition to the fees required to renew the pharmacist's license as specified in paragraph 1.
- (h) The application and initial license fee for the issuance or renewal of a wholesaler's license or third-party logistics provider is seven hundred eighty dollars (\$780) eight

hundred dollars (\$800). The application fee for the annual renewal of wholesaler or third-party logistics provider is eight hundred dollars (\$800). The penalty for failure to renew is one hundred fifty dollars (\$150). The application fee for a temporary license is seven hundred fifteen dollars (\$715).

- (i) The application and initial license fee for the issuance of a hypodermic license is one hundred seventy dollars (\$170) two hundred five dollars (\$205). The application fee for the annual renewal of a hypodermic needle license is two hundred forty dollars (\$200) (\$240). The penalty for failure to renew is one hundred twenty dollars (\$100) (\$120).
- (j) The application and initial license fee for the issuance of a license as a designated representative license pursuant to Section 4053 of the Business and Professions Code or designated representative-3PL license pursuant to Section 4053.1, or a designated representative-reverse distributor license pursuant to Section 4053.2 is one hundred fifty dollars (\$150) one hundred eighty dollars (\$180). The application fee for the annual renewal of a license as a designated representative or designated representative-3PL, or a designated representative-reverse distributor shall be two hundred and fifteen dollars (\$215) two hundred fifty-seven dollars and fifty cents (\$257.50). The penalty for failure to renew is one hundred seven dollars and fifty cents (\$107.50) one hundred twenty-eight dollars and seventy five cents (\$128.75).
- (k) The application and initial license fee for the application or renewal of a license as a nonresident wholesaler or nonresident third-party logistics provider is seven hundred eighty dollars (\$780) eight hundred dollars (\$800). The application fee for the annual renewal of a nonresident wholesaler or nonresident third-party logistics provider is eight hundred dollars (\$800). The penalty for failure to renew is one hundred fifty dollars (\$150). The application fee for a temporary license is seven hundred fifteen dollars (\$715).
- (l) The application and initial license fee for an intern pharmacist license is one hundred sixty-five dollars (\$165) one hundred ninety-seven dollars and fifty cents (\$197.50). The application fee for transfer of intern hours or verification of licensure to another state is thirty dollars (\$30).
- (m) The application fee for the reissuance of any permit, license, or certificate, or renewal thereof, which must be reissued because of change in the information, other than name change, is one hundred fifteen dollars (\$100) (\$115).
- (n) The application fee for the reissuance of any license that has been lost or destroyed or reissued due to a name change is forty-five dollars (\$45).
- (o) The application fee for evaluation of continuing education courses for accreditation is forty dollars (\$40) for each hour of accreditation requested.
- (p) The application and initial license fee for the issuance of a clinic license is five hundred twenty dollars (\$520) five hundred forty-five dollars (\$545). The application fee for the annual renewal of a clinic license is three hundred twenty-five dollars (\$325) three hundred forty-two dollars and fifty cents (\$342.50). The penalty for failure to renew is one hundred fifty dollars (\$150).
- (q) The application and initial license fee for the issuance of a nongovernmental license to compound sterile drug products or a hospital satellite compounding pharmacy is one thousand six hundred forty-five dollars (\$1,645) two thousand three hundred five

dollars (\$2,305). The application fee for the annual renewal of a nongovernmental license to compound sterile drug products or a hospital satellite compounding pharmacy is ~~one thousand three hundred twenty-five dollars (\$1,325)~~ one thousand eight hundred fifty-five dollars (\$1,855). The penalty for failure to renew is one hundred fifty dollars (\$150). The application fee for a temporary license is ~~five hundred fifty dollars (\$550)~~ seven hundred fifteen dollars (\$715).

- (r) The application and initial license fee for the issuance of a nonresident sterile compounding pharmacy is ~~two thousand three hundred eighty dollars (\$2,380)~~ three thousand three hundred thirty-five dollars (\$3,335). The application fee for the annual renewal of nonresident sterile compounding pharmacy license is ~~two thousand two hundred seventy dollars (\$2,270)~~ three thousand one hundred eighty dollars (\$3,180). The penalty for failure to renew is one hundred fifty dollars (\$150). The application fee for a temporary license is ~~five hundred fifty dollars (\$550)~~ seven hundred fifteen dollars (\$715).
- (s) The application and initial license fee for the issuance of a license as a designated representative for a veterinary food-animal drug retailer is ~~one hundred fifty dollars (\$150)~~ one hundred eighty dollars (\$180). The application fee for the annual renewal of a license as a designated representative is ~~two hundred fifteen dollars (\$215)~~ two hundred fifty-seven dollars and fifty cents (\$257.50). The penalty for failure to renew is ~~one hundred seven dollars and fifty cents (\$107.50)~~ one hundred twenty-eight dollars and seventy-five cents (\$128.75).
- (t) The application and initial license fee for a veterinary food-animal drug retailer license is ~~four hundred and thirty-five dollars (\$435)~~ five hundred twenty-two dollars and fifty cents (\$522.50). The annual renewal application fee for a veterinary food-animal drug retailer is ~~three hundred thirty dollars (\$330)~~ three hundred and ninety five dollars (\$395). The application fee for the issuance of a temporary license is two hundred and fifty dollars (\$250). The penalty for failure to renew is one hundred fifty dollars (\$150).
- (u) The application fee for the issuance of a retired pharmacist license shall be forty-five dollars (\$45).
- (v) The application and initial license fee for the issuance of a centralized hospital packaging pharmacy license is ~~eight hundred twenty dollars (\$820)~~ nine hundred eighty-five dollars (\$985). The annual renewal application fee for a centralized hospital packaging pharmacy license is ~~eight hundred five dollars (\$805)~~ nine hundred sixty-five dollars (\$965). The penalty for failure to renew is one hundred fifty dollars (\$150).
- (w) The application and initial license fee for the issuance of an outsourcing facility license is ~~two thousand two hundred seventy dollars (\$2,270)~~ three thousand one hundred eighty dollars (\$3,180). The annual renewal application fee for an outsourcing facility is ~~one thousand three hundred twenty-five dollars (\$1,325)~~ one thousand eight hundred fifty-five dollars (\$1,855). The penalty for failure to renew is one hundred fifty dollars (\$150). The application fee for a temporary outsourcing facility license is seven hundred fifteen dollars (\$715).
- (x) The application and initial license fee for the issuance of a nonresident outsourcing facility license is ~~two thousand three hundred eighty dollars (\$2,380)~~ three thousand

three hundred thirty-five dollars (\$3,335). The annual renewal application fee for a nonresident outsourcing facility is ~~two thousand two hundred seventy dollars (\$2,270)~~ three thousand one hundred eighty dollars (\$3,180). The penalty for failure to renew is one hundred fifty dollars (\$150). The application fee for a temporary nonresident outsourcing facility license is seven hundred fifteen dollars (\$715).

(y) The application and initial license fee of a correctional clinic that is not owned by the state is five hundred twenty dollars (\$520). The annual renewal application fee for a correctional clinic license is three hundred twenty-five dollars (\$325). The penalty for failure to renew is one hundred fifty dollars (\$150).

(z) The application and initial license fee of an EMSADDS is one hundred dollars (\$100). The application fee for the annual renewal of an EMSADDS is one hundred dollars (\$100). The penalty for failure to renew is thirty-five dollars (\$35).

(aa) The application and initial license fee of a co-location clinic license is seven hundred fifty dollars (\$750).

(ab) The application and initial license fee of a designated paramedic license is one hundred and forty dollars (\$140). The application fee for the biennial renewal of a designated paramedic license is one hundred forty dollars (\$140). The penalty for failure to renew a designated paramedic license is sixty-five dollars (\$65).

Note: Authority cited: Sections 4005 and 4400, Business and Professions Code.

Reference: Sections 163.5, 4005, 4044.3, 4053, 4053.1, 4110, 4112, 4119.01, 4120, 4127.1, 4127.2, 4128.2, 4129.1, 4129.2, 4130, 4160, 4161, 4180, 4180.5, 4187, 4190, 4196, 4200, 4202, 4202.5, 4203, 4208, 4210, 4304, 4400, 4401 and 4403, Business and Professions Code.

Application Fees	2014 Fee	Current Fee (2017)	Proposed Fee (2020)	Increase between 2014 and 2020	Increase between 2017 and 2020
Individual License Types					
Advanced Practice Pharmacist	\$ 300.00	\$ 300.00	\$ 300.00	0%	0%
Designated Representative (EXC)	\$ 330.00	\$ 150.00	\$ 180.00	-45%	20%
Designated Representative (EXV)	\$ 330.00	\$ 150.00	\$ 180.00	-45%	20%
Designated Representative (3PL)	\$ 330.00	\$ 150.00	\$ 180.00	-45%	20%
Designated Representative (Reverse Dist)	-	\$ 150.00	\$ 180.00	NEW	20%
Designated Paramedic	-	\$ 140.00	\$ 140.00	NEW	0%
Intern Pharmacist	\$ 115.00	\$ 165.00	\$ 197.50	72%	20%
Pharmacist Exam	\$ 260.00	\$ 260.00	\$ 272.50	5%	5%
Pharmacist Exam Retake	\$ 260.00	\$ 260.00	\$ 272.50	5%	5%
Pharmacist Licensure	\$ 195.00	\$ 195.00	\$ 205.00	5%	5%
Pharmacy Technician	\$ 105.00	\$ 140.00	\$ 167.50	60%	20%
Site License Types					
340B ADDS	-	\$ 300.00	\$ 300.00	NEW	0%
APDS	-	\$ 200.00	\$ 200.00	NEW	0%
AUDS	-	\$ 200.00	\$ 200.00	NEW	0%
Centralized Hospital Packaging	\$ 800.00	\$ 820.00	\$ 985.00	23%	20%
Clinic Permit	\$ 520.00	\$ 520.00	\$ 545.00	5%	5%
Co-Location Agreement App	-	\$ 750.00	\$ 750.00	NEW	0%
Correctional ADDS	-	\$ 200.00	\$ 200.00	NEW	0%
Correctional Clinic	-	\$ 520.00	\$ 520.00	NEW	0%
Drug Room Application	\$ 520.00	\$ 520.00	\$ 545.00	5%	5%
EMSADDS	-	\$ 100.00	\$ 100.00	NEW	0%
Hospital Application	\$ 520.00	\$ 520.00	\$ 545.00	5%	5%
Hospital Satellite Compounding Pharmacy	-	\$ 1,645.00	\$ 2,305.00	NEW	40%
Hypodermic Needle	\$ 165.00	\$ 170.00	\$ 205.00	24%	21%
Non-Resident 3PL Application Fee	\$ 780.00	\$ 780.00	\$ 800.00	3%	3%
Non-Resident Pharmacy	\$ 520.00	\$ 520.00	\$ 545.00	5%	5%
Non-Resident Outsourcing Facility	-	\$ 2,380.00	\$ 3,335.00	NEW	40%
Non-Resident Sterile Compounding	\$ 780.00	\$ 2,380.00	\$ 3,335.00	328%	40%
Non-Resident Wholesale (OSD)	\$ 780.00	\$ 780.00	\$ 800.00	3%	3%
Non-Resident Wholesaler 21+ facilities	\$ 780.00	\$ 780.00	\$ 800.00	3%	3%
Outsourcing Facility	-	\$ 2,270.00	\$ 3,180.00	New	40%
Pharmacy	\$ 520.00	\$ 520.00	\$ 545.00	5%	5%
Remote Dispense Site Pharmacy	-	\$ 520.00	\$ 545.00	NEW	5%
Sterile Compounding	\$ 780.00	\$ 1,645.00	\$ 2,305.00	196%	40%
3PL Application Fee	\$ 780.00	\$ 780.00	\$ 800.00	3%	3%
Vet Food-Animal Drug Retailer	\$ 425.00	\$ 435.00	\$ 522.50	23%	20%
Wholesale Drug	\$ 780.00	\$ 780.00	\$ 800.00	3%	3%
Wholesaler w/more 21+ facilities	\$ 780.00	\$ 780.00	\$ 800.00	3%	3%
Wholesaler ESMP	-	\$ 780.00	\$ 780.00	NEW	0%
Miscellaneous Fees					
Change of Address (Site Only)	\$ 35.00	\$ 45.00	\$ 45.00	29%	0%
Change of Designated Rep-in-Charge	\$ 100.00	\$ 100.00	\$ 115.00	15%	15%
Change of Pharmacist in Charge	\$ 100.00	\$ 100.00	\$ 115.00	15%	15%
Change Responsible Manager	\$ 100.00	\$ 100.00	\$ 115.00	15%	15%
Change of Permit	\$ 100.00	\$ 100.00	\$ 115.00	15%	15%
Duplicate Certificate	\$ 35.00	\$ 45.00	\$ 45.00	29%	0%
Evaluation of Cont. Ed. Courses	\$ 40.00	\$ 40.00	\$ 40.00	0%	0%
Pharmacist Exam Regrade	\$ 115.00	\$ 115.00	\$ 115.00	0%	0%
Retired Pharmacist License	\$ 45.00	\$ 45.00	\$ 45.00	0%	0%
Trans Intern Hrs/License Verification	\$ 30.00	\$ 30.00	\$ 30.00	0%	0%

Temporary License Fees	2014 Fee	Current Fee (2017)	Proposed Fee (2020)	Increase between 2014 and 2020	Increase between 2017 and 2020
Drug Room Temporary Permit	\$ 325.00	\$ 325.00	\$ 325.00	0%	0%
Hospital Temporary Permit	\$ 325.00	\$ 325.00	\$ 325.00	0%	0%
Hospital Satellite Compound Pharmacy Temp	-	\$ 550.00	\$ 715.00	NEW	30%
Non-Resident Pharmacy Temp	\$ 325.00	\$ 325.00	\$ 325.00	0%	0%
Non-Resident Outsourcing Facility Temp	\$ 715.00	\$ 715.00	\$ 715.00	0%	0%
Non-Resident Sterile Compounding Temp	\$ 550.00	\$ 550.00	\$ 715.00	30%	30%
Non-Resident 3PL Temporary	\$ 715.00	\$ 715.00	\$ 715.00	0%	0%
Non-Resident Wholesaler Temp	\$ 715.00	\$ 715.00	\$ 715.00	0%	0%
Pharmacy Temporary Permit	\$ 325.00	\$ 325.00	\$ 325.00	0%	0%
Outsourcing Facility Temporary Permit	\$ 715.00	\$ 715.00	\$ 715.00	0%	0%
Remote Dispensing Site Pharmacy Temp	-	\$ 325.00	\$ 325.00	NEW	0%
Sterile Compounding Temp	\$ 550.00	\$ 550.00	\$ 715.00	30%	30%
3PL Temporary	\$ 715.00	\$ 715.00	\$ 715.00	0%	0%
Vet Food-Animal Drug Retailer Temp	\$ 250.00	\$ 250.00	\$ 250.00	0%	0%
Wholesaler Temporary	\$ 715.00	\$ 715.00	\$ 715.00	0%	0%
Renewal Fees	2014 Fee	Current Fee (2017)	Proposed Fee (2020)	Increase between 2014 and 2020	Increase between 2017 and 2020
Biennial					
Advanced Practice Pharmacist	\$ 300.00	\$ 300.00	\$ 300.00	0%	0%
Pharmacist License	\$ 195.00	\$ 360.00	\$ 432.50	122%	20%
Pharmacy Technician	\$ 130.00	\$ 140.00	\$ 167.50	29%	20%
Annual					
Designated Representative (EXC)	\$ 195.00	\$ 215.00	\$ 257.50	32%	20%
Designated Representative (EXV)	\$ 195.00	\$ 215.00	\$ 257.50	32%	20%
Designated Representative (3PL)	\$ 195.00	\$ 215.00	\$ 257.50	32%	20%
Designated Representative (Reverse Dist)	-	\$ 215.00	\$ 257.50	New	20%
Designated Paramedic	-	\$ 140.00	\$ 140.00	New	0%
340B ADDS	-	\$ 300.00	\$ 300.00	New	0%
APDS	-	\$ 200.00	\$ 200.00	New	0%
AUDS	-	\$ 200.00	\$ 200.00	New	0%
Centralized Hospital Packaging	\$ 800.00	\$ 805.00	\$ 965.00	21%	20%
Clinic Permit	\$ 325.00	\$ 325.00	\$ 342.50	5%	5%
Correctional ADDS	-	\$ 200.00	\$ 200.00	New	0%
Correctional Clinic	-	\$ 325.00	\$ 325.00	New	0%
Drug Room Application	\$ 665.00	\$ 665.00	\$ 797.50	20%	20%
EMSADDS	-	\$ 100.00	\$ 100.00	New	0%
Hospital Application	\$ 665.00	\$ 665.00	\$ 797.50	20%	20%
Hospital Satellite Compounding Pharmacy	-	\$ 1,325.00	\$ 1,855.00	New	40%
Hypodermic Needle	\$ 165.00	\$ 200.00	\$ 240.00	45%	20%
Non-Resident 3PL	\$ 780.00	\$ 780.00	\$ 800.00	3%	3%
Non-Resident Pharmacy	\$ 665.00	\$ 665.00	\$ 797.50	20%	20%
Non-Resident Outsourcing Facility	-	\$ 2,270.00	\$ 3,180.00	New	40%
Non-Resident Sterile Compounding	\$ 780.00	\$ 2,270.00	\$ 3,180.00	308%	40%
Non-Resident Wholesale (OSD)	\$ 780.00	\$ 780.00	\$ 800.00	3%	3%
Non-Resident Wholesaler 21+ facilities	\$ 780.00	\$ 780.00	\$ 800.00	3%	3%
Outsourcing Facility	-	\$ 1,325.00	\$ 1,855.00	New	40%
Pharmacy	\$ 325.00	\$ 665.00	\$ 797.50	145%	20%
Remote Dispense Site Pharmacy	-	\$ 665.00	\$ 797.50	New	20%
Sterile Compounding	\$ 780.00	\$ 1,325.00	\$ 1,855.00	138%	40%
Third-Party Logistics Provider	\$ 780.00	\$ 780.00	\$ 800.00	3%	3%
Vet Food-Animal Drug Retailer	\$ 325.00	\$ 330.00	\$ 395.00	22%	20%
Wholesale Drug	\$ 780.00	\$ 780.00	\$ 800.00	3%	3%
Wholesaler w/more 21+ facilities	\$ 780.00	\$ 780.00	\$ 800.00	3%	3%
Wholesaler ESMP	-	\$ 780.00	\$ 780.00	New	0%

Renewal Delinquency Fees	2014 Fee	Current Fee (2017)	Proposed Fee (2020)	Increase between 2014 and 2020	Increase between 2017 and 2020
Biennial					
Advanced Practice Pharmacist	\$ 150.00	\$ 150.00	\$ 150.00	0%	0%
Pharmacist Licensure	\$ 97.50	\$ 150.00	\$ 150.00	54%	0%
Pharmacy Technician	\$ 65.00	\$ 70.00	\$ 83.75	29%	20%
Annual					
Designated Representative (EXC)	\$ 97.50	\$ 107.50	\$ 128.75	32%	20%
Designated Representative (EXV)	\$ 97.50	\$ 107.50	\$ 128.75	32%	20%
Designated Representative (3PL)	\$ 97.50	\$ 107.50	\$ 128.75	32%	20%
Designated Representative (Reverse Dist)	-	\$ 107.50	\$ 128.75	NEW	20%
Designated Paramedic	-	\$ 70.00	\$ 70.00	NEW	0%
340B ADDS	-	\$ 150.00	\$ 150.00	NEW	0%
APDS	-	\$ 100.00	\$ 100.00	NEW	0%
AUDS	-	\$ 100.00	\$ 100.00	NEW	0%
Centralized Hospital Packaging	\$ 150.00	\$ 150.00	\$ 150.00	0%	0%
Clinic Permit	\$ 150.00	\$ 150.00	\$ 150.00	0%	0%
Correctional ADDS	-	\$ 100.00	\$ 100.00	NEW	0%
Correctional Clinic	-	\$ 150.00	\$ 150.00	NEW	0%
Drug Room Application	\$ 150.00	\$ 150.00	\$ 150.00	0%	0%
EMSADDS	-	\$ 35.00	\$ 35.00	0%	0%
Hospital Application	\$ 150.00	\$ 150.00	\$ 150.00	0%	0%
Hospital Satellite Compounding Pharmacy	-	\$ 150.00	\$ 150.00	0%	0%
Hypodermic Needle	\$ 82.50	\$ 100.00	\$ 120.00	45%	20%
Non-Resident 3PL	\$ 150.00	\$ 150.00	\$ 150.00	0%	0%
Non-Resident Pharmacy	\$ 150.00	\$ 150.00	\$ 150.00	0%	0%
Non-Resident Outsourcing Facility	-	\$ 150.00	\$ 150.00	NEW	0%
Non-Resident Sterile Compounding	\$ 150.00	\$ 150.00	\$ 150.00	0%	0%
Non-Resident Wholesale (OSD)	\$ 150.00	\$ 150.00	\$ 150.00	0%	0%
Non-Resident Wholesaler 21+ facilities	\$ 150.00	\$ 150.00	\$ 150.00	0%	0%
Outsourcing Facility	-	\$ 150.00	\$ 150.00	NEW	0%
Pharmacy	\$ 150.00	\$ 150.00	\$ 150.00	0%	0%
Remote Dispense Site Pharmacy	-	\$ 150.00	\$ 150.00	0%	0%
Sterile Compounding	\$ 150.00	\$ 150.00	\$ 150.00	0%	0%
Third-Party Logistics Providers	\$ 150.00	\$ 150.00	\$ 150.00	0%	0%
Vet Food-Animal Drug Retailer	\$ 125.00	\$ 150.00	\$ 150.00	20%	0%
Wholesale Drug	\$ 150.00	\$ 150.00	\$ 150.00	0%	0%
Wholesaler w/more 21+ facilities	\$ 150.00	\$ 150.00	\$ 150.00	0%	0%
Wholesaler ESMP	-	\$ 150.00	\$ 150.00	0%	0%

California State Board of Pharmacy

Analysis of Fund Condition and Fee Structure

Introduction

The California State Board of Pharmacy (Board) partnered with the Department of Consumer Affairs (Department) Budget Office to conduct an analysis of the Board's fund condition and fee structure. The purpose of this analysis is to determine the sustainability of the Board's fund and to ensure that the Board is collecting sufficient revenue to fully reimburse the Board for the cost of regulating the Pharmaceutical industry.

This report is intended to provide the Board with the information necessary to make an informed decision in regards to addressing the Board's fund condition and assessing the Board's fee structure in the future. It does not take into consideration any future legislative impacts to the Board or any policy directions that may be taken by the Board.

Analysis of Fund Condition

The Board's fund is a special fund within the State of California and is fully supported by fees assessed to the Board's licensee population. In assessing the Board's fund, we looked at four main factors: Revenue, Expenditures, Fund Balance/Reserve and Months in Reserve. Months in Reserve (MIR) is a calculation used to determine how many months a program can operate using only their reserve. Business and Professions code section 128.5 requires the Board to carry a reserve of no more than two fiscal years' (FY) worth of operating expenses. A reserve of at least 3-12 months is recommended and Business and Professions code section 4400 (p) provides the intent of the legislature for the Board to maintain a reserve level of at least one year (twelve months).

In the period of FY 2011-12 to FY 2014-15, the Board's expenditures have outpaced the Board's revenue each year, reducing the Board's reserve balance from \$13,557,000 (11.7 MIR) in FY 2011-12 to \$11,741,000 (6.8 MIR) in FY 2014-15. During this same period, revenue for the Board increased by 43% while expenditures increased by 49%. The revenue increase was primarily a result of a regulatory fee increase that became effective July 1, 2014. The expenditure increases were a result of a series of budget augmentations between FY 2010-11 and FY 2014-15 which increased the Board's staffing levels and authorized expenditure authority. These increases are in addition to annual baseline budget adjustments

made for retirement rate, health benefit rate and employee compensation adjustments. The major budget adjustments that affected the Board are listed below:

FY 2010-11

- Consumer Protection Enforcement Initiative (CPEI): 22.5 positions & \$2.903 million
- Licensing Support: 2.0 positions, \$94,000

FY 2011-12

- BreEZe: \$51,000 (one-time)

FY 2012-13

- BreEZe: \$336,000 (one-time)

FY 2013-14

- Senate Bill (SB) 1095: 1.0 position & \$164,000
- BreEZe: \$534,000 (one-time)
- Attorney General Augmentation: \$1.742 million (one-time)

FY 2014-15

- Combatting Prescription Drug Abuse: 8.0 positions & \$1.3 million
- Enforcement Monitoring: 2.0 positions & \$185,000
- SB 493 - Staffing Augmentation: 3.0 positions & \$390,000
- SB 294 - Staffing Augmentation: 7.0 positions & \$1.264 million
- BreEZe: \$587,000 (one-time)
- Attorney General Augmentation: \$1.9 million (one time)

As a result of the Board's increased expenditures outpacing their revenue, the fund's MIR has declined by approximately five months since FY 2011-12 (from 11.7 MIR to 6.8 MIR) and is projected to drop to 0.3 MIR by FY 2017-18.

Cite and Fine Revenue

One of the difficulties in analyzing the Board's fund condition, as well as the license fees is how to address cite and fine revenue collected by the Board. By its nature, this type of revenue can fluctuate and is inherently not consistent. However, over the last five years, cite and fine revenue has represented approximately nine percent of the Board's annual revenue and has brought in over one million each year. While the Board is cautious to not depend on this revenue, the average amount that is collected annually has been included in all revenue estimates presented in this report.

Reimbursements

Another difficulty in analyzing the fund condition is the collection of reimbursements. The Board collects reimbursements from several sources, most notably from investigative cost recovery, sterile compounding facilities who reimburse the Board for the cost to inspect their facilities, and the processing of fingerprint hard-cards. Reimbursements are not treated as revenue and are instead treated as an offset to the Board's expenditures.

The Board has existing reimbursement authority of \$251,000, which is already factored into their fund condition, however the over collection of reimbursements past the amount authorized is not normally projected in a fund condition. Historically, the Board has over collected their authorized reimbursement authority by an average of \$453,000 over the last five years. While this over collection of reimbursements is potentially volatile, it should still be considered when looking at the Board's expenditures when determining the funds ongoing balance. For this reason, the fund condition provided in table 1.1 includes the estimated over collection of reimbursements in each projected year as an offset to the Board's expenditures.

Attorney General Costs

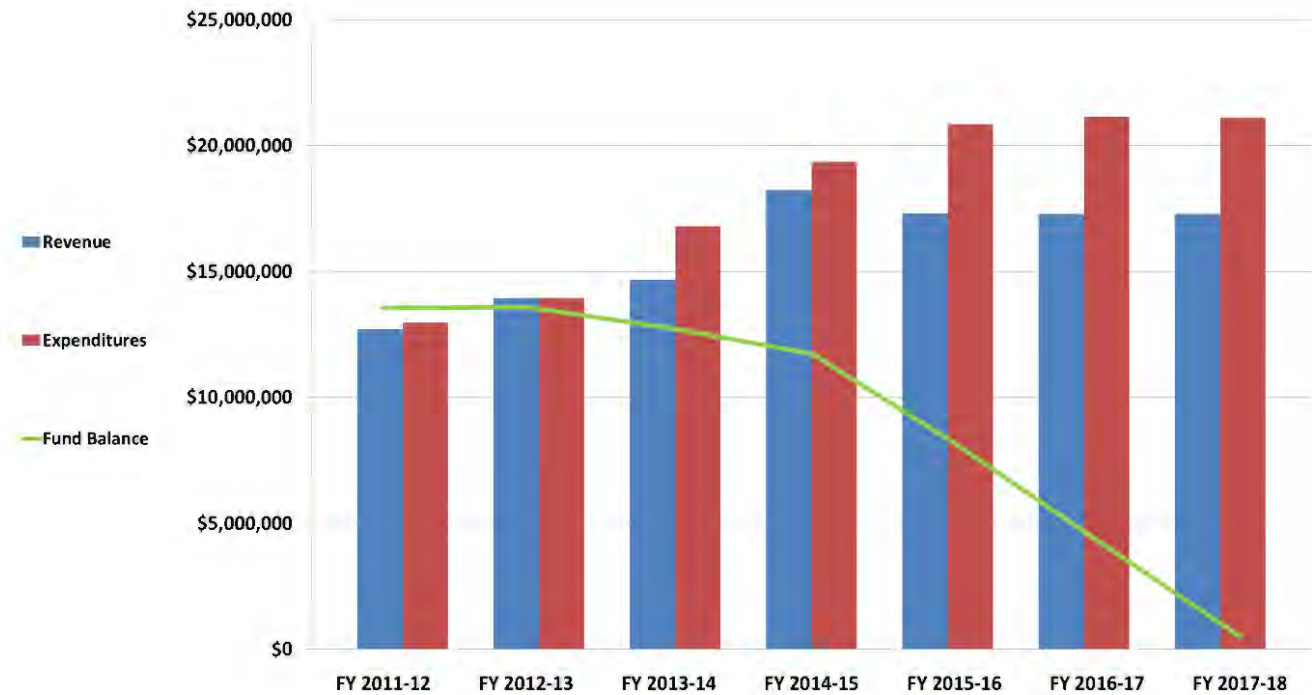
For the past two years, the Board has over-expended its Attorney General (AG) line item by approximately \$1.5 million. This has required the Board to pursue a current year budget augmentation to its AG line item in order to increase its appropriation to address the budget shortfall caused by the increased AG expenditures. Based on historical trends, it is a safe assumption that the Board will be required to pursue an AG augmentation of approximately \$1.5 million on an ongoing basis, which is projected in Table 1.1.

Fund Analysis Summary

The end result of this analysis is a fund that is structurally imbalanced, with expenditures estimated to exceed revenue by approximately \$3.5 million in FY 2015-16, and the disparity between revenues and expenditures is only estimated to become greater in each subsequent FY, assuming the Board fully expends their appropriation authority. Assuming this trend, the Board's MIR is estimated to drop to the three month recommendation by as early as FY 2016-17, as evidenced in Table 1.1. Despite the Board's cite and fine revenue and over collection of reimbursements, it appears that their current level of fees may prove to be inadequate to support the Board's current level of expenditures, especially if those expenditures continue to increase at a similar level to what has been experienced over the last five years.

Table 1.1 – Fund Condition

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	Actual				Projected*		
Beginning Fund Balance	\$ 13,678,000	\$ 13,557,000	\$ 13,595,000	\$ 12,770,000	\$ 11,741,000	\$ 8,184,000	\$ 4,331,000
Prior Year Adjustment	\$ 147,000	\$ 40,000	\$ 290,000	\$ 108,000	\$ -	\$ -	\$ -
Total Revenue	\$ 12,703,000	\$ 13,933,000	\$ 14,674,000	\$ 18,227,000	\$ 17,295,000	\$ 17,288,000	\$ 17,281,000
Transfers/General Fund Loans	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 12,971,000	\$ 13,935,000	\$ 16,789,000	\$ 19,364,000	\$ 20,852,000	\$ 21,141,000	\$ 21,114,000
Ending Fund Balance	\$ 13,557,000	\$ 13,595,000	\$ 12,770,000	\$ 11,741,000	\$ 8,184,000	\$ 4,331,000	\$ 498,000
Months in Reserve	11.7	9.7	7.9	6.8	4.6	2.5	0.3



* Projected years assume full budget appropriation is expended

Analysis of Fees

In the effort to analyze the Board's fee structure, it is necessary to determine the true cost of each fee based on the Board resources dedicated to each application type. The main goal of the analysis was to zero base the Board's budget down to the services behind processing each initial and renewal application the Board is required to process. To understand the scope behind our methodology, our analysis was required to identify the direct and indirect costs for each of the license types.

- **Direct Costs** - Costs associated with the actual processing of the license. The Board submitted various time tasking data on the various positions that are required to process each initial and renewal application. Also, the Board identified specific

operating expenses directly related to the cost of providing the service for each of the various license types. For example, the Board identified examination costs directly related to the initial application for Pharmacists or Inspectors and Supervising Inspectors directly related to the inspection of Sterile Compounding facilities required for an initial license and to renew a license.

- **Indirect Costs** - Costs that are not directly related to the cost of providing the service of processing initial and renewal applications. These costs are mainly related to enforcement actions that the Board makes to regulate the industry and protect consumers. For example, Attorney General costs that are related to prosecuting a licensee for a violation, and enforcement positions that are required to process enforcement related items for licensees that violate the Board's rules and regulations are items that would be considered an indirect enforcement cost. Another indirect costs is administrative costs such as prorata and general operating expense of the Board. These costs are not directly related to any specific license category but are necessary to effectively provide the services related to processing each of the license types.

In order to better determine the direct and indirect costs, the Board's budget was broken out into three main cost centers: Licensing, Enforcement, and Administrative.

- **Licensing Costs** - Costs to support the Board's licensing program. These costs are mainly salaries and staff benefits for licensing support staff and direct operating expenses such as examinations contracts, subject matter experts and exam proctors.
- **Enforcement Costs** - Costs to support the Board's enforcement program. These costs are mainly salaries and staff benefits for pharmacy inspectors and supervising inspectors and enforcement support staff in addition to operating expenses covering the Board's Attorney General, Office of Administrative Hearings, Evidence/Witness fees and Court Reporter costs.
- **Administrative Costs** - Costs to support the Board's operations. These costs are mainly salaries and staff benefits for executive and administrative support staff, departmental and statewide prorata, and miscellaneous operating expenses covering the Board's general expense, printing, postage, facility and communication costs.

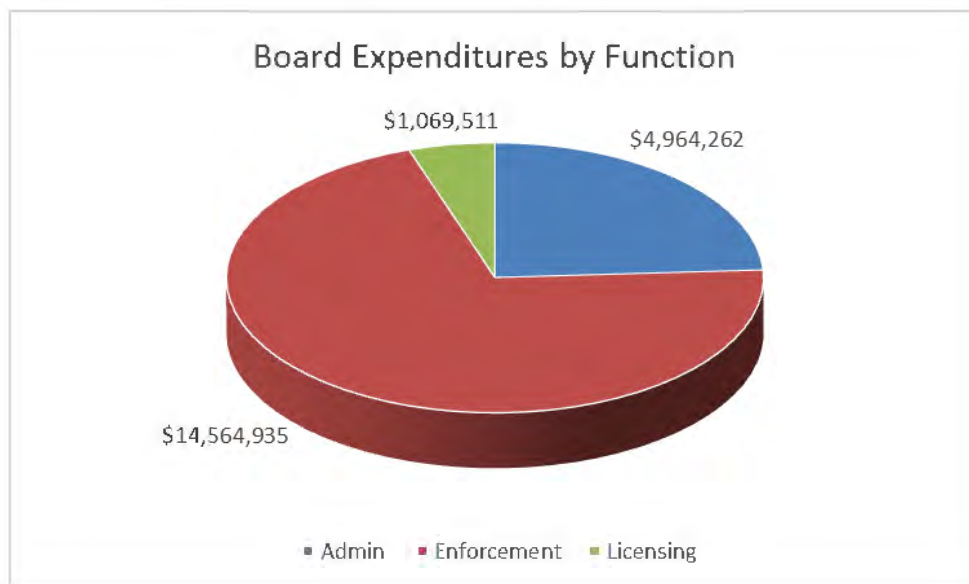
Most operating expenses and other non-staff costs are allocated into each cost center based on a ratio of each initial and renewal applications to the total count of initial and renewal applications received by the Board, except in cases where the operating expense directly correlates to a cost center. As an example, the Board's Attorney General and Office of Administrative Hearings costs are included with the Enforcement cost center as it directly represents enforcement related expenditures. The table below shows the applications broken down to the Board's various license categories

Table 1.2 – Application by License Type based on FY 2014-15

Application License Type	Initial	Renewal	Initial %	Renewal %
	17,572	62,327	22%	78%
Pharmacy (Community) Application	1,581		9%	
Pharmacy (Community) Renewal		5,878		9%
Registered Pharmacist Exam Application	3,122		18%	
Registered Pharmacist Licensing	2,093		12%	
Registered Pharmacist Renewal		19,103		31%
Non-Resident Compounding Application	22		0.1%	
Non-Resident Compounding Renewal		79		0.1%
Licensed Sterile Compounding Application	146		1%	
Licensed Sterile Compounding Renewal		824		1%
Veterinarian Retailer Application	1		0.01%	
Veterinarian Retailer Renewal		18		0.03%
Hypodermic Application	32		0.2%	
Hypodermic Renewal		260		0.4%
Non-Resident Pharmacy Application	167		1.0%	
Non-Resident Pharmacy Renewal		398		0.6%
Pharmacist Intern Application	2,329		13%	
Pharmacy Technician Application	7,151		41%	
Pharmacy Technician Renewal		30,718		49%
Clinic Application	117		1%	
Clinic Renewal		1,186		2%
Out-of-State Distributor Application	112		1%	
Out-of-State Distributor Renewal		666		1%
Wholesaler Application	86		0.5%	
Wholesaler Renewal		497		1%
Centralized Hospital Packaging Application	5		0.03%	
Centralized Hospital Packaging Renewal		1		0.002%
Designated Representative Application	608		3%	
Designated Representative Renewals		2,699		4%
Totals	17,572	62,327	100%	100%

Based on our findings, the majority of the Board's costs reside in its Enforcement cost center (71%). The table below displays the costs broken down by cost center.

Table 1.3 - Board Expenditures by Function



These cost centers represent either a direct cost to a licensing fee, or an indirect cost that needs to be allocated to each fee. Based on the structure of the Board, the Licensing cost center represents the direct cost to process each license type while Enforcement and Administration costs need to be allocated separately to each license type. Collectively, the direct and allocated costs ultimately identify the actual cost to the Board of each license fee.

In the analysis of the Board's fee structure, the focus was on the application and renewal fees for each license type. Cite and Fine revenue as well as reimbursements were not considered when analyzing the Board's cost for each application type, with the exception of reimbursements related to non-resident sterile compounding facilities, which was treated as a direct offset to the cost to provide services for those license types.

Direct Cost Methodology

The first step taken in the assessment of the fees was to determine what direct costs could be attributed to each license type for both initial and renewal applications. The Budget Office worked in close collaboration with the Board in their effort to conduct a time based study of the licensing workload associated with each license type. Based off the time tasking that was conducted by the Board, specific time durations and position level costs were able to be

identified for each license type allowing the total licensing costs to process each license type to be calculated.

Additional licensing expenses that were not captured in the time tasking analysis were distributed to each license type, based on a ratio of each initial and renewal applications to the total count of initial and renewal applications received by the Board as referenced on Table 1.3.

Allocation Methodology

In addition to licensing costs, the Board's budget was also broken into Administrative and Enforcement costs. Each of these cost centers has been distributed using a variety of cost distribution methodologies. Some costs were required to be broken out separately in an effort to more accurately distribute the costs across each license fee.

Allocation of Administrative Costs

Administrative costs include the Board's Executive staff, support staff and associated operating expenses, including Department and Statewide Prorata expenses. These costs were allocated using two different methodologies.

Department and Statewide prorata costs were distributed using a position allocation method, which specifically distributed costs to the Licensing, Enforcement and Administrative cost centers based on the number of authorized staff dedicated to process each license type.

All other administrative staff, benefit and operating expenses were allocated to each license type based on the ratio of each application to the total applications received by the Board.

Allocation of Enforcement Costs

Enforcement costs include the Board's inspector staff, support staff and associated operating expenses, including Attorney General, Office of Administrative Hearings, evidence and witness and court reporter expenses. The majority of the Board's Enforcement activity is directly related to the Board's existing licensee population, and as a result enforcement costs are weighted more heavily on renewal versus initial applications. The assumption is that the work to enforce a license should be borne by the existing licensee population versus individuals applying for a license.

Once this ratio was applied, all Enforcement costs were distributed based on the percentage of workload for each license type. The Enforcement staff costs are distributed by utilizing a combination of the time tasking and the workload associated with each license type. Since

time tasking was not provided for the majority of the Board's Enforcement positions, the costs and position authority not identified through time tasking needed to be reallocated based on the number of cases referred to the Attorney General's Office by the Board. For example, based on FY 2014-15 data, approximately 15% of the cases that were referred to the Attorney General related to Pharmacy Technicians. As a result, our analysis allocated 15% of the costs and position authority not identified through time tasking to the Pharmacy Technician Renewal application.

Conclusion and Recommendations

Based on this analysis, it is clear that the Board's current level of fees is not sufficient to keep the Board's fund solvent in the long term. Additionally, many fees appear to need to be adjusted to reflect the actual cost to the Board to provide service and process each license type. The Board should evaluate the application/renewal fee cost analysis (attachment 1) provided in this report to determine which fees should be adjusted and to what levels. Based on the information provided in table 1.1, the Board needs to be prudent in this decision process, as the Board's annual revenue needs to be increased to both match their existing level of expenditures and to account for future cost increases that may be incurred. Without an adjustment to the Board's revenue, it is estimated that the Board's fund may go insolvent as soon as FY 2018-19.

Due to the fact that all of the Board's fees are currently set to their statutory maximums, it is recommended that the Board pursue legislation to increase the Board's fee ceilings in statute. Without doing so, the Board lacks the ability to adjust fees and could risk having a funding shortfall. The Board should look to set the new fee ceilings at a rate that would allow the Board the flexibility to adjust fees through the more agile regulatory process and maintain the fund's solvency through the next ten years. The Board may also want to factor in anticipated increases to their costs, especially given that the Board's expenditures have increased by approximately 50% since FY 2011-12.

Based on attachment 1, the Board may elect to adjust the ceilings for all fees to provide the Board with the ability to adjust fees via the regulatory process versus through statute, or the Board can elect to adjust the ceilings for only those fees found to be insufficient to cover the Board's actual cost to provide service.

It is also recommended that the Board periodically audit their program costs and fee levels at least once every five years to ensure that the fee levels are consistent with the Board's cost of service for each license type.

Attachments

- Application/Renewal Fee Cost Analysis

California State Board of Pharmacy

Application/Renewal Fee Cost Analysis
(FY 2014-15 Revenues and Authorized Budget)

Application Type	Statutory Cap	Current Fee	Revenue	Total Cost *	Difference	Adjusted Fee	Variance
Pharmacy (Community) Application	\$ 520	\$ 520	\$ 822,120	\$ 510,245	\$ -311,875	\$ 323	-38%
Pharmacy (Community) Renewal	\$ 325	\$ 325	\$ 1,910,350	\$ 3,894,244	\$ 1,983,894	\$ 663	104%
Registered Pharmacist Exam Application	\$ 260	\$ 260	\$ 811,720	\$ 635,468	\$ -176,252	\$ 204	-22%
Registered Pharmacist Licensing	\$ 195	\$ 195	\$ 408,135	\$ 314,030	\$ -94,105	\$ 150	-23%
Registered Pharmacist Renewal	\$ 195	\$ 195	\$ 3,725,085	\$ 6,849,154	\$ 3,124,069	\$ 359	84%
Non-Resident Compounding Application	\$ 780	\$ 780	\$ 17,160	\$ 52,307	\$ 35,147	\$ 2,378	205%
Non-Resident Compounding Renewal	\$ 780	\$ 780	\$ 61,620	\$ 179,041	\$ 117,421	\$ 2,266	191%
Licensed Sterile Compounding Application	\$ 780	\$ 780	\$ 130,260	\$ 274,267	\$ 144,007	\$ 1,642	111%
Licensed Sterile Compounding Renewal	\$ 780	\$ 780	\$ 642,720	\$ 1,090,319	\$ 447,599	\$ 1,323	70%
Veterinarian Retailer Application	\$ 425	\$ 425	\$ 425	\$ 434	\$ 9	\$ 434	2%
Veterinarian Retailer Renewal	\$ 325	\$ 325	\$ 5,850	\$ 5,900	\$ 50	\$ 328	1%
Hypodermic Application	\$ 165	\$ 165	\$ 5,280	\$ 5,305	\$ 25	\$ 166	0%
Hypodermic Renewal	\$ 165	\$ 165	\$ 42,900	\$ 51,953	\$ 9,053	\$ 200	21%
Non-Resident Pharmacy Application	\$ 520	\$ 520	\$ 75,920	\$ 51,801	\$ -24,119	\$ 355	-32%
Non-Resident Pharmacy Renewal	\$ 325	\$ 325	\$ 129,350	\$ 81,104	\$ -48,246	\$ 204	-37%
Pharmacist Intern Application	\$ 115	\$ 115	\$ 267,835	\$ 379,767	\$ 111,932	\$ 163	42%
Pharmacy Technician Application	\$ 105	\$ 105	\$ 750,855	\$ 965,123	\$ 214,268	\$ 135	29%
Pharmacy Technician Renewal	\$ 130	\$ 130	\$ 3,993,340	\$ 3,840,214	\$ -153,126	\$ 125	-4%
Clinic Application	\$ 520	\$ 520	\$ 60,840	\$ 20,941	\$ -39,899	\$ 179	-66%
Clinic Renewal	\$ 325	\$ 325	\$ 385,450	\$ 240,362	\$ -145,088	\$ 203	-38%
Out-of-State Distributor Application	\$ 780	\$ 780	\$ 87,360	\$ 15,999	\$ -71,361	\$ 143	-82%
Out-of-State Distributor Renewal	\$ 780	\$ 780	\$ 519,480	\$ 131,900	\$ -387,580	\$ 198	-75%
Wholesaler Application	\$ 780	\$ 780	\$ 67,080	\$ 10,642	\$ -56,438	\$ 124	-84%
Wholesaler Renewal	\$ 780	\$ 780	\$ 387,660	\$ 100,990	\$ -286,670	\$ 203	-74%
Centralized Hospital Packaging Application	\$ 800	\$ 800	\$ 4,000	\$ 4,095	\$ 95	\$ 819	2%
Centralized Hospital Packaging Renewal	\$ 800	\$ 800	\$ 800	\$ 805	\$ 5	\$ 805	1%
Designated Representative Application	\$ 330	\$ 330	\$ 200,640	\$ 89,477	\$ -111,163	\$ 147	-55%
Designated Representative Renewals	\$ 195	\$ 195	\$ 526,305	\$ 575,248	\$ 48,943	\$ 213	9%
Application/Renewal Totals			\$16,040,540	\$ 20,371,134	\$ 4,330,594		
Misc Revenue (Includes Cite and Fine)	Various	Various	\$ 2,236,460		N/A	Various	Various
Board Totals			\$18,277,000	\$ 20,371,134	\$ 2,094,134		

* Based on authorized net expenditures, costs do not include any over collection of reimbursements with the exception of non-resident sterile compounding reimbursements

LICENSING & CERTIFICATION PROGRAM

FISCAL YEAR 2018/19 HEALTH CARE FACILITY LICENSE FEES

Effective: July 1, 2018 - June 30, 2019

Facility Type	Fee Per	Amount (see Note below)	
		Statewide	Los Angeles County Supplemental Fee **
Acute Psychiatric Hospitals	Bed	\$ 550.00	\$ 55.00
Adult Day Health Centers	Facility	\$ 6,242.00	\$ -
Alternative Birthing Centers	Facility	\$ 2,737.00	\$ -
Chemical Dependency Recovery Hospitals	Bed	\$ 321.00	\$ -
Chronic Dialysis Clinics	Facility	\$ 3,431.00	\$ 1,102.00
Primary Care Clinics - Community Clinics/Free Clinics	Facility	\$ 1,483.00	\$ 78.00
Congregate Living Health Facilities	Bed	\$ 644.00	\$ 158.00
Correctional Treatment Centers	Bed	\$ 1,185.00	\$ -
District Hospital Less Than 100 Beds	Bed	\$ 550.00	\$ 55.00
General Acute Care Hospitals	Bed	\$ 550.00	\$ 55.00
Home Health Agencies	Facility	\$ 2,762.00	\$ 908.00
Hospices (2-Year License Total)	Facility	\$ 2,970.00	\$ 884.00
Hospice Facilities	Bed	\$ 524.00	\$ -
Intermediate Care Facilities (ICF)	Bed	\$ 644.00	\$ -
ICF/Developmentally Disabled (DD)	Bed	\$ 1,199.00	\$ 305.00
ICF/DD - Habilitative	Bed	\$ 1,199.00	\$ 305.00
ICF/DD - Nursing	Bed	\$ 1,199.00	\$ 305.00
Pediatric Day Health and Respite Care Facility	Bed	\$ 311.00	\$ -
Psychology Clinics	Facility	\$ 2,853.00	\$ -
Referral Agencies	Facility	\$ 3,729.00	\$ -
Rehab Clinics	Facility	\$ 536.00	\$ 119.00
Skilled Nursing Facilities *	Bed	\$ 648.00	\$ 158.00
Special Hospitals	Bed	\$ 550.00	\$ 55.00
Surgical Clinics	Facility	\$ 5,136.00	\$ 1,157.00

Data Source: Center for Health Care Quality Final Fee List for Fiscal Year 2018-19

* SNF license fee includes the statewide fee of \$644 and the California Department of Aging SNF LTC Ombudsman program fee of \$4.