

## CENTRALIZED PRESCRIPTION PROCESSING

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**House Bill 4434**

**Sponsor: Rep. Scott Hummel**

**Committee: Health Policy**

**Complete to 3-14-05**

### A SUMMARY OF HOUSE BILL 4434 AS INTRODUCED 3-2-05

The bill would amend the Public Health Code to allow a licensed pharmacy to perform "centralized prescription processing services," or to outsource those services to another licensed pharmacy, if certain conditions are satisfied.

The term "centralized prescription processing" would be defined to mean the processing by a pharmacy of a request from another pharmacy to prepare a prescription drug order or to perform processing functions such as dispensing, performing drug utilization review, completing claims adjudication, obtaining refill authorizations, and initiating therapeutic interventions.

Under the bill, the following conditions would each have to be satisfied.

- 1) The pharmacies would need to have the same owner or have a written contract outlining the services to be provided and the responsibilities and accountabilities of each pharmacy in fulfilling the terms of the contract in compliance with federal and state laws and regulations.
- 2) The pharmacies would have to share a common electronic file or have appropriate technology to allow access to sufficient information necessary or required to prepare a prescription drug order.

Under the bill, a licensed pharmacy that performed, or contracted for, centralized prescription processing services, would have to maintain a policy and procedures manual, along with documentation that implementation was occurring, to be made available to the board for inspection and review on request.

The manual would have to include at least the following.

**\*\* A description of how the pharmacies will comply with federal and state laws and regulations.**

**\*\* The maintenance of appropriate records to identify the responsible pharmacist, or pharmacists, in the various stages of drug product preparation, dispensing, and counseling process.**

\*\* The maintenance of a mechanism for tracking the prescription drug order during each step in the drug product preparation, dispensing, and counseling process.

\*\* The maintenance of a mechanism to identify on the prescription label each pharmacy involved in the preparation and dispensing of the prescription drug order.

\*\* The provision of adequate security to protect the confidentiality and integrity of a patient's protected health information.

\*\* The maintenance of a quality improvement program for pharmacy services designed to objectively and systematically monitor and evaluate the quality and appropriateness of patient care, pursue opportunities to improve patient care, and resolve identified problems.

Each prescription drug dispensed under such a system would have to bear a label containing an identifiable code providing a complete audit trail of the preparation and dispensing of the drug and patient care activities.

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#### **FISCAL IMPACT:**

A fiscal analysis is in process.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.