

AMENDED IN SENATE JUNE 14, 2012

AMENDED IN ASSEMBLY MAY 21, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2369

Introduced by Assembly Member Valadao

February 24, 2012

An act to amend Section 5024.2 of the Penal Code, relating to prisoners.

LEGISLATIVE COUNSEL'S DIGEST

AB 2369, as amended, Valadao. Prisoners: pharmacy services.

Existing law authorizes the Department of Corrections and Rehabilitation to maintain and operate a comprehensive pharmacy services program for those facilities under the jurisdiction of the department that is both cost effective and efficient, *and* that may incorporate a requirement for the use of generic medications, when available, unless an exception is reviewed and approved in accordance with an established nonformulary approval process.

This bill would instead require the use of ~~generic~~ *less expensive* medications *as achieved by the statewide pharmaceutical program*, when *those medications are* available, unless an exception is reviewed and approved in accordance with an established nonformulary approval process, or unless the prescriber has indicated on the face of the prescription or on any other appropriate form for electronic prescriptions “dispense as written”.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 5024.2 of the Penal Code is amended to read:

5024.2. (a) The Department of Corrections and Rehabilitation is authorized to maintain and operate a comprehensive pharmacy services program for those facilities under the jurisdiction of the department that is both cost effective and efficient, and may incorporate the following:

(1) A statewide pharmacy administration system with direct authority and responsibility for program administration and oversight.

(2) Medically necessary pharmacy services using professionally and legally qualified pharmacists, consistent with the size and the scope of medical services provided.

(3) Written procedures and operational practices pertaining to the delivery of pharmaceutical services.

(4) A multidisciplinary, statewide Pharmacy and Therapeutics Committee responsible for all of the following:

(A) Developing and managing a department formulary.

(B) Standardizing the strengths and dosage forms for medications used in department facilities.

(C) Maintaining and monitoring a system for the review and evaluation of corrective actions related to errors in prescribing, dispensing, and administering medications.

(D) Conducting regular therapeutic category reviews for medications listed in the department formulary.

(E) Evaluating medication therapies and providing input to the development of disease management guidelines used in the department.

(5) Use of an enterprise-based pharmacy operating system that provides management with information on prescription workloads, medication utilization, prescribing data, and other key pharmacy information.

(b) The comprehensive pharmacy services program shall require the use of ~~generic~~ *less expensive medications as achieved by the statewide pharmaceutical program pursuant to Chapter 12 (commencing with Section 14977) of Part 5.5 of Division 3 of Title 2 of the Government Code*, when those medications are available, unless an exception is reviewed and approved in accordance with

1 an established nonformulary approval process, or unless the
2 prescriber has indicated on the face of the prescription or on any
3 other appropriate form for electronic prescriptions “dispense as
4 written”.

5 (c) The department is authorized to operate and maintain a
6 centralized pharmacy distribution center to provide advantages of
7 scale and efficiencies related to medication purchasing, inventory
8 control, volume production, drug distribution, workforce utilization,
9 and increased patient safety. It is the intent of the Legislature that
10 the centralized pharmacy distribution center and institutional
11 pharmacies be licensed as pharmacies by the California State Board
12 of Pharmacy meeting all applicable regulations applying to a
13 pharmacy.

14 (1) To the extent it is cost effective and efficient, the centralized
15 pharmacy distribution center should include systems to do the
16 following:

17 (A) Order and package bulk pharmaceuticals and prescription
18 and stock orders for all department correctional facilities.

19 (B) Label medications as required to meet state and federal
20 prescription requirements.

21 (C) Provide barcode validation matching the drug to the specific
22 prescription or floor stock order.

23 (D) Sort completed orders for shipping and delivery to
24 department facilities.

25 (2) Notwithstanding any other requirements, the department
26 centralized pharmacy distribution center is authorized to do the
27 following:

28 (A) Package bulk pharmaceuticals into both floor stock and
29 patient-specific packs.

30 (B) Reclaim, for reissue, unused and unexpired medications.

31 (C) Distribute the packaged products to department facilities
32 for use within the state corrections system.

33 (3) The centralized pharmacy distribution center should maintain
34 a system of quality control checks on each process used to package,
35 label, and distribute medications. The quality control system may
36 include a regular process of random checks by a licensed
37 pharmacist.

38 (d) The department may investigate and initiate potential
39 systematic improvements in order to provide for the safe and
40 efficient distribution and control of, and accountability for, drugs

1 within the department's statewide pharmacy administration system,
2 taking into account factors unique to the correctional environment.

3 (e) The department should ensure that there is a program
4 providing for the regular inspection of all department pharmacies
5 in the state to verify compliance with applicable law, rules,
6 regulations, and other standards as may be appropriate to ensure
7 the health, safety, and welfare of the department's inmate patients.

8 (f) On March 1, 2012, and each March 1 thereafter, the
9 department shall report all of the following to the Joint Legislative
10 Budget Committee, the Senate Committee on Appropriations, the
11 Senate Committee on Budget and Fiscal Review, the Senate
12 Committee on Health, the Senate Committee on Public Safety, the
13 Assembly Committee on Appropriations, the Assembly Committee
14 on Budget, the Assembly Committee on Health, and the Assembly
15 Committee on Public Safety:

16 (1) The extent to which the Pharmacy and Therapeutics
17 Committee has been established and achieved the objectives set
18 forth in this section, as well as the most significant reasons for
19 achieving or not achieving those objectives.

20 (2) The extent to which the department is achieving the objective
21 of operating a fully functioning and centralized pharmacy
22 distribution center, as set forth in this section, that distributes
23 pharmaceuticals to every adult prison under the jurisdiction of the
24 department, as well as the most significant reasons for achieving
25 or not achieving that objective.

26 (3) The extent to which the centralized pharmacy distribution
27 center is achieving cost savings through improved efficiency and
28 distribution of unit dose medications.

29 (4) A description of planned or implemented initiatives to
30 accomplish the next 12 months' objectives for achieving the goals
31 set forth in this section, including a fully functioning and
32 centralized pharmacy distribution center that distributes
33 pharmaceuticals to every adult facility under the jurisdiction of
34 the department.

35 (5) The costs for prescription pharmaceuticals for the previous
36 fiscal year, both statewide and at each adult prison under the
37 jurisdiction of the department, and a comparison of these costs
38 with those of the prior fiscal year.

1 (g) The requirement for submitting a report imposed under
2 subdivision (f) is inoperative on March 1, 2016, pursuant to Section
3 10231.5 of the Government Code.

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