

# TEXAS STATE BOARD OF PHARMACY

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## STRATEGIC PLAN For the Fiscal Years 2013-2017



Board Member	Dates of Term	Hometown
Buford T. Abeldt, Sr., R.Ph.	5/9/2008-8/31/2013	Lufkin
Benjamin Fry, R.Ph., FIACP, FACS	4/14/2004-8/31/2015	San Benito
L. Suzan Kedron	5/9/2008-8/31/2013	Dallas
Alice G. Mendoza, R.Ph.	8/10/2006-8/31/2017	Kingsville
Phyllis A. Stine	8/31/2011-8/31/2017	Abilene
Joyce A. Tipton, R.Ph., MBA	1/6/2010-8/31/2015	Houston
Jeanne D. Waggener, R.Ph.	8/10/2006-8/31/2017	Waco
Charles F. Wetherbee	1/6/2010-8/31/2015	Boerne
Dennis F. Wiesner, R.Ph.	5/9/2008-8/31/2013	Austin

June 22, 2012

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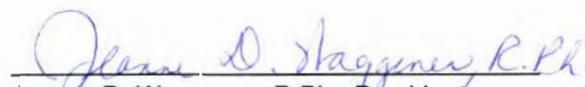
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June 17, 2012

Signed:

  
\_\_\_\_\_  
Gay Dodson, R.Ph.  
Executive Director/Secretary

Approved:

  
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Jeanne D. Waggener, R.Ph., President

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# **THE VISION OF TEXAS STATE GOVERNMENT**

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- *Ensuring the economic competitiveness of our state by adhering to principles of fiscal discipline, setting clear budget priorities, living within our means, and limiting the growth of government;*
- *Investing in critical water, energy, and transportation infrastructure needs to meet the demands of our rapidly growing state;*
- *Ensuring excellence and accountability in public schools and institutions of higher education as we invest in the future of this state and ensure Texans are prepared to compete in the global marketplace;*
- *Defending Texans by safeguarding our neighborhoods and protecting our international border; and*
- *Increasing transparency and efficiency at all levels of government to guard against waste, fraud, and abuse, ensuring that Texas taxpayers keep more of their hard-earned money to keep our economy and our families strong.*

# **THE MISSION OF TEXAS STATE GOVERNMENT**

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Texas State Government must be limited, efficient, and completely accountable. It should foster opportunity and economic prosperity, focus on critical priorities, and support the creation of strong family environments for our children. The stewards of the public trust must be men and women who administer state government in a fair, just, and responsible manner. To honor the public trust, state officials must seek new and innovative ways to meet state government priorities in a fiscally responsible manner.

# **THE PHILOSOPHY OF TEXAS STATE GOVERNMENT**

The task before all state public servants is to govern in a manner worthy of this great state. We are a great enterprise, and as an enterprise we will promote the following core principles.

- First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics or individual recognition.
- Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.
- Decisions affecting individual Texans, in most instances, are best made by those individuals, their families, and the local governments closest to their communities.
- Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. And just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future, and the future of those they love.
- Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.
- State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse, and providing efficient and honest government.
- Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.

# **RELEVANT STATEWIDE GOAL AND BENCHMARK**

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## **Priority Goal**

To ensure Texans are effectively and efficiently served by high-quality professionals and businesses by:

- implementing clear standards;
- ensuring compliance;
- establishing market-based solutions; and
- reducing the regulatory burden on people and business.

## **Benchmarks:**

- Percent of state professional licensee population with no documented violations.
- Percent of new professional licensees as compared to the existing population.
- Percent of documented complaints to professional licensing agencies resolved within six months.
- Percent of individuals given a test for professional licensure who received a passing score.
- Percent of new and renewed professional licenses issued via Internet.
- Number of new business permits issued online.
- Percent increase in utilization of the state business portal.

## **AGENCY MISSION**

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To promote, preserve, and protect the public health, safety, and welfare by fostering the provision of quality pharmaceutical care to the citizens of Texas, through the regulation of: the practice of pharmacy; the operation of pharmacies; and the distribution of prescription drugs in the public interest.

## **AGENCY PHILOSOPHY**

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The Texas State Board of Pharmacy will assume a leadership role in regulating the practice of pharmacy and act in accordance with the highest standards of ethics, accountability, efficiency, effectiveness, and open communication. We affirm that regulation of the practice of pharmacy is a public and private trust. We approach our mission with a deep sense of purpose and responsibility. The public and regulated community alike can be assured of a balanced and sensible approach to regulation.

# THE ORGANIZATIONAL PERSPECTIVE

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## BOARD STRUCTURE - POLICY-MAKING BODY

The policy-making body of the agency is a nine-member Board appointed by the Governor, with concurrence of the Senate, for staggered six-year terms. Six members must have been registered pharmacists in Texas for five years immediately preceding appointment, be in good standing with the Board, and continue practice pharmacy while serving. In addition, the Board must have representation for licensed pharmacists who are primarily employed in community and institutional pharmacies. Three members of the Board must be representatives of the public (i.e., non-pharmacist, consumer representatives).

The Board has the responsibility for the administration and the enforcement of the Texas Pharmacy Act and Texas Dangerous Drug Act. Through the jurisdiction provided in these acts, the Board has the responsibility of regulating three distinct, but interrelated and inseparable elements - the persons who dispense prescription drugs to the public (pharmacists) and who assist the pharmacist (pharmacy technicians); the place where prescription drugs are dispensed to the public (pharmacies); and the delivery of dangerous drugs (prescription drugs that are not classified as controlled substances).

Given the unique responsibilities of the Board, input regarding issues under the jurisdiction of the agency is obtained through a myriad of sources, including the following:

- (1) Task Forces – an ongoing significant part of the policy-making structure of the agency is the Board's use of professional ad hoc task forces in its pre-rulemaking process. These ad hoc task forces are composed of individuals who possess expertise helpful to the Board, both in the initial development and modification of agency rules. The result is that the rules governing pharmacy practice are formulated in the best interest of the public and, at the same time, represent an appropriate level of regulation.
- (2) Public Testimony at Public Hearings/Board Meetings – Any person can offer written comments on proposed rules that TSBP has published in the *Texas Register*. A person can request a public hearing on any proposed rule. If a public hearing is conducted, any person can offer verbal comments about the proposed rule. Persons who attend Board meetings may comment on any agenda item, when recognized by the Board President. If a person wishes to speak to the Board at a public meeting about an issue not already intended for discussion, the person must submit a request in writing six weeks prior to the date of the Board meeting.
- (3) Texas Pharmacy Congress – This group is composed of representatives of the six colleges of pharmacy in Texas, the three major professional associations in Texas, and TSBP. The Congress meets quarterly to discuss issues of mutual concern. Each entity reports on activities and programs, and together the group addresses problems and recommends solutions.
- (4) Pharmacy Organizations – TSBP receives input from these groups on a regular basis; any suggested issues are scheduled for discussion at Board meetings.

- (5) Customer Service Survey – Beginning in FY2000, the TSBP has conducted surveys of agency customers regarding the quality of service delivered by the agency as specified in Chapter 2113 of the Government Code. Following each survey, a report was made to the Board regarding comments and recommendations that had been made on a myriad of issues. Many of the customers' suggestions resulted in changes to agency operations.
- (6) Individuals – Board Members are individually contacted about issues and the agency receives visits, letters, and telephone calls regarding issues. These issues may be addressed at Board meetings, which may result in rule changes.

## AGENCY DIVISIONS AND STAFF MANAGEMENT

The agency's office headquarters is located at 333 Guadalupe Street, Suite 3-600, Austin, Texas, in the central quadrant of the city. In FY2011, agency staff totaled 72 positions, consisting of five management, 18 professionals, 33 para-professionals, and 16 administrative support staff. Fourteen employees (seven Compliance Officers/Inspectors and seven Investigators) operate in field areas outside the main office and function under the supervision of their respective Division Directors.

Pharmacy practice regulation is unique since it regulates individuals (pharmacists and pharmacy technicians), facilities (pharmacies), and products (prescription drugs). Therefore, interaction and coordination between the divisions of the agency and their staff members are crucial and integral parts of the effectiveness of our efforts.

As of August 2011, the agency licenses approximately 27,320 pharmacists, 6,964 pharmacies, and registers 49,346 pharmacy technicians and trainees over a land area of approximately 270,000 square miles. The agency's limited numbers of Compliance and Investigative staff are challenged in the regular monitoring of these licensees by travel distances. All geographic regions are served by the agency. The field staffs of seven Compliance Officers/Inspectors and seven Investigators are assigned regions that encompass the entire state, including the Texas border regions. In addition, medically under-served areas present specific challenges for comprehensive inspection/investigative efforts. These areas are defined as locales where medical care and specifically, pharmacy services, may be inaccessible due to distance and lack of transportation, and lack of (or inadequate) insurance coverage. These situations may occur in rural or sparsely populated areas of the state and, conversely, in some densely populated urban areas of Texas.

The agency operates under a modified system of Management-By-Objectives (MBO). Goals and objectives are reviewed and approved annually by the Board Members. These objectives are directly tied to the agency's *Strategic Plan* and "operationalize" the *Strategic Plan*. The Executive Director manages the staff to accomplish the adopted objectives.

The Executive Director/Secretary serves as the executive officer of the agency and, as outlined in the Pharmacy Act, serves as an ex-officio member of the Board. The Executive Director/Secretary is responsible for advising the Board on policy matters, implementing Board policy, and managing the agency on a day-to-day basis.

Regarding management structure, the Director of Administrative Services and Licensing is responsible for overall supervision of the Licensing and Administrative Services programs. The Directors of Enforcement and Professional Services, and the General Counsel are responsible for their respective programs and personnel. Information program services are shared among the divisions of the agency. An organizational chart of the agency can be found in *Appendix B*.

## HUMAN RESOURCE INVESTMENTS

Human resource investments are crucial to the continued efficiency and effectiveness of agency operations. In Texas government, as in the private sector, we must pay adequate wages if we expect to attract and retain quality employees. *Our employees are our most valuable resource and Texas cannot afford to have less than the best.* In addition to the initial investment of hiring qualified staff, the meeting of each employee's ongoing professional development and training needs is also crucial to the success of agency operations.

Human resource investments, such as provision of up-to-date technology and ongoing training for agency staff, help position the agency as public and private sector employers compete for the same work force pool. The agency has a distinct advantage in that it has a highly educated and qualified staff who carry out their responsibilities in an efficient and effective, customer-service oriented manner. This proactive, progressive work environment, along with the general reputation of the agency, has definitely been an asset when recruiting staff. However, the fact that state salaries are not competitive with those in the private sector continues to hinder recruiting of qualified staff.

## STAFFING PATTERN AND PROFILE

Agency employee turnover increased from 5% in FY2009 to 11.4% in FY2010, but dropped to 5.7% in FY2011. The turnover in pharmacist staff is a much more significant number and has consequences that are more serious. Turnover of pharmacist staff has been high in past years – 57% in FY2001, 60% in FY2003, and 33.33% in FY2004. Even more dramatic is the number of pharmacist service years that have been lost – in FY2001, a total of 32.2 years of experience, with one pharmacist taking nearly 26 years of agency experience with him. In FY2003, 52 pharmacist service years were lost. The agency has been depleted of talent in this crucial area – from ten pharmacists (non-management) in FY2000, to a total of four pharmacists (non-management) in FY2011. This loss of pharmacist staff is especially disturbing since the pharmacist staff is a part of the succession for the Executive Director position, which is statutorily required to be a pharmacist. The reason for the high turnover rate can be directly attributed to an agency lack of funding for salaries. During the 2009 Legislative Session the legislature increased the salary range for a Pharmacist II to \$81,529 - \$134,524 and the range for a Pharmacist III to \$98,651 - \$162,773. However, even though the Legislature established these new salary ranges, the agency was not funded to hire pharmacists at the increased salaries.

The growth in Texas' minority populations may also have significant ramifications for the agency's workforce, specifically in the pharmacist (Compliance/Enforcement Officer) category. Attempts to recruit qualified minority pharmacists have been difficult due to the significant differences in salaries compared to private sector employment, and to the pool of licensed pharmacists who are minorities. Table 1 shows a comparison of race distribution among the overall Texas civilian labor force, the Texas pharmacist population, and the agency non-executive pharmacist positions for FY2010-11.

Table 1\*

Race	Texas Population Race Distribution	Texas Pharmacists Population Race Distribution	TSBP Non-Executive Pharmacists Population Race Distribution
Anglo	46.63%	60%	50%
Hispanic	37.48%	09%	25%
Black	11.61%	13%	25%
Other	4.29%	18%	0%

The agency's overall workforce profile, as shown in Table 2, indicates that the agency needs to increase its efforts to recruit and retain qualified minority applicants at all levels of job categories.

Table 2\*

	AGENCY EEO DATA										Grand Total
	Anglo		Black		Hispanic		Other		Total		
	M	F	M	F	M	F	M	F	M	F	
Administrators	0	5	0	0	0	0	0	0	0	5	5
Professional	5	9	0	1	2	0	0	1	7	11	18
Para-Prof	9	13	0	0	0	10	0	0	9	23	32
Admin Support	0	8	0	3	0	5	0	0	0	16	16
<b>TOTALS</b>	<b>14</b>	<b>35</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>15</b>	<b>0</b>	<b>1</b>	<b>16</b>	<b>55</b>	<b>71</b>

\*Data reflects actual staff as of 8/31/11. Unfilled positions are not reflected.

## HISTORICALLY UNDERUTILIZED BUSINESSES

It is the intent of the Legislature that each state agency receiving appropriations shall make a good-faith effort to include historically underutilized businesses (HUB) in the following categories, in acquiring, constructing, or equipping new or existing facilities, and in the operational implementation of each strategy funded:

Category	Actual FY11	Agency Goal for FY12
Professional Service Contracts	100%	20%
Other Services Contracts	9.45%	33%
Commodities Contracts	29.64%	12.6%

The agency attempts to utilize HUB vendors for all delegated purchases and, in fact, has a HUB policy. In the event of performance shortfalls, the agency reviews the requirements listed in the overall bid process and notes any constraints that exist, specifically constraints relating to contracts that are proprietary in nature. Agency data regarding goals, actual performance, and constraints are noted in the Annual Non-Financial Report.

The agency has made a dedicated effort to satisfy the requirement for soliciting at least two HUB-certified minorities and one women-owned business in the three bids solicited for each delegated spot purchase. The above constraints notwithstanding, the agency will increase its good-faith efforts by using an agency HUB Policy as the basis for obtaining the HUB participation goals.

## **CAPITAL IMPROVEMENT NEEDS**

### **Technological Development**

The use of technology has become integral to the operational success of the Texas State Board of Pharmacy. When appropriate, the agency deploys current and emerging cost effective information technologies to increase efficiencies within the agency and to improve service delivery to our constituents. Web-based applications, electronic payment and the imaging of paper documents are just a few of the technologies currently in use.

The agency Website has over 90,000 visitors each month. It has proven to be a valuable tool in disseminating information to the public and increasing the accessibility of the agency. The Website is also linked to Texas Online to allow the agency to accept electronic payment of renewal fees. Renewal forms are either scanned into our imaging system or electronically attached to each file, making storage and retrieval much more efficient.

The primary technological challenge facing the Board of Pharmacy is the conversion to a new Regulatory Data Base occurred on May 30, 2011, with the online portion coming up on June 3, 2011. The conversion of the majority of the data from the prior system was successful and all licensing and enforcement functions of the agency have been operational since migration to the new system. However, the project hasn't been without its challenges and disappointments. The new system has not generated new efficiencies as anticipated leaving the agency with more manual processes than expected. The new system has also not been able to recreate much-needed interfaces that are essential to verifying the certification of applicants, matching of student loan defaulters, and obtaining criminal history records. The agency is dependent upon these efficiencies to offset the continued growth of licensees. Without these efficiencies, the agency is experiencing substantial workload issues that will be addressed during the next legislative session. In addition, the online portion has been a major disappointment with regard to user (customer) satisfaction; however, the RDB Project Team is working towards a more user friendly and updated online system in the coming year.

A complete discussion of the agency's Information Resources needs can be found in the agency Technology Initiative Alignment.

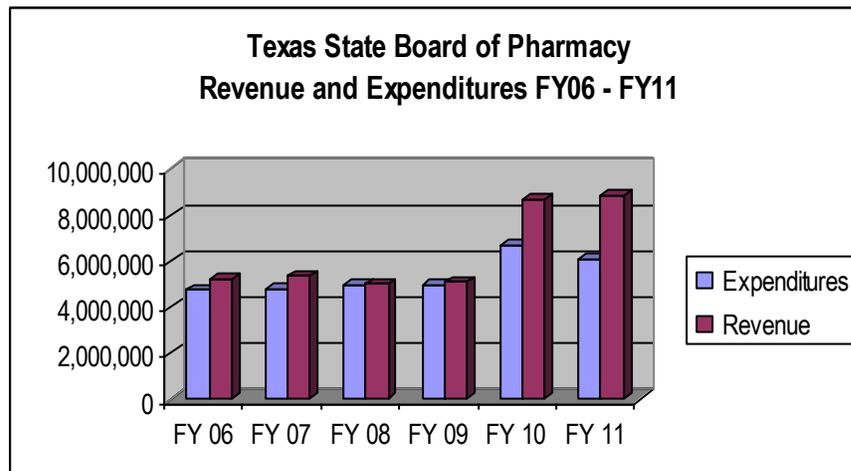
## THE FISCAL PERSPECTIVE

### Current Funding

The agency's operating budget for fiscal year 2011 was approximately \$5.1 million, which includes all Legislative appropriations. In addition, other direct and indirect costs are charged to the agency such as the agency's payroll-related costs, bond debt service payments, and indirect costs relating to the Statewide Cost Allocation Plan.

The agency is totally self-supporting, in that the operations of the agency are supported primarily from statutory fees related to licensing, reciprocity, and examinations. Until 2005, the general operating fund of the Board was a general revenue dedicated account within the State Treasury. The 2005 Texas Legislature, passed legislation that abolished the Board of Pharmacy fund dedication, transferred \$5,948,256 to the General Revenue Fund, and placed the agency funds into the General Revenue Fund.

The chart below shows the agency's revenues and expenditures for a six-year period (FY2006- FY2011).



### Degree to Which Current Funding Meets Current and Expected Needs

One key factor that continues to affect the ability of the agency to serve and protect the public interest is the increased demand for agency services in every area of its operation. Dramatic increases in the demand for licensing, enforcement, and information services are well-documented throughout this *Strategic Plan* and in the agency's budget requests. This continued increase in demand for services, together with the increase in the complex nature of modern health and pharmaceutical care, is taxing the agency's ability to respond not only to future challenges, but to maintain its current level of service.

The agency has the authority and mechanisms necessary to generate the revenue needed to support its *Strategic Plan* and Budget Requests. Although the TSBP was successful in obtaining additional appropriations for a portion of the requested exceptional items during the 82nd Legislative session, the state's fiscal crisis required maintaining the existing 5% and 2.5% reductions of FY2010-11, as well as an additional 10% reduction. These reductions eliminated the increases to appropriations received in FY2010-2011 in the areas of the Pharmacy Recovery Network, the testing of compounded products, and merit increases to eligible employees. The reductions also

eliminated the critical replacement of agency vehicles and technology as well as numerous reductions to the majority of agency services. The continued increase in demand for services, together with the increase in the complex nature of modern health and pharmaceutical care, is taxing the agency's ability to respond not only to future challenges, but to maintain its current level of service.

It is anticipated that the growth of the registration of pharmacy technicians and pharmacists will continue to challenge the agency. The Bureau of Labor Statistics' 2008-09 report estimates employment for pharmacy technicians will grow much faster than for the average occupation – up to a 32 percent increase by 2016. Additionally, the Bureau of Labor Statistics' reports that "employment of pharmacists is expected to grow by 17% between 2008 and 2018, which is faster than the average for all occupations."

Operation of the agency has been dramatically affected by the unprecedented growth of registrants because of legislation requiring the registration of pharmacy technicians in 2004 and pharmacy technician trainees in 2006. Since FY2003, the licensee population exploded from 28,064 licensees to 86,308 licensees in FY11 (208% cumulative increase). Of particular concern to the agency is the explosive growth in the number of complaints received, which has a direct impact on the protection of the health and safety of the citizens of Texas. Since FY2003, the agency has experienced a 199% increase in the number of complaints; a 246% increase in the number of disciplinary orders and a 27% increase in the number of days to resolve a complaint. Each area of growth is directly attributed to the increase in registrants.

If the agency is to accomplish its mission and be *proactive* rather than *reactive* in its mission to protect the public health, it must be funded at an adequate level. Failure to receive this funding will severely impact the agency's ability to provide quality customer service, information, and protection to the citizens of Texas.

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# OVERVIEW OF AGENCY SCOPE AND FUNCTIONS

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## STATUTORY BASIS AND HISTORICAL PERSPECTIVE

The Texas State Board of Pharmacy is an independent state health regulatory agency, operating under the authority of its enabling legislation, the Texas Pharmacy Act (Texas Occupations Code Ann., Chapters 555-566 and 568-569) and the Texas Dangerous Drug Act (Health and Safety Code, Chapter 483).

The Pharmacy Act states:

*It is the purpose of this Act to promote, preserve, and protect the public health, safety, and welfare by and through the effective control and regulation of the practice of pharmacy and the licensing of pharmacies engaged in the sale, delivery, or distribution of prescription drugs and devices used in the diagnosis and treatment of injury, illness, and disease.*

The Act goes on to say:

*The board shall enforce this Act and all laws that pertain to the practice of pharmacy and shall cooperate with other state and federal governmental agencies regarding any violation of any drug or drug-related laws.*

### Texas Time Line

- 1889 The Texas Legislature established boards of pharmaceutical examiners (three-man committees in each senatorial district of the state). Pharmacists were examined and certified by the multiple boards.
- 1907 The Texas Legislature passed first Texas Pharmacy Act and established the Texas State Board of Pharmacy as an independent state regulatory board.
- 1929 The Texas Pharmacy Act was amended to upgrade the eligibility requirements for pharmacists, requiring applicants to be graduates of a recognized college of pharmacy (a three-year course).
- 1934 The Texas Pharmacy Act was amended to set the minimum education requirement for pharmacists to be graduation from a recognized college of pharmacy having four terms of eight months each.
- 1943 The Texas Pharmacy Act was amended to include the following: required one year of practical experience prior to registration as a pharmacist; clarified the reasons for revocation and suspension of licenses; and set forth in detail the penalties for violation of the law.
- 1960 The American Council on Pharmaceutical Education revised its accreditation standards for Colleges/Schools of Pharmacy to require graduates of approved colleges of pharmacy to complete a five-year program (B.S. Pharmacy).
- 1977 The Board initiated a comprehensive reorganization of the agency's internal organization and functions, which resulted in upgrading and refining examination process, computerization of licensure records, initiation of a program to educate licensees about the laws and rules to encourage voluntary compliance with those laws and rules. The education program includes random, unannounced inspections of pharmacies, presentations by agency staff and publication of an agency newsletter.

- 1981 The Texas Legislature repealed and replaced the Texas Pharmacy Act with a new practice Act and extended the agency's existence for another 12 years, following the agency's first review by the Sunset Advisory Commission. The new Texas Pharmacy Act:
- changed the composition and number of Board Members from six pharmacists to nine members (seven pharmacists and two public members);
  - created four classes of pharmacy licenses;
  - began regulation of institutional (hospital) pharmacies and clinic pharmacies; and
  - allowed drug product selection (generic substitution) for the first time under conditions.

The Texas Legislature also created the Triplicate Prescription Program housed within the Texas Department of Public Safety (DPS) that:

- requires prescriptions for a Schedule II controlled substance to be written on a special form issued by DPS;
  - allows for the monitoring of prescribing patterns of physicians and the dispensing patterns of pharmacies by establishing a database of information on all prescriptions for Schedule II controlled substances through a requirement that all pharmacies to send information on all prescriptions for Schedule II controlled substances to DPS;
- 1983 The Texas Legislature, through amendments to the Texas Pharmacy Act, established a program to address the issue of pharmacists who are chemically, mentally, or physically impaired (eligible pharmacy students added to the program in 1985).
- 1989 The Texas Legislature, through amendments to the Texas Pharmacy Act, established continuing education (CE) requirements (completion of 12-hours of CE annually) for pharmacists to help assure continuing competency. In addition, the agency promulgated rules to expand the duties of pharmacy technicians to allow more time for pharmacists to provide patients with information about their prescriptions (patient counseling).
- 1991 The Texas Legislature, through amendments to the Texas Pharmacy Act, established a new class of pharmacy license (Class E or Non-Resident Pharmacy) for mail service pharmacies located in other states that dispense and deliver prescriptions to Texas residents.
- 1993 The Texas Legislature amended the Texas Pharmacy Act to include the concept of pharmaceutical care and this established the legal basis for pharmacists' increased involvement in patient care. Subsequent rules promulgated by the Board required pharmacists to provide written and verbal counseling to patients and conduct drug regimen reviews.

The Agency's existence was extended another 12 years, following a successful review by the Sunset Advisory Commission. The composition of the Board was changed to include a requirement that one-third Board Membership must be public members. This resulted in the Board being composed of six pharmacists and three public members.

The Legislature also created an entity called the Health Professions Council (HPC) as an alternative to consolidation of all of the health licensing agencies.

- 1995 The Texas Legislature amended the Texas Pharmacy Act to allow pharmacists to perform drug therapy management under a written protocol of a physician. In addition, the legislature, amended the Health Profession's Council legislation to require all health regulatory boards to collocate and to study mechanisms for agencies to work together to reduce costs and standardize processes.
- 1996 Texas Tech School of Pharmacy opens, resulting in four pharmacy schools/colleges in Texas. This was the first new school/college of pharmacy in Texas in almost 50 years.
- 1997 The Texas Legislature amended the Texas Pharmacy Act to:
- allow pharmacists to administer immunizations and perform drug therapy management under written protocol of a physician;
  - stipulated that a prescription for a narrow therapeutic index (NTI) be refilled only with the same drug product by the same manufacturer last dispensed, unless otherwise agreed to by the prescribing practitioner and required the Board to work with the Medical Board to establish a list of NTI drugs.
- 1998 TSBP was sued regarding rules to implement legislation relating to NTI drugs. Litigation resulted in TSBP changing its procedures with regard to the adoption of rules. The lawsuit was ultimately withdrawn. A committee composed of members of the Pharmacy and Medical Boards recommended that the rules be adopted that specify that the list of NTI drugs contain no drugs and that the FDA publication: *“Approved Drug Products with Therapeutic Equivalence Evaluations”* or ‘Orange Book’ be used as the reference for when substituting drugs including NTI drugs.
- 1999 The Texas Legislature amended the Texas Pharmacy Act to give the Board the authority to:
- establish the concept of a pharmacy peer review committee that is authorized to evaluate the quality of pharmacy services or the competence of pharmacists and suggest improvements in pharmacy systems to enhance patient care (Note: Texas the first state in the nation to pass such legislation); or
  - determine and issue standards for recognition and approval of pharmacist certification programs;
  - require all technicians to have taken and passed a national certification exam in order to be registered by the Board; and
  - require entities providing professional liability insurance to report malpractice claims to the Board.
- In addition, the agency established a comprehensive and user-friendly web site to improve services and accessibility to its customers.
- 2000 The American Council on Pharmaceutical Education revised its accreditation standards for Colleges/Schools of Pharmacy to require graduates of approved colleges of pharmacy to complete a six-year doctoral program (Pharm.D).
- 2001 The Texas Legislature amended the Texas Pharmacy Act to:
- establish remote pharmacy services;
  - increased the number of continuing education hours required for renewal of a pharmacist's license to 30 hours every two years; and
  - change the requirements for prescribers to prohibit generic substitution.
- 2002 The agency established an online system for renewal of a pharmacist's license.

- 2003 The Texas Legislature amended the Texas Pharmacy Act to:
- authorize the agency to create new classes of pharmacy licenses;
  - require the agency to provide information to licensees regarding the prescribing and dispensing of pain medications;
  - set forth procedures for the reuse of certain unused prescription drugs dispensed to nursing home patients;
  - permit compounding pharmacists to promote and advertise compounding services; and
  - require pharmacists to report to the Texas Department of Health any situation that poses a risk to homeland security.

In addition, the Texas Legislature provided funding for TSBP to begin registering Pharmacy Technicians.

- 2005 The Texas Legislature amended the Texas Pharmacy Act to extend the agency's existence for another 12 years following the agency's review by the Sunset Advisory Commission. Other significant amendments to the Act:
- abolished the dedication of the Board of Pharmacy fund;
  - made the changes to the regulation of pharmacy technicians including:
    - a requirement that TSBP register pharmacy technician trainees;
    - an increased range of disciplinary sanctions, such as probation and administrative penalties that the Board may impose on pharmacy technicians; and
    - expanded grounds for discipline of a pharmacist's, pharmacy's, and pharmacy technician's license/registration to include deferred adjudication for misdemeanor offenses involving moral turpitude and any felony offenses.
  - required that the Board maintain a list of all licensed pharmacies that maintain an Internet website, including the pharmacy name, license number, and state in which it is located. In addition, the bill requires all pharmacies that maintain a website to post information on that website on how a consumer may file a complaint with the Board.
  - made Class E (Non-Resident Pharmacies) subject to the same grounds for discipline as in-state pharmacies and allow the Board to take action on complaints immediately, rather than after referral and action by the Board in the home state.
  - allowed a panel of three Board members to hear temporary suspension cases rather than the whole Board when the public is in immediate danger. This change makes the process more usable.
  - allowed:
    - Class A and Class C Pharmacies to compound prescription drugs for "Office Use" by a practitioner;
    - Class A Pharmacies to compound prescription drugs for a Class C Pharmacy; and
    - Class C Pharmacies to "prepackage" prescription drugs for use by other Class C pharmacies under common ownership. In addition, the amendments clarify that TSBP may inspect pharmacies relative to components used in compounding and sample these items.
  - required the Texas State Board of Pharmacy to inspect and authorize Canadian pharmacies to sell prescription medications to patients in the state of Texas. (Note: On December 21, 2005, Attorney General Greg Abbott issued Opinion #GA-0384, which states that designating certain Canadian pharmacies, listing them on the Board's Website, and permitting Texas consumers to import prescription drugs from Canada would violate federal law. As a result of this opinion, the Board did not implement the Canadian pharmacy provisions of the Act).

- 2007 The Texas Legislature passed several significant pieces of legislation, including:
- Amendments to the Pharmacy Act that:
    - require a Joint Committee made up of three members of the Texas State Board of Pharmacy and three members of the Texas Medical Board to review to make recommendations to the Board of Pharmacy regarding the addition of five transplant immunosuppressant drugs to a list of Narrow Therapeutic Index drugs. Drugs on this list could be refilled only with the same drug product by the same manufacturer last dispensed, unless otherwise agreed to by the prescribing practitioner.
    - allow the Board of Pharmacy to adopt rules governing the flavoring of prescriptions as a part of compounding rules.
    - allow the return and re-dispensing of prescription drugs from penal institutions.
  - Amendments to the Controlled Substances Act that:
    - add prescriptions for Schedule III – V drugs to the controlled substance prescription monitoring program;
    - require pharmacies to submit information on Schedule III – V prescriptions to DPS within 15 days of dispensing the prescription;
    - delete the requirement that a Schedule II prescription may not be filled after 7 days. The director of DPS in consultation with TSBP and the Texas Medical Board must adopt a rule establishing the period after the issue date that a prescription for a Schedule II controlled substance may be filled. Rules were adopted that allow prescriptions for Schedule II controlled substances to be dispensed for 21 days;
    - allow the Texas Department of Public Safety (DPS) to charge a late fee of not more than \$50 for late renewal of registrations; and
    - gives DPS the authority to access administrative penalties on registrants who violate the law. The amount of the penalty may not exceed \$1,000 for each violation/day nor exceed a total of \$20,000.
- 2009 The Texas Legislature passed several significant pieces of legislation, including:
- a provision that requires all regulatory agencies to conduct a preliminary evaluation of a person's eligibility for licensing prior to their application for a license/registration.
  - amendments to the Health and Safety Code that allows for the licensing and regulation of "Freestanding Emergency Medical Care Facilities" by the Department of State Health Services. This action ultimately required the TSBP to adopt rules for a new class of pharmacy in these centers.
  - amendments to the Texas Pharmacy Act that defines the term rural hospital and allows pharmacy technicians to perform certain duties without the direct supervision of a pharmacist.
  - amendments to the Medical Practices Act that ultimately allowed the TSBP to adopt rules to under certain conditions allow a pharmacist to sign a prescription under a drug therapy management protocol from a physician.
  - amendments to the Texas Pharmacy Act to allow TSBP investigators who are commissioned peace officers to carry weapons and make arrests.
  - amendments to the Texas Controlled Substances Act that:
    - makes Carisoprodol (Soma) a Schedule IV controlled substance; and
    - allows a physician to issue multiple prescriptions to one patient authorizing the patient to receive a total of 90-days supply of a Schedule II drug.
  - amendments to the Texas Pharmacy Act that:
    - specifies conditions under which the Board may discipline a pharmacy technician, and
    - gives the Board authority to order a pharmacy technician to submit a mental or physical evaluation.

- 2011 The Texas Legislature passed several significant pieces of legislation, including the following:
- Amendments to the Texas Pharmacy Act to:
    - clarify the confidentiality provisions of records regarding impaired pharmacists;
    - when the TSBP can release investigative files;
    - streamline the temporary suspension provisions of the Act and the procedures for ordering a licensee to submit to a mental or physical examination; and
    - allow pharmacists to accelerate refills up to a 90-day supply under certain conditions.
  - Amendments to the Controlled Substances Act to:
    - eliminate the requirement that a physician's DPS number be on a prescription for a controlled substance;
    - require pharmacies to submit information on controlled substance prescriptions to DPS at least every 7-days; and
    - allow the electronic transmission of Schedule II prescriptions.
  - Amendments to the Health and Safety code to establish a real-time electronic logging system for the sale of ephedrine, pseudoephedrine, and norpseudoephedrine.

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## IMPACT OF FEDERAL STATUTES/REGULATIONS

### Federal Time Line

- 1906 Federal Food and Drug Act set standards for purity of medication only with no efficacy requirements.
- 1912 Federal Food and Drug Act amended to include within the definition of misbranding false or fraudulent claims for the curative powers of drugs.
- 1914 Federal Narcotic Drug Act (popularly known as the Harrison Narcotic Act) regulated the sale of drug products containing opium, morphine, heroin, and other narcotics; pharmacists were required to obtain a license to sell drug products containing narcotics.
- 1938 Food, Drug, and Cosmetic Act (FD&C) set safety standards only with no efficacy requirements.

### **Major Amendments to FD&C**

- 1951 Durham-Humphrey Amendment created “prescription only” and “over-the-counter” (OTC) drug categories, established how prescription drugs would be dispensed, and established drug labeling requirements.
- 1962 Kefauver-Harris Amendment established requirements for safety and efficacy of drug products.
- 1965 Drug Abuse Control Amendments were the effective precursor of the Drug Abuse Control Act. These amendments provided the first guidelines for determining the classifications of drugs subject to abuse.
- 1976 Medical Device Act established safety and efficacy requirements for medical devices and lab products.
- 1983 Orphan Drug Act established incentives for research and manufacturing of drugs for rare conditions.
- 1984 Drug Price Competition and Patent Restoration Act stated that the FDA will accept Amended New Drug Applications for drugs first approved after 1962 in an effort to keep drug prices low. The act also required that the FDA provide a list of approved drug products with monthly supplements. The “Orange Book” satisfies this requirement.
- 1988 Prescription Drug Marketing Act of 1987 required licensing of prescription drug wholesalers, banned re-importation of prescription drugs produced in the US, and banned sale, trade, or purchase of samples.
- 1990 Safe Medical Devices Act required “device user facility” to report any death or serious injury of patient probably due to device. The act also required adoption of a device tracking method and post-marketing surveillance of devices.

- 1997 FDA Modernization Act created exemption to ensure availability of compounded drugs prepared by pharmacists in forms not commercially available.
- 1999 OTC Labeling Requirements made for a new standardized format and supplying more detailed product information to the consumer to make over-the-counter medicines safer for consumers. The provisions will be fully enacted by 2005.
- 2002 United States Supreme Court decision (*Western States Medical Center v. Shalala*, 99-17424, February 6, 2001), which struck down the pharmacy compounding provisions of the federal Food, Drug, and Cosmetic Act.
- 1966 Federal Hazardous Substances Act, administered by the Consumer Product Safety Commission, regulates all hazardous substances. Labeling must have a warning statement; pharmacists must either sell products in original containers or label containers properly.
- 1968 Bureau of Narcotics and Dangerous Drugs (BNDD) was formed by combining Bureau of Narcotics (in the Treasury Department) and Bureau of Drug Abuse Control (in the Department of Health, Education, and Welfare). BNDD was responsible for regulating the sale/distribution of narcotics, barbiturates, amphetamines, and hallucinogens. This agency was the precursor to what is now known as the Drug Enforcement Administration (DEA).
- 1970 Comprehensive Drug Abuse Prevention and Control Act (Federal Controlled Substances Act) was created to regulate the production and distribution of controlled substances. All persons in the chain of manufacturing, distributing, and dispensing controlled substances were required to obtain a registration from DEA. The act also classifies federally regulated substances into one of five classes.
- 1970 Poison Prevention Packaging Act required that prescription and nonprescription drugs be dispensed to consumers in child-resistant containers. Exemptions to this packaging requirement include patient requests, bulk containers from wholesalers, containers distributed to institutionalized patients, and packaging for elderly patients. Some drugs, like sublingual nitroglycerin and isosorbide dinitrate are exempted.
- 1973 All agencies involved in drug abuse control and the enforcement of drug laws were combined into one agency, the Drug Enforcement Administration (DEA).
- 1980 FDA published the first *“Approved Drug Products with Therapeutic Equivalence Evaluations”* or ‘Orange Book’ by the FDA.
- 1990 Omnibus Budget Reconciliation Act (OBRA-90) administered by U.S. Department of Health and Human Services, expanded Medicare and Medicaid programs. The act requires services to patients receiving pharmaceutical services to include prospective drug use review and patient counseling. The requirements were set forth only to apply to Medicare and Medicaid patients, but most states, including Texas, apply this to all patients.

- 1996 Health Insurance Portability and Accountability Act (HIPAA) set up privacy protections for individually identifiable health information as applied to health plans, healthcare clearinghouses, and healthcare providers who conduct certain transactions electronically. Rules to implement the privacy provisions of the Act went into effect on April 14, 2003. HIPAA also called for creation of the Healthcare Integrity and Protection Data Bank (HIPDB). HIPDB was constructed to combat fraud and abuse in health insurance and healthcare delivery.
- 2003 Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), recognized that appropriate drug therapy is cost-effective and necessary in the inclusion of medication therapy management programs (MTM). The passage of this legislation is the first time that Congress recognized in national legislation the importance of pharmacist-provided drug therapy management. In addition, it was the first time that pharmacists would be allowed to bill for Medicare-related patient care services.
- 2006 Medicare Part D, prescription drug coverage for all Medicare recipients began on January 1, 2006. Implementation of this program is expected to dramatically increase the number of prescriptions filled by pharmacies in the United States.
- 2008 On October 15, 2008, the US Congress passed the Ryan Haight Online Pharmacy Consumer Protection Act. This act amended the Controlled Substances Act and Controlled Substances Import and Export Act by adding several new provisions to prevent the illegal distribution and dispensing of controlled substances by means of the Internet.
- 2009 HR 3590, the Patient Protection and Affordable Care Act, was signed into law by President Obama in March 2009. The sweeping legislation has projected price tag of \$938 billion over 10 years and will extend insurance coverage to roughly 32 million more Americans. The bill contains a number of provisions that directly affect community pharmacy and prescription drug coverage and will significantly expand the number of Americans who can afford prescription medications and other pharmacy services. The millions of additional people with health insurance will mean billions more in sales for drug manufacturers and expanded demand for pharmacy services.
- 2010 DEA adopted rules to allow the electronic prescriptions for Controlled Substances. These rules became effective June 1, 2010.

## THE KEY SERVICE POPULATION PERSPECTIVE

As identified in the agency's Mission Statement, our key service populations are, in priority order:

- The Citizens of Texas - directly, and indirectly through service to Texas Legislators who represent their constituents;
- Licensees - pharmacists and pharmacy owners; pharmacy students and pharmacist interns; pharmacy technician trainees and pharmacy technicians;
- Executive and Judicial Officials and Other State and Federal Agencies;
- The Pharmacy Education Community; and
- Health-Related Corporations and Professional Associations.

In focusing on our primary key service population, the citizens of Texas, TSBP recognizes the changing demographics of the state's population. Highlights from the Texas State Data Center Projections for Texas, include the following statements:

*"Projections from the Texas State Data Center and Office of the State Demographer indicate that Texas is likely to grow rapidly and to become increasingly diverse and, like the remainder of the nation, to show a general aging of its population. Texas will be a state with a population that is at least twice as large projected for 2040 as in 1990, and may be more than three times as large.*

*Texas population will also be increasingly diverse with estimates indicating that it was already less than one-half Anglo by July 1, 2004, suggesting that Texas will be more than 50 percent Hispanic by no later than 2035.*

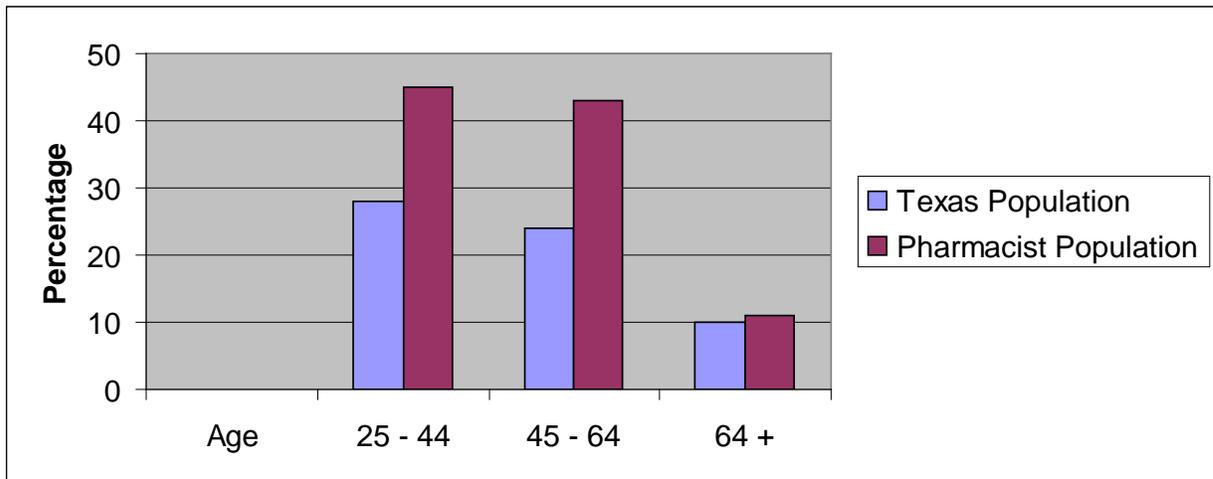
*Similarly Texas will become older with the percentage of the population that is 65 years of age increasing from 9.9 percent in 2000 to at least 15.9 percent by 2040."*

The Texas Comptroller of Public Accounts goes on to state that:

*Over the next 20 years, the number of Texans older than 65 will increase 81 percent. That means more people of retirement age and more products and services geared towards them. With an older population, there will be a growing need for alternative housing, transportation, and healthcare.*

With the above trends, the agency is presented with a challenge and a demand that we explore and respond to the patient care needs of every age and ethnic group, literacy level, and income level. Chart 1 below shows a comparison of age distribution among the overall Texas civilian labor force, and the Texas pharmacist population.

Chart 1



Data is based on 2009 Texas Population of 24,326,974 and a Texas Pharmacist Population of 20,508.

## MAIN FUNCTIONS

Of paramount consideration to the agency are the vitality and health of Texas' citizens, with a particular emphasis on consumer protection. The agency is acutely aware of its overall responsibility to regulate the practice of pharmacy in the state of Texas in the public interest.

In fulfilling its statutory mandate (and mission), the agency emphasizes three primary services that are delivered to a variety of customers:

- **Information** - the provision of information to pharmacies, pharmacists, pharmacy technicians, and related laws and rules; information on consumer issues, such as generic drugs, patient counseling requirements; the concept and implementation of pharmaceutical care; and the provision of public information regarding complaint and disciplinary actions.
- **Licensing** - the licensing of pharmacists and pharmacies, certification of pharmacist preceptors, registration of interns, pharmacy technician trainees, and pharmacy technicians to ensure uniform standards, competency, and public safety.
- **Enforcement**
  - inspection of pharmacies, including the review of interns, pharmacists, and pharmacy technicians and trainees, for compliance with the laws and rules, including specialized requirements regarding the handling, safeguarding, and distribution of prescription drugs and devices;
  - oversight of the complaint process and investigation of alleged violations of pharmacy laws and rules; and monitoring licensees who are subject to disciplinary orders; and
  - adjudication of licensees found in violation of pharmacy laws and rules, and the rendering of legal advice and support to Board and staff.

## The Agency Approach

The Texas Pharmacy Act gives TSBP exclusive responsibility in licensing services, but does not give such exclusivity in its Information or Enforcement Services areas. Information Services for the profession are in part provided by TSBP, the colleges of pharmacy, professional associations, and consumer advocacy groups. Enforcement Services are provided by the agency, together with other state, federal, and local agencies associated with law enforcement, such as the Texas Department of State Health Services, the Department of Public Safety, the Federal Food and Drug Administration, the Drug Enforcement Administration, and local police departments. Although other law enforcement agencies have specific jurisdiction over various aspects of the practice of pharmacy in Texas, their jurisdictions do not usurp or preclude the authority of the agency in carrying out its responsibilities. In fact, the license of pharmacists and pharmacies by the agency is a prerequisite to other agencies' jurisdiction and regulation. As a result, and in line with the agency's statutory responsibility, the Board has historically taken a *lead agency* role in the regulation of the practice of pharmacy. This *lead agency* approach implements Section 554.001 of the Texas Pharmacy Act that states *The Board shall cooperate with other state and federal agencies in the enforcement of any law relating to the practice of pharmacy or any drug or drug-related law.*

The agency has also developed excellent working relationships with the Texas Medical Board (TMB), Board of Nursing (BON), and other state health profession regulatory agencies. The agency continues (and aspires) to build ever-increasing, dynamic partnerships and coalitions in meeting the challenges that lie ahead for the agency as a whole and in the addressing of each of the issues identified in this plan. One of the greatest strengths of the agency in its ability to form these coalitions is the fact that the agency is an independent state agency.

## SUCCESS OF AGENCY IN MEETING DEMAND

### Licensing Services

The key services of the Licensing Program are listed below:

- (1) Issuing licenses to qualified applicants for initial pharmacist licensure by examination, score transfer, or reciprocity;
- (2) Issuing licenses to qualified applicants for pharmacist re-licensure or re-activating licenses of pharmacists who want to return to active status;
- (3) Issuing registrations to qualified pharmacy technician trainees applicants;
- (4) Issuing registrations to qualified pharmacy technician applicants;
- (5) Issuing licenses to qualified applicants for initial licensure of pharmacies, including pharmacies that are new business operations or existing pharmacies that undergo a change of ownership;
- (6) Issuing registrations to qualified pharmacy applicants to provide remote pharmacy services;
- (7) Issuing registrations to qualified pharmacist-interns applicants;
- (8) Issuing certifications to qualified pharmacist-preceptors applicants;
- (9) Renewing licenses of pharmacists on active and inactive basis;

- (10) Renewing registrations of pharmacy technicians;
- (11) Renewing licenses of pharmacies that do not have a registration to provide remote pharmacy services;
- (12) Renewing licenses of pharmacies that have a registration to provide remote pharmacy services;
- (13) Renewing certifications of qualified pharmacist-preceptors;
- (14) Monitoring pharmacists' compliance with continuing education requirements;
- (15) Updating pharmacists' licensing and pharmacy technician registration records with respect to change of name, change of employment, and change of address;
- (16) Processing applications from pharmacies for a change of name and/or change of location;
- (17) Processing notifications from pharmacies regarding permanent closings; change of managing officers, and updating licensing records; and
- (18) Providing information to the public, including requests for verification of licensing status and requests for information regarding the laws/rules or policies/procedures relating to the pharmacy and pharmacist licensing pharmacist-intern registration, and pharmacy technician registration.

### **Licensing of Pharmacists**

The licensee population continues to grow, directly resulting in increased workload in all areas of licensing (examination, internship, continuing education, changes of address/employment records), and licensure renewals, as well as all related telephone calls and correspondence. To partially address this increasing workload, the agency has implemented such initiatives as the biennial renewal of licenses, online initial, and renewal of licenses, a web-based mechanism to verify licensure status, and an online change of address and employment feature. The agency will continue to look toward implementing other initiatives, as a means to reduce workload and more efficiently serve the public.

### **Licensing of Pharmacies (Facilities)**

While the number of pharmacies has increased at a slower pace than pharmacist licenses, quantity issues do not reflect the complexity of regulating pharmacies. The agency licensed four different Classes of Pharmacy during FY1988-1991, five Classes of Pharmacy in FY1992, and eight Classes in FY2010. In addition, in FY2002, the agency added a new category of pharmacy regulation - Remote Pharmacy Services. These licenses allow pharmacies to maintain stocks of certain prescription drugs at a facility that is not at the same location as the pharmacy.

Currently the agency issues remote licenses for emergency medication kits in nursing homes, automated pharmacy systems in facilities such as nursing homes, and telepharmacies in certain rural locations. The remote license is viewed as an extension of an existing pharmacy license and the agency has issued 1,435 "remote pharmacy" permits.

As mechanisms for providing pharmacy services to patients continue to diversify, the agency fully expects that the number of pharmacies (and possibly the classes of pharmacy) will continue to increase over the next five years.

**Registration of Pharmacy Technicians**

Patient safety and professional competence will remain a prime focus of the agency's Licensing and Enforcement efforts. The registration of pharmacy technicians will play a key role in the overall patient care issue. Pharmacy technician training and regulation issues have had a dramatic impact on not only the agency, but educators and practitioners as well.

During the 1999 Texas Legislative Session, the Legislature passed a bill that required TSBP to begin registering pharmacy technicians effective September 1, 2001. However, funding for implementation of the program was not authorized until the 2003 Legislative Session. The agency began registration in October 2003. At the end of fiscal year 2011, 37,507 pharmacy technicians were registered with TSBP. In 2005, the Texas Legislature passed amendments to the Texas Pharmacy Act that required the agency to register pharmacy technician trainees. That project began in October 2006, and by the end of the FY2011, 11,839 pharmacy technician trainees had registered with TSBP.

The addition of the registration pharmacy technicians and pharmacy technician trainees has more than doubled the number of persons/entities licensed by TSBP. At the end of FY2003, the total agency licensee population was 28,064 – at the end of FY2011, this number has increased 27%, to 86,308 (27,329 pharmacists, 2,669 pharmacist intern, 6,964 pharmacies, and 49,346 pharmacy technicians and trainees). The additional 49,346 pharmacy technicians and trainees have had a dramatic effect on the agency's operations and that number is expected to continue growing since the Bureau of Labor Statistics indicates that employment of pharmacy technicians is expected to increase by 32% from 2006 to 2016, much faster than the average for all occupations.

The agency began requiring a fingerprint-based FBI/DPS criminal background checks for new pharmacist applicants in October 2008, new pharmacy technician, and technician trainee applicants in March 2009. By the beginning of 2012, the agency has completed approximately 6,300 fingerprint-based criminal history checks.

From FY2003 - FY2011, the agency has experienced the following trends in numbers of individuals licensed or registered:

Numbers of Licensees/Registrants FY2003 – FY2011								
Year	# of Pharmacist Licensed	% Increase/ <Decrease>	# of Pharmacies Licensed	% Increase/ <Decrease>	# of Pharmacy Technician & Trainees Registered	% Increase/ <Decrease>	Total Number of Licensees/ Registrants	Total % Increase/ <Decrease>
FY03	21,570	n/a	5,794	n/a	--	n/a	27,364	n/a
FY04	22,111	3%	6,014	4%	22,164	n/a	50,289	83.8%
FY05	22,661	3%	6,107	2%	26,664	20%	55,432	10.2%
FY06	23,323	3%	6,201	1.5%	30,091	13%	59,615	7.6%
FY07	23,939	2.6%	6,315	1.8%	42,505	41%	72,759	22%
FY08	24,586	2.7%	6,424	1.7%	51,007	20%	82,017	12.7%
FY09	25,507	3.7%	6,516	1.4%	51,584	1%	83,607	1.9%
FY10	26,551	4%	6,762	3.78%	49,963	<3.24%>	83,276	<-0.40%>
FY11	27,329	3%	6,964	3%	49,346	<1.2%>	83,639	0.44%
Cumulative % Increases FY01-11		27%		20%		123% FY04-11		206%

### New Regulatory Database System

The project to replace the TSBP database system (originally written in the 1970's and converted to a DEC VAX platform in 1989) and migrate to a Shared Regulatory Database System began in FY2008. In FY2009 after the legislature provided funding, a vendor was selected and implementation of the project began in FY2010. It quickly became apparent that an overriding challenge of this project was the effective conversion of the agency data from our custom system that was built more than 20 years ago, to an off-the-shelf system that would be shared by six agencies and that could meet the unique needs of each agency.

Throughout all of FY2010, agency staff worked with the Regulatory Database (RDB) Project Team (Health Professions Staff, Versa and VAX programmers), to identify and map all tables, rules and data to the new regulatory system and to design and configure the Versa Regulatory System and the Versa Online System.

The actual conversion to the new RDB System was delayed several times but finally occurred on May 30, 2011, with online access for licensees/registrants going live on June 3, 2011. The conversion of the majority of the data from the prior system was successful and all licensing and enforcement functions of the agency have been operational since migration to the new system. However, the project has not been without its challenges and disappointments. The new system has not generated the efficiencies that were anticipated and thus leaving the agency with more manual processes than expected.

The new system also has not been able to recreate the previous system's automated interfaces that are essential to verifying the certification of applicants, matching of student loan defaulters, and obtaining criminal history records. The agency is dependent upon these efficiencies to offset the workload created by the continued growth of licensees.

Without these efficiencies, the agency is experiencing substantial workload issues that we hope will be addressed during the next legislative session. In addition, the online access for licensees/registrants has been a major disappointment and licensees/registrants have expressed dissatisfaction with the functionality of the system when compared with the previous Texas Online system used by the agency. Despite this disappointment, the overall use of Versa Online by agency customers is 85%. It is anticipated that with improvements to the online system, more licensee/registrants will use the online system.

## Enforcement Services

The key function of the Enforcement Program is to promote, preserve, and protect the public health, safety, and welfare through the regulation of the practice of pharmacy; the operation of pharmacies; and the distribution of prescription drugs in the public interest. The key services are provided through three organizational divisions within the agency: Professional Services Division, Enforcement Division, and the Legal Division. The key services of the Enforcement Program and the Divisions that provide these services are listed below:

### Professional Services Division

- (1) Proposing and adopting rules relating to the practice of pharmacy;
- (2) Providing information, including responses to requests for records relating to complaints and disciplinary orders; publication of *TSBP Newsletter*; and speaking engagements; and
- (3) Developing pharmacy law questions for the Texas pharmacy jurisprudence examination.

### Enforcement Division

- (1) Investigation and resolution of complaints through various means, including field and office investigations and referral to the Legal Division for disciplinary actions when necessary;
- (2) Conducting inspections of pharmacies and non-licensed facilities; and
- (3) Monitoring licensees/registrants compliance with the provisions specified in disciplinary orders.

### Legal Division

- (1) Preparing and prosecuting cases referred to the division after investigation by:
  - conducting informal settlement conferences with licensees/registrants who have been charged with violating the pharmacy and drug laws; and
  - filing and prosecuting complaints filed with the State Office of Administrative Hearings.
- (2) Assisting the Professional Services Division in:
  - developing law questions for the Texas pharmacy jurisprudence examination; and
  - proposing and adopting rules relating to the practice of pharmacy.

## Dual Approach to Enforcement

### Prevention

TSBP has a two-pronged approach to enforcement. One approach is a “preventative” approach that is based upon the belief that 98% of its licensees/registrants will obey the laws and rules governing the practice of pharmacy, if the licensees are well informed as to the requirements of the pharmacy laws and rules. A review of prior reports of TSBP performance measure *Percent of Licensees with No Recent Violations* proves that preventive enforcement is working well. The preventive program includes:

- (1) Compliance inspections (of pharmacies);
- (2) Publication of *TSBP Newsletter*, which contains information about new laws and rules; Q&A (most frequently asked questions); Disciplinary Orders (names of licensees and brief description of allegation and sanction); and helpful articles relating to practicing pharmacy in compliance with pharmacy laws/rules; and
- (3) Technical assistance to licensees and the public that is available by telephone, e-mail, via the TSBP Website, live presentations, and professional exhibits.

As of the date of this report, TSBP licenses approximately 7,090 pharmacies, with 6,467 of those pharmacies located in Texas and 623 pharmacies located in other states. TSBP employs seven FTE’s to conduct compliance inspections (e.g., random un-announced inspections, follow-up to written warnings, and disciplinary orders involving a pharmacy). With this staff, TSBP is able to inspect approximately one-third of the in-state pharmacies each year. As a result, there is a lengthy gap between inspections for most pharmacies. For some pharmacies, it may be as many as three to five years between inspections. TSBP would prefer to inspect pharmacies more often, because experience has shown that longer period between inspections generally results in greater number of pharmacies being in non-compliance with the Texas Pharmacy Act and Texas Drug Laws. If TSBP is to continue its preventative enforcement through routine, unannounced inspections, additional inspectors must be authorized and funded.

### Treatment

TSBP’s other approach to enforcement is a “treatment” approach. This approach includes investigation of complaints, and if substantive evidence is obtained, the institution of disciplinary action against the applicable person or facility. The chart below shows the number of jurisdictional complaints received FY2003 through FY2011.

Number of Jurisdictional Complaints Received FY2003 – FY2011							
Year	Complaints Received	% Change Complaints Received Previous Year	Complaints Closed	% Change Complaints Closed PreviousYear	% Complaints Closed	Resolution Time (Agency Average)	% Change Time
FY03	1,935	--	1,887	--	98%	153 Days	--
FY04	4,476	131%	3,018	60%	67%	118 Days	-23%
FY05	3,086	-31%	3,327	+10%	108%	196 Days	+66%
FY06	3,550	+15%	3,387	+2%	95%	207 Days	+6%
FY07	5,849	+65%	4,980	+47%	85%	185 Days	-11%
FY08	5,737	-2%	5,360	+8%	93%	196 Days	+6%
FY09	5,290	-8%	6,182	+15%	117%	211 Days	+8%
FY10	5,702	+8%	5,512	-11%	97%	182 Days	-14%
FY11	5,698	<-1%	5,840	+6%	102%	195 Days	+7%
Cumulative % Change FY03-11		195%		210%			28%

Beginning in FY2004, when TSBP began registering pharmacy technicians, the agency experienced a dramatic growth in the number of complaints received. TSBP experienced more growth in FY2007, when the agency began registering Technicians-in-Training. Most of the increase was due to the criminal background checks or investigations conducted on applicants for a technician and technician trainee registration. For the past five fiscal years, the number of complaints has somewhat stabilized between 5,000 and 6,000 complaints per year.

However, TSBP has also experienced increased workload in the following two areas:

- (1) “Pill-Mill” pharmacies – these types of pharmacies dispense controlled substances outside the course of professional practice. The prescribers who issue the prescriptions are not prescribing the controlled substances for a legitimate medical need and the pharmacies are dispensing these invalid prescriptions. Due to the huge number of prescribers and pharmacies involved in this type of activity, primarily in the Houston area, TSBP has assigned one of its field investigators to work full-time with a Drug Enforcement Administration Task Force in the Houston area. Because of the dedicated work on these types of cases, TSBP has conducted eight (8) temporary suspension hearings over the course of the past two years (October 2010 through January 2012). These hearings have resulted in 13 suspensions affecting the licenses of six pharmacists and seven pharmacies.
- (2) Theft of Prescription Drugs by Technicians – TSBP receives reports regarding the theft/loss of controlled substances and dangerous drugs from Texas pharmacies. A large percentage of these reports involve employee pilferage by technicians. Complaints are opened on the individuals who have purportedly stolen the drugs and a field investigation is initiated. If sufficient evidence is collected, disciplinary action is instituted against the license or registration involved. In the past three fiscal years, TSBP has revoked 419 licenses/registrations, as indicated in the chart below:

Number of Revoked/Retired Licenses/Registrations FY2009 – FY2011			
Fiscal Year	Pharmacists/Pharmacies Licenses Revoked/Retired	Technician/Tech Trainees Registrations Revoked/Retired	Totals
FY09	25	149	174
FY10	15	133	148
FY11	14	83	97
Totals	54	365	419

In FY2011, the agency entered 97 orders revoking a license or registration (11 pharmacist licenses; 3 pharmacy licenses; and 83 technician registrations). The technician orders were primarily due to theft of prescription drugs from the pharmacies where they were employed a deferred adjudication or conviction for a felony offense. The diversion of prescription drugs by technicians is an ever-increasing problem.

During the past nine years, TSBP has also experienced a 232% increase in disciplinary orders from 213 in FY2003 to 706 in FY2011, as indicated in the chart below:

Numbers of Disciplinary Orders FY2003 – FY2010				
Fiscal Year	Pharmacists	Pharmacies	Pharmacy Technicians	Totals
FY03	142	71	--	213
FY04	155	80	234	469*
FY05	119	52	380	552
FY06	144	63	268	475
FY07	213	87	348	648**
FY08	171	82	310	563
FY09	207	127	403	737
FY10	217	127	464	808
FY11	213	129	364	706
Cumulative % Change FY03-11	50%	82%	56% FY04-11	232%

\* TSBP began registering Technicians.  
 \*\* TSBP began registering Technician Trainees.

Most of the disciplinary orders that are entered by TSBP require monitoring to ensure compliance with the terms of the orders, as reflected in the chart below. Many of these disciplinary orders require random drugs screens; this type of monitoring is extremely labor intensive. Only two FTEs are dedicated to this type of monitoring, which is inadequate staffing to meet the workload demands. The table below shows the number and percentage of disciplinary orders that require monitoring.

Number of Disciplinary Orders Requiring Monitoring FY2007 – 2011			
Fiscal Year	Total Number of Disciplinary Orders	Total Number of Disciplinary Orders Requiring Monitoring	% Requiring Monitoring
FY07	648	599	92%
FY08	563	488	87%
FY09	737	633	86%
FY10	808	698	86%
FY11	706	605	86%
5-Year Average	693	605	87%

TSBP believes that its two-pronged approach to enforcement is cost-effective. However, to ensure that the public health and safety are not compromised, TSBP needs adequate human resources to enforce the laws and rules governing the practice of pharmacy.

## Health Professions Council – A Model for Regulation

As stated in the Texas Sunset Advisory Commission Staff Report (October 1992), efforts throughout the past 40 years to create a centralized licensing agency in Texas have received only lukewarm support. During development of legislation to implement the recommendations of the Texas Performance Review, the Sunset Commission took another approach, and questioned what result the consolidation efforts were trying to achieve, other than simply that of ending up with one large, bureaucratic organization. The Sunset staff analysis indicated that a majority of the following positive benefits could be achieved in a constructive manner:

- Coordination of overall policy;
- Economies of scale;
- Standardization of functions;
- Improved public access to services; and
- The potential for better enforcement.

A further review indicated, however, that a majority of these measures could be achieved in a constructive manner, without consolidating regulatory agencies under one *super-agency*. With these thoughts in mind, the *Health Professions Council (Council)* was created during the 1993 Texas Legislative Session. The Council provides a unique solution for the multiple challenges of state regulation of health professions. The purpose of the Council is to provide a means for the agencies represented to coordinate administrative and regulatory efforts. The Council has a membership of 15 agencies currently representing 35 professional licensing boards, certification programs, documentation programs, permit programs or registration programs, and the Governor's Office. The Council consists of one representative from each of the following:

- (1) Board of Chiropractic Examiners;
- (2) Board of Dental Examiners;
- (3) Texas Medical Board;
- (4) Board of Nurse Examiners;
- (5) Board of Occupational Therapy Examiners;
- (6) Texas Optometry Board;
- (7) Board of Pharmacy;
- (8) Board of Physical Therapy Examiners;
- (9) Texas Funeral Commission;
- (10) Board of Podiatric Medical Examiners;
- (11) Board of Examiners of Psychologists;
- (12) Board of Veterinary Medical Examiners;
- (13) Department of State Health Services, Professional Licensing and Certification Unit;
- (14) Office of the Governor; and
- (15) Office of the Attorney General.

The Council has provided a valuable forum for health licensing agencies to discuss and reach consensus on ways for agencies to operate together in a more effective and efficient manner, without sacrificing the independent efficiency and effectiveness of each agency.

The Council has made tremendous strides in accomplishing efficiency and effectiveness through administrative sharing and cooperative teamwork. Eleven Council committees, involving approximately 40 staff members from member agencies, were appointed to study and make recommendations on the functional and programmatic assignments of the priority objectives. The following is a summary of accomplishments from FY1994-2011.

- Shared Regulatory Database System: In July 2006, the Texas Department of Information Resources notified agencies that they would no longer be providing support or housing for the existing legacy database system as part of their Master Service Agreement. Moreover, agencies were informed that legacy databases would no longer be supported under upcoming contracts with IBM. HPC took the lead in finding enterprise Licensing and Regulatory software for the management of licensing, enforcement, legal and some accounting functions for six regulatory agencies (Board of Dental Examiners, Board of Professional Land Surveyors, Optometry Board, Board of Plumbing Examiners, State Board of Pharmacy, and the Board of Examiners of Psychologists). The 2009 Texas Legislature awarded funding for the Shared Regulatory Database System and implementation of the project began in FY2010. This program has two staff providing support to the six agencies using the system.
- Shared Services Technology Committee: This committee facilitates the sharing of information technology knowledge and resources among all of the member agencies. This program has two staff to provide direct ongoing services to eight of the smaller member agencies. The program has been operating since November 2003.
- Co-location of Council Members: The legislation that created the Council required the Council agencies to collocate to the state-owned William P. Hobby Jr., Building. The accomplishment of this objective was a major success for the Council agencies during fiscal years 1994 and 1995.
- "1-800" Compliant System: The Council established a "1-800" complaint system to provide assistance and referral services to persons initiating a complaint related to a health profession regulated by the state. Approximately 2,250 consumers call the toll-free complaint line each month. Of these, approximately 1,700 are routed to member agencies to request complaint forms and 500 per month receive other assistance from the HPC administrative staff.
- Training Manual for Board and Commission Members: The Council has developed a Training Manual for board and commission members to be used by member agencies.
- Sharing of Administrative Functions: The Council has established a structure that provides for continuation of administrative services such as accounting, purchasing, and payroll, during time that an agency experiences a loss of employees due to illness, vacation, or separation from the agency.
- Shared Services: The members of the Council participate in the sharing of common services such as courier service, storage space, Employee Assistance Program, and legislative tracking.
- Training/Information: The Council coordinates the provision of training for new employees such as EEO training and other opportunities through the State Auditor's Office and Employee's Retirement System. In addition, the National Certified Investigator/Inspector Training (NCIT) program of the Council on Licensure, Enforcement, and Regulation is provided to HPC members employing investigators.

- Legal Services: The Council coordinates discussions on legal issues of joint concern to Council agencies.
- Policy and Procedure Development: The Council through its committees has developed model policies and procedures for risk management, disaster recovery, and workforce policy/procedures. When new reporting requirements are mandated, member agency staff meet on an ad hoc basis to review the requirements, clarify expectations, and seek further clarification to facilitate quality reporting.
- Electronic Imaging System: Members of the Council share an electronic imaging system for data storage.

In its December 1995 report entitled *Reforming Health Care Workforce Regulation*, the Pew Health Professions Commission cited the Health Professions Council as an innovation in regulation. The many aspects described previously demonstrate the success of this cooperative structure. As the Council pursues additional opportunities for improvement among member agencies, the primary goals envisioned by the legislative leadership will be met.

# AGENCY SELF EVALUATION

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## KEY AGENCY EVENTS/AREAS OF CHANGE AND IMPACT SINCE THE LAST UPDATE OF THE STRATEGIC PLAN

Since the publication of the 2010 agency *Strategic Plan*, the following events and changes have had a major impact on the strategic and operational planning of the agency, and are referenced (where applicable) within this *Strategic Plan* where they are specifically addressed.

- Although the TSBP was successful in obtaining additional appropriations for a portion of the requested exceptional items during the 82nd Legislative session, the state's fiscal crisis required maintaining the existing 5% and 2.5% reductions of FY2010-11, as well as an additional 10% reduction. These reductions eliminated the increases to appropriations received in FY2010-2011 in the areas of the Pharmacy Recovery Network, the testing of compounded products, and merit increases to eligible employees. The reductions also eliminated the critical replacement of agency vehicles and technology as well as numerous reductions to the majority of agency services.

The continued increase in demand for services, together with the increase in the complex nature of modern health and pharmaceutical care, is taxing the agency's ability to respond not only to future challenges, but to maintain its current level of service.

- Implementation of the Regulatory Data Base Project finally occurred on May 30, 2011, with the online portion coming up on June 3, 2011. The conversion of the majority of the data from the prior system was successful. All licensing and enforcement functions of the agency have been operational since migration to the new system. However, the project hasn't been without its challenges and disappointments. The significant challenges notwithstanding, the enormous amount of time, energy and effort displayed by the TSBP staff, indicate the agency's high level of commitment to this project.
- TSBP continues development of a comprehensive and user-friendly Website to improve services and accessibility to its customers. Major features include:
  - comprehensive consumer information, including procedures regarding the complaint process and an online complaint form; new and ongoing licensing information; a reference site for pharmacy related information; and important information regarding the agency's laws and rules;
  - a license verification link that enables the user to verify the licensing and disciplinary status of pharmacists, pharmacies, interns, and pharmacy technicians; and
  - the implementation of all agency fee paying applications available electronically on Texas Online.

### Evaluation Process

As covered in the section titled *The Organizational Perspective*, the agency continually operates by implementing and measuring performance against strategic and operational *Goals and Objectives* and through customer feedback. In addition to this continuous process, and in preparation for this *Strategic Plan*, the agency sought the input of Board Members, staff, officials of national and state pharmacy organizations, pharmacy academicians, and officials of state consumer advocacy groups. The list of the recipients of the survey letters is included in *Appendix A* with a list of the questions asked of these *interested parties*.

The strategy for the continued success of the agency consists of three distinct but interrelated elements:

- Leadership – The creative process comes from the ability of the organization and all its members to learn, improve, and innovate. The Board and management staff must establish a climate that allows the creative process to continue.
- Feedback from Employees – The *Survey of Employee Engagement (Appendix F) (Survey)*, administered by the School of Social Work at The University of Texas at Austin provides a uniform benchmark for all Texas government to compare employees' perceptions of organizational achievement from agency to agency and over time. The agency's scores are consistently higher than the statewide average for all workplace dimensions.
- Feedback from External Customers – The agency has developed customer service standards, and has been conducting a survey of agency customers regarding the quality of service delivered by the agency since FY2000.

Customer satisfaction can also be measured by the agency's progress in establishing credibility and recognition. The Texas State Board of Pharmacy has an excellent state and national reputation for its stature and effectiveness as a state health regulatory agency. This reputation has been reinforced within Texas and throughout the nation, as evidenced by the following:

- The agency met or exceeded 99% of its 11 key performance measures listed in the Appropriations Act and required to be reported on an annual basis to the Legislative Budget Board for FY2011.
- Monetary exception-free financial audit by the State Comptroller of Public Accounts;
- Continuous exception-free audits by the Texas Building and Procurement Commission on the Delegated Service Certification Program (now the Texas Procurement and Support Services {TPASS} division of the State Comptroller) of TSBP's purchasing process.
- A recent audit of the "*Complaint Processing and Enforcement at the Board of Pharmacy*" conducted by the State Auditor's Office concluded that the Board of Pharmacy:
  - imposes sanctions and disciplines licensees and registrants in accordance with state laws and regulations.
  - has processes in place to monitor compliance with Board-ordered disciplinary actions.
  - follows its complaint handling process that prioritizes the assignment and investigation of complaints relative to the seriousness of the allegations.
- Achievement, over the past five years (FY2007-FY2011), of an average settlement rate of approximately 98% of TSBP's contested cases resulting in a disciplinary order against licensees/registrants; this results in significant efficiencies, both in terms of complaint resolution time and costs;
- The agency's continued success with the licensee/registrant acceptance of the Texas Online application system (93% for pharmacists and pharmacy technician renewals); and

- Comments from external customer organizations, both national and statewide, were solicited in the Strategic Plan external assessment. The comments received were not only instructive, but extremely positive and complimentary to the agency.

The agency has also been an innovator in the field of proactive health regulation. This is well-documented in that Texas was the first state in the nation to:

- Pass legislation to establish drug therapy management and immunizations by pharmacists (2001);
- Pass laws that allowed for the remote provision of pharmacy services using automated dispensing systems and telepharmacy systems (2001); and
- Pass legislation to establish peer review committees that may be used to suggest improvements in pharmacy systems to enhance patient care, assess system failures, and make recommendations for continuous quality improvement processes (1999). Guidelines for Establishing Pharmacy Peer Review Committees were adopted by the Board in FY2000.

The Texas State Board of Pharmacy was the first board of pharmacy in the nation to:

- Use ad hoc task forces in its pre-rule-making process (The agency began using these task forces in 1981);
- Publish a *Newsletter* that is distributed to all pharmacies and other interested customers (The *Newsletter* has been continuously published since 1977 and is directed at educating pharmacists about the laws and rules relating to the practice of pharmacy. It also discloses the names of all pharmacists, pharmacies, and pharmacy technicians disciplined by the Board);
- Implement a preventive enforcement program that encourages pharmacists' voluntary compliance with governing laws and rules, through a combination of routine inspections and education efforts (the Compliance program began in 1977); and
- Develop and implement a strategic plan (the first agency *Strategic Plan* was developed in 1986).

The Texas State Board of Pharmacy is in a unique position to be able to impact the delivery of pharmaceutical care to the citizens of Texas. We constantly strive to improve on our performance and responsiveness to our customers. In order to fulfill that goal, we hope to see advancement in expanding and enhancing our capabilities for encouraging the delivery of pharmaceutical care to improve the quality of life for Texas consumers.

The agency's opportunities in these areas are virtually boundless. It is an exciting and demanding era, because of the uncertainty in the environment due to healthcare reform and quickly changing market conditions. Never before in the nation's – or profession's history – have we been presented with such an opportunity to positively impact the healthcare of the citizens of Texas and the promotion of pharmaceutical care through proactive regulatory initiatives.

The agency has built credibility, momentum, and innovation in the advancement of patient care. Organizations don't stand still – they either progress or regress. For the agency to take advantage of its momentum, it must have the necessary resources.

# EXTERNAL/INTERNAL ASSESSMENT

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## TRENDS IN PHARMACY PRACTICE AND REGULATION

### The Changing Focus of Pharmacy Practice

The following forces are forging rapid changes in our healthcare system:

- the aging of Texas' population;
- advances in drugs, devices, and drug dosage forms;
- managed care;
- the public demand for safety in the healthcare system;
- the emergence of alternative medicine; and
- economics.

These forces both drive and are driven by new governmental strategies and marketplace issues, and are causing an evolution in the practice of pharmacy. These factors are causing pharmacists to change the focus of their practice to one that is more patient-oriented, where the pharmacist provides the prescription product as well as other pharmaceutical care services to meet needs of patients.

Pharmacists have the knowledge and opportunity to help patients achieve better outcomes from drug therapy and, in turn, provide a significant cost savings to Texas' healthcare system. The cost of this pharmaceutical care can very likely be recovered from the savings it generates.

This outcome can be realized only if an environment is created by healthcare reform that recognizes that the savings are not likely to be generated at the pharmacist-patient level. The savings will be generated at the level of patients' therapeutic successes and the resulting reductions in hospitalizations, surgeries, repeated office visits, nursing home admissions, and prolonged illnesses that result from patients using their medications improperly.

The Texas Pharmacy Act recognizes this shift to a more patient-centered practice in the definition of the practice of pharmacy. This definition now includes activities associated with traditional dispensing of medication and:

- provision of any act or service necessary to provide pharmaceutical care;
- performance of drug therapy management under protocol of a physician (collaborative practice); and
- administration of immunizations or vaccinations under a physician's written protocol.

The Act defines *pharmaceutical care* as the provision of drug therapy and other pharmaceutical services intended to assist in the cure or prevention of a disease, elimination, or reduction of a patient's symptoms, or arresting or slowing of a disease process. These definitions make it clear that pharmacists need to be aware of, and committed to, the patients' interests and the direct outcomes of their individual drug therapies.

Pharmacists must become participating members of the healthcare team and work collaboratively with physicians and other healthcare practitioners to provide total care to the patient. This process is currently occurring in Texas in that many pharmacists provide expanded patient care services such as drug therapy management, administration of immunizations, disease state management, disease screening, and health promotion and disease prevention.

Although the Texas Pharmacy Act currently allows pharmacists to perform drug therapy management under written protocol of a physician and to administer immunizations and vaccines, there are limitations to these authorities. During the 2009, the Texas Legislature passed two bills that eliminated some of the limitations. In the case of drug therapy management under written protocol of a physician, pharmacists may initiate and modify drug therapy of patients but pharmacists were not allowed to sign written prescriptions in the same manner as physician assistants and advanced nurse practitioners are allowed. S.B. 381 passed by the 2009 Texas Legislature allows a physician to delegate the signing of a prescription to a pharmacist **IF** the pharmacist practices in a hospital, hospital-based clinic, or an academic health care institution.

Likewise, prior to the passage of H.B. 1409 by the 2009 Texas Legislature, the authority to administer medications was limited to immunizations and vaccines, and the patient must be 14 years of age or older.

H.B. 1409 reduced the limitations by amending the law to allow pharmacists to administer influenza vaccine (only) to a patient over seven years of age without an established physician-patient relationship. While the passage of these bills eliminated some of the barriers, further amendments to the act are necessary to remove the restrictions to allow pharmacists to more fully use these tools. In addition, for pharmacists to continue providing these expanded services, the buyers and sellers of healthcare must recognize and understand the pharmacist's value to the patient.

The buyers and sellers of healthcare will continue to scrutinize the system to ensure that care and product are being provided in the most *cost-effective* manner. The role of pharmacists will be viewed in the context of what level of care and services a patient receives. Financiers will be monitoring pharmacy practice in all settings to determine if pharmacists' services are cost-beneficial or if these services could be provided at reduced costs (*e.g.*, could pharmacist services be provided by another healthcare professional?).

### **Promoting Patient Safety through Continuous Quality Improvement Programs**

Pharmacists must work with other healthcare professionals to reduce medication errors to assure the safety of the healthcare system. The safety of the healthcare system has been the focus of numerous reports including a series of reports from the Institute of Medicine (IOM). The first report was issued in 1999 and titled: *To Err is Human: Building a Safer Health System*. This report identified medical errors as a significant problem and that medical errors kill 44,000 people in U.S. hospitals each year and cause more than 7,000 deaths annually, both in and out of hospitals. This study recognized the value of the pharmacist and stated: *The pharmacist has become an essential resource . . . access to pharmaceutical information must be available all the time*. Additionally, one of the IOM strategies calls for increasing pharmacy participation in medical rounds and in other areas to decrease the potential for error. The report recognized that errors were system and not individual failures and encouraged the use of continuous quality improvement (CQI) programs to prevent errors.

In 1999 Texas became the first state to pass legislation establishing pharmacy peer review committees for the establishment of CQI programs in pharmacies. The bill specifies that a pharmacy peer review committee may be established to:

- Evaluate the quality of pharmacy services or the competence of pharmacists;
- Suggest improvements in pharmacy systems to enhance patient care; and
- Investigate disagreements or complaints, determine facts, and make recommendations or issue decisions in a written report.

Most importantly, this legislation makes the records of a pharmacy peer review committee confidential and not subject to disclosure, discovery, or subpoena. Since passage of the peer review legislation, the Board has used this tool by ordering pharmacies, which have come before the Board for dispensing errors, to implement a CQI program that includes “peer review,” for the identification and prevention of dispensing errors. The Board has no studies or data to indicate that pharmacies that establish CQI programs make fewer dispensing errors. However, pharmacies that have implemented such programs have indicated that the establishment of such programs has allowed management to identify problem areas and may have reduced the occurrence of serious errors. For example, one pharmacy chain used the data to determine that 80 percent of their errors occurred in 20 percent of the stores. This pharmacy chain implemented changes in these stores and dramatically reduced errors chain-wide.

Since the passage of this legislation, the Board has ordered numerous pharmacies to implement CQI programs. However, because implementation of a CQI program is voluntary, not all pharmacies have implemented CQI programs. Therefore, the Board has suggested that the Pharmacy Act be amended to allow the Board to mandate all pharmacies implement CQI programs.

### **Pharmacist’s Continuing Competency**

In 2001, a second IOM report titled “*Crossing the Quality Chasm: A New Health System for the 21st Century*” was published. This report identified assessment of the competence of a healthcare provider as a *gap* in the regulatory scheme. The report states the following:

*In a field with a continually expanding knowledge base, there is no mechanism for ensuring that practitioners remain up to date with current best practices. Responsibility for assessing competence is dispersed among multiple authorities.*

Because of this *gap*, the Board may need to explore ways to ensure pharmacists' competence through periodic testing. An alternative to this testing may be for national and state professional pharmacy organizations to work together to develop other appropriate methods for assessing the continued competence of pharmacists.

Recently a number of national pharmacy organizations have adopted policies stressing the importance of continuing professional development (CPD). In a CPD model, a pharmacist would:

- Evaluate his or her personal needs and interests;
- Develop a plan that will foster his or her professional growth and development;
- Implement the plan;
- Document participation and execution; and
- Evaluate and refine the plan on an ongoing basis.

CPD may include traditional continuing education (CE) and other learning/ work activities.

Further validation for the use of CPD occurred in December 2009, when the Institute of Medicine (IOM) published a report titled: *Redesigning Continuing Education in the Health Professions*. This report proposes a new vision for continuing education that will be based on CPD, in which learning takes place over a lifetime and stretches beyond the classroom to the point of care. The IOM report provides the following broad messages for all CE for Health Professionals as follows.

- There are major flaws in the way CE is conducted, financed, regulated, and evaluated. Among various problems, health professionals and their employers tend to focus on meeting regulatory requirements rather than identifying personal knowledge gaps and finding programs to address them. Many of the regulatory organizations that oversee CE also tend not to look beyond setting and enforcing minimal, narrowly defined competencies.
- The science underpinning CE for health professionals is fragmented and underdeveloped. These shortcomings have made it difficult, if not impossible, to identify effective educational methods and to integrate those methods into coordinated, broad-based programs that meet the needs of the diverse range of health professionals.
- Continuing education efforts should bring health professionals from various disciplines together in carefully tailored learning environments. As team-based health care delivery becomes increasingly important, such inter-professional efforts will enable participants to learn both individually and as collaborative members of a team, with a common goal of improving patient outcomes.
- A new, comprehensive vision of professional development is needed to replace the culture that now envelops continuing education in health care. Such a vision will be key in guiding efforts to address flaws in current CE efforts and to ensure that all health professionals engage effectively in a process of lifelong learning aimed squarely at improving patient care and population health.

## Increased Use of Technology in the Practice of Pharmacy

The use of new technologies will continue to increase in the practice of pharmacy over the next five years. Current, new, and anticipated technologies include the expanded use of computers, smart phones, tablet computers, robotics, biometrics, bar codes, RFID (radio frequency identification), nanotechnology, voice recognition, telecommunication, automated prescription kiosks, and the Internet. It is clear that technology has the capacity to enhance the provision of pharmaceutical services and provides opportunities to maximize the use of staff. It also creates some special challenges for the Board. Many issues cross jurisdictional boundaries between state agencies, federal agencies, and even international agencies. The Board must find ways to support the increased use of technologies that enable pharmacists to serve the public health, safety, and welfare. This includes finding ways to balance productivity with safety, automation with accountability, and pharmacy service with patient confidentiality.

It is clear that appropriate, coordinated use of new technologies is necessary in pharmacy practice. New technology is appearing in many other areas of pharmacy practice as well. Although there is overlap, this discussion is divided into the following areas:

- receipt and data entry of prescriptions and patient information;
- storage of prescription information;
- delivery of pharmacy services;
- accountability for pharmacy services; and
- use of the Internet.

### (1) Receipt and Data Entry of Prescriptions and Patient Information

The profession will continue to seek ways to automate the prescription transmission process between practitioners and pharmacies. Besides written and verbally communicated prescriptions, the Board has allowed prescriptions to be electronically transmitted between practitioners and pharmacies for many years. The electronic transmission of prescriptions is growing rapidly and in May 2012 Surescripts' National Progress Report on E-Prescribing and Interoperable Healthcare reported that the number of prescriptions transmitted electronically has increased 75%, to more than 570 million in 2011 from 326 million in 2010. This trend is expected to increase at a greater rate since the federal Drug Enforcement Administration published rules in 2010 that allow for the electronic transmission of prescriptions for Schedule II-V controlled substances. Electronic prescribing may be one of the most effective methods to reduce dispensing errors due to illegible handwriting. However, the Board must be aware of the potential for other types of errors to occur when using electronic prescribing.

Data entry of prescription information into a pharmacy's computer system has traditionally occurred via a computer keyboard at the dispensing pharmacy. Electronic transmission technology allows prescription data entry into a pharmacy's computer by any of these methods to occur at locations other than the dispensing pharmacy. Off-site data entry is currently being used as a way to alleviate some of the

pharmacist's workload issues at the pharmacy level. It is important for the Board to monitor the changes in electronic prescribing and keep the Board's rules current with the technology.

## (2) Storage of Prescription Information

Currently, a pharmacy's prescription records must be maintained at the dispensing pharmacy. With the centralization of pharmacy services discussed under Delivery of Pharmacy Services (below), there is a desire to centralize prescription records. This would allow a single prescription record to be accessed by multiple pharmacies for dispensing purposes without actual transfer of the prescription between pharmacies. As a result, patients would have easier access to their prescriptions. There also exists smart card technology, where a computer chip is contained in a card carried by the patient. This card could carry patient and insurance information and the patient's prescription information. However, at both the state and federal levels, these practices raise recordkeeping, confidentiality, and accountability concerns. Cooperation and agreement between federal and state agencies will be required as the Board addresses recordkeeping issues.

Some entrepreneurs have gone a step further and set up centralized prescription and patient information centers that are not licensed as pharmacies. The Board believes these types of facilities should be licensed as pharmacies to protect the public and have created a new Class G Pharmacy that establishes standards for entities that centrally process prescription drug or medication orders.

Pharmacies are also using electronic recordkeeping systems to capture an electronic visual image of a prescription drug order. These systems save space and may improve a pharmacy's efficiencies by reducing time spent filling hard-copy prescriptions. These scanned images allow a prescription to be viewed from alternative locations outside of the pharmacy where the record is stored. Currently, Board rules allow for the electronic storage of prescription records. However, federal regulations do not allow for the electronic storage of controlled substance prescriptions.

## (3) Delivery of Pharmacy Services

The Board will need to monitor and address entirely new methods for delivery of pharmacy services and respond with requirements and enforcement strategies to protect public health.

- Remote Dispensing Systems: As robotic technology develops and entrepreneurs look for ways to market their products, there will be a push to place remotely controlled dispensing systems in satellite locations. In the past, these remote locations may or may not have held pharmacy licenses or any other license that allowed possession of stock prescription drugs. However, in 2001, the Texas Legislature passed S.B. 98 and S.B. 65 that requires remote facilities to be registered by the Board.

The Board has adopted rules to implement these laws to allow a:

- Texas pharmacy to place an automated dispensing system that is remotely controlled by a pharmacist in a nursing home. A drug ordered for a patient is released only after the pharmacist has reviewed the order and conducted a drug regimen review. Other potential locations for remote dispensing systems include assisted living centers, personal care homes, adult day care centers, jails, and detention centers, offsite clinics associated with hospitals, and even in schools.

- pharmacy to provide prescription services to remote medically underserved areas using a telepharmacy system. Pharmacists monitor dispensing of prepackaged unit of use prescription drugs to patients at the remote location. The pharmacist supervises the activities at the remote site with a telepharmacy system that uses audio and video, still image capture, and/or store and forward technology. The pharmacist also provides drug use review and patient counseling by electronic means.

As telepharmacy systems become more accepted, there will be pressure to expand the types of sites that may use telepharmacy. The Board must monitor these initiatives to ensure that pharmacists are in control of the dispensing process and patients are receiving good pharmaceutical care.

- Centralized Prescription Dispensing: As the number of prescriptions dispensed by a pharmacy increase, many chain pharmacies are establishing centralized dispensing centers where prescriptions are ordered through community pharmacies but filled in the highly automated central location. Prescriptions are then delivered to the community pharmacy for pick-up by the patient.

This process takes some of the dispensing load out of the community pharmacy and places it in a very efficient automated pharmacy. In November 2002, the Board adopted rules allowing centralized dispensing.

#### (4) Accountability for Pharmacy Services

The provision of pharmacy services has become fragmented with multiple personnel, licensed and unlicensed, assisting in the dispensing process. Centralized recordkeeping and multi-pharmacy involvement in a single dispensing process make it harder to establish individual responsibility. Although advances in technology may fragment the dispensing process, technology can also be used to enhance individual accountability. As the Board addresses technology issues in the future, it must also address individual accountability for decisions made in the dispensing and information provision processes.

#### (5) Internet Pharmacies

The Internet has received a tremendous amount of attention over the past few years. Internet pharmacies sprang up almost overnight. By and large, legitimate Internet pharmacies are simply mail service pharmacies that use the Internet to advertise their pharmaceutical services. This has led to several ancillary issues. Not all Internet pharmacies are licensed. Some entrepreneurs use the ever-changing fluidity of the Internet to offer prescription drugs illegally, closing up shop after a very short period of time only to appear again under a different facade. In addition, since the Internet is global in scope, an Internet pharmacy, which appears to be located in a city in another state, may in fact be located in Switzerland, or some other country. The issue of illegal sales of prescription drugs through the Internet crosses local, state, and international boundaries and will require the cooperation of many state, federal, and international agencies to resolve. The Board must continue to monitor this issue.

## Pharmacy Personnel and Working Conditions

Current stressors in the pharmacy environment include the evolving roles and duties of registered pharmacy technicians, and working conditions [e.g., increased volume of prescriptions; working long hours; increased use and availability of technology; and increased professional responsibilities (e.g., patient counseling and drug regimen reviews)].

Expanded use of automation and competent pharmacy technicians should help to reduce the stressors in the pharmacy. However, the strategic challenge for the Texas State Board of Pharmacy (TSBP) during the next five years will be to review its rules and procedures and to collaborate with other agencies and entities to improve working conditions in the pharmacy environment.

### (1) Pharmacy Technicians

The addition of the registration of pharmacy technicians and pharmacy technician trainees has more than doubled the number of persons/entities licensed by TSBP. The 49,346 pharmacy technicians and trainees the agency registers have had a dramatic effect on the agency's operations and the impact on the profession is expected to continue for the following reasons.

- Increase in the demand for Pharmacy Technicians: Career opportunities for pharmacy technicians are expected to expand rapidly over the next few years. The Bureau of Labor Statistics' 2008-2009 report estimates employment for pharmacy technicians will increase by as much as 32% by 2016. This coupled with current and expanding duties being delegated to pharmacy technicians is likely have a substantial impact on the number of pharmacy technician and technician trainee applications received and processed by TSBP.
- Demand for Expanding the Duties of Pharmacy Technicians: Board is continually receiving requests from various organizations to increase the duties of pharmacy technicians and/or to allow pharmacists to supervise more pharmacy technicians. In 2009, the 81st Texas Legislature passed House Bill HB1924 that greatly expands the authority pharmacy technicians will have to perform certain duties without the direct supervision of pharmacists in rural hospitals. HB 1924 defines a rural hospital as a hospital of 75 beds or less located in a county with a population of 50,000 or less, or has been designated by the Centers for Medicare and Medicaid Services as a critical access hospital, rural referral center, or sole community hospital. HB1924 allows the work of a registered pharmacy technician to be verified by a nurse, or practitioner, or a pharmacist by remote access. The bill also allows registered pharmacy technicians to perform the following duties without the supervision of a pharmacist:
  - enter medications orders and drug distribution information into a data processing system;
  - prepare, package, or label a prescription drug according to a medication order if a licensed nurse or practitioner verifies the accuracy of the order before administration of the drug to a patient;
  - fill a medication cart used in the rural hospital;

- distribute routine orders for stock supplies to patient care areas;
  - access and restock automated medication supply cabinets; and
  - perform any other duty specified by the Board by rule.
- Education of Pharmacy Technicians: In 2008, a Task Force was convened by TSBP to review all of the rules pertaining to Class C (Institutional) pharmacies. One of the recommendations made by the Task Force was for the Board to consider requiring that all pharmacy technicians registered after 2015 be required to have completed a Board approved training program. In addition, some members of the pharmacy profession feel strongly that an increase in educational requirements for pharmacy technicians is needed, while others disagree.

Because of the projected growth in career opportunities for pharmacy technicians and the expanding range of duties delegated to pharmacy technicians, TSBP may wish to conduct a study of the need for additional pharmacy technician education. TSBP's mission is "to promote, preserve, and protect the public health, safety, and welfare by fostering the provision of quality pharmaceutical care to the citizens of Texas . . . ."

To this end, TSBP must ensure that the training of pharmacy technicians supports the scope of services that they are expected to perform. Under the current law, technicians only have to have a high school diploma or high school equivalency certificate or be working to achieve an equivalent diploma or certificate. TSBP may want to seek legislation that would require a pharmacy technician to possess a minimum education beyond the high school diploma or equivalency.

## (2) Working Conditions

For many years, working conditions in pharmacies has been a major issue in Texas, as well as in the nation. At its meeting held in February 1999, TSBP approved a position statement regarding working conditions. In the position statement, TSBP:

- encouraged all employers to provide reasonable breaks during a regular work day for meals and rest;
- discouraged employers from establishing working conditions that tend to increase the stress on dispensing pharmacists, such as setting quotas on the number of prescriptions that a pharmacist is required to dispense per hour in order to keep from being terminated or to achieve a favorable performance evaluation; and
- encouraged increased communication between employees and management.

As another means of alleviating the demands on dispensing pharmacists, TSBP promulgated rules that increased the pharmacist-to-technician ratio from 1:2 to 1:3, providing one of the pharmacy technicians is registered. In addition, TSBP recently approved a pharmacist-to-technician ratio of 1:6 in a call center setting where prescription drugs are neither stored nor dispensed. TSBP continually has requests from the profession to increase the pharmacist-to-technician ratio in various practice settings. The agency must be diligent in evaluating each request to ensure that adequate supervision is maintained.

Consumers often file complaints in which they express concerns that inadequately staffed prescription departments are the reason why pharmacists commit dispensing/medication errors. Research has shown that the causes of dispensing errors involve numerous factors, but are not necessarily a result of increased prescription volume. Accordingly, TSBP has not set a quota or limit on the number of prescriptions a pharmacist can fill per hour or day. Although many would say that increasing the ratio of technicians to pharmacist would provide a “quick fix” to the staffing problem, many pharmacists say that they could not adequately supervise additional technicians and believe that an increased ratio could have negative effects on patient care.

### **Maintain the Agency's Leadership Position in Pharmacy Practice Regulation and Establish a Key Leadership Position for Addressing Public Needs**

The Board of Pharmacy needs to continue its partnership with the public and profession to promote the highest level of pharmacy services possible. In addition, opportunities exist for the Board to continue its national leadership role in progressive regulation. While being “out-front” is never comfortable, the pharmacy profession in Texas has come to expect the Board to act in a key leadership position while addressing public needs.

The Board of Pharmacy must be visionary in order to stay on the cutting edge of regulation. The Board must continue to play a public advocacy role as it relates to educating the public about the value of the pharmacist's role as a vital member of the healthcare team, especially in light of the major challenges facing pharmacy today. These challenges include the following:

- increasing demand for affordable healthcare services;
- the growing aging population;
- increased consumer demand for prescription drugs;
- rising availability of prescription drugs over the Internet; and
- disaster planning and response.

In order to accomplish these goals and still maintain its position of strength, the agency must identify areas for growth and opportunity, as well as the challenges facing the agency. Additionally, the agency must aggressively pursue avenues to retain or preferably increase the number of highly qualified personnel employed while continuing to implement quality management practices. Given the pace of technological advances, the agency must also carefully encourage and recognize the use of technology that will allow the public easier access to information, while at the same time not cause undue reporting requirements or workload constraints on the agency or practitioners. Finally, it is important for the agency to strike the appropriate balance in achieving its public protection mandate yet be flexible enough to develop regulations to facilitate pharmacy practice changes.

#### **(1) Value of Pharmaceutical Care**

The Board should continue to play a public advocacy role as it relates to educating the public about the value of pharmaceutical care, including the pharmacist's role as a vital member of the healthcare team.

- The increasing demand for affordable healthcare services may cause consumers to seek medications from nontraditional pharmacy sources. Consumers should be educated not only on the positive facts like the importance of vaccines, dietary supplements, and prevention of medication errors, but also warned about the negatives such as the proliferation of misinformation (e.g., Internet scams and e-mails offering prescription drugs without a prescription) and the dangers of lookalike/sound alike products.
- Consideration must be given to the dramatic increase in the state's aging population and the associated growth in prescription volume. Not only is the current population aging, but also Texas is becoming home to an increasingly large number of retirees. Aging consumers often have decreased cognitive skills, eyesight, and mobility, which lead to increased demand on all healthcare providers. Consequently, as the senior population increases so will the workload associated with a higher volume of prescriptions. This will have a significant impact on pharmacists and pharmacy personnel to meet the consumers' needs.
- Consumers, as well as healthcare professionals, are seeking information and advice concerning alternative medicines, including herbal and other nutritional supplements. Efforts should be made to incorporate complete drug histories into patient charts, including herbal medicines and other nonprescription medication products, to avoid the potential risk of an interaction with a prescription drug already prescribed. As more federal scrutiny and potential regulation of these agents occurs, it may be logical that the regulation of these drugs would fall to the Pharmacy Board. Pharmacists who are experienced in evaluating clinical studies and other types of substantiating health information, especially related to safety and effectiveness, are in a unique position to advice consumers.

## (2) Preparedness for Public Health Emergencies

The Board should focus on preparedness for public health emergencies where pharmacist participation is crucial. Pharmacies and pharmacists have vital roles in front-line defense in the event of a public health emergency, such as an act of bioterrorism, natural disaster, or widespread disease such as a pandemic influenza. Pharmacists must be ready to be positioned to provide emergency care and medication delivery in response to such unplanned events. Currently, pharmacies are deeply involved in the administration of seasonal flu immunizations, placing pharmacy on the front line of healthcare in the nation. The immediate distribution of emergency refills of critical prescriptions, and assistance with the distribution of vaccines, antidotes, and other pharmaceutical agents is vital to ensure the continued safety of the public. This will require specialized knowledge, advance planning, and integration of local, state, and federal resources to achieve quick mobilization. Pharmacy is a key stakeholder in assuring appropriate and adequate response to disasters and as such should be present and a participant in all governmental preparedness meetings.

## (3) Partnerships with Federal Agencies and Other State Agencies and Boards.

The Board should expand its partnerships with federal agencies, as well as other state agencies and boards. This can result in the sharing of key information, data sharing, training, as well as effective enforcement and compliance.

An example of this partnership included the Board's joint investigation with the US Food and Drug Administration, Drug Enforcement Administration, Federal Bureau of Investigation, Internal Revenue

Service, US Department Social Security Administration, US Department of Veteran Affairs, and the Texas Department of State Health Services. This internet fraud case involved more than \$200 million in fraudulently obtained pharmaceuticals and resulted in the guilty pleading of all 19 individuals charged in the indictment. These expanded partnerships will be especially crucial as the trend toward the abuse of prescription drugs continues to grow.

A 2010 study conducted by the Substance Abuse and Mental Health Services Administration (SAMSA) and the Centers for Disease Control and Prevention concluded that "visits to hospital emergency departments involving nonmedical use of prescription narcotic pain relievers more than doubled, rising 111 percent, between 2004 and 2008. The study used data from SAMHSA's Drug Abuse Warning Network (DAWN) emergency department system. It examined emergency department visits for nonmedical use of legal drugs, such as using them without a prescription.

In a June 2010 news release about the study, Office of National Drug Control Policy Director Gil Kerlikowske stated, "The abuse of prescription drugs is our nation's fastest-growing drug problem. And this new study shows it is a problem that affects men and women, people under 21, and those over 21."

(4) Transfer of Programs to the Agency.

A bill passed by the 2009 Texas Legislature directed the TSBP, the Texas Department of Public Safety, and the Texas Medical Board to develop a transition plan for the orderly transfer the regulation of certain records and regulatory functions relating to dispensing controlled substances (Prescription Monitoring Program and the Controlled Substances Registration Program) to TSBP. This study was completed and submitted to the 2011 Texas Legislature, but no action was taken to move either program to TSBP. However, since the end of the session, there have been continued discussions by pharmacy and medical groups regarding the possible move of the two programs to TSBP.

(5) The Board should continue to be a leader in the growth and evolution of the profession

The Board should continue to be a leader in the growth and evolution of the profession by adopting regulations and encouraging legislation that allows pharmacists to use the full scope of their knowledge, skills, and abilities. Innovation will continue to be necessary in order to improve pharmacy systems to enhance patient care, in developing new methods and systems to monitor compliance with existing laws and rules, and/or expand compliance initiatives around the state. It is important to plan appropriately and address the growing volume of prescriptions and the additional professional services that pharmacy can provide as a key member of the healthcare team.

(6) Protection of the Citizens of Texas

In order for the Board to continue to protect the citizens of Texas, it must have adequate funds and staff. The additional 49,346 pharmacy technicians and trainees have had a dramatic effect on the agency's operations. Of particular concern to the agency is the explosive growth in the number of complaints received, which has a direct impact on the protection of the health and safety of the citizens of Texas. Since FY2003, the agency has experienced a 195% increase in the number of complaints; a 232% increase in the number of disciplinary orders and a 28% increase in the number of days to resolve a complaint. Each area of growth can be directly attributed to the increase in registrants.

### (7) Consolidation of Health Licensing Agencies

In both the 2009 and 2011, legislative session bills that would consolidate the health licensing agencies into one large agency were introduced. This consolidation will have a dramatic impact on the operation of the agency in that it will likely include less or no control by TSBP in developing and establishing its budget and loss of direct control of some agency functions such as licensing.

A possible alternative to consolidation would be conversion to a self-directed/semi-independent agency. In 1999, 2009, and 2011, the Texas Legislature enacted legislation that transferred several professional and occupational licensing agencies to self-directed/semi-independent status.

The self-directed/semi-independent status allows the Boards of these agencies to set and control the budgets for the agencies. Though the agencies are in control of their own budgets, they are still under the oversight of the legislature, governor, state auditor, state comptroller, and other state agencies. The self-directed, semi-independent status has allowed the agencies much more flexibility to react to changes in their respective professions. TSBP should pursue self-directed/ semi-independent status during the next legislative session.

## IDENTIFICATION OF ISSUES

In developing its Strategic Plan, the Board and agency staff sought to identify and analyze those trends and resulting issues expected to have the most significant impact on the profession and regulation of pharmacy over the next five years. As described in the *Description of Agency Planning Process (Appendix A)*, the Board sought input from numerous outside individuals and organizations and internal comments from staff and Board members. The agency reviewed all comments and researched current and future trends and issues that will have the most significant impact on the practice and regulation of the practice of pharmacy over the next five years.

## EXTERNAL ISSUES

### Priority Issues Outside Of TSBP Rulemaking Authority Or Requiring Additional Appropriations

The following seven issues were identified as the most important to the regulation of the practice of pharmacy in the State of Texas. These issues are outside of the Boards' authority or require additional appropriations to implement.

#### 1. Self-Directed/Semi-Independent Status for the Texas State Board of Pharmacy

The Texas State Board of Pharmacy (TSBP) should pursue authorization to function as a self-directed/semi-independent agency. The operations of TSBP are supported solely by examination, licensing, and other fees paid by the licensees/registrants. The legislature approves the Board's operating budget each biennium and the agency funds are deposited in the state treasury and each biennium TSBP collects approximately \$1.6 million more than it is budgeted. These excess funds are returned to the state treasury. Additionally, the Board is required each biennium to fund any new program with new fees rather than the use of any of the current funds it deposits in the treasury.

The rapid changes occurring in pharmacy practice and the changing demands and pressures on the Board's resources has prompted concern by the Board that it may not have the financial resources and the flexibility to meet its responsibilities efficiently and effectively. If TSBP had self-directed/semi-independent status, the agency will have the flexibility to expand and contract resources as needed, thus being more responsive to constituents and the public. This should result in more timely resolution of licensing and disciplinary matters.

During the 76<sup>th</sup> (2005) Legislative Session, Senate Bill 1438 was passed to allow three state agencies to participate in a self-directed/semi-independent pilot program (Board of Public Accountancy, Board of Professional Engineers, and the Board of Architectural Examiners). The agencies were permitted to move their funds outside the state treasury, pay their own bills, and reimburse the State for all services rendered. The agencies enabling statutes are still under direct control of the legislature and each agency must report certain information to the state regarding accountability of funds, services, and goals. The agencies are also subject to audit by the Office of the State Auditor.

Again, during the 81<sup>st</sup> (2009) Legislative Session, four additional state agencies were granted self-directed/semi-independent status by House Bill 2774. These included the Texas Finance Commission, the Texas Department of Banking, the Department of Savings and Mortgage Lending, the Office of Consumer Credit Commissioner, and the Credit Union Department.

Finally, during the 82<sup>nd</sup> (2011) Legislative Session, the Real Estate Commission was granted self-directed/semi-independent status by Senate Bill 1000. In addition, during the 82<sup>nd</sup> Session, House Bill 2092 was introduced that would give the Texas State Board of Pharmacy and the Texas Board of Nursing self-directed/semi-independent status. House Bill 2092 was voted out of the House Public Health Committee during the last few weeks of the session, but it was not heard by the House.

If granted self-directed/semi-independent status, TSBP would be removed from the legislative budgeting process and the budget would be adopted and approved by the board members appointed by the Governor. On the first day of each regular legislative session, TSBP would be required to submit a report to the Legislature and the Governor describing all of the agency's activities in the previous biennium. In addition, TSBP would be required to report its two-year expenses and revenue collections by November 1 of each year to the Legislature, the Legislative Budget Board, and the Governor. The TSBP employees would remain members of the Employees Retirement System of Texas under Chapter 812 of the Government Code. The State Auditor would contract with TSBP to conduct financial and performance audits and the Attorney General would collect fees for their legal services. All agency supplies, materials, records, equipment, and facilities would be transferred to TSBP.

The advantages of moving TSBP to self-directed/semi-independent status to the State of Texas are as follows.

- The number of hearings and legislative time spent on agency budgets is reduced;

- The administrative burden of state government will be reduced by approximately:
  - 78 employees will be removed from the state payroll; and
  - \$10,000,000 will be removed from the state budget, thus reducing the biennial state budget.
- State oversight agencies such as the State Auditor, Comptroller of Public Accounts, State Office of Administrative Hearings, and Office of the Attorney General will receive actual reimbursement costs for services.
- The agency will have the flexibility to expand and contract resources as needed, thus being more responsive to constituents and the public. This should result in more timely resolution of licensing and disciplinary matters.
- The number of reports to oversight agencies will be reduced with most reports required annually.
- The governing Board of the agency will be held to a higher level of accountability to their constituents.
- The agency budget will be held to a higher level of scrutiny by licensees and professional associations.
- The Self-Directed/Semi-Independent status will be reviewed in 2017 during the Agency's Sunset process.

The move to self-directed/semi-independent is a major change to how the agency finances are managed. This shift from direct state oversight to an agency driven process is a significant change but has been tested by eight licensing agencies and has proven to be successful and effective. By virtue of past State Auditor, Comptroller, and State Office of Risk Management audits, the Texas State Board of Pharmacy has proven to be an effective, efficient, and well-managed state agency and an excellent candidate for self-directed/semi-independent status.

## **2. Diversion of Controlled Substances through the Dispensing of Prescriptions without a Valid Medical Need**

A limited number of pharmacists and pharmacies are creating a situation that has a critical impact on the public health and safety through the dispensing controlled substances to patients who do not have a valid medical reason to receive these prescriptions at "Pill Mill" pharmacies. These types of pharmacies dispense controlled substances outside the course of professional practice. The prescribers who issue the prescriptions are not prescribing the controlled substances for a legitimate medical need and the pharmacies are dispensing these invalid prescriptions. Due to the huge number of prescribers and pharmacies involved in this type of activity, primarily in the Houston area, TSBP has assigned one of its field investigators to work full-time with a Drug Enforcement Administration Task Force in the Houston area. Because of the dedicated work on these types of cases, TSBP has conducted eight (8) temporary suspension hearings over the course of the past two years (October 2010 and January 2012). These hearings have resulted in 13 suspensions affecting the licenses of six pharmacists and seven pharmacies.

The presence of these “Pill-Mills” in Houston is having a dramatic and deadly effect on the citizens of Houston. The Harris County Coroner’s Office reported in 2010 that prescription drugs have killed more than 1,200 people in Harris County since 2006. In addition, a nationwide study shows that prescription drugs now regularly kill more people in the U.S. than cocaine and heroin.

Participation on this DEA Task Force has produced some positive results but because of the very large number of cases, TSBP is experiencing a large backlog in the investigation and prosecution of these cases. In addition, as the agency has success in the Houston area, we are seeing the “Pill-Mill” pharmacies moving to other cities in Texas such as Dallas/Fort Worth and San Antonio. TSBP must have additional investigative and legal staff to properly investigate and prosecute these cases. The agency will seek additional funding during the FY2013 Texas Legislative Session.

### **3. Underutilization of the Clinical Knowledge and Skills of Pharmacists in the Current Health Care System**

Pharmacists have the knowledge and opportunity to help patients achieve better outcomes from drug therapy and, in turn, provide a significant cost savings to Texas’ healthcare system. The cost of this pharmaceutical care can very likely be recovered from the savings it generates.

This outcome can be realized only if an environment is created by healthcare reform that recognizes that the savings are not likely to be generated at the pharmacist-patient level. The savings will be generated at the level of patients’ therapeutic successes and the resulting reductions in hospitalizations, surgeries, repeated office visits, nursing home admissions, and prolonged illnesses that result from patients using their medications improperly.

Pharmacists must become participating members of the healthcare team and work collaboratively with physicians and other healthcare practitioners to provide total care to the patient. This process is currently occurring in Texas in that many pharmacists provide expanded patient care services such as drug therapy management, administration of immunizations, disease state management, disease screening, and health promotion and disease prevention.

Because the clinical knowledge and skills of pharmacists is underutilized in the current healthcare system, pharmacists must work to expand the scope of collaborative practice agreements. The Board should monitor legislative efforts to expand the scope of collaborative practice agreements.

### **4. Increase Licensee Compliance with Laws and Rules Relating to the Practice of Pharmacy through Education of Licenses**

Because the profession is changing rapidly, the laws and rules relating to the practice of pharmacy are also changing. The Board should re-dedicate its efforts to educate pharmacists about the laws and rules that relate to the practice of pharmacy including the importance of patient counseling.

Since 1982, the Board has following a “*preventative*” approach to enforcement based upon the belief that 98% of its licensees/registrants will obey the laws and rules governing the practice of pharmacy, if the licensees are well informed as to the requirements of the pharmacy laws and rules. A review of prior

reports of TSBP performance measure *Percent of Licensees with No Recent Violations* proves that preventive enforcement is working well.

In developing this educational program, the Board should use all of the tools available including written information with the TSBP Newsletter, the TSBP Website, social media such as Facebook, Twitter, YouTube, etc., presentations, and compliance inspections. The Board will ask the legislature for an increase in staffing levels to allow the agency conduct this multi-faceted education program.

## 5. Retirement of the Current Executive Director

The current executive director has indicated that she will retire in December 2013. The Board should establish a plan for hiring a new executive director. The Texas Pharmacy Act requires that the executive director of TSBP be a pharmacist. One item may make the process of finding a pharmacist to be the executive director of TSBP is the salary paid to this position. Currently the legislature has placed the salary of the executive director in exempt group 4, which has a minimum salary of \$106,500 and a maximum salary of \$167,500 per year. However, the legislature has specified that the executive director's salary be set at the minimum level of \$106,500.

The current salary for the position will make filling the executive director position very difficult since this salary is less than that paid to beginning pharmacists. A 2012 survey of pharmacist's salary conducted by "Drug Topics" reported the annual base salaries for staff pharmacists between \$116,000 and \$140,000 a year. The lower range of these salaries is \$9,500 more than the salary of the TSBP executive director.

For the last two legislative sessions, the Board has asked the legislature to give them the authority to set the salary within the Group 4 exempt salary range. With this authority, the Board will be able to pay the person who is the executive director a salary that is competitive to pharmacists' salaries and one that recognizes the experience of the executive director. The Board will ask the 2013 Legislature to give them the authority to set the salary within the Group 4 exempt salary range or raise the salary specified in the Appropriations Act to \$140,000 per year.

## 6. Education of the Public on the Value of Pharmaceutical Care

The public is not aware of the value of pharmaceutical care and of the positive impact that pharmacists provided care would have on their health. Because of this lack of knowledge of the value of pharmaceutical care, the Board should participate in a public education program to educate the public on the value of pharmaceutical care.

In recent years, the complexity of the healthcare system and the changing ways in which healthcare is delivered similarly changed the way pharmacists practice. Within the next five years, the practice of pharmacy will continue to be changed by many factors, such as the aging of Texas' population, increasingly complex and expensive drugs, drug regimens, and diagnostic technologies emerging from the biotechnology industry, and healthcare reform. This will necessitate the viewing of pharmacy by professionals and patients in a way different from our century-old image of the pharmacist behind the counter inside the pharmacy.

Pharmacists are becoming participating members of the healthcare team and work collaboratively with physicians and other healthcare practitioners to provide total care to the patient. Many Texas pharmacists are providing expanded patient care services such as drug therapy management, administration of immunizations, disease state management, disease screening, and health promotion and disease prevention.

The Board will ask the legislature for an increase in staffing levels to allow the agency begin this education program.

## **7. Program for Pharmacy Technicians Who are Impaired by Chemical Abuse or Mental or Physical Illness**

Since 1983, the Texas Pharmacy Act (Act) authorizes the agency to contract with an entity that operates a program established to aid pharmacists or eligible pharmacy students impaired by chemical abuse or mental or physical illness. In addition, the Act authorizes the agency to collect a surcharge on pharmacists' licenses to fund this program.

This program has been very successful in treating and rehabilitating pharmacists and pharmacy students and the success rate has been very high as can be seen by the agency performance measures. The one-year completion rate for pharmacists and students in the program is 90% while the 3-year recidivism rate was 15% in FY 2010 and 19% in FY2012.

Currently the Texas Pharmacy Act does not allow the agency to refer pharmacy technicians who are impaired by chemical abuse or mental or physical illness. The Texas Pharmacy Act must be amended to allow pharmacy technicians to participate in the program

## **INTERNAL ISSUES**

The following four issues were also identified as the most important to the regulation of the practice of pharmacy in the State of Texas. However, the Board is not asking for additional authority or funds to implement action on these issues.

### **1. Use of Technology in the Practice of Pharmacy**

Due to the rapid proliferation of technology, the board must stay abreast with advances in technology that will enhance the practice of pharmacy and patient care, and understand the changes in technology and how that applies to the practice of pharmacy. This rapid proliferation of technology also creates some special challenges for the Board. Many issues cross jurisdictional boundaries between state agencies, federal agencies, and even international agencies. The Board must find ways to support the increased use of technologies that enable pharmacists to serve the public health, safety, and welfare. This includes finding ways to balance productivity with safety, automation with accountability, and pharmacy service with patient confidentiality.

The Board should monitor and study the emerging use of technology in the practice of pharmacy and attempt to adopt regulations that will allow the use of the innovations without endangering the public health.

## **2. The Current Continuing Education Model May Not Be Adequate to Maintain Pharmacists' Professional Competency**

Many recent studies have questioned the value of the current continuing education model used by pharmacy boards. These studies indicate that the current continuing education model may not be adequate to maintain pharmacists' professional competency. The Board should monitor the study of this issue and if that study indicates Continuing Professional Development (CPD) is a better system, the Board should suggest amendments to the Texas Pharmacy Act to replace the current system.

## **3. Prospective Drug Regimen Review of Medication Orders Prior to Administration of a Drug to a Patient in Small Hospitals**

Currently Texas has different requirements for pharmacy services in large hospitals (101 beds or more) and small hospitals (100 beds or less). One of the areas where these standards differ is in the requirements for review of medication orders by pharmacists. Larger hospitals are required to review medication orders and a patient's medical history prior to administration of the drug. Small hospitals are not required to meet this requirement. The Board believes that recent advancements in technology will allow this drug use review to be performed in a more cost effective manner. Therefore, in order to protect patients' health and to eliminate the dual standards between large and small hospitals, the Board should enter in discussions with stakeholders to amend the rules to require drug regimen review prior to administration of any medication in small hospitals.

## **4. Appropriate Level of Training and Supervision for Pharmacy Technicians**

A number of national pharmacy organizations are in discussions regarding the appropriate level of education for pharmacy technicians based on the competency and duties performed by pharmacy technicians. The Board should monitor and enter into these discussions to determine if increased or higher education is necessary for a technician to perform adequately in current and future roles. The Board should also determine if current ratio of pharmacists to technicians should change if educational levels increase.

## AGENCY GOALS

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1. To establish and implement reasonable standards for pharmacist, pharmacy technician and pharmacy technician trainee education and practice, and for the operations of pharmacies to assure that safe and effective pharmaceutical care is delivered to the citizens of Texas [Texas Pharmacy Act (Occupations Code, Sec. 555-566 and 568-569)].
2. To assertively and swiftly enforce all laws relating to the practice of pharmacy to ensure that the public health and safety are protected from the following: incompetent pharmacists, pharmacy technicians and pharmacy technician trainees; unprofessional conduct, fraud, and misrepresentation by licensees; and diversion of prescription drugs from pharmacies; and to promote positive patient outcomes through the following: reduction of medication errors by encouraging or requiring licensees to implement self-assessment programs and continuous-quality improvement programs, including peer review processes; and enforcement of rules relating to patient counseling and drug regimen review, including prevention of misuse and abuse of prescription drugs. [Texas Pharmacy Act (Occupations Code, Sec. 551-569), and Health and Safety Code, Chapter 483, Dangerous Drugs.]
3. To establish and implement policies governing purchasing and public works contracting that foster meaningful and substantive inclusion of historically underutilized businesses (HUBs).

# **AGENCY OBJECTIVES AND OUTCOME MEASURES**

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**OBJECTIVE** Continue to operate a licensure system for pharmacists, pharmacy technicians, pharmacy technician trainees, and pharmacies that will assure that all licensees and registrants meet minimum licensing standards through 2017.

## **Outcome Measure**

- Percent of Licensees with No Recent Violations
- Percent of Licensees who Renew Online
- Percent of New Individual Licenses Issued Online

**OBJECTIVE** Through 2017, deter and reduce the incidence of violations of the law through compliance inspections of 50% of the licensed pharmacies in Texas; through technical assistance to licensees; through education and increased licensee access to information by contacting all licensees; and to resolve complaints received within an average of 200 days.

## **Outcome Measures**

- Percent of Complaints Resolved Resulting in Disciplinary Action
- 
- Recidivism Rate of Those Receiving Disciplinary Action
- 
- Percent of Documented Complaints Resolved Within 6 Months
- 
- Recidivism Rate for Peer Assistance Program
- 
- One-Year Completion Rate for Peer Assistance Program

**OBJECTIVE** To include historically underutilized businesses (HUBs) in at least 20% of professional services contracts, 33% of other services contracts, and 12.6% of commodities contracts and subcontracts awarded annually by the agency in purchasing and public works contracting by fiscal year 2013.

## **Outcome Measure**

- Percent of Total Dollar Value of Purchasing and Public Works Contracts and Subcontracts Awarded to HUBs

# AGENCY STRATEGIES AND OUTPUT, EFFICIENCY, AND EXPLANATORY MEASURES

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## STRATEGY 01.01.01

Operate a timely, cost-effective application and renewal licensure system for pharmacies and pharmacists, pharmacy technicians and pharmacy technician trainees.

### Output Measures

- Number of New Licenses Issued to Individuals
- Number of Licenses Renewed (Individuals)
- Number of New Registrations Issued to Individuals
- Number of Registrations Renewed (Individuals)

### Efficiency Measures

- Percent of New Individuals Licensed Within Ten Working Days
- Percent of Individual License Renewals Issued Within Seven Working Days

### Explanatory Measures

- Total Number of Individuals Licensed
- Total Number of Business Facilities Licensed
- Total Number of Individuals Registered

## STRATEGY 02.01.01

Emphasize preventive enforcement by conducting compliance inspections of pharmacies, promote voluntary compliance by providing information, education and technical assistance to licensees; and protect public health and safety by receiving, investigating, and resolving complaints, disciplining licensees, and monitoring compliance with disciplinary orders resulting from board adjudication.

### Output Measures

- Number of Inspections
- Complaints Resolved

### Efficiency Measure

- Average Time for Complaint Resolution

### Explanatory Measure

- Jurisdictional Complaints Received

## STRATEGY 02.01.02

Operate a Peer Assistance Program by monitoring the growth, development, and compliance of a program to aid pharmacists and eligible pharmacy students impaired by chemical abuse or mental or physical illness, and monitor the success of individuals in the program.

### Output Measure

- Number of Licensed Individuals Participating in Peer Assistance Program

## STRATEGY

Develop and implement a plan for increasing the use of historically underutilized businesses through purchasing and public works contracts and subcontracts.

### Output Measures

- Number of HUB Contractors and Subcontractors Contacted for Bid Proposals
- Number of HUB Contracts and Subcontracts Awarded
- Dollar Value of HUB Contracts and Subcontracts Awarded

## TECHNOLOGY RESOURCE PLANNING

### TECHNOLOGY INITIATIVE ASSESSMENT AND ALIGNMENT

<b>1. Initiative Name:</b> Name of the technology initiative.	
Upgrade and expand outward facing communications	
<b>2. Initiative Description:</b> Brief description of the technology initiative.	
Agency website and communication methods need modernization and to be reviewed to ensure state accessibility standards are met.	
<b>3. Associated Project(s):</b> Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.	
<b>Name</b>	<b>Status</b>
Web redesign / accessibility	Planned
Upgrade bandwidth	Planned
Utilize Social Media	Current
Webinar and Video steaming	Planned
Electronic display of Board Orders	Current
<b>4. Agency Objective(s):</b> Identify the agency objective(s) that the technology initiative supports.	
Objectives 1 and 2	
<b>5. Statewide Technology Priority (ies):</b> Identify the statewide technology priority or priorities the technology initiative aligns with, if any.	
<ul style="list-style-type: none"> <li>• P1 – Cloud</li> <li>• P2 – Data Management</li> <li>• P3 – Data Sharing</li> <li>• P6 – Mobility</li> </ul>	<ul style="list-style-type: none"> <li>• P7 – Network</li> <li>• P8 – Open Data</li> <li>• P9 – Security and Privacy</li> <li>• P10 – Social Media</li> </ul>
<b>6. Guiding Principles:</b> As applicable, describe how the technology initiative will address the following statewide technology guiding principles:	
<ul style="list-style-type: none"> <li>• Connect – expanding citizen access to services</li> <li>• Innovate – leveraging technology services and solutions across agencies</li> <li>• Trust – providing a clear and transparent accounting of government services and data</li> <li>• Deliver – promoting a connected and agile workforce</li> </ul>	
<p><b>Connect:</b> By expanding the functionality of our website, the utilization of webinars for training and education, and the use of social media tools.</p> <p><b>Innovate:</b> Agency is collaborating with a collection of Health related regulatory agency to fund web expertise and implementing leading edge social media technologies.</p> <p><b>Trust:</b> Agency is reducing infrastructure through collaboration</p> <p><b>Deliver:</b> Initiative will increase connectivity both outward facing and inward facing.</p>	

<p><b>7. Anticipated Benefit(s):</b> Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:</p> <ul style="list-style-type: none"> <li>• Operational efficiencies (time, cost, productivity)</li> <li>• Citizen/customer satisfaction (service delivery quality, cycle time)</li> <li>• Security improvements</li> <li>• Foundation for future operational improvements</li> <li>• Compliance (required by State/Federal laws or regulations)</li> </ul>	
<p>Anticipated benefits are reduced cost, increased productivity, increased customer satisfaction, increased security, compliance and increased functionality.</p>	
<p><b>8. Capabilities or Barriers:</b> Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.</p>	
<p>With the exception of the website redesign and accessibility project, the skills, contracts and infrastructure currently exist to advance this initiative with the lack of funding as the primary barrier.</p>	
<p><b>1. Initiative Name:</b> Name of the technology initiative.</p>	
<p>Expand Regulatory Database functionality</p>	
<p><b>2. Initiative Description:</b> Brief description of the technology initiative.</p>	
<p>Extend inward facing and outward facing functionality of our Licensing and Enforcement database system installed in 2011. This includes extending data out to the agency website.</p>	
<p><b>3. Associated Project(s):</b> Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency’s Information Technology Detail.</p>	
<b>Name</b>	<b>Status</b>
RDB back office	Current
RDB online	Current
Web data	Current
<p><b>4. Agency Objective(s):</b> Identify the agency objective(s) that the technology initiative supports.</p>	
<p>ALL</p>	
<p><b>5. Statewide Technology Priority (ies):</b> Identify the statewide technology priority or priorities the technology initiative aligns with, if any.</p>	
<ul style="list-style-type: none"> <li>• P1 – Cloud</li> <li>• P3 – Data Sharing</li> </ul>	<ul style="list-style-type: none"> <li>• P8 – Open Data</li> <li>• P9 – Security and Privacy</li> </ul>
<p><b>6. Guiding Principles:</b> As applicable, describe how the technology initiative will address the following statewide technology guiding principles:</p> <ul style="list-style-type: none"> <li>• Connect – expanding citizen access to services</li> <li>• Innovate – leveraging technology services and solutions across agencies</li> <li>• Trust – providing a clear and transparent accounting of government services and data</li> <li>• Deliver – promoting a connected and agile workforce</li> </ul>	

**Connect:** By expanding the functionality of our licensing and Enforcement systems and pushing more high value data to our website which is available 24 x 7 through our online portal and agency website.

**Innovate:** Agency is partnered with five other regulatory agencies, the Health Professions Council and the DIR data center contract in a sustainable collaboration.

**Trust:** Agency is leveraging the security expertise at the data center and NSOC .

**Deliver:** RDB systems are hosted at the state data center and shared application support services are leveraged through a contract with HPC technical staff.

**7. Anticipated Benefit(s):** Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

Anticipated benefits are reduced cost, increased productivity, increased customer satisfaction, increased security and increased functionality.

**8. Capabilities or Barriers:** Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.

The skills, contracts and infrastructure currently exist to advance this initiative with the lack of funding as the primary barrier.

<b>1. Initiative Name:</b> Name of the technology initiative.	
Infrastructure and systems refresh	
<b>2. Initiative Description:</b> Brief description of the technology initiative.	
As existing server, storage solutions and networking assets approach end of life and are replaced opportunities for consolidation and standardization are evaluated and implemented when possible.	
<b>3. Associated Project(s):</b> Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency’s Information Technology Detail.	
<b>Name</b>	<b>Status</b>
Server/Network equipment refresh	Current
<b>4. Agency Objective(s):</b> Identify the agency objective(s) that the technology initiative supports.	
Objectives 1 and 2	
<b>5. Statewide Technology Priority (ies):</b> Identify the statewide technology priority or priorities the technology initiative aligns with, if any.	
• P4 – Infrastructure	

<p><b>6. Guiding Principles:</b> As applicable, describe how the technology initiative will address the following statewide technology guiding principles:</p> <ul style="list-style-type: none"> <li>• Connect – expanding citizen access to services</li> <li>• Innovate – leveraging technology services and solutions across agencies</li> <li>• Trust – providing a clear and transparent accounting of government services and data</li> <li>• Deliver – promoting a connected and agile workforce</li> </ul>
<p><b>Connect:</b> By providing 24 X 7 availability both internally and externally  <b>Innovate:</b> Agency seeks opportunities to reduce infrastructure costs by consolidating or outsourcing services.  <b>Trust:</b> Agency is reducing infrastructure through collaboration  <b>Deliver:</b> Agency will evaluate and adopt alternate computing models as appropriate</p>
<p><b>7. Anticipated Benefit(s):</b> Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:</p> <ul style="list-style-type: none"> <li>• Operational efficiencies (time, cost, productivity)</li> <li>• Citizen/customer satisfaction (service delivery quality, cycle time)</li> <li>• Security improvements</li> <li>• Foundation for future operational improvements</li> <li>• Compliance (required by State/Federal laws or regulations)</li> </ul>
<p>Anticipated benefits are reduced cost and reduced footprint.</p>
<p><b>8. Capabilities or Barriers:</b> Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.</p>
<p>The skills, contracts and infrastructure currently exist to advance this initiative with the lack of funding as the primary barrier.</p>

## DESCRIPTION OF AGENCY PLANNING PROCESS

### Internal/External Assessment and Issue Identification

In developing its *Strategic Plan*, Board and agency staff identified and analyzed those trends and resulting issues expected to have the most significant impact on the profession and regulation of pharmacy over the next five years. In 1986, 1990, 1998/2000 and 2010, the agency conducted research into these areas utilizing a facilitator, who worked with the Board and agency staff.

This Strategic Plan has been the product of:

- overall review of the current *Strategic Plan* by the Board Members and agency staff (Internal Assessment) with a significant amount of input provided as to changes, issues, and updates that need to be addressed; and
- comments received from Board customers in response to a letter sent to the:
  - Deans of the Texas colleges of pharmacy;
  - Executive Directors of the Texas pharmacy professional organizations;
  - Executive Directors of national pharmacy professional organizations;
  - Executive Director of the National Association of Boards of Pharmacy;
  - Executive Director of the Pharmacy Technician Certification Board and the Institute for the Certification of Pharmacy Technicians;
  - Executive Directors of five Texas consumer advocacy groups;
  - Texas Commissioner of State Health Services; and
  - Executive Directors of two health regulatory agencies.

A list of the individuals who received an invitation for input and whether they responded is found in this Appendix.

The questions asked in the External Assessment were the following:

- As the agency updates its *Strategic Plan*, what are the issues in general, but specifically in health care, that will affect the practice of Pharmacy and the regulation of the practice, about which the agency should be concerned?
- How will any of these issues affect the agency's ability to carry out its mission?
- Which of these issues poses the greatest challenge for the agency in its ability to respond, and why?
- How should the agency attempt to respond to these issues and challenges?
- What do you see as the greatest area of opportunity for the agency?
- What can this Board do to establish or maintain a position of strength for both the profession and the agency?

Resulting issues to be addressed by the *Strategic Plan* were identified as:

- The Changing Focus of Pharmacy Practice;
- Increased Use of Technology in the Practice of Pharmacy;
- Pharmacy Personnel and Working Conditions; and
- To Maintain the Agency's Leadership Position in Pharmacy Practice Regulation and Establish a Key Leadership Position for Addressing Public Needs.

The Board Members worked with staff to develop these Issue Statements and approved the final *Strategic Plan* at the May 2012 Board Business Meeting.

Request List for Comments on the Agency Strategic Plan	
Name/Address	Response Received
<b>COLLEGES OF PHARMACY</b>	
F. Lamar, Pritchard, Ph.D., Dean College of Pharmacy The University of Houston 4800 Calhoun, SR-2.141 Houston, TX 77204	
Barbara Hayes, R.Ph., Ph.D., Dean College of Pharmacy and Health Sciences Texas Southern University 3100 Cleburne Ave. Houston, TX 77004	
M. Lynn Crismon, Pharm.D., Dean College of Pharmacy The University of Texas at Austin 1 University Station A1900 Austin, TX 78712-0120	07/22/2011
Arthur Nelson, Jr., Ph.D., Dean School of Pharmacy Texas Tech University Health Science Center at Amarillo 1300 Coulter Dr. Amarillo, TX 79106	
Arcelia M. Johnson-Fannin, Ph.D., Dean Founding Dean, Feik School of Pharmacy University of the Incarnate Word 4301 Broadway, Box 99 San Antonio, TX 78209-6397	
Indra K. Reddy, Ph.D., Dean Professor and Dean Irma Lerma Rangel College of Pharmacy Texas A&M University Health Science Center MSC 131, 700 University Blvd. Kingsville, Texas 78363-8202	
<b>CONSUMER GROUPS</b>	
Reggie James, Director Consumers Union Southwest Regional Office 1300 Guadalupe, Austin, TX 78701	
A. Barry Rand, CEO American Association of Retired Persons 98 San Jacinto, St., Ste. 750 Austin, TX 78701	

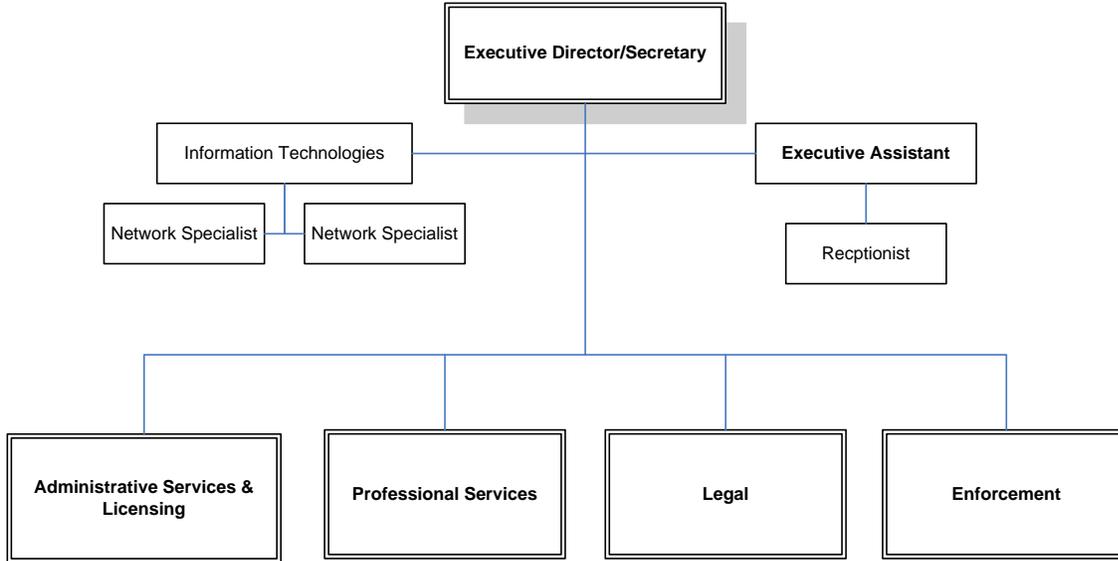
Suzy Woodford, Executive Director Common Cause Texas 603 West 13 <sup>th</sup> , Suite 2D Austin, TX 78701	
Tom "Smitty" Smith, Director Public Citizen Texas 1303 San Antonio St Austin, TX 78701-1636	
Gary Dugger, Chairman & Covener Gray Panthers 3710 Cedar Street # 15 Austin, TX 78705	
<b>NATIONAL PHARMACY ORGANIZATIONS</b>	
Thomas E. Menighan, Pharm.D., CEO and Executive Vice President American Pharmacists Association 2215 Constitution Ave. NW Washington, DC 20037	07/22/2011
Michael R. Cohen, RPh, MS, ScD, FASHP, President Institute for Safe Medication Practices 200 Lakeside Drive; Suite 200 Horsham, PA 19044-2321	
Henri Manasse, Jr., P.D., Executive Vice President American Society of Health-System Pharmacists 7272 Wisconsin Avenue Bethesda, MD 20814	
Peter H. Vlasses, PharmD, DSc (Hon.), BCPS, FCCP, Executive Director Accreditation Council for Pharmacy Education 20 North Clark Street Suite 2500 Chicago, Illinois 60602-5109	7/09/2011
Steven C. Anderson, IOM, CAE President & CEO National Association of Chain Drug Stores 413 North Lee Street Alexandria, VA 22314	
Mary Staples National Association of Chain Drug Stores 1560 East Southlake Blvd., Suite 230 Southlake, TX 76092	7/15/2011
Carmen A. Catizone, MS., R.Ph., DPh. Executive Director/Secretary National Association of Boards of Pharmacy 1600 Feenhanville Drive Mt. Prospect, IL 60056	

Douglas Hoey, R.Ph, M.B.A, Executive Vice President and CEO National Community Pharmacists Association 100 Daingerfield Road Alexandria, VA 22314	
Melissa Murer Corrigan, R.Ph. Executive Director/CEO Pharmacy Technician Certification Board 2215 Constitution Ave NW Washington, DC 20037-2985	
Rebecca M. Rabbitt, MS, Pharm.D., CEO Institute for the Certification of Pharmacy Technicians 2536 S Old Highway 94, Suite 224 St. Charles, MO 63303	
Ann Oberg, B.S., CPhT, President American Association of Pharmacy Technicians P.O. Box 1447 Greensboro, NC 27402	7/15/2011
Judith A. Cahill, CEBS Executive Director Academy of Managed Care Pharmacy 100 North Pitt Street #400 Alexandria, VA 22314-3134	7/11/1011
Mike Johnston, CPhT, Chairman National Pharmacy Technician Association P.O. BOX 683148 Houston, TX 77268	
Wendy Meigs, R.Ph., VP of Professional Affairs National Pharmacy Technician Association P.O. Box 683148 Houston, TX 77268	7/15/2011
<b>TEXAS PHARMACY ORGANIZATIONS</b>	
Dennis Song, R.Ph., President Texas Pharmacy Association 12007 Research Blvd., Suite 201 Austin, TX 78759	
Joe DaSilva Executive Director Texas Pharmacy Association 12007 Research Blvd., Suite 201 Austin, TX 78759	
Michael Wright, Senior Director Public Affairs Texas Pharmacy Association 12007 Research Blvd., Suite 201 Austin, TX 78759	7/20/2011

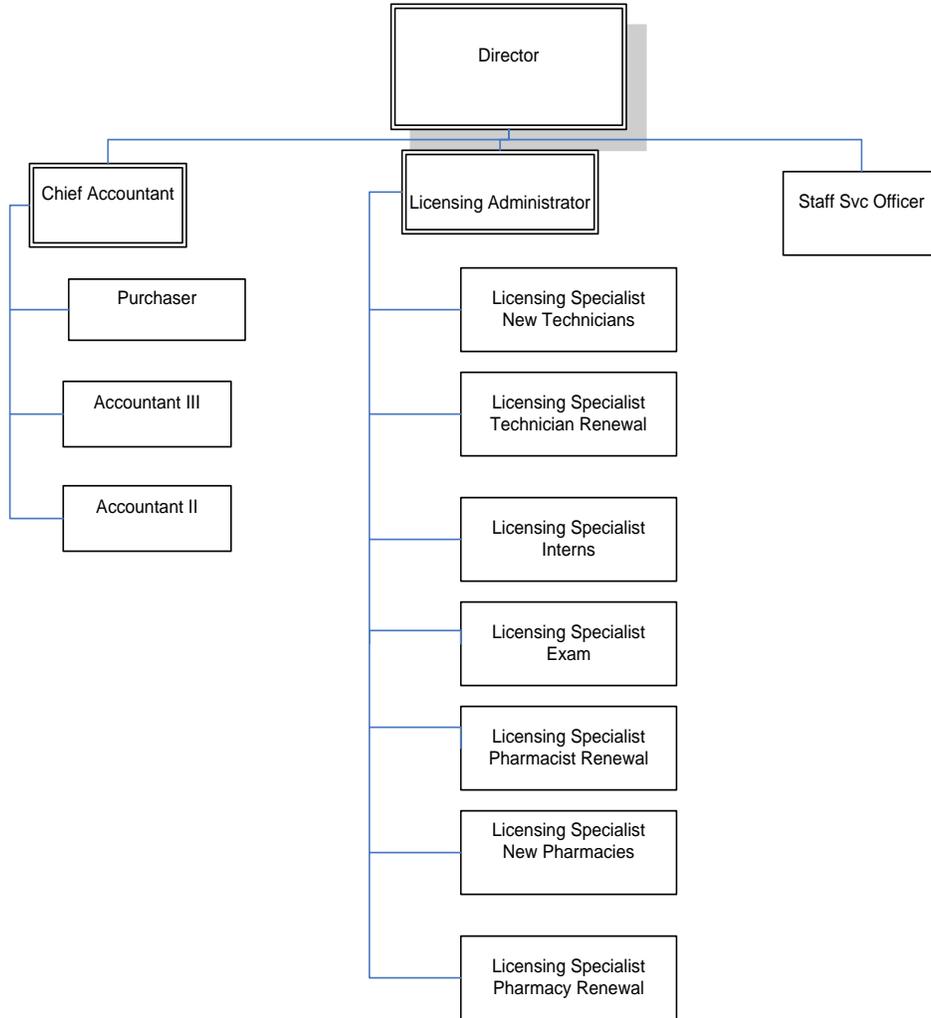
Strategic Plan – 2013-2017 Appendix A

<p>Randy Ball R.Ph., M.B.A, President  Texas Society of Health-System Pharmacists  3000 Joe DiMaggio #30-A  Round Rock, TX 78665-3994</p> <p>Paul F. Davis, R.Ph., Executive Director  Texas Society of Health-System Pharmacists  3000 Joe DiMaggio #30-A  Round Rock, TX 78665-3994</p>	
<p>Tim Purser, R.Ph., President  Texas Federation of Drug Stores  504 W. 12<sup>th</sup> St.  Austin, TX 78701</p>	
<b>STATE PUBLIC HEALTH OFFICIALS</b>	
<p>David L. Lakey, M.D.  Commissioner  Texas Department of State Health Services  1100 West 49th Street  Austin, TX 78756</p>	
<p>Kathy Thomas, R.N.  Executive Director  Texas State Board of Nurse Examiners  333 Guadalupe St., Ste 3-460  Austin, TX 78701</p>	
<p>Mari Robinson, J.D.  Executive Director  Texas State Board of Medical Examiners  333 Guadalupe St., Ste. 3-610  Austin, TX 78701</p>	

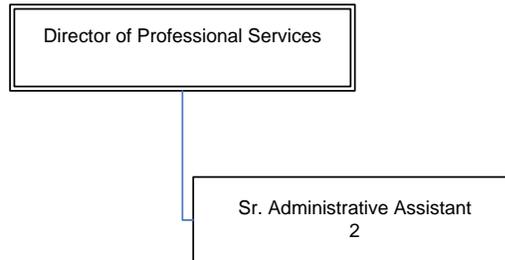
Texas State Board of Pharmacy  
Fiscal Year 2012



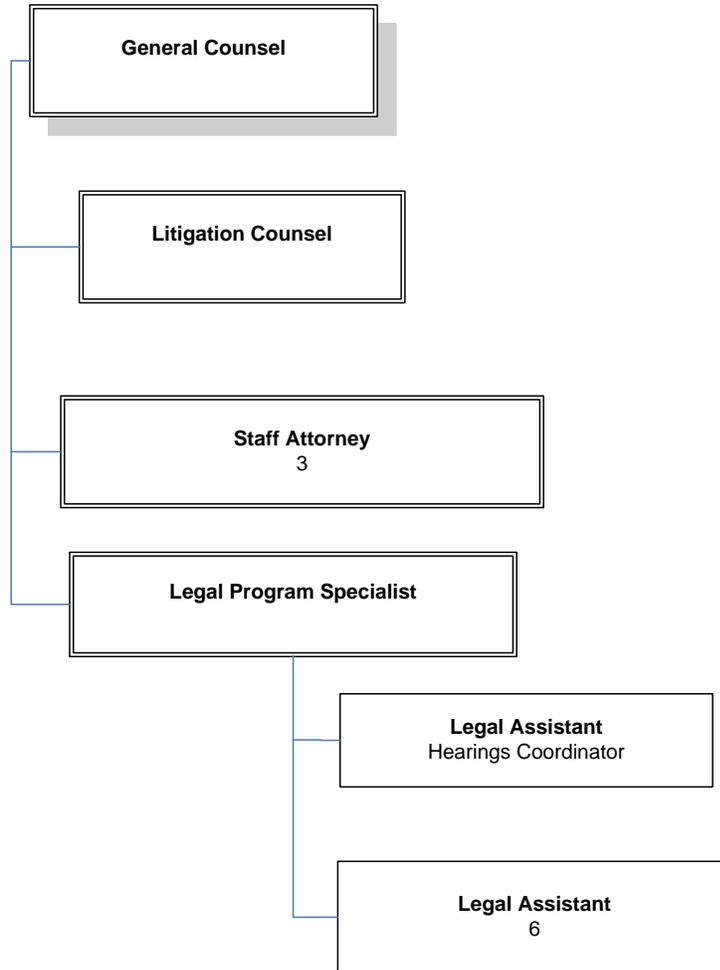
Texas State Board of Pharmacy  
Administrative Services & Licensing Division  
Fiscal Year 2012



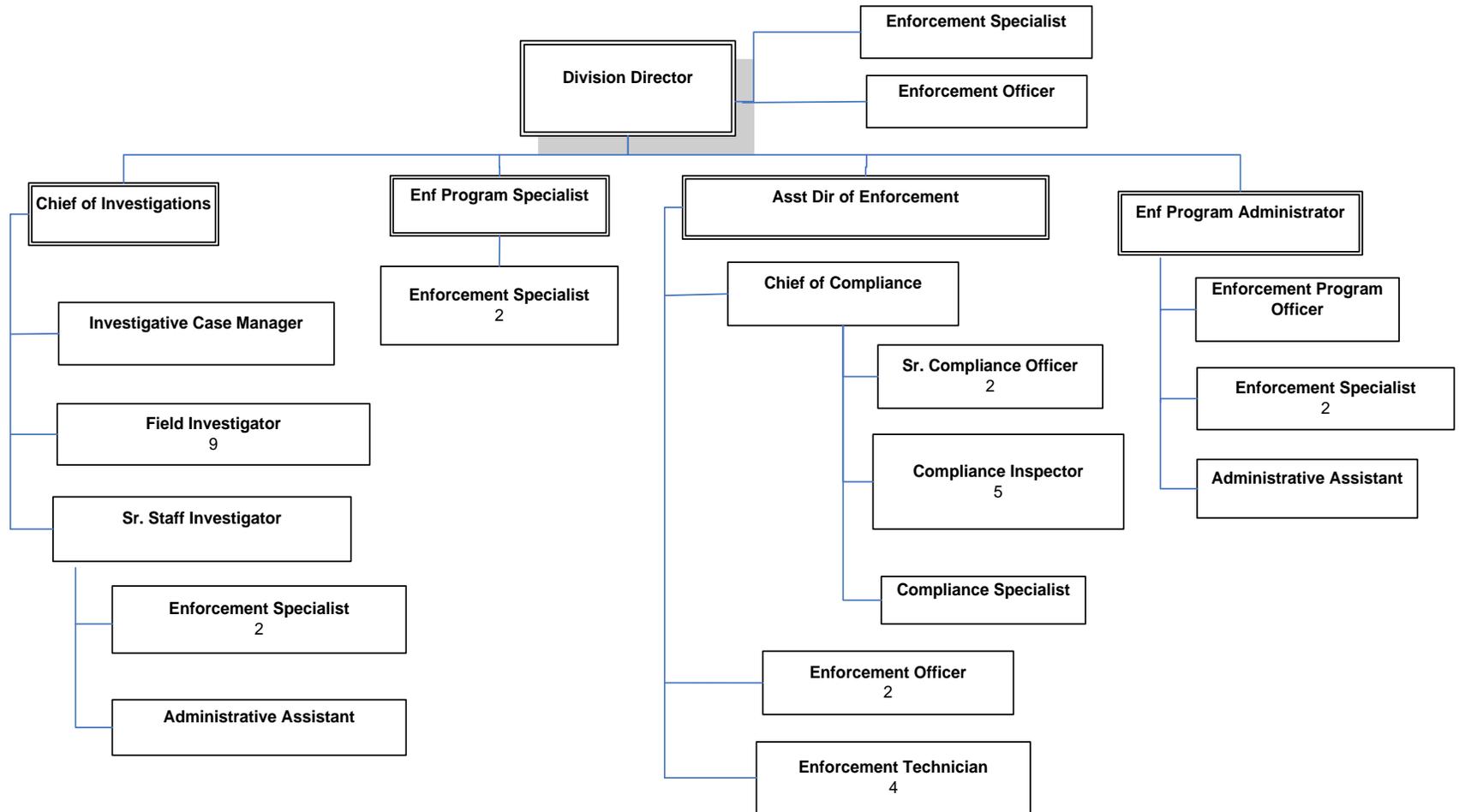
Texas State Board of Pharmacy  
Professional Services Division  
Fiscal Year 2012



Texas State Board of Pharmacy  
Legal Division  
Fiscal Year 2012



Texas State Board of Pharmacy  
Fiscal Year 2012



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**FISCAL YEARS 2013-2017  
PROJECTED OUTCOMES**

OUTCOME	2013	2014	2015	2016	2017
Percent of Licensees (Pharmacists and Pharmacies) With No Recent Violations (Disciplinary Action)	95%	95%	95%	95%	95%
Percent of Licensees Who Renew Online	94%	94%	94%	94%	94%
Percent of (Jurisdictional) Complaints Resolved Resulting in Disciplinary Action	12%	12%	12%	12%	12%

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## APPENDIX D

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### PERFORMANCE MEASURE DEFINITIONS FOR FY2013/2017

#### Licensing - Outcome Measures

##### *(1) Percent of Licensees with No Recent Violations*

**Short Definition:** The percent of the total number of licensees (pharmacists and pharmacies) at the end of the reporting period who have not been subject to a disciplinary order within the current and preceding two years (three years total). Note: The number of disciplined licensees is expressed as a percentage of the total number of licensees at the end of the reporting period (i.e., persons who obtained a new pharmacy or pharmacist license, during the reporting period, or who renewed a pharmacist or pharmacy license during the reporting period).

**Purpose/Importance:** Licensing individuals helps ensure that these persons meet legal standards for professional education and practice, which is a primary agency goal. This measure is an indication of the percentage of licensees who have not committed substantive violations of the laws and/or rules governing the practice of pharmacy. This measure is important because it indicates how effectively the agency's activities deter violations of professional standards established by statute and rule.

**Source/Collection of Data:** Data regarding the denominator (number of licensees during the reporting period) is generated by the agency's computerized data base. Data regarding the information needed to calculate the numerator (number of licensees who have been the subject of a disciplinary order within the past three fiscal years) is determined by a manual review of all disciplinary orders entered during the three-year reporting period (i.e., manually counting all of the orders contained in the notebooks for current and preceding two fiscal years). If a Disciplinary Order is reviewed and approved by the Board at a Board Meeting that falls in one fiscal year, but the Order does not get signed by a Board Member until a date that falls into a subsequent fiscal year, the Order will be considered as entered in the fiscal year that the Board reviews/approves the Order. The Orders are maintained in readily retrievable notebooks.

Disciplinary Orders include the following two types of Orders:

- (1) Agreed Board Orders (consent orders that are entered by the Board, in which the licensee neither admits nor denies the allegations contained in the Order, but agrees to the sanctions imposed by the Board); and
- (2) Board Orders [includes: Orders which are entered by the Board after a public hearing has been conducted by the State Office of Administrative Hearings (SOAH), and may impose a sanction on the licensee; also includes Orders temporarily suspending a license (summary suspensions) or court-ordered suspensions (e.g., due to failure to pay child support)].

TSBP Director of Administrative Services & Licensing is responsible for the licensure data. TSBP Director of Enforcement is responsible for the disciplinary data and calculating the measure.

## Methodology:

**Method of Calculation:** This measure is calculated by dividing the numerator by the denominator and multiplying by 100 to achieve a percentage.

The following method is used to calculate the Numerator:

NUMERATOR - Denominator minus "X"

"X" is the total number of pharmacists, pharmacies who have been the subject of a Disciplinary Order within the current fiscal year and the two prior fiscal years (a total of three fiscal years). This number includes applicants who have a pharmacist, pharmacy license granted (with or without restrictions) under the terms of a Disciplinary Order.

Types of disciplinary orders included in this calculation would be orders imposing the following types of sanctions: granting a license (with or without restrictions), revocation, suspension with or without probation, cancellation, retirement, restriction, administrative penalty (fine), reprimand, or a combination of any of these sanctions. Warning letters are not considered as sanctions and are not included in this calculation.

There are some types of disciplinary orders that are NOT included in this calculation. These types of "excluded" Orders, for purposes of this performance measure only, are described below.

- (1) Disciplinary Orders would not be included in this calculation if the order resulted in the Board granting or denying the reinstatement of a previously revoked license, unless the order included allegations of "new" violations (violations committed or allegedly committed by the licensee after the date the license was revoked, or not included in the prior order). Orders reinstating a license will generally not be included in this calculation because these types of orders generally do not include allegations (charges) of violations of laws/rules. Orders that deny a petition for reinstatement may include allegations or findings of new violations.
- (2) Disciplinary Orders would not be included in the calculation if the order resulted in the Board denying an individual's application to obtain a new or to renew a pharmacist or pharmacy license. Since this type of order would not result in the person being counted in the denominator (in that the person would not be a licensee), the order should not be counted in the numerator.
- (3) Disciplinary Orders would not be included in this calculation if the order resulted in the Board (a) denying an internship registration; or (b) granting an internship registration (with or without conditions), but not granting a pharmacist license. Since this type of order would not result in the person being counted in the denominator (in that the person would not be a licensee), the order should not be considered in the numerator.
- (4) Disciplinary orders would not be included in this calculation if the order resulted in the Board granting or denying the modifications of a previously entered order, unless the order included allegations of "new" violations (violations committed or allegedly committed by the licensee after the date the order was entered, or not included in the prior order). Orders that grant modifications will generally not be included in this calculation because these types of orders generally do not include allegations (charges) of violations of laws/ rules. Orders that deny modifications may include allegations or findings of new violations.

- (5) Disciplinary orders would not be included in this calculation if the order would result in "double counting" of a licensee. For example, pharmacists who were subject to more than one order during the three-year period will be counted only once. If a facility was subject to more than one order during the three-year period, it will be counted only once if it maintained the same license number during the three-year period. If a facility changed ownership (obtained a new license number), it will be included in this calculation.

DENOMINATOR - total number of licensees (pharmacists and pharmacies) licensed by the agency in this reporting period. This number is calculated by adding the totals of the following categories of licenses:

- (1) Number of new licenses issued to individuals (pharmacists) in current fiscal year (reporting period);
- (2) Number of new licenses issued to facilities (pharmacies) in current fiscal year (reporting period);
- (3) Number of pharmacist licenses renewed in current fiscal year (reporting period); and
- (4) Number of pharmacy licenses renewed in current fiscal year (reporting period).

**Data Limitations:** With regard to the Denominator, the agency has no control over the number of persons who wish to obtain or renew a license to operate a pharmacy in Texas, or who wish to obtain or renew a license to practice pharmacy in Texas. With regard to the Numerator, the number of disciplinary orders (that are entered by the Board each year) is limited by (1) the number of applicants/licensees who commit substantive violations of the laws and/or rules governing the practice of pharmacy; (2) the number of complaints filed (TSBP has no control over the number of complaints that are filed with TSBP each year); and (3) the quantity of agency staff who investigate complaints and institute disciplinary action against an applicant or licensee.

<u>Calculation Type</u>	Non-cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Higher than Target.

## *(2) Percent of Licensees Who Renew Online*

**Short Definition:** Percent of the total number of licensed, registered, or certified individuals who renewed their license, registration, or certification online during the reporting period.

**Purpose/Importance:** To track use of online license renewal technology by the licensee population.

**Source/Collection of Data:** The TSBP computerized data base calculates the total number of licenses or registrations renewed for a specific period of time, including the number of renewals that are issued as a result of the user accessing the Texas online application system.

**Methodology:** Total number of individual licenses, registrations, or certifications renewed online divided by the total number of individual licenses, registrations, or certifications renewed during the reporting period. The result should be multiplied by 100 to achieve a percentage.

**Data Limitations:** TSBP has no control over the number of individuals who choose to submit an online license, registration, or certification.

<u>Calculation Type</u>	Non-Cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Higher than Target.

### ***(3) Percent of New Individual Licenses Issued Online***

**Short Definition:** Percent of all new licenses, registrations, or certifications issued to individuals during the reporting period, using the Texas online technology for initial payment. (Denominator = number of all new licenses issued, regardless of whether they have paid in any manner. Because TSBP issues a 30 day initial license, the payment for that license may not occur in the quarter reported. Numerator = number of initial license payments using the Texas online technology for payment.)

**Purpose/Importance:** To track use of online license renewal application technology by the licensee population.

**Source/Collection of Data:** The TSBP computerized data base can calculate the total number of new licenses or registrations issued for a specific period of time.

The TSBP computerized data base calculates the total number of initial licenses or registrations issued for a specific period of time, including the number that was issued as a result of the user using the Texas online application system.

**Methodology:** Total number of new licenses, registrations, or certifications issued to individuals online divided by the total number of new licenses, registrations, or certifications issued to individuals during the reporting period. The result should be multiplied by 100 to achieve a percentage.

**Data Limitations:** TSBP has no control over the number of individuals who choose to submit an online license, registration, or certification.

<u>Calculation Type</u>	Non-Cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Higher than Target.

## **Licensing - Output Measures**

### ***(1) Number of New Licenses Issued to Individuals***

**Short Definition:** The number of licenses issued to previously unlicensed individuals during the reporting period.

**Purpose/Importance:** To determine the number of new licenses issued to Texas pharmacists. This measure can be used to assist in determining the extent of a pharmacist surplus or shortage in Texas.

**Source/Collection of Data:** The licensing computer applications as developed and maintained by agency database system under master contract with the Department of Information Resources. TSBP Director of Administrative Services & Licensing is responsible for data.

**Method of Calculation:** The unduplicated number of individuals initially licensed in a reporting period.

**Data Limitations:** Data is dependent on the actual number of individuals who are initially licensed as a Texas pharmacist. This measure is only useful as an explanatory piece of information. The data can give the reader an idea of the workload in the licensing area. The data (number of people who choose Texas as their state of licensure) however, is not a factor that can be controlled by the agency.

<u>Calculation Type</u>	Cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Higher than Target.

### ***(2) Number of New Registrations Issued to Individuals***

**Short Definition:** The number of registrations issued to previously unregistered individuals during the reporting period.

**Purpose/Importance:** To determine the number of new registrations issued to Texas pharmacy technicians and technician trainees. This measure can be used to assist in determining the extent of a pharmacy technician surplus or shortage in Texas.

**Source/Collection of Data:** The licensing computer applications as developed and maintained by agency database system under master contract with the Department of Information Resources. TSBP Director of Administrative Services & Licensing is responsible for data.

**Method of Calculation:** The unduplicated number of individuals initially registered in a reporting period.

**Data Limitations:** Data is dependent on the actual number of individuals who are initially registered as a Texas pharmacy technician and technician trainee. This measure is only useful as an explanatory piece of information. The data can give the reader an idea of the workload in the licensing area. The data (number of people who choose Texas as their state of registration) however, is not a factor that can be controlled by the agency.

<u>Calculation Type</u>	Cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Higher than Target.

### ***(3) Number of Licenses Renewed (Individuals)***

**Short Definition:** The number of licenses issued to previously-licensed individuals during the reporting period.

**Purpose/Importance:** To determine the number of pharmacists who renew their Texas license. This measure can be used to assist in determining the extent of a pharmacist surplus or shortage in Texas, and determine the impact to the agency workload as this number increases.

**Source/Collection of Data:** The licensing computer applications, as developed and maintained by agency database system under master contract with the Department of Information Resources. TSBP Director of Administrative Services & Licensing is responsible for data.

**Method of Calculation:** The unduplicated number of individuals who renew a license in a reporting period.

**Data Limitations:** Data is dependent on the actual number of individuals who choose to continue their Texas pharmacist license. This measure is only useful as an explanatory piece of information. The data can give the reader an idea of the workload in the licensing area. The data (number of people who choose Texas as their state of licensure) however, is not a factor that can be controlled by the agency.

<u>Calculation Type</u>	Cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Higher than Target

**(4) Number of Registrations Renewed (Individuals)**

**Short Definition:** The number of registrations issued to previously-registered individuals during the reporting period.

**Purpose/Importance:** To determine the number of pharmacy technicians who renew their Texas registration. This measure can be used to assist in determining the extent of a pharmacy technician surplus or shortage in Texas, and determine the impact to the agency workload as this number increases.

**Source/Collection of Data:** The licensing computer applications, as developed and maintained by agency database system under master contract with the Department of Information Resources. TSBP Director of Administrative Services & Licensing is responsible for data.

**Method of Calculation:** The unduplicated number of individuals who renew a registration in a reporting period.

**Data Limitations:** Data is dependent on the actual number of individuals who choose to continue their Texas pharmacy technician registration. This measure is only useful as an explanatory piece of information. The data can give the reader an idea of the workload in the licensing area. The data (number of people who choose Texas as their state of registration) however, is not a factor that can be controlled by the agency.

<u>Calculation Type</u>	Cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Higher than target.

## Licensing - Efficiency Measures

### *(1) Percent of New Individual Licenses Issued Within 10 Working Days*

**Short Definition:** The percentage of initial individual license applications that were processed during the reporting period within 10 working days, measured from the time in working days elapsed from the receipt of all required documentation (e.g., applicable fees, application, supporting documents, examination scores) until the date the license is mailed.

**Purpose/Importance:** This measures the ability of the agency to process new applications in a timely manner and its responsiveness to a primary constituent group.

**Source/Collection of Data:** Data from a computer application program as developed and maintained by agency database system under master contract with the Department of Information Resources as well as manual licensing records are used to determine this calculation. At the end of each fiscal quarter, the Director of Licensing prints a report from the computer application program, listing all dates and new licenses issued in that quarter. This date is compared to the date the final required documentation is received and a turnaround time in working days is established. TSBP Director of Administrative Services & Licensing is responsible for the data.

**Method of Calculation:** The performance measure is calculated by dividing the numerator by the denominator and multiplying by 100 to achieve a percentage.

**NUMERATOR** - Total number of individuals licensed during the reporting period. This number is obtained from data developed from a computer program developed by agency database system under master contract with the Department of Information Resources.

**DENOMINATOR** - Using the total number of individual licenses mailed during the reporting period, the sample size is determined by using an approved statistical sampling method. The number of licenses to be sampled (sample size) is divided into the number of licenses mailed during the quarter to identify the sampling interval. The number of initial individual licenses in the sample that were mailed in 10 working days or less from the date of all required documentation is determined by comparing the date on the final piece of required documentation of each individual license to the initial date of license. This number is multiplied by the sample interval to estimate the total number of individual licenses mailed in 10 working days. The resulting number is the denominator.

**Data Limitations:** In most cases of pharmacist licensure, the final piece of documentation is the passing grade on either the NAPLEX or MPJE examination. The agency has no control over the date the applicant sits for either of these examinations, or the date these grades are reported to the agency. Therefore, the date that the examination grades are downloaded to the agency computer system is used.

<u>Calculation Type</u>	Non-cumulative.
<u>New Measure</u>	No
<u>Desired Performance</u>	Higher than Target.

**(2) Percent of Individual License Renewals Issued Within 7 Working Days**

**Short Definition:** The percentage of individual license renewal applications that were processed during the reporting period within 7 working days measured from the time in working days elapsed from the receipt of all required documentation (e.g., applicable fees, application, supporting documents) until the date the license is mailed.

**Purpose/Importance:** This measures the ability of the agency to process renewal applications in a timely manner and its responsiveness to a primary constituent group.

**Source/Collection of Data:** Data from a computer application program, as developed and maintained by agency database system under master contract with the Department of Information Resources, as well as manual licensing records are used to determine this calculation. At the end of each fiscal quarter, the Director of Licensing prints a report from the computer application program, listing all dates and licenses renewed in that quarter. This date is compared to the date the final required documentation is received and a turnaround time in working days is established. TSBP Director of Administrative Services & Licensing is responsible for the data.

**Method of Calculation:** The performance measure is calculated by dividing the numerator by the denominator and multiplying by 100 to achieve a percentage.

**NUMERATOR** - Total number of individuals licensed (renewed) during the reporting period. This number is obtained from data developed from a computer program developed by agency database system under master contract with the Department of Information Resources.

**DENOMINATOR** - Using the total number of individual licenses mailed during the reporting period, the sample size is determined by using an approved statistical sampling method. The number of licenses to be sampled (sample size) is divided into the number of licenses mailed during the quarter to identify the sampling interval. The number of individual licenses renewed in the sample that were mailed in 7 working days or less from the date of all required documentation, is determined by comparing the date on the final piece of required documentation of each individual license to the renewal date of license. This number is multiplied by the sample interval to estimate the total number of individual licenses mailed in 7 working days. The resulting number is the denominator.

<u>Data Limitations:</u>	None.
<u>Calculation Type</u>	Non-cumulative.
<u>New Measure</u>	No
<u>Desired Performance</u>	Higher than Target.

**LICENSING - EXPLANATORY MEASURES****(1) Total Number of Individuals Licensed**

**Short Definition:** The unduplicated number of individuals currently licensed (active and inactive) by the agency.

**Purpose/Importance:** An information tool to report the number of pharmacists who are currently licensed by the agency, at any given point in time.

**Source/Collection of Data:** This number is obtained from licensing computer applications, as developed and maintained by agency database system under master contract with the Department of Information Resources. TSBP Director of Administrative Services & Licensing is responsible for the data.

**Method of Calculation:** See Collection of Data above.

**Data Limitations:** Data is dependent on the actual number of individuals who choose to continue their Texas pharmacist license. This measure is only useful as an explanatory piece of information. The data can give the reader an idea of the workload in the licensing area. The data (number of people who choose Texas as their state of licensure) however, is not a factor that can be controlled by the agency.

<u>Calculation Type</u>	Non-Cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Higher than Target.

### ***(2) Total Number of Business Facilities Licensed***

**Short Definition:** The unduplicated number of facilities currently licensed by the agency.

**Purpose/Importance:** An information tool to report the number of pharmacies that are currently licensed by the agency, at any given point in time.

**Source/Collection of Data:** This number is obtained from licensing computer applications as developed and maintained by agency database system under master contract with the Department of Information Resources. TSBP Director of Administrative Services & Licensing is responsible for the data.

**Method of Calculation:** See Collection of Data above.

**Data Limitations:** Data is dependent on the actual number of pharmacies that choose to continue their licensure status in Texas. This measure is only useful as an explanatory piece of information. The data can give the reader an idea of the workload in the licensing area. The data (number of people who choose to operate a pharmacy in Texas) however, is not a factor that can be controlled by the agency.

<u>Calculation Type</u>	Non-Cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Higher than Target.

### ***(3) Total Number of Individuals Registered***

**Short Definition:** The unduplicated number of individuals currently registered by the agency.

**Purpose/Importance:** An information tool to report the number of pharmacy technicians and pharmacy technician trainees who are currently registered by the agency, at any given point in time.

**Source/Collection of Data:** This number is obtained from licensing computer applications, as developed and maintained by agency database system under master contract with the Department of Information Resources. TSBP Director of Administrative Services & Licensing is responsible for the data.

**Method of Calculation:** See Collection of Data above.

**Data Limitations:** Data is dependent on the actual number of individuals who choose to initiate or continue their Texas pharmacy technician registration. This measure is only useful as an explanatory piece of information. The data can give the reader an idea of the workload in the licensing area. The data (number of people who choose Texas as their state of registration) however, is not a factor that can be controlled by the agency.

<u>Calculation Type</u>	Non-Cumulative.
<u>New Measure</u>	Yes.
<u>Desired Performance</u>	Higher than Target.

## ENFORCEMENT - OUTCOME MEASURES

### *(1) Percent of Complaints Resulting in Disciplinary Action*

**Short Definition:** Percent of documented jurisdictional complaints that were resolved (closed) through the entry of a Disciplinary Order during the reporting period.

**Purpose/Importance:** This measure is intended to show the extent to which the agency exercises its disciplinary authority in proportion to the number of complaints received. It is important that both the public and licensees have an expectation that the agency will work to ensure fair and effective enforcement of the laws and rules governing the practice of pharmacy. This measure seeks to indicate the agency's responsiveness to this expectation, as well as serves as an indication of the agency's workload with regard to investigations resulting in disciplinary actions as compared to investigations not resulting in disciplinary actions.

**Source/Collection of Data:** Data is obtained from the agency's computerized data base (complaint-tracking system). Disciplinary Orders are maintained in readily retrievable notebooks. The TSBP Director of Enforcement is responsible for the data.

**Method of Calculation:** The performance measure is calculated by dividing the numerator by the denominator and multiplying by 100 to achieve a percentage.

The following method is used to calculate the Numerator:

NUMERATOR - Total number of complaints (jurisdictional only) that are resolved (closed) during the reporting period in which at least one licensee has been the subject of a Disciplinary Order. See performance measure entitled "Percent of Licensees with No Recent Violations" for description and explanation of the term "Disciplinary Order." See performance measure entitled "Complaints Received" for description and explanation of the term "Jurisdictional Complaint." All Disciplinary Orders would be included in this calculation, including: (1) orders that grant or deny an application for a pharmacist or pharmacy license, intern registration, or technician registration; (2) petition to reinstate a previously revoked license; and (3) petition to modify a previously entered order.

A complaint may involve two licensees (one pharmacist and one pharmacy). Such a complaint may result in Disciplinary Orders against both licensees, only one licensee, or neither licensee. If the complaint results in a Disciplinary Order on one licensee (e.g., pharmacist) in one fiscal year (or reporting period) and a non-disciplinary action (i.e., no Disciplinary Order) on the second licensee (e.g., pharmacy) in another fiscal year (or reporting

period), the complaint will be counted in the numerator as of the date the Disciplinary Order was entered (signed). If the complaint results in a Disciplinary Order on one licensee in one fiscal year (or reporting period) and a second Disciplinary Order on the second licensee in another fiscal year (reporting period), the complaint will be counted in the fiscal year (reporting period) as of the last date the Disciplinary Order was entered (signed). If the complaint is not closed with the entry of a Disciplinary Order on at least one licensee, the complaint will not be counted in the numerator. If the complaint results in two Disciplinary Orders, the complaint will still be counted as only one complaint. If the Board enters a Disciplinary Order that closes more than one complaint (as a result of multiple complaints being filed on the licensee), all complaints will be counted in the numerator.

**DENOMINATOR** -- Total number of jurisdictional complaints that are resolved (closed) during the reporting period, regardless of how the complaint was resolved (closed). This is the same number that will be reported for the performance measure entitled "Complaints Resolved."

**Data Limitations:** TSBP has no control over the number of complaints it receives, and consequently, has no control over the number of complaints that require disciplinary action to be taken (i.e., complaints that, following an investigation, produce evidence to prove that a licensee or applicant has committed a substantive violation of the laws and/or rules governing the practice of pharmacy).

<u>Calculation Type</u>	Non-cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Higher than Target.

Note: this statement is based upon the assumption that a greater percentage of disciplinary actions is an indication of "better" (more effective) enforcement. However, this assumption may or may not be true.

## ***(2) Recidivism Rate of Those Receiving Disciplinary Action***

**Short Definition:** The number of "repeat offenders" at the end of the reporting period as a percentage of all offenders during the most recent three-year period. For purposes of this measure, the term "repeat offender" is defined as a person who has been the subject of two or more disciplinary orders within the past three fiscal years.

**Purpose/Importance:** This measure is intended to show how effectively TSBP enforces the laws and rules governing the practice of pharmacy. It also gives an indication of the workload on the agency's enforcement/legal staff that is caused by "repeat offenders." It is important that TSBP enforce its laws and rules strictly enough to ensure consumers are protected from unsafe, incompetent, and unethical practice by licensees.

**Source/Collection of Data:** Data is obtained from the agency's computerized data base (complaint-tracking system). Disciplinary Orders are maintained in readily retrievable notebooks. The TSBP Director of Enforcement is responsible for the data.

**Method of Calculation:** This performance measure is calculated by dividing the numerator by the denominator and multiplying by 100 to achieve a percentage.

The following method is used to calculate the Numerator:

NUMERATOR - Total number of persons who were the subject of more than one Disciplinary Order during the current fiscal year and the two prior fiscal years. See the performance measure entitled "Percent of Licensees with No Recent Violations" for description and explanation of the term "Disciplinary Order." Warning Letters are not disciplinary orders and are not included in this calculation.

For purposes of calculating the numerator of this performance measure only, the following types of Disciplinary Orders would not be included: (1) Orders that grant or deny an application for a license or registration, unless the disciplinary action to deny/grant an application involved a repeat offense; (2) Orders that grant or deny a petition to modify a previously entered Order, unless the disciplinary action to deny/grant the petition involved a repeat offense; and (3) Orders that would result in "double counting." See performance measure entitled "Percent of Licensees with No Recent Violations" for description and explanation of the term "double counting."

"Repeat offenders" are determined by manually reviewing Disciplinary Orders (that are maintained in notebooks) to determine the license numbers and registration numbers that were subject to Orders entered during the current fiscal year; then entering those license and registration numbers into the agency's computerized data base to determine if the person was subject to another Order that was entered in the prior two fiscal years. If the individual does not have a license number (e.g., applicant), matching of names will be required.

DENOMINATOR - The number of persons who have been the subject of a Disciplinary Order during the past three fiscal years. For purposes of calculating the denominator of this performance measure only, the following types of Disciplinary Orders would not be included: (1) Orders denying the reinstatement of license, unless the Order included allegations of "new" violations; (2) Orders granting or denying the modification of a previously entered Order, unless the Order included allegations of "new" violations; and (3) Orders that would result in "double counting." See performance measure entitled "Percent of Licensees with No Recent Violations" for description and explanation of the terms "new violations" and "double counting."

**Data Limitations:** TSBP aggressively monitors persons who are on probation (as a result of a sanction imposed by a Disciplinary Order). However, a person may violate the laws/rules governing the practice of pharmacy, despite the fact that the person knows the action will be a probation violation and will likely result in additional, more severe disciplinary sanctions. TSBP has no control over the licensee's intentions to violate the laws/rules governing the practice of pharmacy.

<u>Calculation Type</u>	Non-cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Lower than Target.

Note: this statement is based upon the assumption that a lower percentage of repeat offenders is an indication of the agency's effectiveness of enforcement. This assumption may or may not be true.

### ***(3) Percent of Documented Complaints Resolved Within Six Months***

**Short Definition:** The percent of documented jurisdictional complaints resolved (closed) during the reporting period, that were resolved (closed) within a six-month period (180 calendar days) from the date of the receipt of the complaint by the agency.

**Purpose/Importance:** This measure gives an indication of the agency's timeliness in resolving (closing) complaints. It is important to ensure the swift enforcement of the laws and rules governing the practice of pharmacy, which is an agency goal.

**Source/Collection of Data:** Data is generated by the agency's computerized data base (complaint tracking system). The TSBP Director of Enforcement is responsible for the data.

**Method of Calculation:** This performance measure is calculated by dividing the numerator by the denominator and multiplying by 100 to achieve a percentage.

**NUMERATOR** - Total number of jurisdictional complaints closed within six months (or less) from the date of the receipt of the complaint.

**DENOMINATOR** - This number is the same as the number reported for the performance measure entitled "Jurisdictional Complaints Resolved."

The date of the receipt of the complaint is documented on the complaint form and is entered into the agency's computerized complaint tracking system. The date the complaint is closed by the agency is also documented on the complaint form and entered into the agency's computerized complaint tracking system. The computer calculates the total number of days it took the agency to resolve (close) each one of the complaints closed during the reporting period. The computer also calculates the number of complaints closed within six months and the number of complaints that were not closed within six months, as well as the percentage for each. The computer generates a report that: (a) lists all jurisdictional complaints closed during the reporting period, by complaint number; (b) identifies the complaints that took only six months to close; and (c) produces the information with regard to the percentage of complaints closed within six months.

**Data Limitations:** Because the agency prioritizes complaints, more serious complaints are handled before less serious complaints. In addition, the size of TSBP's complaint backlog has an impact on the number (percentage) of complaints that can be closed in a timely manner. When TSBP receives more complaints than it resolves (closes), a backlog of complaints is formed. Each year that TSBP is unable to close 100% of the complaints it receives, the backlog continues to mount and complaints get older before agency staff can begin to work on the new complaints being received. Most significantly, the swiftness of resolution is dependent on the number and efficiency of enforcement staff who are handling the resolution of complaints.

<u>Calculation Type</u>	Non-cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Higher than Target.

## ENFORCEMENT - OUTPUT MEASURES

### *(1) Number of Inspections*

**Short Definition:** Total number of compliance inspections/visits during the reporting period.

**Purpose/Importance:** This measure is an indication of the output of the agency's field Compliance Officers/Inspectors. In addition, the number of inspections/visits can be reflective of compliance with requirements. The more often an inspection occurs in a facility, the more likely they are to be in compliance.

**Source/Collection of Data:** Data is generated by the agency's computerized data base and is verified through a manual reporting system. TSBP Director of Enforcement is responsible for data.

**Method of Calculation:** The date of the inspection or inspection-visit is entered into the agency's computerized system. The computer calculates the number of inspections per reporting period. Compliance Officers/Inspectors complete weekly activity reports, indicating the number of pharmacies that were inspected or visited. The two reports are checked/verified against each other.

**Data Limitations:** The number of inspections conducted is dependent on the number of field Compliance Officers/Inspectors who are available to conduct the inspections. If the agency experiences any turnover in this area, the number of inspections conducted is decreased.

<u>Calculation Type</u>	Cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Higher than Target.

### *(2) Number of Complaints Resolved*

**Short Definition:** The total number of jurisdictional complaints resolved (closed) during the reporting period.

**Purpose/Importance:** This measure is an indication of the agency's workload with regard to the number of complaint investigations conducted and final actions taken by the agency.

**Source/Collection of Data:** Data is generated by the agency's computerized data base (complaint tracking system). TSBP Director of Enforcement is responsible for data.

**Method of Calculation:** All jurisdictional complaints resolved (closed) during the reporting period will be included in this calculation, regardless of the method of resolution. If a complaint is referred to the TSBP Legal Division for review (for possible institution of disciplinary action), the complaint will not be considered closed until final action is taken (e.g., entry of a disciplinary order, adjudicative warning letter, closing of complaint with no formal action, or institution of disciplinary action with subsequent dismissal). For these complaints, the date of the adjudication action will be the date that the complaint is closed (e.g., date of the disciplinary order, date of the warning letter, date of the informal conference in which the decision was made to dismiss the case). If the complaint is not referred to the Legal Division for review, the complaint will be considered closed as of the date of action (e.g., date of warning letter, if complaint was closed with a warning letter; date of the telephone call, if the complaint was closed with a telephone call; date of the final review by the division director, or designee, such as when a complaint is closed with investigation/no violation).

**Data Limitations:** TSBP has no control over the number of complaints that it receives, which has a direct relationship to the number of complaints it resolves (closes). Most significantly, the quantity of complaints closed is dependent on the number and efficiency of enforcement staff who are handling the resolution of complaints.

<u>Calculation Type</u>	Cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Higher than Target.

## ENFORCEMENT - EFFICIENCY MEASURES

### *(1) Average Time for Complaint Resolution*

**Short Definition:** The average length of time to resolve (close) a jurisdictional complaint, for all jurisdictional complaints resolved (closed) during the reporting period.

**Purpose/Importance:** This measure gives an indication of the agency's timeliness in closing complaints.

**Source/Collection of Data:** Data is generated by the agency's computerized data base (complaint tracking system). TSBP Director of Enforcement is responsible for data.

**Method of Calculation:** The date of the receipt of the complaint is entered into the agency's computerized complaint tracking system. The date the complaint is closed by the agency is also entered into the agency's computerized complaint tracking system. For each complaint, the agency's computer system calculates the total number of calendar days elapsed from the date of the receipt of the complaint by the agency to the date that the complaint is closed (i.e., the date final action is taken by the agency). Then the computer calculates the total number of calendar days for all closed complaints and divides this number by the total number of complaints closed by the agency (resulting figure is the average time for complaint resolution).

**Data Limitations:** When the agency receives many more complaints than it resolves (closes), a backlog of complaints is formed. Each year that the agency is unable to close 100% of the complaints it receives, the backlog continues to mount and complaints get older before agency staff can begin to work on the new complaints being received. This situation has a major impact on the average complaint resolution time. Most significantly, the swiftness of resolution is dependent on the number and efficiency of enforcement staff who are handling the resolution of complaints.

<u>Calculation Type</u>	Non-cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Lower than Target.

## ENFORCEMENT - EXPLANATORY MEASURES

### *(1) Number of Jurisdictional Complaints Received*

**Short Definition:** The total number of jurisdictional complaints received by TSBP during the reporting period. See explanation of "jurisdictional complaint" below.

**Purpose/Importance:** This measure is an indication of the workload on the agency's enforcement staff.

**Source/Collection of Data:** Data is generated by the agency's computerized data base (complaint tracking system). TSBP Director of Enforcement is responsible for the data.

**Method of Calculation:** After a complaint is received and evaluated, agency staff determine whether the complaint is a jurisdictional complaint or a non-jurisdictional complaint. Jurisdictional complaints include complaints filed against persons licensed or registered by TSBP or persons who are applying for a license/registration that is issued by TSBP, regardless of the allegations made in the complaint. Jurisdictional complaints also include complaints filed against persons who are not licensed or registered by TSBP, if the complainant has alleged that the subject of the complaint has violated the Texas Pharmacy Act or the Texas Dangerous Drug Act (TSBP has the jurisdiction and authority to enforce these two Acts). Agency staff enter the jurisdictional status in the agency's computer system. The computer calculates the number of jurisdictional complaints received during the reporting period and produces a report that (1) lists the total number of jurisdictional complaints received; (2) identifies all jurisdictional complaints received during the reporting period, by complaint number; and (3) lists the number of non-jurisdictional complaints. Although TSBP keeps track of the total number of non-jurisdictional complaints, TSBP does not use that figure in its calculation of this performance measure.

**Data Limitations:** TSBP has no control over how many complaints it receives. The Texas Pharmacy Act requires pharmacies to post a sign informing the consumer how to file a complaint (the sign lists the agency's address, telephone number, and toll-free number). TSBP also requires pharmacies who deliver (mail) prescriptions to advise customers of the same information contained in the aforementioned sign. This information has increased consumer awareness.

<u>Calculation Type</u>	Cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Higher than Target, provided the agency has sufficient staff to handle the increased workload.

## PEER ASSISTANCE - OUTCOME MEASURES

### *(1) Recidivism Rate for Peer Assistance Programs*

**Short Definition:** The percent of individuals who relapse within three years of the end of the reporting period as part of the total number of individuals who have been through or participate in the program during the previous three years.

**Purpose/Importance:** This measure is intended to show the three-year recidivism rate for those individuals who are participating in a peer assistance program. It is important because it indicates that consumers are being protected from unsafe, incompetent, and unethical (professional) practice as a result of the peer assistance program.

**Source/Collection of Data:** The PRN program will review its records and report the following numbers to TSBP: Data regarding the denominator [total number of individuals who have been reported to the PRN program in X-4 (where X is the current fiscal year), and who achieved a one-year sobriety date during X-3] is determined by a manual review of contracts entered during the reporting period. Data regarding the information needed to calculate the numerator (any individual who became the subject of a related disciplinary order anytime between the end of the one-year sobriety date and the end of the current fiscal year) is determined by a manual review of individuals' files.

TSBP will review its records and determine the following numbers: Data regarding the denominator [number of individuals who have been the subject of a disciplinary order in X-4 (where X is the current fiscal year), and who achieved a one-year sobriety date during x-3] is determined by manual review of disciplinary orders entered during the reporting period. Data regarding the information needed to calculate the numerator (any individual who became the subject of a related disciplinary order anytime between the end of the one-year sobriety date and the end of the current fiscal year) is determined by a manual review of disciplinary orders.

TSBP will add the PRN numbers to its numbers and calculate totals. TSBP Enforcement Administrator is responsible for the collection of data. The data is maintained in manual files.

**Method of Calculation:** Of all individuals successfully completing the program in fiscal year X-3, (where X is the current fiscal year), the percent of individuals receiving related disciplinary action from the Board anytime between the beginning of the fiscal year X-3 and the end of fiscal year X (i.e., the current fiscal year).

This measure is calculated by dividing the numerator by the denominator and multiplying by 100 to achieve a percentage.

The following method is used to calculate the Numerator:

NUMERATOR - "X" is any individual who became the subject of a related Disciplinary Order anytime between successfully completing the program and the end of the current fiscal year. Applicable terms are defined below:

- (1) "Individuals" are defined as pharmacists licensed by TSBP, applicants for licensure, and eligible pharmacy students (students enrolled in the professional sequence of an accredited pharmacy degree program approved by TSBP), who are participating in the PRN program or are subject of a Disciplinary Order.
- (2) The term "Disciplinary Order" is defined in the performance measure entitled "Percent of Licensees with no Recent Violations."
- (3) A "related" Disciplinary Order would be an Order containing one or more violations or alleged violations (i.e., charges or counts) that directly relate to relapse of impairment (e.g., unauthorized use of controlled drugs for personal use). An "unrelated" Order would not be included in this figure. Unrelated Orders would include the following types of disciplinary orders: (a) orders based upon an individual's failure to submit to a drug screen (i.e., a "no-show" is not considered a "relapse"); (b) orders based upon an individual's failure to submit required reports (e.g., self performance reports and reports from supervising pharmacist and/or mental health professional); and (c) orders based upon violations or alleged violations of the laws and rules governing the practice of pharmacy, other than impairment (e.g., failure to produce required continuing education records upon audit).

- (4) "Successfully completing the program" means individuals who have completed one-year sobriety (i.e., 12 months of sobriety from "start date" - see explanation of "start date" below).

The following method is used to calculate the Denominator:

DENOMINATOR - Total number of individuals who have been reported to the PRN program (regardless of the referral source) or who were the subject of a disciplinary order in X-4 (where X is the current fiscal year), and who achieved a one-year sobriety date during X-3.

These figures would include individuals in the PRN known only to the PRN program, as well as individuals in the PRN program known to the PRN program and TSBP. Year-end figures would not include individuals who did not participate in the program ("dropped out" of the program) during the reporting period because: (a) the individual allowed his/her pharmacist license to expire during the reporting period (i.e., the individual no longer holds a valid license and thereby, is not under TSBP's jurisdiction); and (b) the individual dies during the reporting period (regardless of the reason for the death of the individual). Accordingly, such an individual may be included in the calculations during one or two of the three-year reporting period, but not in the remaining years of the reporting period.

If an individual was reported to the PRN program in one fiscal year, and reported to TSBP in a subsequent fiscal year (or vice versa), the following is applicable:

- (A) the individual would be counted only once;
- (B) for individuals reported to TSBP, the "start date" (for calculating the one-year sobriety period) would be the date of the entry of the Disciplinary Order\*;
- (C) for individuals reported to PRN program, the "start date" (for calculating the one-year sobriety period) would be the date the individual signed a contract with the PRN program, or an equivalent date\*;
- (D) for purposes of calculating the one-year sobriety period, the "start date" would be earlier of (B) or (C).

\* If an individual is subject to a new/revised PRN contract or a second related Disciplinary Order (other than revocation, cancellation, or retirement), the date of the entry of the second contract or order would serve as a new "start date" for calculating the one-year sobriety period.

**Data Limitations:** With regard to the Denominator, TSBP has no control over the number of individuals who enter into PRN contracts. With regard to the numerator, the number of disciplinary orders (that are entered by TSBP each year) is limited by the number of individuals who commit violations involving relapse or impairment.

<u>Calculation Type</u>	Non-cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Lower than target.

## ***(2) One-year Completion Rate for Peer Assistance Program***

**Short definition:** Percent of individuals who successfully completed the peer assistance program during the year prior to the reporting period and have not relapsed during the one-year period.

**Purpose/Importance:** It is important because it indicates that consumers are being protected from unsafe, incompetent, and unethical (professional) practice as a result of the peer assistance program.

**Source/Collection of Data:** The PRN program will review its records and report the following to TSBP: Data regarding the denominator (number of individuals who have entered contracts with the PRN program in the prior fiscal year) is determined by a manual review of contracts entered during the reporting period. Data regarding the information needed to calculate the numerator (the number of individuals who achieved their one-year sobriety date in the current fiscal year) is determined by a manual review of individuals' files. For individuals on PRN contracts only (not subject to TSBP Disciplinary Orders), the PRN program will determine if the individual relapsed.

TSBP will review its records and determine the following numbers: Data regarding the denominator (total number of individuals subject to TSBP Disciplinary Order for impairment during the prior fiscal year) is determined by manual review of disciplinary orders entered during the prior fiscal year. Data regarding the information needed to calculate the numerator (number of individuals who were subject to an order during the prior fiscal year and who achieved one-year sobriety) is determined by a manual review of individuals' files.

TSBP will add the PRN numbers to its number and calculate totals. TSBP Enforcement Administrator is responsible for the collection of the data. The data is maintained in manual files.

**Method of Calculation:** Of all the individuals who have been referred to the peer assistance program in fiscal year X-1 (where X is the current fiscal year), the percent who have successfully participated in the program for one year with no relapses. For the purposes of this performance measure, the definition of the term "individual" is the same definition contained in the performance measure entitled "Recidivism Rate for Peer Assistance Programs."

This measure is calculated by dividing the numerator by the denominator and multiplying by 100 to achieve a percentage.

**NUMERATOR** - the number of individuals under a PRN contract who achieved their one year sobriety date in the current fiscal year and the number of individuals who were subject to a disciplinary order during the prior fiscal year (and subject to a PRN contract after the date of the TSBP Disciplinary Order) and who achieved a one year sobriety during the current fiscal year. Applicable terms are defined below:

- (1) "Participation in the peer assistance program" - individuals who have signed a contract with the PRN program or been the subject of a disciplinary order during FYX-1.
- (2) "One-year sobriety date" - this term refers to individuals who have not had a relapse within 12 months of the entry of their contract or their disciplinary order. Individuals who die (regardless of the reason for the death of the individual) within 12 months of the entry of their contract or disciplinary order would not be considered as not having achieved their one-year sobriety date). Individuals who have had their pharmacist license revoked within 12 months of the entry of their contract or their disciplinary order, regardless of the reason, would be considered as not achieving their one-year sobriety date.

**DENOMINATOR** - The number of all individuals who signed a contract with the PRN program during the prior fiscal year and all individuals who were subject to a TSBP Disciplinary Order for impairment during the prior fiscal year. For purposes of this performance measure, unrelated Disciplinary Orders would not be included in this calculation (i.e., Disciplinary Orders not related to relapse).

**Data Limitations:** TSBP has no control over the number of individuals who enter into PRN contracts or the number of individuals who relapse.

<u>Calculation Type</u>	Non-cumulative.
<u>New Measure</u>	No.
<u>Desired Performance</u>	Higher than target.

## PEER ASSISTANCE - OUTPUT MEASURES

### *(1) Number of Licensed Individuals Participating In a Peer Assistance Program*

**Short Definition:** The number of licensed individuals who participated in a peer assistance program sponsored by the agency during the reporting period.

**Purpose/Importance:** This measure shows licensed individuals who continue to practice in their respective field who are participating in a substance abuse program.

**Source/Collection of Data:** The PRN program will manually review its records and report the following to TSBP: the total number of licensed individuals who have signed a contract during the reporting period and are being monitored by the PRN program (minus any TSBP program participants). TSBP will manually review its records and determine the following: the number of licensed individuals who have had disciplinary orders entered during the reporting period and are being monitored by TSBP and add the TSBP number to the PRN number. TSBP will add the PRN numbers to its numbers and calculate totals. The TSBP Enforcement Administrator is responsible for the collection of the data. The data is maintained in manual files.

The first quarter's report will include all licensed individuals carried forward from the prior year as well as those individuals who have had Disciplinary Orders entered/signed contracts during the quarter. However, the report for the second, third, and fourth quarters will be only the number of licensed individuals who have had Disciplinary Orders entered/signed contracts during the respective quarter, in order for the cumulative number to be the total number of licensed individuals who participated in the peer assistance program during the current fiscal year.

**Method of Calculation:** The summation of all the licensed individuals who are listed as participating in the program during the reporting period.

PRN program will determine the total number of licensed individuals who are being monitored by the PRN program (i.e., individuals who have signed a contract with the PRN program). TSBP will determine the total number of licensed individuals who are being monitored by TSBP (i.e., individuals who have been subject to a Disciplinary Order requiring the individual to participate in the PRN program, and/or that includes allegations or findings of one or more counts of impairment) during the current fiscal year.

The term "licensed individuals" refers only to pharmacists licensed by TSBP including individuals who have been subject to an order granting or reinstating their license. If an individual is licensed as a pharmacist as of September 1 of the current fiscal year, the individual will be counted as being licensed, for the purpose of this performance measure. Pharmacists licensed by TSBP include individuals who have the following licensure status: active, inactive, delinquent, suspended, probation, or restricted.

**Data Limitations:** TSBP has no control over the number of licensed individuals who develop a physical, mental, or chemical impairment. In addition, the agency has no control over the number of licensed individuals reported to and monitored by PRN program.

<u>Calculation Type</u>	Non Cumulative
<u>New Measure</u>	No.
<u>Desired Performance</u>	Higher than target.

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## APPENDIX E

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### FISCAL YEAR 2013-2017 WORKFORCE PLAN

#### I. Agency Overview

The Texas State Board of Pharmacy is an independent state health regulatory agency, operating under the authority of its enabling legislation, the Texas Pharmacy Act (Texas Occupations Code Ann., Chapters 555-566 and 568-569) and the Texas Dangerous Drug Act (Health and Safety Code, Chapter 483).

The policy-making body of the agency is a nine-member Board appointed by the Governor, with concurrence of the Senate, for staggered six-year terms. Six members must have been registered pharmacists in Texas for five years immediately preceding appointment, be in good standing with the Board, and continue to actively practice pharmacy while serving. In addition, the Board must have representation for licensed pharmacists who are primarily employed in community and institutional pharmacies. Three members of the Board must be representatives of the general public (i.e., non-pharmacist, consumer representatives).

In terms of the coverage of regulation, the Board has the responsibility of regulating three distinct but interrelated and inseparable elements - the persons who dispense prescription drugs to the public (pharmacists) and who assist the pharmacist (pharmacy technicians); the place where prescription drugs are dispensed to the public (pharmacies); and the distribution of dangerous drugs (prescription drugs that are not classified as controlled substances). In addition, the Board has responsibility for the administration and the enforcement of the Texas Pharmacy Act and Texas Dangerous Drug Act.

The agency licenses approximately 27,320 pharmacists, 6,964 pharmacies, and 49,346 pharmacy technicians over a land area of approximately 270,000 square miles. The agency's limited numbers of Compliance and Investigative staff are challenged in the regular monitoring of these licensees by travel distances. All geographic regions are served by the agency. The field staffs of seven Compliance Officers/Inspectors and seven Investigators are assigned regions that encompass the entire state, including the Texas border regions. In addition, medically under-served areas present specific challenges for comprehensive inspection/investigative efforts. These areas are defined as locales where medical care and, specifically, pharmacy services may be inaccessible due to distance and lack of transportation, and lack of (or inadequate) insurance coverage. Such situations may occur in rural, sparsely populated areas of the state and, conversely, in some densely populated urban areas of Texas.

The Executive Director/Secretary serves as the executive officer of the agency, and as such is an ex-officio member of the Board. The Executive Director/Secretary is responsible for advising the Board on policy matters, implementing Board policy, and managing the agency on a day-to-day basis.

The agency operates under a modified system of Management-By-Objectives (MBO). Goals and objectives are reviewed and approved annually by the Board Members. These objectives are directly tied to the agency's *Strategic Plan* and "operationalize" the *Strategic Plan*. The Executive Director manages the staff to accomplish the adopted objectives.

Regarding management structure, the Director of Administrative Services and Licensing is responsible for overall supervision of the Licensing and Administrative Services programs. The Directors of Enforcement and Professional Services, and the General Counsel are responsible for their respective programs and personnel. Information program services are shared among the divisions of the agency. An organizational chart of the agency can be found in the Strategic Plan, *Appendix B*.

### **A. Agency Mission**

To promote, preserve, and protect the public health, safety, and welfare by fostering the provision of quality pharmaceutical care to the citizens of Texas, through the regulation of: the practice of pharmacy; the operation of pharmacies; and the distribution of prescription drugs in the public interest.

### **B. Strategic Goals and Objectives**

<b>GOAL 1</b>	To establish and implement reasonable standards for pharmacist, pharmacy technician, and pharmacy technician trainee education and practice, and for the operations of pharmacies to assure that safe and effective pharmaceutical care is delivered to the citizens of Texas [Texas Pharmacy Act (Occupations Code, Sec. 555-566 and 568-569)].
Objective	Continue to operate a licensure system for pharmacists, pharmacy technicians, pharmacy technician trainees, and pharmacies that will assure that 100% of pharmacists, 100% of licensees and registrants meet minimum licensing standards through 2017.
Strategy	Operate a timely, cost-effective application and renewal licensure system for pharmacies and pharmacists, pharmacy technicians and pharmacy technician trainees.
<b>GOAL 2</b>	To assertively and swiftly enforce all laws relating to the practice of pharmacy to ensure that the public health and safety are protected from the following: incompetent pharmacists, pharmacy technicians and pharmacy technician trainees; unprofessional conduct, fraud, and misrepresentation by licensees; and diversion of prescription drugs from pharmacies; and to promote positive patient outcomes through the following: reduction of medication errors by encouraging or requiring licensees to implement self-assessment programs and continuous quality improvement programs, including peer review processes; and enforcement of rules relating to patient counseling and drug regimen review, including prevention of misuse and abuse of prescription drugs. [Texas Pharmacy Act (Occupations Code, Sec. 551-569), and Health and Safety Code, Chapter 483, Dangerous Drugs].

Objective	Through 2017, deter and reduce the incidence of violations of the law through compliance inspections of 50% of the licensed pharmacies in Texas; through technical assistance to licensees; through education and increased licensee access to information; and to resolve/close complaints received within 200 days of receipt.
Strategy 1	Emphasize preventive enforcement by conducting compliance inspections of pharmacies, promote voluntary compliance by providing information, education and technical assistance to licensees; and protect public health and safety by receiving, investigating, and resolving complaints, disciplining licensees, and monitoring compliance with disciplinary orders resulting from board adjudication.
Strategy 2	Operate a Peer Assistance Program by monitoring the growth, development, and compliance of a program to aid pharmacists and eligible pharmacy students impaired by chemical abuse or mental or physical illness, and monitor the success of individuals in the program.

### C. Anticipated Changes in Strategies

The Texas State Board of Pharmacy (TSBP) has identified several agency initiatives that are contained in the *Strategic Plan*, some of which may significantly impact the agency's business and workforce. A sample of these initiatives is listed below (see the TSBP *Strategic Plan* for a complete listing, found under each *Policy Issue*).

- Work with associations and the Legislature to amend the Pharmacy Act to give the Board the authority to mandate that all pharmacies implement continuous quality improvement programs that include peer review.
- Work in partnership with other state and national pharmacy regulatory organizations and professional associations to ensure that the Act continues to provide the greatest protection for the citizens of Texas while not inhibiting the implementation of new and progressive healthcare and pharmaceutical care systems.
- Actively participate with other healthcare providers, legislators, and regulators in establishing initiatives to advance the safe and appropriate use of technology in pharmacy practice.
- Be proactive in developing educational and practice guidelines for well-qualified pharmacy technicians to facilitate the changing pharmacy practice paradigms.
- Remain progressive in initiatives focused on enhanced patient outcomes, with continued examination of those issues that are truly important, embracing current technology, gaining broad-based input, and acting aggressively and fairly to hold pharmacists accountable for the patient care they provide.

## II. Current Workforce Profile (Supply Analysis)

### A. Critical Workforce Skills

There are several critical skills and knowledge areas that are important to the agency's ability to operate. Without these skills and knowledge areas, the TSBP could not provide basic business functions. They are as follows:

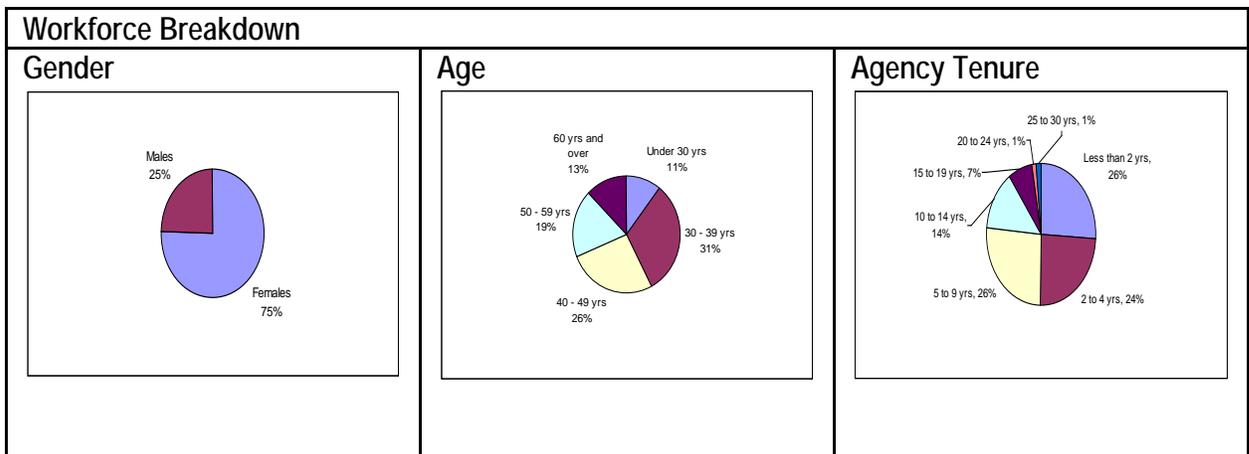
- extensive knowledge of healthcare systems and the practice of pharmacy and drug distribution, including legal and regulatory requirements;
- extensive knowledge of state administrative rules and regulations, including the management of human resources, budgetary, and appropriations process;
- extensive knowledge of information resource systems, including web-based applications;
- thorough knowledge of the Texas Administrative Procedures Act, rules of evidence, and other administrative and criminal laws and procedures;
- thorough knowledge of investigative procedures; and
- strong interpersonal skills and customer service.

Additionally, a license to practice pharmacy by the TSBP is a critical requirement for many of the agency's positions, including the Executive Director/Secretary.

### B. Workforce Demographics

The following **Table 1** profiles the agency's workforce as of August 31, 2011. The TSBP workforce is comprised of 25% males and 75% females, 58% of our employees are over the age of 40, and 50% of our employees have less than five year's agency service. These percentages are high enough to warrant strong training programs to ensure our employees are able to assume key positions in the event of unexpected turnover.

Table 1



The agency's overall workforce profile, as shown in **Table 2**, indicates that the agency needs to increase its efforts to recruit and retain qualified minority applicants at all levels of job categories.

Table 2

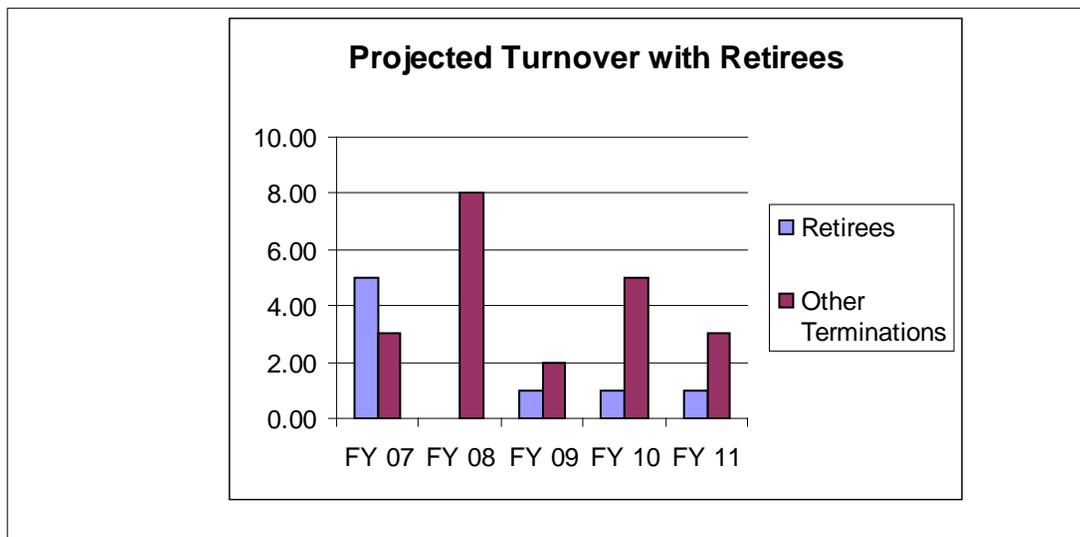
<b>Agency EEO Data</b>	<b>WHITE</b>		<b>BLACK</b>		<b>HISPANIC</b>		<b>OTHER</b>		<b>TOTAL</b>		<b>GRAND TOTAL</b>
	<b>M</b>	<b>F</b>	<b>M</b>	<b>F</b>	<b>M</b>	<b>F</b>	<b>M</b>	<b>F</b>	<b>M</b>	<b>F</b>	
Administrators	0	5	0	0	0	0	0	0	0	5	5
Professional	5	9	0	1	2	0	0	1	7	11	18
Para-Prof	9	13	0	0	0	10	0	0	9	23	32
Admin Support	0	8	0	3	0	5	0	0	0	16	16
<b>TOTALS</b>	<b>14</b>	<b>35</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>15</b>	<b>0</b>	<b>1</b>	<b>16</b>	<b>55</b>	<b>71</b>

*\*Data reflects actual staff as of 8/31/11.*

### **C. Employee Turnover**

Agency employee turnover increased from 5% in FY2009 to 11.4% in FY2010, but dropped to 5.7% in FY2011. The turnover in pharmacist staff is a much more significant number and has consequences that are more serious. Turnover of pharmacist staff has been high in past years – 57% in FY2001, 60% in FY2003, and 33.33% in FY2004. Even more dramatic is the number of pharmacist service years that have been lost – in FY2001, a total of 32.2 years of experience, with one pharmacist taking nearly 26 years of agency experience with him. In FY2003, 52 pharmacist service years were lost. The agency has been depleted of talent in this crucial area – from ten pharmacists (non-management) in FY2000, to a total of four pharmacists (non-management) in FY2011. This loss of pharmacist staff is especially disturbing since the pharmacist staff is a part of the succession for the Executive Director position, which is statutorily required to be a pharmacist. The reason for the high turnover rate can be directly attributed to an agency lack of funding for salaries. During the 2009 Legislative Session the legislature increased the salary range for a Pharmacist II to \$81,529 - \$134,524 and the range for a Pharmacist III to \$98,651 - \$162,773. However, even though the Legislature established these new salary ranges, the agency was not funded to hire pharmacists at the increased salaries.

### D. Retirement Eligibility



### III. Future Workforce Profile (Demand Analysis)

One key factor that continues to affect the ability of the agency to serve and protect the public interest is the increased demand for agency services in every area of its operation. Dramatic increases in the demand for licensing, enforcement, and information services are well-documented throughout the *Strategic Plan* and in the agency's budget requests. This continued increase in demand for services, together with the increase in the complex nature of modern health and pharmaceutical care, is taxing the agency's ability to respond not only to future challenges, but to maintain its current level of service.

### IV. Gap Analysis

After analyzing the workforce information, TSBP has determined that there are two main gaps between the agency's workforce supply and demand that must be addressed.

- Key positions in management, including the Executive Director/Secretary position, are not being targeted for succession planning although three of the five management staff have been identified as eligible for retirement immediately.
- The TSBP cannot attract and retain qualified pharmacists due to the significant differences in salaries compared to private sector employment.

## V. Strategy Development

<b>Gap</b>	<i>LACK OF SUCCESSION PLANNING FOR THE EXECUTIVE DIRECTOR/SECRETARY AND KEY MANAGEMENT STAFF</i>
<b>Goal</b>	Develop a competent, well-trained workforce.
<b>Rationale</b>	The training and development of current employees is critical to the success of the agency. TSBP should continue analyzing existing staff to determine which employees demonstrate the potential or interest to develop new competencies and assume new or modified positions.
<b>Action Steps</b>	<ul style="list-style-type: none"> <li>• Request additional funding in the next legislative session to increase the compensation of the exempt line item position of Executive Director/Secretary.</li> <li>• Expand training programs to include programs such as effective leadership and contemporary management training skills, effective project management, and assessing and managing risks.</li> <li>• Conduct an assessment of the level of risk facing the agency regarding the potential loss of knowledge particularly in areas where loss is likely due to the imminent loss of key employees.</li> </ul>

<b>Gap</b>	<i>TSBP CANNOT ATTRACT AND RETAIN QUALIFIED PHARMACISTS</i>
<b>Goal</b>	Become an employer of choice.
<b>Rationale</b>	If the agency is to recruit and retain qualified pharmacists, TSBP must take affirmative actions with the legislature to increase agency appropriations to secure qualified pharmacists. TSBP will also continue to re-examine its organizational structure and requirements to see if other job classifications could meet the needs of these positions.
<b>Action Steps</b>	Request additional appropriations to enhance employee compensation, especially in the recruitment and retention of pharmacists.



Board of Pharmacy  
Executive Summary  
**2012**

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**Executive Summary**  
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Institute for Organizational Excellence  
The University of Texas at Austin  
1 University Station, D3500  
Austin, Texas 78712

[www.survey.utexas.edu](http://www.survey.utexas.edu)  
[soe@uts.cc.utexas.edu](mailto:soe@uts.cc.utexas.edu)  
Phone (512) 471-9831  
Fax (512) 471-9600



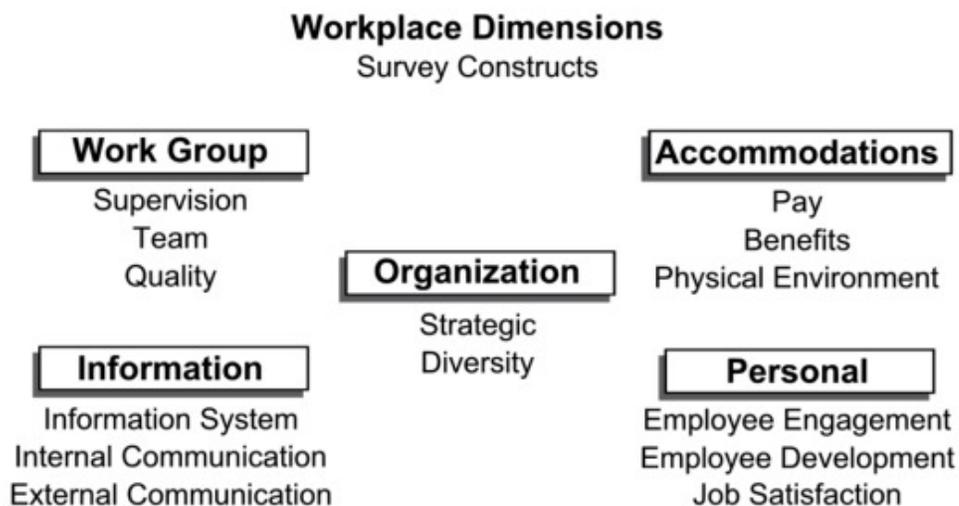
**Introduction**

**Thank you** for your participation in the Survey of Employee Engagement (SEE). We trust that you will find the information helpful in your leadership planning and organizational development efforts. As an organizational climate assessment, the SEE represents an employee engagement measurement tool based on modern organizational and managerial practice and sound theoretical foundations. In short, the SEE is specifically focused on the key drivers relative to the ability to engage employees towards successfully fulfilling the vision and mission of the organization.

Participation in the SEE indicates the willingness of leadership and the readiness of all employees to engage in meaningful measurement and organizational improvement efforts. The process is best utilized when leadership builds on the momentum initiated through the surveying process and begins engagement interventions using the SEE data as a guide. Contained within these reports are specific areas of organizational strengths and of organizational concern.

**The SEE Framework** initially consists of a series of items to ascertain the demography of the respondents. The purpose is to measure whether or not a representative group of respondents participated. The second section contains 71 primary items. These are used to assess essential and fundamental aspects of how the organization functions, the climate, potential barriers to improvement, and internal organizational strengths. The items are all scored on a five-point scale from Strongly Disagree(1) to Strongly Agree(5) and are averaged to produce various summary measures - Constructs, Climate indicators, and the Synthesis Score.

The SEE has 14 Constructs which capture the concepts most utilized by leadership and those which drive organizational performance and engagement. These constructs are: Supervision, Team, Quality, Pay, Benefits, Physical Environment, Strategic, Diversity, Information Systems, Internal Communication, External Communication, Employee Engagement, Employee Development, and Job Satisfaction. In the Climate section of the reports are the Climate indicators: Atmosphere, Ethics, Fairness, Feedback, and Management.



## Organization Profile

### Board of Pharmacy

#### Organizational Leadership:

- Gay Dodson , R.Ph., Exec. Director/Secretary



#### Benchmark Groups

The most current benchmark data are provided in your report. To get a better idea of how this organization compares to others like it, we provide three types of benchmark data: organizations with a similar size, similar mission, and organizations belonging to a special grouping.

#### The Benchmark Categories for this organization are:

- **Organization Size:** Size category 2 includes organizations with 26 to 100 employees.
- **Mission Category:** Mission 8 (Regulatory)  
The Regulatory category includes organizations involved in the regulation of medical, financial, and other service industries.
- **Special Grouping:** None

#### Survey Administration

##### Collection Period:

01-23-2012 through 02-03-2012

**Additional Items and Categories** (if applicable) may be used to target areas specific to the organization. Refer to the Appendix of the Data Report for a complete listing.

##### Survey Liaison:

Becky Damon (512) 305-8026  
333 Guadalupe, Ste 3-600  
Austin, TX 78701

[becky.damon@tsbp.state.tx.us](mailto:becky.damon@tsbp.state.tx.us)

## Overall Score and Participation

### Overall Score

The overall survey score is a broad indicator for comparison with other entities. The Overall Score is an average of all survey items and represents the overall score for the organization. For comparison purposes, Overall scores typically range from 325 to 375.

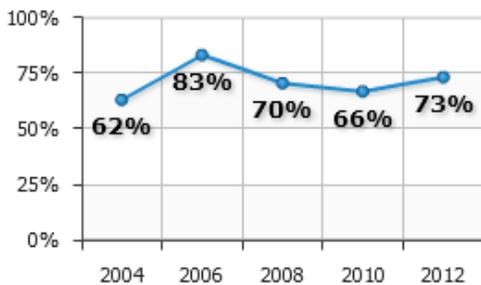
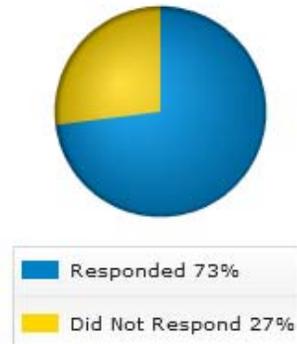


### Response Rates

#### Overall Response Rate

Out of the 71 employees who were invited to take the survey, 52 responded. As a general rule, rates higher than 50 percent suggest soundness. Rates lower than 30 percent may indicate problems.

At 73%, your response rate is considered high. High rates mean that employees have an investment in the organization, want to see the organization improve, and generally have a sense of responsibility to the organization. With this level of engagement, employees have high expectations from Leadership to act on the survey results.



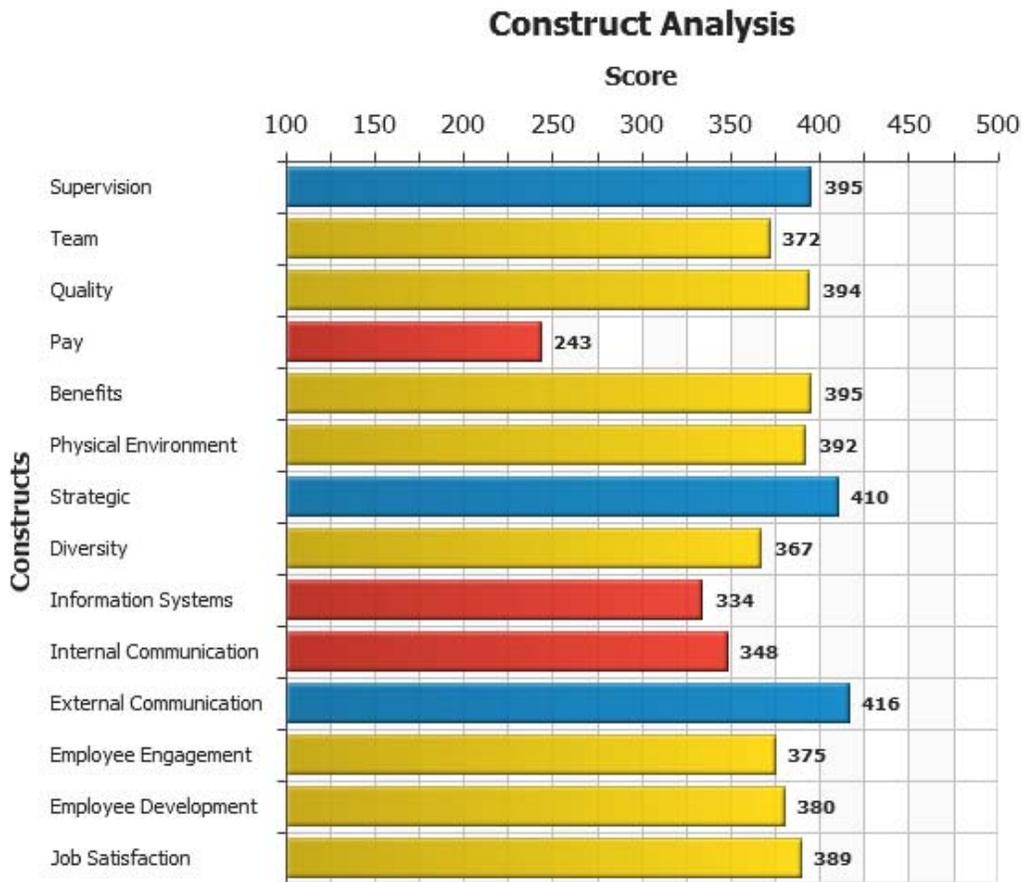
#### Response Rate Over Time

One of the values of participating in multiple iterations of the survey is the opportunity to measure organizational change over time. In general, response rates should rise from the first to the second and succeeding iterations. If organizational health is sound and the online administration option is used, rates tend to plateau around the 60 to 65 percent level. A sharp decline in your response rate over time can be a significant indicator of a current or potential developing organizational problem.

## Construct Analysis

Constructs have been color coded to highlight the organization's areas of strength and areas of concern. The 3 highest scoring constructs are blue, the 3 lowest scoring constructs are red, and the remaining 8 constructs are yellow.

Each construct is displayed below with its corresponding score. Highest scoring constructs are areas of strength for this organization while the lowest scoring constructs are areas of concern. Scores above 350 suggest that employees perceive the issue more positively than negatively, and scores of 375 or higher indicate areas of substantial strength. Conversely, scores below 350 are viewed less positively by employees, and scores below 325 should be a significant source of concern for the organization and should receive immediate attention.



## Organizational Typology: Areas of Strength

The following Constructs are relative strengths for the organization:

### External Communication

**Score:416**

The External Communication construct looks at how information flows into the organization from external sources, and conversely, how information flows from inside the organization to external constituents. It addresses the ability of organizational members to synthesize and apply external information to work performed by the organization.

High scores indicate that employees view their organization as communicating effectively with other organizations, its clients, and those concerned with regulation. Maintaining these high scores will require leadership to be alert to change and maintain strong and responsive tools to assess the external environment.

### Strategic

**Score:410**

The Strategic construct reflects employees' thinking about how the organization responds to external influences that should play a role in defining the organization's mission, vision, services, and products. Implied in this construct is the ability of the organization to seek out and work with relevant external entities.

High scores indicate employees view the organization as able to quickly relate its mission and goals to environmental changes and demands. It is viewed as creating programs that advance the organization and having highly capable means of drawing information and meaning from the environment. Maintaining these high scores will require leadership to continually assess the ability of the organization and employees at all levels to test programs against need and to continue to have rapid feedback from the environment.

### Supervision

**Score:395**

The Supervision construct provides insight into the nature of supervisory relationships within the organization, including aspects of leadership, the communication of expectations, and the sense of fairness that employees perceive between supervisors and themselves.

High Supervision scores indicate that employees view their supervisors as fair, helpful, and critical to the flow of work. Maintaining these high scores will require leadership to carefully assess supervisory training and carefully make the selection of new supervisors.

## Organizational Typology: Areas of Concern

The following Constructs are relative concerns for the organization:

### Pay

Score: 243

The Pay construct addresses perceptions of the overall compensation package offered by the organization. It describes how well the compensation package 'holds up' when employees compare it to similar jobs in other organizations.

Low scores suggest that pay is a central concern or reason for satisfaction or discontent. In some situations pay does not meet comparables in similar organizations. In other cases individuals may feel that pay levels are not appropriately set to work demands, experience and ability. Cost of living increases may cause sharp drops in purchasing power, and as a result, employees will view pay levels as unfair. Remedying Pay problems requires a determination of which of the above factors are serving to create the concerns. Triangulate low scores in Pay by reviewing comparable positions in other organizations and cost of living information. Use the employee feedback sessions to determine the causes of low Pay scores.

### Information Systems

Score: 334

The Information Systems construct provides insight into whether computer and communication systems enhance employees' ability to get the job done by providing accessible, accurate, and clear information. The construct addresses the extent to which employees feel that they know where to get needed information, and that they know how to use it once they obtain it.

Average scores suggest that room for improvement exists and there is frustration with securing needed information. In general, a low score stems from these factors: traditional dependence on word of mouth, low investment in appropriate technology, and possibly some persons using their control of information to control others. Remedying Information Systems problems requires careful study to determine the correct causative factors. Have each program group list what information is needed and how they access it. Use the employee feedback sessions to make a more complete determination of the factors that influence your Information Systems score.

### Internal Communication

Score: 348

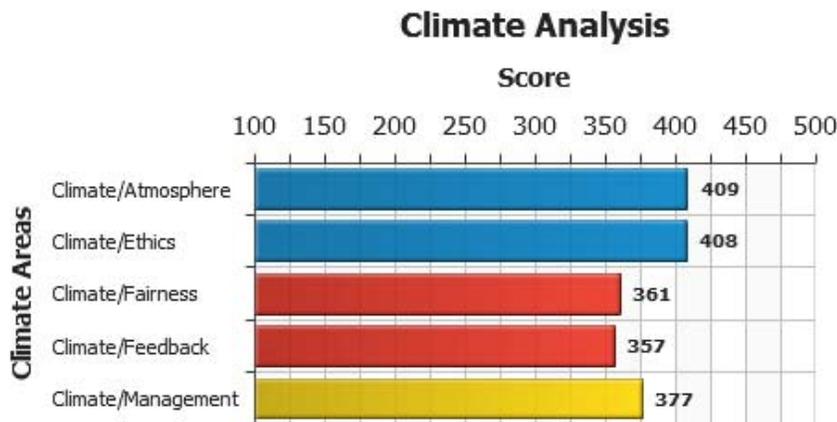
The Internal Communication construct captures the organization's communications flow from the top-down, bottom-up, and across divisions/departments. It addresses the extent to which communication exchanges are open, candid, and move the organization toward its goals.

Average scores suggest that employees feel information does not arrive in a timely fashion and often it is difficult to find needed facts. In general, Internal Communication problems stem from these factors: an organization that has outgrown an older verbal culture based upon a few people knowing "how to work the system", lack of investment and training in modern communication technology and, perhaps, vested interests that seek to control needed information. Triangulate low scores in Internal Communication by reviewing existing policy and procedural manuals to determine their availability. Assess how well telephone systems are articulated and if e-mail, faxing, and Internet modalities are developed and in full use.

## Climate Analysis

The climate in which employees work does, to a large extent, determine the efficiency and effectiveness of an organization. The appropriate climate is a combination of a safe, non-harassing environment with ethical abiding employees who treat each other with fairness and respect. Moreover, it is an organization with proactive management that communicates and has the capability to make thoughtful decisions. Climate Areas have been color coded to highlight the organization's areas of strength and areas of concern. The 2 highest scoring climate areas are blue (Atmosphere, Ethics), the 2 lowest scoring climate areas are red (Feedback, Fairness), and the remaining climate area is yellow (Management).

Each Climate Area is displayed below with its corresponding score. Scores above 350 suggest that employees perceive the issue more positively than negatively, and scores of 375 or higher indicate areas of substantial strength. Conversely, scores below 350 are viewed less positively by employees, and scores below 325 should be a significant source of concern for the organization and should receive immediate attention.



### Climate Definitions:

**Atmosphere:** The aspect of climate and positive Atmosphere of an organization must be free of harassment in order to establish a community of reciprocity.

**Ethics:** An Ethical climate is a foundation of building trust within an organization where not only are employees ethical in their behavior, but that ethical violations are appropriately handled.

**Fairness:** Fairness measures the extent to which employees believe that equal and fair opportunity exists for all members of the organization.

**Feedback:** Appropriate feedback is an essential element of organizational learning by providing the necessary data in which improvement can occur.

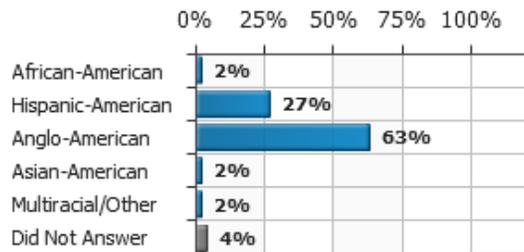
**Management:** The climate presented by Management as being accessible, visible, and an effective communicator of information is a basic tenant of successful leadership.

## Participant Profile

Demographic data helps one to see if the Survey response rate matches the general features of all employees in the organization. It is also an important factor in being able to determine the level of consensus and shared viewpoints across the organization. It may also help to indicate the extent to which the membership of the organization is representative of the local community and those persons that use the services and products of the organization.

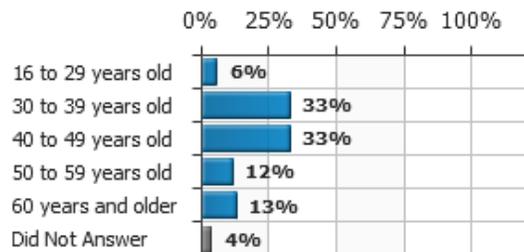
### Race/Ethnic Identification

Racial/Ethnic diversity within the workplace provides resources for innovation. A diverse workforce helps ensure that different ideas are understood, and that the community sees the organization as representative of the community.



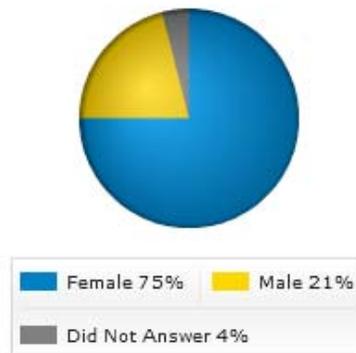
### Age

Age diversity brings different experiences and perspectives to the organization, since people have different challenges and resources at various age levels. Large percentages of older individuals may be a cause of concern if a number of key employees are nearing retirement age.



### Gender

The ratio of males to females within an organization can vary among different organizations. However, extreme imbalances in the gender ratio when compared to actual gender diversity within your organization should be a source of concern and may require immediate attention as to why one group is responding at different than anticipated rates.



## Benchmark Data and Other Resources

### Benchmark Categories:

**Benchmark Data** composed of the organizations participating in the survey are provided in your reports. Benchmarks are used to provide a unit of comparison of organizations of similar mission and size. If you selected to use organizational categories, internal benchmarks between categories as well as over time data illustrate differences and changes along item and construct scores. Our benchmark data are updated every two years and are available from our website at [www.survey.utexas.edu](http://www.survey.utexas.edu).

### Reporting and Other Resources:

**A Data Report** accompanies this summary. The data report provides greater detail than the executive summary. The data report is largely a quantitative report of the survey responses. Demographic data are presented in percentages and real numbers. Construct means and benchmark comparison numbers are provided on all variables. Item data are broken into mean, frequency counts, standard deviations, and number of respondents. Item benchmark data are also displayed.

**Electronic Reports** are provided in two formats. First, all executive and data reports are included in pdf files for ease in distribution and for clear printability. This file format is widely used, and a free pdf reader called Adobe Acrobat reader is available from [www.adobe.com](http://www.adobe.com). The second type of electronic reports are in Microsoft Excel format. These reports are construct and item survey data in a flat spreadsheet format. This allows the user to sort highs and lows, search for individual items, or create custom reports from the survey data.

**Using the Survey as a Catalyst** for organizational improvement is essential to the survey process. The survey creates momentum and interest. At the end of the executive summary report is a series of suggested next steps to assist in these efforts.

**Additional Services** are available from our group. We conduct 360-Degree leadership and supervisory evaluations, special leadership assessments, customer and client satisfaction surveys along with the ability to create and administer a variety of custom hardcopy and online survey instruments. Consultation time for large presentations, focus groups, or individual meetings is available as well. For additional information, please contact us at anytime.

## Next Steps: Interpretation and Intervention

After the survey data has been compiled, the results are returned to the survey liaison, executive director, and board or commission chair approximately one to two months after data collection stops. These individuals are strongly encouraged to share results with all survey participants in the organization. Survey results are provided in several formats to provide maximum flexibility in interpreting the data and sharing the data with the entire organization. The quick turnaround in reporting allows for immediate action upon the results while they are still current.

The Executive Summary provides a graphical depiction of the data. Graphical data can easily be reproduced in a company newsletter or website. For additional detailed data, the Data Report is useful for examining survey data on the individual item level. Response counts, averages, standard deviations, and response distributions are provided for each item. Excel files provide electronic access to scores. Scores can be sorted in various ways to help determine strengths and areas of concern. The electronic data can also be used by Excel or other software to create additional graphs or charts. Any of these formats can be used alone or in combination to create rich information on which employees can base their ideas for change.

Benchmark data provide an opportunity to get a true feel of the organization's performance. Comparing the organization's score to scores outside of the organization can unearth unique strengths and areas of concern. Several groups of benchmarks are provided to allow the freedom to choose which comparisons are most relevant. If organizational categories were used, then internal comparisons can be made between different functional areas of the organization. By using these comparisons, functional areas can be identified for star performance in a particular construct, and a set of "best practices" can be created to replicate their success throughout the organization.

These Survey Data provide a unique perspective of the average view of all participants. It is important to examine these findings and take them back to the employees for interpretation and to select priority areas for improvement. This is an opportunity for the organization to recognize and celebrate areas that members have judged to be areas of relative strength. By seeking participation and engaging people on how the organization functions, you have taken a specific step in increasing organizational capital. High organizational capital means high trust among employees and a greater likelihood of improved efforts and good working relationships with clients and customers.

### **Ideas for getting employees involved in the change process:**

- Hold small focus groups to find out how the employees would interpret the results
- Conduct targeted follow-up surveys to collect additional information including comments
- Provide employees with questionnaires/comment cards to express their ideas

### **Ideas for sharing data with the organization:**

- Publish results in an organizational newsletter or intranet site
- Discuss results in departmental meetings
- Create a PowerPoint presentation of the results and display them on kiosks

## Timeline

### February and March: Interpreting the Data

- Data are returned to survey liaisons, executive directors and board members
- Review Survey data including the Executive Summary with executive staff
- Develop plans for circulating all the data sequentially and provide interpretations for all staff

### April: Distributing Results to the Entire Organization

- Implement the plans for circulating the data to all staff
- Create 3 to 4 weekly or monthly reports or organization newsletters
- Report a portion of the constructs and items, providing the data along with illustrations pertinent to the organization
- Select a time to have employees participate in a work unit group to review the reports as they are distributed to all staff, with one group leader assigned to every group. The size of the groups should be limited to about a dozen people at a time. A time limit should be set not to exceed two hours.

### May: Planning for Change

- Designate the Change Team composed of a diagonal slice across the organization that will guide the effort
- Identify Work Unit Groups around actual organizational work units and start each meeting by reviewing strengths as indicated in the data report. Brainstorm on how to best address weaknesses
- Establish Procedures for recording the deliberations of the Work Unit Group and returning those data to the Change Team
- Decide upon the Top Priority Change Topic and Methods necessary for making the change. Web-based Discussion Groups and Mini-Surveys are convenient technologies
- First change effort begins
- Repeat for the next change target

### June and Beyond: Implementation and Interventions

- Have the Change Team compile the Priority Change Topics and Methods necessary for making the change and present them to the executive staff
- Discuss the administrative protocols necessary for implementing the changes
- Determine the plan of action and set up a reasonable timeline for implementation
- Keep employees informed about changes as they occur through meetings, newsletters, or intranet publications
- Resurvey to document the effectiveness of the change