

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

A Bill

HOUSE BILL 1572

5 By: Representative Boyd
6

For An Act To Be Entitled

8 AN ACT TO INCLUDE THIRD-PARTY LOGISTICS PROVIDER AND
9 OTHER FACILITIES IN THE PERMIT PROCESS OF THE
10 ARKANSAS STATE BOARD OF PHARMACY; AND FOR OTHER
11 PURPOSES.
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Subtitle

14 TO INCLUDE THIRD-PARTY LOGISTICS PROVIDER
15 AND OTHER FACILITIES IN THE PERMIT
16 PROCESS OF THE ARKANSAS STATE BOARD OF
17 PHARMACY.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. DO NOT CODIFY. Legislative findings and intent.

24 (a) The General Assembly finds that:

25 (1) The Drug Quality and Security Act, Pub. L. No. 113-54, was
26 enacted by the United States Congress on November 27, 2013;

27 (2) Section 205 of the Drug Quality and Security Act, Pub. L.
28 No. 113-54, preempts a state or a state board of pharmacy from continuing to
29 issue permits to third-party logistics providers unless specific language
30 exists for a separate permit for a third-party logistics provider;

31 (3) A third-party logistics provider is a person or an entity
32 that provides or coordinates warehousing or other logistics services for a
33 legend drug or controlled substance in intrastate or interstate commerce on
34 behalf of a manufacturer, wholesaler, or dispenser of the legend drug or
35 controlled substance, but who does not take ownership of the legend drug or
36 controlled substance, nor have responsibility to direct its sale or



1 disposition;

2 (4) The United States Food and Drug Administration is scheduled
 3 to issue regulations regarding the licensure of third-party logistics
 4 providers in November 2015;

5 (5) The Arkansas State Board of Pharmacy has issued permits to
 6 third-party logistics providers under the designation of a wholesale
 7 distributor of legend drugs and controlled substances permit, but the
 8 statutes do not include a separate permit designation;

9 (6) Presently, Arkansas law is inconsistent with provisions the
 10 Drug Quality and Security Act, Pub. L. No. 113-54, and may be preempted which
 11 would result in the inability of the Arkansas State Board of Pharmacy to
 12 license or provide licensure to third-party logistics providers or collect
 13 fees from these providers; and

14 (7) In order to maintain oversight and local control, the
 15 General Assembly should enact legislation to allow a separate permit for
 16 third-party logistics providers and wholesale distributors.

17 (b) It is the intent of this act to explicitly include third-party
 18 logistics providers and other facilities in the permit process under state
 19 law.

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 21 SECTION 2. Arkansas Code § 17-92-108(a)(16), concerning fees of a
 22 wholesale distributor, is amended to read as follows:

23 (16)(A) The fee for issuance of a wholesale distributor, third-
 24 party logistics provider, manufacturer, or outsourcing facility of legend
 25 drugs and controlled substances permit shall not exceed three hundred dollars
 26 (\$300), and the renewal fee shall not exceed one hundred fifty dollars (\$150)
 27 per year.

28 (B) When there is a change in ownership of a wholesale
 29 distributor, third-party logistics provider, manufacturer, or outsourcing
 30 facility of legend drugs and controlled substances, a new permit must be
 31 obtained, and the fee shall not exceed one hundred fifty dollars (\$150);
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33 SECTION 3. Arkansas Code § 17-92-108(c)(6), concerning reinstatement
 34 of a wholesale distributor, is amended to read as follows:

35 (6) Wholesale distributors, third-party logistics providers,
 36 manufacturers, or outsourcing facilities of legend drugs or controlled

1 substance permits, or both; and

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 3 SECTION 4. Arkansas Code § 17-92-108(d)(2), concerning renewal periods
 4 of permits, is amended to read as follows:

5 (2) All pharmacy technician permits, hospital pharmacy permits,
 6 ambulatory care center pharmaceutical services permits, wholesale
 7 distributors, third-party logistics providers, manufacturers, or outsourcing
 8 facilities of legend or controlled substance permits, wholesale distributors
 9 of medical equipment, legend devices, and medical gases permits,
 10 institutional pharmaceutical services permits, and any other permit, license,
 11 registration, or certificate issued by the board and not covered in
 12 subdivision (d)(1) of this section other than internship licenses and
 13 preceptor permits shall be renewed every two (2) years.

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 15 SECTION 5. Arkansas Code § 17-92-310(a)(1)(D), concerning failure to
 16 renew a permit, is amended to read as follows:

17 (D) All pharmacy technician permits, hospital pharmacy
 18 permits, ambulatory care center pharmaceutical services permits, wholesale
 19 distributors, third-party logistics providers, manufacturers, or outsourcing
 20 facilities of legend or controlled substance permits, wholesale distributors
 21 of medical equipment, legend devices, and medical gases permits,
 22 institutional pharmaceutical services permits, List I chemical permits, and
 23 any other permit, license, registration, or certificate issued by the board
 24 and not covered in subdivisions (a)(1)(A)-(C) of this section shall expire on
 25 December 31 of the first even-numbered year following the date of the
 26 issuance of the permit, license, registration, or certificate.

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 29 **APPROVED: 03/18/2015**