

THE ARIZONA STATE BOARD OF PHARMACY HELD A TELEPHONE CONFERENCE CALL

BOARD MEETING on May 5th, 2006,

A SPEAKERPHONE WAS AVAILABLE AT THE BOARD OFFICES,

4425 W. Olive Ave., Suite 140, Glendale, Arizona

The following Board Members and staff were participants on the conference call: President Chuck Dutcher, Vice President Tom Van Hassel, Louanne Honeyestewa, Linda McCoy, Ridge Smidt, and Bryan Tippet. Compliance Officer Dean Wright, Deputy Director Cheryl Frush, Executive Director Hal Wand, and Assistant Attorney General Stephen Wolf were also participants on the call. David Burke from the University of Arizona College of Pharmacy was on the call from Tucson.

President Dutcher convened the meeting at 9:30 A.M. and determined that a quorum was present.

AGENDA ITEM I Consideration of Request for Funds Transfer from Board of Pharmacy Reserve Fund to the University of Arizona, College of Pharmacy

President Dutcher asked Mr. Wand to give background information to help the Board in the deliberations on the request from the University.

Mr. Wand stated that in 1994, the University requested funds from the Board to keep the Poison Control Center at the College of Pharmacy open at the University. It had not been funded adequately that year. Senator Toni Hellon had sponsored the legislation authorizing the transfer of funds and approximately \$150,000.00 was in fact transferred, which kept the center open and allowed it to continue to this day.

Senator Hellon is willing to sponsor similar legislation as part of the Budget Reconciliation process which will occur in the next few weeks. This time, the funds will be used to expand the College of Pharmacy presence in the Phoenix area, primarily by funding a program for fourth year rotations for students from the College.

President Dutcher encouraged Board members to ask questions.

Dr. Tippet asked if there were any problems transferring state funds to another entity.

President Dutcher replied that there were no problems if the funds went to another state agency if proper procedures were followed but funds were not allowed to be given to any person or entity that was not a part of the state.

Mr. Wand stated that the proper procedure was to submit such a request to the legislature to ask that it be incorporated in the Budget Reconciliation process which will begin next week.

Dr. Tippet asked how such a transfer would affect the Board funds.

Mr. Wand replied that the Joint Legislative Budget Committee (JLBC) representative has estimated the fund balance to be \$4.4 million dollars by the end of 2007 and that the governor's Office of Strategic Planning and Budget (OSPB) has an estimate of \$3.8 million dollars. The revenues for fiscal year 06 have been \$1.8 million dollars so far and the annual appropriated budget is about \$1.5 million dollars. If \$600 hundred thousand dollars were in fact transferred, the reserve fund would still be more than \$3 million dollars or two years of operational funds. Board fees currently bring more in more than is needed to operate at the levels currently appropriated by the legislature. For example, this year the surplus will be about \$300 thousand dollars.

President Dutcher stated that the Board should not reduce the fees because it will be difficult to raise them in the future.

President asked Mr. Wand to compare our fees to other states.

Mr. Wand replied that Arizona pharmacist license fees were in the middle of the 50 states, which range from \$5 in Puerto Rico to \$500 in some northwest states. Our Pharmacist license fee is currently \$145. Our wholesale permits are on the high side however, currently set at \$1000.

President Dutcher asked if there were any more questions from Board members.

Dr. Tippett asked Mr. Burke to please explain the nature and details of the College of Pharmacy's request.

Mr. Burke stated that the governor and the Arizona Board of Regents (ArBOR) asked the university to expand the existing health care schools, primarily medicine and pharmacy to the Phoenix area, which is the 5th largest city and which is the only city of its size not to have a medical school. Mr. Burke continued by telling the Board members that the whole state would benefit from the expansion. It was the College of Pharmacy's goal to increase class size from 70 to 100. Clerkships in Maricopa County would be increased by 100% by establishment of such a program. There would be community outreach and services also provided periodically.

Mr. Burke said the College is asking for \$600 thousand dollars to fund a three year program. The addition of two faculty members to establish and maintain the program would also be part of the new program. The Board would be recognized as a partner and be acknowledged in all press releases, print and other media produced by the program.

Mr. Burke also stated that the program would be able to provide opportunities to bring preceptors together in the Phoenix area and provide more training for them. Medication Therapy Management programs currently existing in Tucson could also be implemented.

Dr. Tippett asked if the faculty coordinators would be permanent employees.

Mr. Burke said that they would be permanent as long as funds were available.

Mr. Van Hassel asked if the coordinators would be located in Tucson or Phoenix.

Mr. Burke replied that they would be in Phoenix. The College is all ready exploring space in the T-Gen project with assistance from the city of Phoenix.

Dr. Tippett asked if a presence in Phoenix would help with recruitment.

Mr. Burke stated there are currently 425 applicants for the 70 spaces available. The expansion of the program would allow 30 more students to become pharmacists.

President Dutcher asked if the curriculum was being changed to a 3 year program.

Mr. Burke said that it was still a four year curriculum, but that the monies requested would be sufficient to allow for three years of rotations and clerkships and that he would be asking for matching funds from the university and various foundations. He stated that this is only Phase I of a long rollout.

President Dutcher asked what is the total estimate for a new college of pharmacy in Phoenix.

Mr. Burke stated that is approximately \$1.2 million dollars.

Mr. Burke stated that the college would be accountable to the Board for the funds and report on expenses as often as the Board desires and report on results as well. He recommended that the Board appoint a person to serve on the Phoenix planning team at the college.

Mr. Van Hassel stated that he currently provides rotations for 7 schools of pharmacy and that the University of Arizona does not provide much support, such as housing.

Mr. Burke responded that the governor and ArBOR desire that a medical and pharmacy school be established in Phoenix and that funds are always tight because the legislature is unwilling to fund the projects.

Dr. Tippett asked if this was the "No Pharmacist Left Behind" act.

Dr. Smidt opined that the increase from 70 to 100 clerkships and funding the coordinators would utilize the available funds and that a need certainly exists in Phoenix.

Mr. Burke added that the program will increase the public perception of what the roles of pharmacists are.

Dr. McCoy asked if the wording could be changed from Maricopa County to the State of Arizona since it in fact actually benefits the whole state and most of its citizens.

President Dutcher reiterated that an appointment of someone to the Planning Committee should be a priority.

Mr. Wand asked if General Accounting Office and University accounting requirements should be a consideration.

Mr. Burke stated that all funds would be accounted for but that a formal contract process would delay the project at least six months.

Mr. Wand asked if Mr. Burke was willing to provide accountability upon request by the Board,

Mr. Burke responded affirmatively.

Dr. McCoy added that accountability was necessary to obtain her vote.

President Dutcher said it was time to decide on a preliminary amount of funds for the purpose of a motion.

Dr. Tippett asked when the funds would need to be disbursed.

Mr. Burke said they would be needed by September, 2006.

Dr. Smidt asked when would the availability of matching funds be known.

Mr. Burke thought it would be six to twelve months off. The Flinn Foundation is usually most responsive in terms of time.

Dr. Smidt asked if a preliminary budget could be given to the Board's Executive Director for review.

Mr. Burke agreed that a preliminary budget could be provided.

Dr. Smidt asked if the funds could be released over time rather than all at once.

Mr. Burke asked that ½ be disbursed in September with the other ½ being disbursed annually after that. He also recommended quarterly reporting to the Board.

Mr. Wand stated that there may be issues in splitting the disbursement over more than one fiscal year, but that further research would be done.

Dr. Sypherd provided his unique perspective gained by being in Arizona for at the last five decades and the battles between ASU and the UofA for the medical school over that time. An entirely new school would be too expensive and the current move was started about 3 years ago. The funding would have to be "bootstrapping" and accreditation of a two school consortium is out of the question. He reminded that the Board of the acute shortage of pharmacists in Arizona and concluded by saying this was just a start, but a needed one.

On motion by Dr. Smidt and Dr. Tippett, the Board voted 5 to 1 to forward the following to Senator to add to the Budget Reconciliation process :

The Arizona State Board of Pharmacy supports the investment of \$600,000.00 in Fiscal Year 2007, from Board reserve funds in the initial rollout of programs developed and presented by the University of Arizona, College of Pharmacy. These funds will be paid in three installments, if possible, to be used for the following programs:

- Clerkship program support for approximately 30 fourth-year Pharm. D. students in greater Phoenix;
- A series of public seminars open to residents of the state addressing key issues in pharmacy today, including innovations in pharmacogenomics, drug delivery systems, patient counseling, medication therapy, management, and enhanced patient care;
- Health promotion and community service activities such as diabetes and cancer prevention screenings, care for the elderly, and health expositions performed by students to benefit the residents of the state; and
- Initiation of new programs in biotechnology and pharmaceutical sciences.

The programs will help address the need to educate more pharmacists in Arizona to meet the ever rising demand in both hospital and community settings, provide innovative practice models in medication therapy management to reduce medication errors and encourage positive patient outcomes, and bring together a world class research faculty to address the most significant health care needs of Arizona residents.

The University of Arizona, College of Pharmacy will provide full accountability to the Board for the funds, provide reports on the programs as required by the Board, and allow a Board-appointed designee to serve on the program's planning committee.

AGENDA ITEM 2 - CALL TO THE PUBLIC

There were no persons other than Board staff present.

AGENDA ITEM 3 - ADJOURNMENT

On motion by Dr. Tippett and Dr. Sypherd the Board voted to adjourn the meeting, and the vote was unanimous. The meeting ended at 10:25 AM.

Chuck Dutcher, President Date

Tom Van Hassel, Vice President Date

Hal Wand, Executive Director Date