

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 7, 2011  
POSITION: Neutral

BILL NUMBER: SB 360  
AUTHOR: M. DeSaulnier

**BILL SUMMARY: Controlled Substance Utilization Review System**

This bill would make various changes to the Controlled Substance Utilization and Evaluation System (CURES) and the Prescription Drug Monitoring Program (PDMP), both of which are overseen by the Department of Justice (DOJ). The intent of this bill is to help prevent the misuse of confidential information collected by CURES and ensure the integrity of the program and process for practitioners and pharmacists to appropriately use a patient's controlled substances history information.

**FISCAL SUMMARY**

The DOJ indicates that any workload associated with conducting audits as a result of this bill would be minor and absorbable within existing resources.

The Department of Consumer Affairs (DCA) indicates that this bill would have no fiscal impact on them as it does not impose any new requirements on any of the DCA programs named in the bill.

Any local government costs resulting from the mandate in this measure would not be state-reimbursable because the mandate only involves the definition of a crime or the penalty for conviction of a crime. Any local government costs resulting from the mandate in this measure would not be state-reimbursable because the mandate only involves the definition of a crime or the penalty for conviction of a crime.

**COMMENTS**

The Department of Finance is neutral on this bill.

Existing law classifies certain controlled substances into designated schedules and requires the DOJ to maintain the CURES for the electronic monitoring of the prescribing and dispensing of Schedule II, Schedule III, and Schedule IV controlled substances, as specified. Existing law defines a security printer as a person approved to produce controlled substance prescription forms and requires that forms for controlled substance prescriptions be obtained from security printers approved by the DOJ, as specified. Existing law also specifies how controlled substance prescription forms are to be delivered.

This bill would:

- Expand the requirements imposed on an applicant for approval as a security printer to require the applicant to provide the location, names, and titles of any individual owner, partner, corporate officer, manager, agent, representative, employee, or subcontractor of the applicant who has direct access to, or management or control of, controlled substance prescription forms and require those persons to submit to a signed statement.
- Require that controlled substance prescription forms provided in person be restricted to established customers.

(Continued)

Analyst/Principal (0211) Jennifer Osborn	Date	Program Budget Manager Lisa A. Mangat	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)

M. DeSaulnier

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**Comments** (continued)

- Require that controlled substance prescription forms be shipped only to the prescriber's address on file and verified with the federal Drug Enforcement Administration or the Medical Board of California.
- Require security printers to obtain photo identification from the customer and maintain a log of the information, and to report any theft or loss of controlled substance prescription forms to the DOJ via fax or e-mail within 24 hours of the incident.
- Specify penalties for certain violations, including failure to comply with security printer guidelines, failure to take reasonable precautions to prevent any dishonest act or illegal activity related to the access and control of security prescription forms, and theft or fraudulent use of a prescriber's identity in order to obtain security prescription forms. Penalties include fines of up to \$2,500 or suspension or revoking of security printer approval.
- Require prescription forms for controlled substances to include the address of the prescribing practitioner.
- Specify that certain licensed health care facilities or clinics are not required to preprint the category of licensure and license number of their facility or clinic on the form.
- Provide that prescription forms that are not in compliance with these provisions would not be accepted after July 1, 2012.
- Establish a process by which a licensed health care practitioner or a pharmacist may obtain approval to access information stored by DOJ regarding the controlled substance history of a patient, as specified.
- Require that the theft or loss of prescription forms be reported by the security printer or affected prescriber immediately to the DOJ, as specified.
- Authorize the DOJ to conduct audits of the CURES prescription drug monitoring system and its users and to establish, by regulation, a system for issuing citations, and for assessing and imposing administrative fines, that would be deposited in the CURES Program Special Fund. Fines collected and deposited in this new Special Fund would be used to support costs associated with hearings, maintenance, and updates to CURES, upon appropriation by the Legislature.

Code/Department Agency or Revenue Type	SO LA CO RV	(Fiscal Impact by Fiscal Year)							Fund Code
		PROP 98	FC	(Dollars in Thousands)			FC		
				2011-2012	2012-2013	2013-2014			
0820/Justice	SO	No		-----	No/Minor Fiscal Impact	-----		0001	
8885/Comm St Mndt	LA	No		-----	No/Minor Fiscal Impact	-----		0001	
1110/ConAfr-ReqBd	SO	No		-----	No/Minor Fiscal Impact	-----		0758	
1646/Fines & Forf	RV	No		-----	See Comment	-----		0494	
0820/Justice	SO	No		-----	See Comment	-----		0494	
<u>Fund Code</u>	<u>Title</u>								
0001	General Fund								
0494	Other - Unallocated Special Funds								
0758	Contingent Fd of the Medical Board of CA								