

State of Arkansas  
90th General Assembly  
Regular Session, 2015

# A Bill

HOUSE BILL 1572

By: Representative Boyd

## For An Act To Be Entitled

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

### Subtitle

TO INCLUDE THIRD-PARTY LOGISTICS PROVIDER  
AND OTHER FACILITIES IN THE PERMIT  
PROCESS OF THE ARKANSAS STATE BOARD OF  
PHARMACY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. DO NOT CODIFY. Legislative findings and intent.

(a) The General Assembly finds that:

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

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

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



disposition;

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

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

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

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

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

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

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

(B) When there is a change in ownership of a wholesale distributor, third-party logistics provider, manufacturer, or outsourcing facility of legend drugs and controlled substances, a new permit must be obtained, and the fee shall not exceed one hundred fifty dollars (\$150);

SECTION 3. Arkansas Code § 17-92-108(c)(6), concerning reinstatement of a wholesale distributor, is amended to read as follows:

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

substance permits, or both; and

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

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

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

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

**APPROVED: 03/18/2015**