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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 3838

02/26/2020 Authored by Olson, Baker and Koegel The bill was read for the first time and referred to the Committee on Health and Human Services Policy

1.1 A bill for an act
1.2 relating to health; reducing Board of Pharmacy application and renewal fees for
1.3 medical gas dispensers; changing terminology and making related changes;
1.4 modifying term lengths and appointment procedures for the Opiate Epidemic
1.5 Response Advisory Council; making technical changes to the opiate epidemic
1.6 response account; eliminating refill timelines for opiate or narcotic pain relievers;
1.7 appropriating money; amending Minnesota Statutes 2018, section 151.071,
1.8 subdivision 8; Minnesota Statutes 2019 Supplement, sections 16A.151, subdivision
1.9 2; 151.065, subdivisions 1, 3, 6, 7; 151.071, subdivision 2; 151.19, subdivision 3;
1.10 151.252, subdivision 1; 152.11, subdivision 1; 256.042, subdivisions 2, 4; 256.043;
1.11 Laws 2019, chapter 63, article 3, sections 1; 2.

1.12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.13 Section 1. Minnesota Statutes 2019 Supplement, section 16A.151, subdivision 2, is
1.14 amended to read:

1.15 Subd. 2. Exceptions. (a) If a state official litigates or settles a matter on behalf of specific
1.16 injured persons or entities, this section does not prohibit distribution of money to the specific
1.17 injured persons or entities on whose behalf the litigation or settlement efforts were initiated.
1.18 If money recovered on behalf of injured persons or entities cannot reasonably be distributed
1.19 to those persons or entities because they cannot readily be located or identified or because
1.20 the cost of distributing the money would outweigh the benefit to the persons or entities, the
1.21 money must be paid into the general fund.

1.22 (b) Money recovered on behalf of a fund in the state treasury other than the general fund
1.23 may be deposited in that fund.

1.24 (c) This section does not prohibit a state official from distributing money to a person or
1.25 entity other than the state in litigation or potential litigation in which the state is a defendant
1.26 or potential defendant.

2.1 (d) State agencies may accept funds as directed by a federal court for any restitution or
 2.2 monetary penalty under United States Code, title 18, section 3663(a)(3), or United States
 2.3 Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue
 2.4 account and are appropriated to the commissioner of the agency for the purpose as directed
 2.5 by the federal court.

2.6 (e) Tobacco settlement revenues as defined in section 16A.98, subdivision 1, paragraph
 2.7 (t), may be deposited as provided in section 16A.98, subdivision 12.

2.8 (f) Any money received by the state resulting from a settlement agreement or an assurance
 2.9 of discontinuance entered into by the attorney general of the state, or a court order in litigation
 2.10 brought by the attorney general of the state, on behalf of the state or a state agency, against
 2.11 one or more opioid manufacturers or opioid wholesale drug distributors related to alleged
 2.12 violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this
 2.13 state or other alleged illegal actions that contributed to the excessive use of opioids, must
 2.14 be deposited in a separate account in the state treasury and the commissioner shall notify
 2.15 the chairs and ranking minority members of the Finance Committee in the senate and the
 2.16 Ways and Means Committee in the house of representatives that an account has been created.
 2.17 This paragraph does not apply to attorney fees and costs awarded to the state or the Attorney
 2.18 General's Office, to contract attorneys hired by the state or Attorney General's Office, or to
 2.19 other state agency attorneys. If the licensing fees under section 151.065, subdivision 1,
 2.20 clause (16), and subdivision 3, clause (14), are reduced and the registration fee under section
 2.21 151.066, subdivision 3, is repealed in accordance with section 256.043, subdivision 4, then
 2.22 the commissioner shall transfer from the separate account created in this paragraph to the
 2.23 opiate epidemic response ~~account~~ fund under section 256.043 an amount that ensures that
 2.24 \$20,940,000 each fiscal year is available for distribution in accordance with section 256.043,
 2.25 subdivisions 2 and 3.

2.26 Sec. 2. Minnesota Statutes 2019 Supplement, section 151.065, subdivision 1, is amended
 2.27 to read:

2.28 Subdivision 1. **Application fees.** Application fees for licensure and registration are as
 2.29 follows:

2.30 (1) pharmacist licensed by examination, \$175;

2.31 (2) pharmacist licensed by reciprocity, \$275;

2.32 (3) pharmacy intern, \$50;

2.33 (4) pharmacy technician, \$50;

- 3.1 (5) pharmacy, \$260;
- 3.2 (6) drug wholesaler, legend drugs only, \$5,260;
- 3.3 (7) drug wholesaler, legend and nonlegend drugs, \$5,260;
- 3.4 (8) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, \$5,260;
- 3.5 (9) drug wholesaler, medical gases, \$5,260;
- 3.6 (10) third-party logistics provider, \$260;
- 3.7 (11) drug manufacturer, nonopiate legend drugs only, \$5,260;
- 3.8 (12) drug manufacturer, nonopiate legend and nonlegend drugs, \$5,260;
- 3.9 (13) drug manufacturer, nonlegend or veterinary legend drugs, \$5,260;
- 3.10 (14) drug manufacturer, medical gases, \$5,260;
- 3.11 (15) drug manufacturer, also licensed as a pharmacy in Minnesota, \$5,260;
- 3.12 (16) drug manufacturer of opiate-containing controlled substances listed in section
- 3.13 152.02, subdivisions 3 to 5, ~~\$55,000~~ \$55,260;
- 3.14 (17) medical gas ~~distributor~~ dispenser, ~~\$5,260~~ \$260;
- 3.15 (18) controlled substance researcher, \$75; and
- 3.16 (19) pharmacy professional corporation, \$150.

3.17 **EFFECTIVE DATE.** This section is effective July 1, 2020, and applies to any license

3.18 issued on or after that date.

3.19 Sec. 3. Minnesota Statutes 2019 Supplement, section 151.065, subdivision 3, is amended

3.20 to read:

3.21 Subd. 3. **Annual renewal fees.** Annual licensure and registration renewal fees are as

3.22 follows:

- 3.23 (1) pharmacist, \$175;
- 3.24 (2) pharmacy technician, \$50;
- 3.25 (3) pharmacy, \$260;
- 3.26 (4) drug wholesaler, legend drugs only, \$5,260;
- 3.27 (5) drug wholesaler, legend and nonlegend drugs, \$5,260;
- 3.28 (6) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, \$5,260;

- 4.1 (7) drug wholesaler, medical gases, \$5,260;
- 4.2 (8) third-party logistics provider, \$260;
- 4.3 (9) drug manufacturer, nonopiate legend drugs only, \$5,260;
- 4.4 (10) drug manufacturer, nonopiate legend and nonlegend drugs, \$5,260;
- 4.5 (11) drug manufacturer, nonlegend, veterinary legend drugs, or both, \$5,260;
- 4.6 (12) drug manufacturer, medical gases, \$5,260;
- 4.7 (13) drug manufacturer, also licensed as a pharmacy in Minnesota, \$5,260;
- 4.8 (14) drug manufacturer of opiate-containing controlled substances listed in section
4.9 152.02, subdivisions 3 to 5, ~~\$55,000~~ \$55,260;
- 4.10 (15) medical gas ~~distributor~~ dispenser, ~~\$5,260~~ \$260;
- 4.11 (16) controlled substance researcher, \$75; and
- 4.12 (17) pharmacy professional corporation, \$100.

4.13 **EFFECTIVE DATE.** This section is effective July 1, 2020, and applies to any license
4.14 renewed on or after that date.

4.15 Sec. 4. Minnesota Statutes 2019 Supplement, section 151.065, subdivision 6, is amended
4.16 to read:

4.17 Subd. 6. **Reinstatement fees.** (a) A pharmacist who has allowed the pharmacist's license
4.18 to lapse may reinstate the license with board approval and upon payment of any fees and
4.19 late fees in arrears, up to a maximum of \$1,000.

4.20 (b) A pharmacy technician who has allowed the technician's registration to lapse may
4.21 reinstate the registration with board approval and upon payment of any fees and late fees
4.22 in arrears, up to a maximum of \$90.

4.23 (c) An owner of a pharmacy, a drug wholesaler, a drug manufacturer, third-party logistics
4.24 provider, or a medical gas ~~distributor~~ dispenser who has allowed the license of the
4.25 establishment to lapse may reinstate the license with board approval and upon payment of
4.26 any fees and late fees in arrears.

4.27 (d) A controlled substance researcher who has allowed the researcher's registration to
4.28 lapse may reinstate the registration with board approval and upon payment of any fees and
4.29 late fees in arrears.

5.1 (e) A pharmacist owner of a professional corporation who has allowed the corporation's
 5.2 registration to lapse may reinstate the registration with board approval and upon payment
 5.3 of any fees and late fees in arrears.

5.4 Sec. 5. Minnesota Statutes 2019 Supplement, section 151.065, subdivision 7, is amended
 5.5 to read:

5.6 Subd. 7. **Deposit of fees.** (a) The license fees collected under this section, with the
 5.7 exception of the fees identified in paragraphs (b) and (c), shall be deposited in the state
 5.8 government special revenue fund.

5.9 (b) \$5,000 of each fee collected under subdivision 1, clauses (6) to (15) ~~and (17)~~, and
 5.10 subdivision 3, clauses (4) to (13) ~~and (15)~~, and ~~the fees~~ \$55,000 of each fee collected under
 5.11 subdivision 1, clause (16), and subdivision 3, clause (14), shall be deposited in the opiate
 5.12 epidemic response ~~account~~ fund established in section 256.043.

5.13 (c) If the fees collected under subdivision 1, clause (16), or subdivision 3, clause (14),
 5.14 are reduced under section 256.043, \$5,000 of the reduced fee shall be deposited in the opiate
 5.15 epidemic response ~~account~~ fund in section 256.043.

5.16 Sec. 6. Minnesota Statutes 2019 Supplement, section 151.071, subdivision 2, is amended
 5.17 to read:

5.18 Subd. 2. **Grounds for disciplinary action.** The following conduct is prohibited and is
 5.19 grounds for disciplinary action:

5.20 (1) failure to demonstrate the qualifications or satisfy the requirements for a license or
 5.21 registration contained in this chapter or the rules of the board. The burden of proof is on
 5.22 the applicant to demonstrate such qualifications or satisfaction of such requirements;

5.23 (2) obtaining a license by fraud or by misleading the board in any way during the
 5.24 application process or obtaining a license by cheating, or attempting to subvert the licensing
 5.25 examination process. Conduct that subverts or attempts to subvert the licensing examination
 5.26 process includes, but is not limited to: (i) conduct that violates the security of the examination
 5.27 materials, such as removing examination materials from the examination room or having
 5.28 unauthorized possession of any portion of a future, current, or previously administered
 5.29 licensing examination; (ii) conduct that violates the standard of test administration, such as
 5.30 communicating with another examinee during administration of the examination, copying
 5.31 another examinee's answers, permitting another examinee to copy one's answers, or

6.1 possessing unauthorized materials; or (iii) impersonating an examinee or permitting an
6.2 impersonator to take the examination on one's own behalf;

6.3 (3) for a pharmacist, pharmacy technician, pharmacist intern, applicant for a pharmacist
6.4 or pharmacy license, or applicant for a pharmacy technician or pharmacist intern registration,
6.5 conviction of a felony reasonably related to the practice of pharmacy. Conviction as used
6.6 in this subdivision includes a conviction of an offense that if committed in this state would
6.7 be deemed a felony without regard to its designation elsewhere, or a criminal proceeding
6.8 where a finding or verdict of guilt is made or returned but the adjudication of guilt is either
6.9 withheld or not entered thereon. The board may delay the issuance of a new license or
6.10 registration if the applicant has been charged with a felony until the matter has been
6.11 adjudicated;

6.12 (4) for a facility, other than a pharmacy, licensed or registered by the board, if an owner
6.13 or applicant is convicted of a felony reasonably related to the operation of the facility. The
6.14 board may delay the issuance of a new license or registration if the owner or applicant has
6.15 been charged with a felony until the matter has been adjudicated;

6.16 (5) for a controlled substance researcher, conviction of a felony reasonably related to
6.17 controlled substances or to the practice of the researcher's profession. The board may delay
6.18 the issuance of a registration if the applicant has been charged with a felony until the matter
6.19 has been adjudicated;

6.20 (6) disciplinary action taken by another state or by one of this state's health licensing
6.21 agencies:

6.22 (i) revocation, suspension, restriction, limitation, or other disciplinary action against a
6.23 license or registration in another state or jurisdiction, failure to report to the board that
6.24 charges or allegations regarding the person's license or registration have been brought in
6.25 another state or jurisdiction, or having been refused a license or registration by any other
6.26 state or jurisdiction. The board may delay the issuance of a new license or registration if an
6.27 investigation or disciplinary action is pending in another state or jurisdiction until the
6.28 investigation or action has been dismissed or otherwise resolved; and

6.29 (ii) revocation, suspension, restriction, limitation, or other disciplinary action against a
6.30 license or registration issued by another of this state's health licensing agencies, failure to
6.31 report to the board that charges regarding the person's license or registration have been
6.32 brought by another of this state's health licensing agencies, or having been refused a license
6.33 or registration by another of this state's health licensing agencies. The board may delay the
6.34 issuance of a new license or registration if a disciplinary action is pending before another

7.1 of this state's health licensing agencies until the action has been dismissed or otherwise
7.2 resolved;

7.3 (7) for a pharmacist, pharmacy, pharmacy technician, or pharmacist intern, violation of
7.4 any order of the board, of any of the provisions of this chapter or any rules of the board or
7.5 violation of any federal, state, or local law or rule reasonably pertaining to the practice of
7.6 pharmacy;

7.7 (8) for a facility, other than a pharmacy, licensed by the board, violations of any order
7.8 of the board, of any of the provisions of this chapter or the rules of the board or violation
7.9 of any federal, state, or local law relating to the operation of the facility;

7.10 (9) engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the
7.11 public, or demonstrating a willful or careless disregard for the health, welfare, or safety of
7.12 a patient; or pharmacy practice that is professionally incompetent, in that it may create
7.13 unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of
7.14 actual injury need not be established;

7.15 (10) aiding or abetting an unlicensed person in the practice of pharmacy, except that it
7.16 is not a violation of this clause for a pharmacist to supervise a properly registered pharmacy
7.17 technician or pharmacist intern if that person is performing duties allowed by this chapter
7.18 or the rules of the board;

7.19 (11) for an individual licensed or registered by the board, adjudication as mentally ill
7.20 or developmentally disabled, or as a chemically dependent person, a person dangerous to
7.21 the public, a sexually dangerous person, or a person who has a sexual psychopathic
7.22 personality, by a court of competent jurisdiction, within or without this state. Such
7.23 adjudication shall automatically suspend a license for the duration thereof unless the board
7.24 orders otherwise;

7.25 (12) for a pharmacist or pharmacy intern, engaging in unprofessional conduct as specified
7.26 in the board's rules. In the case of a pharmacy technician, engaging in conduct specified in
7.27 board rules that would be unprofessional if it were engaged in by a pharmacist or pharmacist
7.28 intern or performing duties specifically reserved for pharmacists under this chapter or the
7.29 rules of the board;

7.30 (13) for a pharmacy, operation of the pharmacy without a pharmacist present and on
7.31 duty except as allowed by a variance approved by the board;

7.32 (14) for a pharmacist, the inability to practice pharmacy with reasonable skill and safety
7.33 to patients by reason of illness, use of alcohol, drugs, narcotics, chemicals, or any other type

8.1 of material or as a result of any mental or physical condition, including deterioration through
8.2 the aging process or loss of motor skills. In the case of registered pharmacy technicians,
8.3 pharmacist interns, or controlled substance researchers, the inability to carry out duties
8.4 allowed under this chapter or the rules of the board with reasonable skill and safety to
8.5 patients by reason of illness, use of alcohol, drugs, narcotics, chemicals, or any other type
8.6 of material or as a result of any mental or physical condition, including deterioration through
8.7 the aging process or loss of motor skills;

8.8 (15) for a pharmacist, pharmacy, pharmacist intern, pharmacy technician, medical gas
8.9 ~~distributor~~ dispenser, or controlled substance researcher, revealing a privileged
8.10 communication from or relating to a patient except when otherwise required or permitted
8.11 by law;

8.12 (16) for a pharmacist or pharmacy, improper management of patient records, including
8.13 failure to maintain adequate patient records, to comply with a patient's request made pursuant
8.14 to sections 144.291 to 144.298, or to furnish a patient record or report required by law;

8.15 (17) fee splitting, including without limitation:

8.16 (i) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate,
8.17 kickback, or other form of remuneration, directly or indirectly, for the referral of patients;

8.18 (ii) referring a patient to any health care provider as defined in sections 144.291 to
8.19 144.298 in which the licensee or registrant has a financial or economic interest as defined
8.20 in section 144.6521, subdivision 3, unless the licensee or registrant has disclosed the
8.21 licensee's or registrant's financial or economic interest in accordance with section 144.6521;
8.22 and

8.23 (iii) any arrangement through which a pharmacy, in which the prescribing practitioner
8.24 does not have a significant ownership interest, fills a prescription drug order and the
8.25 prescribing practitioner is involved in any manner, directly or indirectly, in setting the price
8.26 for the filled prescription that is charged to the patient, the patient's insurer or pharmacy
8.27 benefit manager, or other person paying for the prescription or, in the case of veterinary
8.28 patients, the price for the filled prescription that is charged to the client or other person
8.29 paying for the prescription, except that a veterinarian and a pharmacy may enter into such
8.30 an arrangement provided that the client or other person paying for the prescription is notified,
8.31 in writing and with each prescription dispensed, about the arrangement, unless such
8.32 arrangement involves pharmacy services provided for livestock, poultry, and agricultural
8.33 production systems, in which case client notification would not be required;

9.1 (18) engaging in abusive or fraudulent billing practices, including violations of the
9.2 federal Medicare and Medicaid laws or state medical assistance laws or rules;

9.3 (19) engaging in conduct with a patient that is sexual or may reasonably be interpreted
9.4 by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning
9.5 to a patient;

9.6 (20) failure to make reports as required by section 151.072 or to cooperate with an
9.7 investigation of the board as required by section 151.074;

9.8 (21) knowingly providing false or misleading information that is directly related to the
9.9 care of a patient unless done for an accepted therapeutic purpose such as the dispensing and
9.10 administration of a placebo;

9.11 (22) aiding suicide or aiding attempted suicide in violation of section 609.215 as
9.12 established by any of the following:

9.13 (i) a copy of the record of criminal conviction or plea of guilty for a felony in violation
9.14 of section 609.215, subdivision 1 or 2;

9.15 (ii) a copy of the record of a judgment of contempt of court for violating an injunction
9.16 issued under section 609.215, subdivision 4;

9.17 (iii) a copy of the record of a judgment assessing damages under section 609.215,
9.18 subdivision 5; or

9.19 (iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2.
9.20 The board ~~shall~~ must investigate any complaint of a violation of section 609.215, subdivision
9.21 1 or 2;

9.22 (23) for a pharmacist, practice of pharmacy under a lapsed or nonrenewed license. For
9.23 a pharmacist intern, pharmacy technician, or controlled substance researcher, performing
9.24 duties permitted to such individuals by this chapter or the rules of the board under a lapsed
9.25 or nonrenewed registration. For a facility required to be licensed under this chapter, operation
9.26 of the facility under a lapsed or nonrenewed license or registration; and

9.27 (24) for a pharmacist, pharmacist intern, or pharmacy technician, termination or discharge
9.28 from the health professionals services program for reasons other than the satisfactory
9.29 completion of the program.

9.30 Sec. 7. Minnesota Statutes 2018, section 151.071, subdivision 8, is amended to read:

9.31 Subd. 8. **Temporary suspension of license for pharmacies, drug wholesalers, drug**
9.32 **manufacturers, medical gas manufacturers, and medical gas ~~distributors~~ dispensers.** In

10.1 addition to any other remedy provided by law, the board may, without a hearing, temporarily
 10.2 suspend the license or registration of a pharmacy, drug wholesaler, drug manufacturer,
 10.3 medical gas manufacturer, or medical gas ~~distributor~~ dispenser if the board finds that the
 10.4 licensee or registrant has violated a statute or rule that the board is empowered to enforce
 10.5 and continued operation of the licensed facility would create a serious risk of harm to the
 10.6 public. The suspension ~~shall~~ must take effect upon written notice to the licensee or registrant,
 10.7 specifying the statute or rule violated. The suspension ~~shall~~ must remain in effect until the
 10.8 board issues a final order in the matter after a hearing. At the time it issues the suspension
 10.9 notice, the board ~~shall~~ must schedule a disciplinary hearing to be held pursuant to the
 10.10 Administrative Procedure Act. The licensee or registrant ~~shall~~ must be provided with at
 10.11 least 20 days' notice of any hearing held pursuant to this subdivision. The hearing ~~shall~~ must
 10.12 be scheduled to begin no later than 30 days after the issuance of the suspension order.

10.13 Sec. 8. Minnesota Statutes 2019 Supplement, section 151.19, subdivision 3, is amended
 10.14 to read:

10.15 Subd. 3. **Sale of federally restricted medical gases.** (a) A person or establishment not
 10.16 licensed as a pharmacy or a practitioner ~~shall~~ must not engage in the retail sale or ~~distribution~~
 10.17 dispensing of federally restricted medical gases without first obtaining a registration from
 10.18 the board and paying the applicable fee specified in section 151.065. The registration ~~shall~~
 10.19 must be displayed in a conspicuous place in the business for which it is issued and expires
 10.20 on the date set by the board. It is unlawful for a person to sell or ~~distribute~~ dispense federally
 10.21 restricted medical gases unless a certificate has been issued to that person by the board.

10.22 (b) Application for a medical gas ~~distributor~~ dispenser registration under this section
 10.23 ~~shall~~ must be made in a manner specified by the board.

10.24 (c) ~~No~~ A registration ~~shall~~ must not be issued or renewed for a medical gas ~~distributor~~
 10.25 dispenser located within the state unless the applicant agrees to operate in a manner prescribed
 10.26 by federal and state law and according to the rules adopted by the board. ~~No~~ A license ~~shall~~
 10.27 must not be issued for a medical gas ~~distributor~~ dispenser located outside of the state unless
 10.28 the applicant agrees to operate in a manner prescribed by federal law and, when ~~distributing~~
 10.29 dispensing medical gases for residents of this state, the laws of this state and Minnesota
 10.30 Rules.

10.31 (d) ~~No~~ A registration ~~shall~~ must not be issued or renewed for a medical gas ~~distributor~~
 10.32 dispenser that is required to be licensed or registered by the state in which it is physically
 10.33 located unless the applicant supplies the board with proof of the licensure or registration.
 10.34 The board may, by rule, establish standards for the registration of a medical gas ~~distributor~~

11.1 dispenser that is not required to be licensed or registered by the state in which it is physically
 11.2 located.

11.3 (e) The board ~~shall~~ must require a separate registration for each medical gas ~~distributor~~
 11.4 dispenser located within the state and for each facility located outside of the state from
 11.5 which medical gases are ~~distributed~~ dispensed to residents of this state.

11.6 (f) Prior to the issuance of an initial or renewed registration for a medical gas ~~distributor~~
 11.7 dispenser, the board may require the medical gas ~~distributor~~ dispenser to pass an inspection
 11.8 conducted by an authorized representative of the board. In the case of a medical gas
 11.9 ~~distributor~~ dispenser located outside of the state, the board may require the applicant to pay
 11.10 the cost of the inspection, in addition to the license fee in section 151.065, unless the applicant
 11.11 furnishes the board with a report, issued by the appropriate regulatory agency of the state
 11.12 in which the facility is located, of an inspection that has occurred within the 24 months
 11.13 immediately preceding receipt of the license application by the board. The board may deny
 11.14 licensure unless the applicant submits documentation satisfactory to the board that any
 11.15 deficiencies noted in an inspection report have been corrected.

11.16 Sec. 9. Minnesota Statutes 2019 Supplement, section 151.252, subdivision 1, is amended
 11.17 to read:

11.18 Subdivision 1. **Requirements.** (a) No person shall act as a drug manufacturer without
 11.19 first obtaining a license from the board and paying any applicable fee specified in section
 11.20 151.065.

11.21 (b) In addition to the license required under paragraph (a), each manufacturer required
 11.22 to pay the registration fee under section 151.066 must pay the fee by June 1 of each year,
 11.23 beginning June 1, 2020. In the event of a change of ownership of the manufacturer, the new
 11.24 owner must pay the registration fee specified under section 151.066, subdivision 3, that the
 11.25 original owner would have been assessed had the original owner retained ownership. The
 11.26 registration fee collected under this paragraph shall be deposited in the opiate epidemic
 11.27 response ~~account~~ fund established under section 256.043.

11.28 (c) Application for a drug manufacturer license under this section shall be made in a
 11.29 manner specified by the board.

11.30 (d) No license shall be issued or renewed for a drug manufacturer unless the applicant
 11.31 agrees to operate in a manner prescribed by federal and state law and according to Minnesota
 11.32 Rules.

12.1 (e) No license shall be issued or renewed for a drug manufacturer that is required to be
12.2 registered pursuant to United States Code, title 21, section 360, unless the applicant supplies
12.3 the board with proof of registration. The board may establish by rule the standards for
12.4 licensure of drug manufacturers that are not required to be registered under United States
12.5 Code, title 21, section 360.

12.6 (f) No license shall be issued or renewed for a drug manufacturer that is required to be
12.7 licensed or registered by the state in which it is physically located unless the applicant
12.8 supplies the board with proof of licensure or registration. The board may establish, by rule,
12.9 standards for the licensure of a drug manufacturer that is not required to be licensed or
12.10 registered by the state in which it is physically located.

12.11 (g) The board shall require a separate license for each facility located within the state at
12.12 which drug manufacturing occurs and for each facility located outside of the state at which
12.13 drugs that are shipped into the state are manufactured, except a manufacturer of
12.14 opiate-containing controlled substances shall not be required to pay the fee under section
12.15 151.065, subdivision 1, clause (16), or subdivision 3, clause (14), for more than one facility.

12.16 (h) Prior to the issuance of an initial or renewed license for a drug manufacturing facility,
12.17 the board may require the facility to pass a current good manufacturing practices inspection
12.18 conducted by an authorized representative of the board. In the case of a drug manufacturing
12.19 facility located outside of the state, the board may require the applicant to pay the cost of
12.20 the inspection, in addition to the license fee in section 151.065, unless the applicant furnishes
12.21 the board with a report, issued by the appropriate regulatory agency of the state in which
12.22 the facility is located or by the United States Food and Drug Administration, of an inspection
12.23 that has occurred within the 24 months immediately preceding receipt of the license
12.24 application by the board. The board may deny licensure unless the applicant submits
12.25 documentation satisfactory to the board that any deficiencies noted in an inspection report
12.26 have been corrected.

12.27 Sec. 10. Minnesota Statutes 2019 Supplement, section 152.11, subdivision 1, is amended
12.28 to read:

12.29 Subdivision 1. **General prescription requirements for controlled substances.** (a) A
12.30 written prescription or an oral prescription reduced to writing, when issued for a controlled
12.31 substance in Schedule II, III, IV, or V, is void unless (1) it is written in ink and contains the
12.32 name and address of the person for whose use it is intended; (2) it states the amount of the
12.33 controlled substance to be compounded or dispensed, with directions for its use; (3) if a
12.34 written prescription, it contains the handwritten signature, address, and federal registry

13.1 number of the prescriber and a designation of the branch of the healing art pursued by the
13.2 prescriber; and if an oral prescription, the name and address of the prescriber and a
13.3 designation of the prescriber's branch of the healing art; and (4) it shows the date when
13.4 signed by the prescriber, or the date of acceptance in the pharmacy if an oral prescription.

13.5 (b) An electronic prescription for a controlled substance in Schedule II, III, IV, or V is
13.6 void unless it complies with the standards established pursuant to section 62J.497 and with
13.7 those portions of Code of Federal Regulations, title 21, parts 1300, 1304, 1306, and 1311,
13.8 that pertain to electronic prescriptions.

13.9 (c) A prescription for a controlled substance in Schedule II, III, IV, or V that is transmitted
13.10 by facsimile, either computer to facsimile machine or facsimile machine to facsimile machine,
13.11 is void unless it complies with the applicable requirements of Code of Federal Regulations,
13.12 title 21, part 1306.

13.13 (d) Every licensed pharmacy that dispenses a controlled substance prescription shall
13.14 retain the original prescription in a file for a period of not less than two years, open to
13.15 inspection by any officer of the state, county, or municipal government whose duty it is to
13.16 aid and assist with the enforcement of this chapter. An original electronic or facsimile
13.17 prescription may be stored in an electronic database, provided that the database provides a
13.18 means by which original prescriptions can be retrieved, as transmitted to the pharmacy, for
13.19 a period of not less than two years.

13.20 (e) Every licensed pharmacy shall distinctly label the container in which a controlled
13.21 substance is dispensed with the directions contained in the prescription for the use of that
13.22 controlled substance.

13.23 ~~(f) No prescription for an opiate or narcotic pain reliever listed in Schedules II through~~
13.24 ~~IV of section 152.02 may be initially dispensed more than 30 days after the date on which~~
13.25 ~~the prescription was issued. No subsequent refills indicated on a prescription for a Schedule~~
13.26 ~~III or IV opiate or narcotic pain reliever may be dispensed more than 30 days after the~~
13.27 ~~previous date on which the prescription was initially filled or refilled. After the authorized~~
13.28 ~~refills for Schedule III or IV opiate or narcotic pain relievers have been used up or are~~
13.29 ~~expired, no additional authorizations may be accepted for that prescription. If continued~~
13.30 ~~therapy is necessary, a new prescription must be issued by the prescriber.~~

14.1 Sec. 11. Minnesota Statutes 2019 Supplement, section 256.042, subdivision 2, is amended
14.2 to read:

14.3 Subd. 2. **Membership.** (a) The council shall consist of the following 19 voting members,
14.4 appointed by the commissioner of human services except as otherwise specified, and three
14.5 nonvoting members:

14.6 (1) two members of the house of representatives, appointed in the following sequence:
14.7 the first from the majority party appointed by the speaker of the house and the second from
14.8 the minority party appointed by the minority leader. Of these two members, one member
14.9 must represent a district outside of the seven-county metropolitan area, and one member
14.10 must represent a district that includes the seven-county metropolitan area. The appointment
14.11 by the minority leader must ensure that this requirement for geographic diversity in
14.12 appointments is met;

14.13 (2) two members of the senate, appointed in the following sequence: the first from the
14.14 majority party appointed by the senate majority leader and the second from the minority
14.15 party appointed by the senate minority leader. Of these two members, one member must
14.16 represent a district outside of the seven-county metropolitan area and one member must
14.17 represent a district that includes the seven-county metropolitan area. The appointment by
14.18 the minority leader must ensure that this requirement for geographic diversity in appointments
14.19 is met;

14.20 (3) one member appointed by the Board of Pharmacy;

14.21 (4) one member who is a physician appointed by the Minnesota Medical Association;

14.22 (5) one member representing opioid treatment programs, sober living programs, or
14.23 substance use disorder programs licensed under chapter 245G;

14.24 (6) one member appointed by the Minnesota Society of Addiction Medicine who is an
14.25 addiction psychiatrist;

14.26 (7) one member representing professionals providing alternative pain management
14.27 therapies, including, but not limited to, acupuncture, chiropractic, or massage therapy;

14.28 (8) one member representing nonprofit organizations conducting initiatives to address
14.29 the opioid epidemic, with the commissioner's initial appointment being a member
14.30 representing the Steve Rummler Hope Network, and subsequent appointments representing
14.31 this or other organizations;

15.1 (9) one member appointed by the Minnesota Ambulance Association who is serving
15.2 with an ambulance service as an emergency medical technician, advanced emergency
15.3 medical technician, or paramedic;

15.4 (10) one member representing the Minnesota courts who is a judge or law enforcement
15.5 officer;

15.6 (11) one public member who is a Minnesota resident and who is in opioid addiction
15.7 recovery;

15.8 (12) two members representing Indian tribes, one representing the Ojibwe tribes and
15.9 one representing the Dakota tribes;

15.10 (13) one public member who is a Minnesota resident and who is suffering from chronic
15.11 pain, intractable pain, or a rare disease or condition;

15.12 (14) one mental health advocate representing persons with mental illness;

15.13 (15) one member ~~representing~~ appointed by the Minnesota Hospital Association;

15.14 (16) one member representing a local health department; and

15.15 (17) the commissioners of human services, health, and corrections, or their designees,
15.16 who shall be ex officio nonvoting members of the council.

15.17 (b) The commissioner of human services shall coordinate the commissioner's
15.18 appointments to provide geographic, racial, and gender diversity, and shall ensure that at
15.19 least one-half of council members appointed by the commissioner reside outside of the
15.20 seven-county metropolitan area. Of the members appointed by the commissioner, to the
15.21 extent practicable, at least one member must represent a community of color
15.22 disproportionately affected by the opioid epidemic.

15.23 (c) The council is governed by section 15.059, except that members of the council shall
15.24 serve three-year terms and shall receive no compensation other than reimbursement for
15.25 expenses. Notwithstanding section 15.059, subdivision 6, the council shall not expire.

15.26 (d) The chair shall convene the council at least quarterly, and may convene other meetings
15.27 as necessary. The chair shall convene meetings at different locations in the state to provide
15.28 geographic access, and shall ensure that at least one-half of the meetings are held at locations
15.29 outside of the seven-county metropolitan area.

15.30 (e) The commissioner of human services shall provide staff and administrative services
15.31 for the advisory council.

15.32 (f) The council is subject to chapter 13D.

16.1 Sec. 12. Minnesota Statutes 2019 Supplement, section 256.042, subdivision 4, is amended
16.2 to read:

16.3 Subd. 4. **Grants.** (a) The commissioner of human services shall submit a report of the
16.4 grants proposed by the advisory council to be awarded for the upcoming fiscal year to the
16.5 chairs and ranking minority members of the legislative committees with jurisdiction over
16.6 health and human services policy and finance, by March 1 of each year, beginning March
16.7 1, 2020.

16.8 (b) The commissioner of human services shall award grants from the opiate epidemic
16.9 response ~~account~~ fund under section 256.043. The grants shall be awarded to proposals
16.10 selected by the advisory council that address the priorities in subdivision 1, paragraph (a),
16.11 clauses (1) to (4), unless otherwise appropriated by the legislature. No more than three
16.12 percent of the grant amount may be used by a grantee for administration.

16.13 Sec. 13. Minnesota Statutes 2019 Supplement, section 256.043, is amended to read:

16.14 **256.043 OPIATE EPIDEMIC RESPONSE ACCOUNT FUND.**

16.15 Subdivision 1. **Establishment.** The opiate epidemic response ~~account~~ fund is established
16.16 in the ~~special revenue fund~~ in the state treasury. The registration fees assessed by the Board
16.17 of Pharmacy under section 151.066 and the license fees identified in section 151.065,
16.18 subdivision 7, paragraphs (b) and (c), shall be deposited into the ~~account~~ fund. Beginning
16.19 in fiscal year 2021, for each fiscal year, the ~~funds in the account~~ fund shall be administered
16.20 according to this section.

16.21 ~~Subd. 2. **Transfers from account to state agencies.** (a) The commissioner shall transfer~~
16.22 ~~the following amounts to the agencies specified in this subdivision.~~

16.23 ~~(b) \$126,000 to the Board of Pharmacy for the collection of the registration fees under~~
16.24 ~~section 151.066.~~

16.25 ~~(c) \$672,000 to the commissioner of public safety for the Bureau of Criminal~~
16.26 ~~Apprehension. Of this amount, \$384,000 is for drug scientists and lab supplies and \$288,000~~
16.27 ~~is for special agent positions focused on drug interdiction and drug trafficking.~~

16.28 Subd. 3. **Appropriations from account fund.** (a) After the ~~transfers described in~~
16.29 ~~subdivision 2, and the~~ appropriations in Laws 2019, chapter 63, article 3, section 1,
16.30 paragraphs (e), (f), (g), and (h) are made, \$249,000 is appropriated to the commissioner of
16.31 human services for the provision of administrative services to the Opiate Epidemic Response
16.32 Advisory Council and for the administration of the grants awarded under paragraph ~~(e)~~ (e).

17.1 (b) \$126,000 is appropriated to the Board of Pharmacy for the collection of the registration
 17.2 fees under section 151.066.

17.3 (c) \$672,000 is appropriated to the commissioner of public safety for the Bureau of
 17.4 Criminal Apprehension. Of this amount, \$384,000 is for drug scientists and lab supplies
 17.5 and \$288,000 is for special agent positions focused on drug interdiction and drug trafficking.

17.6 ~~(b)~~ (d) After the ~~transfers in subdivision 2 and the~~ appropriations in ~~paragraph~~ paragraphs
 17.7 (a) to (c) are made, 50 percent of the remaining amount is appropriated to the commissioner
 17.8 of human services for distribution to county social service and tribal social service agencies
 17.9 to provide child protection services to children and families who are affected by addiction.
 17.10 The commissioner shall distribute this money proportionally to counties and tribal social
 17.11 service agencies based on out-of-home placement episodes where parental drug abuse is
 17.12 the primary reason for the out-of-home placement using data from the previous calendar
 17.13 year. County and tribal social service agencies receiving funds from the opiate epidemic
 17.14 response ~~account~~ fund must annually report to the commissioner on how the funds were
 17.15 used to provide child protection services, including measurable outcomes, as determined
 17.16 by the commissioner. County social service agencies and tribal social service agencies must
 17.17 not use funds received under this paragraph to supplant current state or local funding received
 17.18 for child protection services for children and families who are affected by addiction.

17.19 ~~(e)~~ (e) After making the ~~transfers in subdivision 2 and the~~ appropriations in paragraphs
 17.20 (a) and (b) to (d), the remaining ~~funds in the account are~~ amount in the fund is appropriated
 17.21 to the commissioner to award grants as specified by the Opiate Epidemic Response Advisory
 17.22 Council in accordance with section 256.042, unless otherwise appropriated by the legislature.

17.23 **Subd. 4. Settlement; sunset.** (a) If the state receives a total sum of \$250,000,000 either
 17.24 as a result of a settlement agreement or an assurance of discontinuance entered into by the
 17.25 attorney general of the state, or resulting from a court order in litigation brought by the
 17.26 attorney general of the state on behalf of the state or a state agency, against one or more
 17.27 opioid manufacturers or opioid wholesale drug distributors related to alleged violations of
 17.28 consumer fraud laws in the marketing, sale, or distribution of opioids in this state, or other
 17.29 alleged illegal actions that contributed to the excessive use of opioids, or from the fees
 17.30 collected under sections 151.065, subdivisions 1 and 3, and 151.066, that are deposited into
 17.31 the opiate epidemic response ~~account~~ fund established in this section ~~256.043~~, or from a
 17.32 combination of both, the fees specified in section 151.065, subdivisions 1, clause (16), and
 17.33 3, clause (14), shall be reduced to \$5,260, and the opiate registration fee in section 151.066,
 17.34 subdivision 3, shall be repealed.

18.1 (b) The commissioner of management and budget shall inform the board of pharmacy,
 18.2 the governor, and the legislature when the amount specified in paragraph (a) has been
 18.3 reached. The board shall apply the reduced license fee for the next licensure period.

18.4 (c) Notwithstanding paragraph (a), the reduction of the license fee in section 151.065,
 18.5 subdivisions 1 and 3, and the repeal of the registration fee in section 151.066 shall not occur
 18.6 before July 1, 2024.

18.7 Sec. 14. Laws 2019, chapter 63, article 3, section 1, is amended to read:

18.8 Section 1. **APPROPRIATIONS.**

18.9 (a) **Board of Pharmacy; administration.** \$244,000 in fiscal year 2020 is appropriated
 18.10 from the general fund to the Board of Pharmacy for onetime information technology and
 18.11 operating costs for administration of licensing activities under Minnesota Statutes, section
 18.12 151.066. This is a onetime appropriation.

18.13 (b) **Commissioner of human services; administration.** \$309,000 in fiscal year 2020
 18.14 is appropriated from the general fund and \$60,000 in fiscal year 2021 is appropriated from
 18.15 the opiate epidemic response ~~account~~ fund to the commissioner of human services for the
 18.16 provision of administrative services to the Opiate Epidemic Response Advisory Council
 18.17 and for the administration of the grants awarded under paragraphs (f), (g), and (h). The
 18.18 opiate epidemic response ~~account~~ fund base for this appropriation is \$60,000 in fiscal year
 18.19 2022, \$60,000 in fiscal year 2023, \$60,000 in fiscal year 2024, and \$0 in fiscal year 2025.

18.20 (c) **Board of Pharmacy; administration.** \$126,000 in fiscal year 2020 is appropriated
 18.21 from the general fund to the Board of Pharmacy for the collection of the registration fees
 18.22 under section 151.066.

18.23 (d) **Commissioner of public safety; enforcement activities.** \$672,000 in fiscal year
 18.24 2020 is appropriated from the general fund to the commissioner of public safety for the
 18.25 Bureau of Criminal Apprehension. Of this amount, \$384,000 is for drug scientists and lab
 18.26 supplies and \$288,000 is for special agent positions focused on drug interdiction and drug
 18.27 trafficking.

18.28 (e) **Commissioner of management and budget; evaluation activities.** \$300,000 in
 18.29 fiscal year 2020 is appropriated from the general fund and \$300,000 in fiscal year 2021 is
 18.30 appropriated from the opiate epidemic response ~~account~~ fund to the commissioner of
 18.31 management and budget for evaluation activities under Minnesota Statutes, section 256.042,
 18.32 subdivision 1, paragraph (c). The opiate epidemic response ~~account~~ fund base for this

19.1 appropriation is \$300,000 in fiscal year 2022, \$300,000 in fiscal year 2023, \$300,000 in
19.2 fiscal year 2024, and \$0 in fiscal year 2025.

19.3 (f) **Commissioner of human services; grants for Project ECHO.** \$400,000 in fiscal
19.4 year 2020 is appropriated from the general fund and \$400,000 in fiscal year 2021 is
19.5 appropriated from the opiate epidemic response ~~account~~ fund to the commissioner of human
19.6 services for grants of \$200,000 to CHI St. Gabriel's Health Family Medical Center for the
19.7 opioid-focused Project ECHO program and \$200,000 to Hennepin Health Care for the
19.8 opioid-focused Project ECHO program. The opiate epidemic response ~~account~~ fund base
19.9 for this appropriation is \$400,000 in fiscal year 2022, \$400,000 in fiscal year 2023, \$400,000
19.10 in fiscal year 2024, and \$0 in fiscal year 2025.

19.11 (g) **Commissioner of human services; opioid overdose prevention grant.** \$100,000
19.12 in fiscal year 2020 is appropriated from the general fund and \$100,000 in fiscal year 2021
19.13 is appropriated from the opiate epidemic response ~~account~~ fund to the commissioner of
19.14 human services for a grant to a nonprofit organization that has provided overdose prevention
19.15 programs to the public in at least 60 counties within the state, for at least three years, has
19.16 received federal funding before January 1, 2019, and is dedicated to addressing the opioid
19.17 epidemic. The grant must be used for opioid overdose prevention, community asset mapping,
19.18 education, and overdose antagonist distribution. The opiate epidemic response ~~account~~ fund
19.19 base for this appropriation is \$100,000 in fiscal year 2022, \$100,000 in fiscal year 2023,
19.20 \$100,000 in fiscal year 2024, and \$0 in fiscal year 2025.

19.21 (h) **Commissioner of human services; traditional healing.** \$2,000,000 in fiscal year
19.22 2020 is appropriated from the general fund and \$2,000,000 in fiscal year 2021 is appropriated
19.23 from the opiate epidemic response ~~account~~ fund to the commissioner of human services to
19.24 award grants to tribal nations and five urban Indian communities for traditional healing
19.25 practices to American Indians and to increase the capacity of culturally specific providers
19.26 in the behavioral health workforce. The opiate epidemic response ~~account~~ fund base for
19.27 this appropriation is \$2,000,000 in fiscal year 2022, \$2,000,000 in fiscal year 2023,
19.28 \$2,000,000 in fiscal year 2024, and \$0 in fiscal year 2025.

19.29 (i) **Board of Dentistry; continuing education.** \$11,000 in fiscal year 2020 is
19.30 appropriated from the state government special revenue fund to the Board of Dentistry to
19.31 implement the continuing education requirements under Minnesota Statutes, section 214.12,
19.32 subdivision 6.

19.33 (j) **Board of Medical Practice; continuing education.** \$17,000 in fiscal year 2020 is
19.34 appropriated from the state government special revenue fund to the Board of Medical Practice

20.1 to implement the continuing education requirements under Minnesota Statutes, section
20.2 214.12, subdivision 6.

20.3 (k) **Board of Nursing; continuing education.** \$17,000 in fiscal year 2020 is appropriated
20.4 from the state government special revenue fund to the Board of Nursing to implement the
20.5 continuing education requirements under Minnesota Statutes, section 214.12, subdivision
20.6 6.

20.7 (l) **Board of Optometry; continuing education.** \$5,000 in fiscal year 2020 is
20.8 appropriated from the state government special revenue fund to the Board of Optometry to
20.9 implement the continuing education requirements under Minnesota Statutes, section 214.12,
20.10 subdivision 6.

20.11 (m) **Board of Podiatric Medicine; continuing education.** \$5,000 in fiscal year 2020
20.12 is appropriated from the state government special revenue fund to the Board of Podiatric
20.13 Medicine to implement the continuing education requirements under Minnesota Statutes,
20.14 section 214.12, subdivision 6.

20.15 (n) **Commissioner of health; nonnarcotic pain management and wellness.** \$1,250,000
20.16 is appropriated in fiscal year 2020 from the general fund to the commissioner of health, to
20.17 provide funding for:

20.18 (1) statewide mapping and assessment of community-based nonnarcotic pain management
20.19 and wellness resources; and

20.20 (2) up to five demonstration projects in different geographic areas of the state to provide
20.21 community-based nonnarcotic pain management and wellness resources to patients and
20.22 consumers.

20.23 The demonstration projects must include an evaluation component and scalability analysis.
20.24 The commissioner shall award the grant for the statewide mapping and assessment, and the
20.25 demonstration project grants, through a competitive request for proposal process. Grants
20.26 for statewide mapping and assessment and demonstration projects may be awarded
20.27 simultaneously. In awarding demonstration project grants, the commissioner shall give
20.28 preference to proposals that incorporate innovative community partnerships, are informed
20.29 and led by people in the community where the project is taking place, and are culturally
20.30 relevant and delivered by culturally competent providers. This is a onetime appropriation.

20.31 (o) **Commissioner of health; administration.** \$38,000 in fiscal year 2020 is appropriated
20.32 from the general fund to the commissioner of health for the administration of the grants
20.33 awarded in paragraph (n).

21.1 Sec. 15. Laws 2019, chapter 63, article 3, section 2, is amended to read:

21.2 Sec. 2. **TRANSFER.**

21.3 By June 30, 2021, the commissioner of human services shall transfer \$5,439,000 from

21.4 the opiate epidemic response ~~account~~ fund to the general fund. This is a onetime transfer.