## Florida Senate - 2006

By Senator Baker

20-1096-06 See HB 685 1 A bill to be entitled 2 An act relating to veterinary drug distribution; amending s. 499.006, F.S.; 3 providing that a drug is adulterated if it is a 4 5 certain prescription drug that has been б returned by a veterinarian to a limited 7 prescription drug veterinary wholesaler; amending s. 499.01, F.S.; requiring a limited 8 9 prescription drug veterinary wholesaler to 10 obtain a permit for operation from the Department of Health; providing that a permit 11 12 for a limited prescription drug veterinary 13 wholesaler may not be issued to the address of certain health care entities; amending s. 14 499.012, F.S.; revising permit requirements for 15 a veterinary prescription drug wholesaler that 16 17 distributes prescription drugs; establishing a permit for a limited prescription drug 18 veterinary wholesaler; providing requirements; 19 providing an exception; amending s. 499.0122, 20 21 F.S.; redefining the term "veterinary legend 22 drug retail establishment"; amending s. 23 499.041, F.S.; requiring the department to assess an annual fee within a certain monetary 2.4 range for a limited prescription drug 25 veterinary wholesaler permit; amending s. 26 27 499.065, F.S.; requiring the department to 2.8 inspect each limited prescription drug veterinary wholesaler establishment; 29 30 authorizing the department to determine that a limited prescription drug veterinary wholesaler 31 1

CODING: Words stricken are deletions; words underlined are additions.

SB 1540

1 establishment is an imminent danger to the 2 public; providing an effective date. 3 Be It Enacted by the Legislature of the State of Florida: 4 5 6 Section 1. Section 499.006, Florida Statutes, is 7 amended to read: 8 499.006 Adulterated drug or device. -- A drug or device 9 is adulterated: 10 (1) If it consists in whole or in part of any filthy, putrid, or decomposed substance; 11 12 (2) If it has been produced, prepared, packed, or held 13 under conditions whereby it could have been contaminated with filth or rendered injurious to health; 14 (3) If it is a drug and the methods used in, or the 15 facilities or controls used for, its manufacture, processing, 16 17 packing, or holding do not conform to, or are not operated or 18 administered in conformity with, current good manufacturing practices to assure that the drug meets the requirements of 19 ss. 499.001-499.081 and that the drug has the identity and 20 strength, and meets the standard of quality and purity, which 21 22 it purports or is represented to possess; 23 (4) If it is a drug and its container is composed, in whole or in part, of any poisonous or deleterious substance 2.4 which could render the contents injurious to health; 25 (5) If it is a drug and it bears or contains, for the 26 27 purpose of coloring only, a color additive that is unsafe 2.8 within the meaning of the federal act; or, if it is a color additive, the intended use of which in or on drugs is for the 29 purpose of coloring only, and it is unsafe within the meaning 30 of the federal act; 31

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1	(6) If it purports to be, or is represented as, a drug
2	the name of which is recognized in the official compendium,
3	and its strength differs from, or its quality or purity falls
4	below, the standard set forth in such compendium. The
5	determination as to strength, quality, or purity must be made
б	in accordance with the tests or methods of assay set forth in
7	such compendium, or, when such tests or methods of assay are
8	absent or inadequate, in accordance with those tests or
9	methods of assay prescribed under authority of the federal
10	act. A drug defined in the official compendium is not
11	adulterated under this subsection merely because it differs
12	from the standard of strength, quality, or purity set forth
13	for that drug in such compendium if its difference in
14	strength, quality, or purity from such standard is plainly
15	stated on its label;
16	(7) If it is not subject to subsection (6) and its
17	strength differs from, or its purity or quality falls below
18	the standard of, that which it purports or is represented to
19	possess;
20	(8) If it is a drug:
21	(a) With which any substance has been mixed or packed
22	so as to reduce the quality or strength of the drug; or
23	(b) For which any substance has been substituted
24	wholly or in part;
25	(9) If it is a drug or device for which the expiration
26	date has passed; <del>or</del>
27	(10) If it is a legend drug for which the required
28	pedigree paper is nonexistent, fraudulent, or incomplete under
29	the requirements of ss. 499.001-499.081 or applicable rules,
30	or that has been purchased, held, sold, or distributed at any
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1 time by a person not authorized under federal or state law to 2 do so ; or-(11) If it is a prescription drug subject to, defined 3 4 by, or described by s. 503(b) of the Federal Food, Drug, and 5 Cosmetic Act which has been returned by a veterinarian to a 6 limited prescription drug veterinary wholesaler. 7 Section 2. Subsection (1) and paragraph (d) of 8 subsection (2) of section 499.01, Florida Statutes, are amended to read: 9 10 499.01 Permits; applications; renewal; general 11 requirements. --12 (1) Prior to operating, a permit is required for each 13 person and establishment that intends to operate as: (a) A prescription drug manufacturer; 14 (b) A prescription drug repackager; 15 (c) An over-the-counter drug manufacturer; 16 17 (d) A compressed medical gas manufacturer; 18 (e) A device manufacturer; (f) A cosmetic manufacturer; 19 (g) A prescription drug wholesaler; 20 21 (h) A veterinary prescription drug wholesaler; 22 (i) A compressed medical gas wholesaler; 23 (j) An out-of-state prescription drug wholesaler; (k) A nonresident prescription drug manufacturer; 2.4 (1) A freight forwarder; 25 (m) A retail pharmacy drug wholesaler; 26 27 (n) A veterinary legend drug retail establishment; 2.8 (o) A medical oxygen retail establishment; A complimentary drug distributor; or 29 (p) 30 A restricted prescription drug distributor; or-(q) (r) A limited prescription drug veterinary wholesaler. 31

1 (2) 2 (d) A permit for a prescription drug manufacturer, prescription drug repackager, prescription drug wholesaler, 3 4 limited prescription drug veterinary wholesaler, or retail pharmacy wholesaler may not be issued to the address of a 5 6 health care entity or to a pharmacy licensed under chapter 7 465, except as provided in this paragraph. The department may 8 issue a prescription drug manufacturer permit to an applicant 9 at the same address as a licensed nuclear pharmacy, which is a health care entity, for the purpose of manufacturing 10 prescription drugs used in positron emission tomography or 11 12 other radiopharmaceuticals, as listed in a rule adopted by the 13 department pursuant to this paragraph. The purpose of this exemption is to assure availability of state-of-the-art 14 pharmaceuticals that would pose a significant danger to the 15 public health if manufactured at a separate establishment 16 17 address from the nuclear pharmacy from which the prescription 18 drugs are dispensed. The department may also issue a retail pharmacy wholesaler permit to the address of a community 19 pharmacy licensed under chapter 465 which does not meet the 2.0 21 definition of a closed pharmacy in s. 499.003. 22 Section 3. Paragraph (g) of subsection (2) of section 23 499.012, Florida Statutes, is amended, and paragraph (h) is added to that subsection, to read: 2.4 499.012 Wholesale distribution; definitions; permits; 25 applications; general requirements. --26 27 (2) The following types of wholesaler permits are 2.8 established: 29 (g) A veterinary prescription drug wholesaler permit. -- A veterinary prescription drug wholesaler permit is 30 required for any person that engages in the distribution of 31 5

1	veterinary prescription drugs in or into this state. A
2	veterinary prescription drug wholesaler that also distributes
3	prescription drugs subject to, defined by, or described by s.
4	503(b) of the Federal Food, Drug, and Cosmetic Act which it
5	did not manufacture must obtain a permit as a prescription
6	drug wholesaler <u>, an</u> <del>or</del> out-of-state prescription drug
7	wholesaler, or a limited prescription drug veterinary
8	wholesaler in lieu of the veterinary prescription drug
9	wholesaler permit. A veterinary prescription drug wholesaler
10	must comply with the requirements for wholesale distributors
11	under s. 499.0121, except those set forth in s.
12	499.0121(6)(d), (e), or (f).
13	(h) Limited prescription drug veterinary wholesaler
14	permitUnless engaging in the activities of and permitted as
15	a prescription drug manufacturer, nonresident prescription
16	drug manufacturer, prescription drug wholesaler, or
17	out-of-state prescription drug wholesaler, a limited
18	prescription drug veterinary wholesaler permit is required for
19	any person that engages in the distribution in or into this
20	state of veterinary prescription drugs and prescription drugs
21	subject to, defined by, or described by s. 503(b) of the
22	Federal Food, Drug, and Cosmetic Act under the following
23	<u>conditions:</u>
24	1. The person is engaged in the business of
25	wholesaling prescription and veterinary legend drugs to
26	veterinarians on a full-time basis.
27	2. No more than 30 percent of prescription drug sales
28	may be prescription drugs approved for human use which are
29	subject to, defined by, or described by s. 503(b) of the
30	Federal Food, Drug, and Cosmetic Act.
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1	3. The person is not permitted, licensed, or otherwise
2	authorized in any state to wholesale prescription drugs
3	subject to, defined by, or described by s. 503(b) of the
4	Federal Food, Drug, and Cosmetic Act to any person who is
5	authorized to sell, distribute, purchase, trade, or use these
6	drugs on or for humans.
7	4. A limited prescription drug veterinary wholesaler
8	that applies to the department for a new permit or the renewal
9	of a permit must submit a bond of \$20,000, or other equivalent
10	means of security acceptable to the department, such as an
11	irrevocable letter of credit or a deposit in a trust account
12	or financial institution, payable to the Florida Drug, Device,
13	and Cosmetic Trust Fund. The purpose of the bond is to secure
14	payment of any administrative penalties imposed by the
15	department and any fees and costs incurred by the department
16	regarding that permit which are authorized under state law and
17	which the permittee fails to pay 30 days after the fine or
18	costs become final. The department may make a claim against
19	such bond or security until 1 year after the permittee's
20	license ceases to be valid or until 60 days after any
21	administrative or legal proceeding authorized in ss.
22	499.001-499.081 which involves the permittee is concluded,
23	including any appeal, whichever occurs later.
24	5. A limited prescription drug veterinary wholesaler
25	must maintain at all times a license or permit to engage in
26	the wholesale distribution of prescription drugs in compliance
27	with laws of the state in which it is a resident.
28	6. A limited prescription drug veterinary wholesaler
29	must comply with the requirements for wholesale distributors
30	under s. 499.0121, except that a limited prescription drug
31	veterinary wholesaler is not required to provide a pedigree
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1 paper as required by s. 499.0121(6)(f) upon the wholesale 2 distribution of a prescription drug to a veterinarian. 7. A limited prescription drug veterinary wholesaler 3 4 may not return to inventory for subsequent wholesale 5 distribution any prescription drug subject to, defined by, or 6 described by s. 503(b) of the Federal Food, Drug, and Cosmetic 7 Act which has been returned by a veterinarian. 8 8. An out-of-state prescription drug wholesaler's permit or a limited prescription drug veterinary wholesaler 9 10 permit is not required for an intracompany sale or transfer of a prescription drug from an out-of-state establishment that is 11 12 duly licensed to engage in the wholesale distribution of 13 prescription drugs in its state of residence to a licensed limited prescription drug veterinary wholesaler in this state 14 if both wholesalers conduct wholesale distributions of 15 prescription drugs under the same business name. The 16 17 recordkeeping requirements of s. 499.0121(6) must be followed 18 for this transaction. Section 4. Paragraph (d) of subsection (1) of section 19 499.0122, Florida Statutes, is amended to read: 20 21 499.0122 Medical oxygen and veterinary legend drug 22 retail establishments; definitions, permits, general 23 requirements. --(1) As used in this section, the term: 2.4 25 (d) "Veterinary legend drug retail establishment" 26 means a person permitted to sell veterinary legend drugs to 27 the public or to veterinarians, but does not include a 2.8 pharmacy licensed under chapter 465. 29 1. The sale to the public must be based on a valid 30 written order from a veterinarian licensed in this state who 31

1 has a valid client-veterinarian relationship with the 2 purchaser's animal. 2. Veterinary legend drugs may not be sold in excess 3 of the amount clearly indicated on the order or beyond the 4 date indicated on the order. 5 б 3. An order may not be valid for more than 1 year. 7 4. A veterinary legend drug retail establishment may 8 not purchase, sell, trade, or possess human prescription drugs or any controlled substance as defined in chapter 893. 9 5. A veterinary legend drug retail establishment must 10 sell a veterinary legend drug in the original, sealed 11 12 manufacturer's container with all labeling intact and legible. 13 The department may adopt by rule additional labeling requirements for the sale of a veterinary legend drug. 14 Section 5. Paragraph (h) is added to subsection (2) of 15 section 499.041, Florida Statutes, to read: 16 17 499.041 Schedule of fees for drug, device, and 18 cosmetic applications and permits, product registrations, and free-sale certificates.--19 20 (2) The department shall assess an applicant that is 21 required to have a wholesaling permit an annual fee within the 22 ranges established in this section for the specific type of 23 wholesaling. (h) The fee for a limited prescription drug veterinary 2.4 wholesaler's permit may not be less than \$300 or more than 25 26 <u>\$500 annually.</u> 27 Section 6. Subsections (1) and (3) of section 499.065, 2.8 Florida Statutes, are amended to read: 29 499.065 Imminent danger.--(1) Notwithstanding s. 499.051, the department shall 30 inspect each prescription drug wholesale establishment, 31

1 prescription drug repackager establishment, veterinary 2 prescription drug wholesale establishment, limited prescription drug veterinary wholesaler establishment, and 3 retail pharmacy drug wholesaler establishment that is required 4 to be permitted under this chapter as often as necessary to 5 6 ensure compliance with applicable laws and rules. The 7 department shall have the right of entry and access to these 8 facilities at any reasonable time. 9 (3) The department may determine that a prescription 10 drug wholesale establishment, prescription drug repackager establishment, veterinary prescription drug wholesale 11 12 establishment, limited prescription drug veterinary wholesaler 13 establishment, or retail pharmacy drug wholesaler establishment that is required to be permitted under this 14 chapter is an imminent danger to the public health and shall 15 require its immediate closure if the establishment fails to 16 17 comply with applicable laws and rules and, because of the 18 failure, presents an imminent threat to the public's health, safety, or welfare. Any establishment so deemed and closed 19 shall remain closed until allowed by the department or by 20 21 judicial order to reopen. 22 23 For purposes of this section, a refusal to allow entry to the department for inspection at reasonable times, or a failure or 2.4 refusal to provide the department with required documentation 25 26 for purposes of inspection, constitutes an imminent danger to 27 the public health. 2.8 Section 7. This act shall take effect July 1, 2006. 29 30 31

10