

Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Kwame R. Brown
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: February 23, 2011

SUBJECT: Fiscal Impact Statement – “Pharmacy and Controlled Substances
Schedule of Fines Approval Resolution of 2011”

REFERENCE: Draft Legislation Shared with the OCFO on February 15, 2011

Conclusion

Funds are sufficient in the FY 2011 through FY 2014 budget and financial plan to implement the provisions of the proposed legislation.

Background

The proposed resolution would approve rules¹ that amend the schedule of fines for violations related to the licensing and operating standards of pharmacies, and for violations of the law with respect to the dispensing, storing, or handling of controlled substances, as detailed in Chapter 36 (Department of Health Infractions) of Title 16 (Consumers, Commercial Practices, & Civil Infractions). The revised schedule would consist of four sections (Pharmacy Licensure and Posting Infractions, Controlled Substances Infractions, Pharmacy Operations Infractions, and Pharmacy Drug Handling and Recordkeeping Infractions) instead of the current two sections (Pharmacy and Medical Device Infractions and Controlled Substances Infractions). The total number of infractions for violations would increase from 62 to 154. This includes an increase in Class 1 infractions from 26 to 88. Examples of such Class 1 infractions include failure to renew a pharmacy license, peddling drugs, issuing a prescription for a controlled substance to an individual practitioner for general dispensing purposes, and filling a prescription order for a non-controlled substance in excess of a one-year supply.

¹ Pursuant to section 104 of the Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985, effective October 5, 1985 (D.C. Law 6-42, D.C. Official Code § 2-1801.04).

The Honorable Kwame R. Brown

FIS: "Pharmacy and Controlled Substances Schedule of Fines Approval Resolution of 2011," Draft shared with OCFO on Feb. 15, 2011

Financial Plan Impact

Funds are sufficient in the FY 2011 through FY 2014 budget and financial plan to implement the provisions of the proposed legislation. Implementation of the proposed rules could result in a small increase in revenue for the Pharmacy Protection Fund, a special purpose fund administered by the Department of Health. Any additional revenues generated by the new infractions would be contingent on the number and type of future violations, both of which are unknown at this time.