MINNESOTA
BOARD OF PHARMACY

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Executive Summary: Standardizing the Licensing Framework (SF 4523)

Purpose: To establish a standardized licensing framework for the Board's various license or registration types, to align regulations with modernized practices, and to ensure expectations are clearly defined for applicants, amidst licensing fees which fund not only the Board's daily operation but also the State's Opioid Epidemic Fund.

History: The Board licenses or registers more than 26,000 individuals and entities, each subject to distinct statutory requirements. These licensees or registrants include pharmacists, pharmacies, technicians, interns, manufacturers, wholesalers, third-party logistics providers, and medical gas dispensers.

The Board has undertaken a broad modernization effort, transitioning from paper-based renewals and workflows to online systems. As these systems have evolved, it has become increasingly clear that standardizing the licensing framework across all license types provides significant benefits—improving clarity and consistency for licensees while enhancing efficiency.

Key Points

1. **Standard 12-Month Validity for All Applications**
   - Applications, renewals, and reinstatement submissions would be valid for 12 months.
   - If deficiencies remain unresolved after 12 months, the application expires.
   - This creates a uniform, predictable timeline for applicants and staff.

2. **Clarifies expectations and procedures for relocations, ownership changes, and business changes**
   - Licenses and registrations issued by the Board are not transferable. Because the Board is responsible for determining whether a business entity has the necessary qualifications, legitimacy, and competency to hold a license or registration, it is essential that the Board know precisely who the licensee is — and who controls the licensee — to prevent bad actors from entering the drug supply chain.
   - The bill establishes clear, consistent expectations for relocations, ownership changes, and business structure changes. It also authorizes the Board to extend a license's expiration date to the following calendar year and to prorate fees when an application is submitted within 90 days of the license type's expiration, reducing administrative burden while maintaining strong oversight.
   - Ensures fairness given the high cost of application and renewal fees.

3. **Posting Requirements**
   - Clarifies that licenses and registrations must be posted within or adjacent to the licensed or registered facility.

4. **Earlier Renewal Window and Late Fee Alignment**
   - The Board now opens online renewals three months before expiration, improving workflow and reducing last-minute submissions.

- Current rules allow late fees for technician renewals one month before expiration; this approach has proven effective across two renewal cycles, significantly reducing last-minute submissions and overtime needs for the agency.
- Proposed language formalizes a three-month renewal window and ensures a clear application deadline in advance of the license expiration for processing purposes
    - Authorizes late fees when renewal applications are not submitted by the deadline—standardized to one month before expiration.
    - The Board notifies licensees 90, 60, 30, 15, and 7 days prior to licensure expiration as well as sends an overdue notice 1-day after licensure lapse.

5. **Technician Late Renewal Window Extended; Clear Distinction Between Late Renewal and Reinstatement**
    - Statutory language will define how long an individual or entity may late-renew before reinstatement is required, creating a clear and consistent distinction between the two processes.
    - Under the bill, pharmacy technicians would be permitted to late-renew for up to 24 months rather than 12, aligning their timeline with pharmacists and providing a more accessible, fully online pathway for returning to active status.

6. **Inspection Related Licensing Authority**
    - For pharmacies, the Board may refuse to issue or renew a license—or deny a category of licensure—if inspection deficiencies have not been corrected
    - This reinforces public safety expectations and compliance accountability.

Conclusion:
The proposed statutory updates create a more consistent and transparent licensing framework and reduce administrative complexity, strengthening the Board's ability to carry out its mission effectively. These changes support timely renewals and provide clearer expectations for applicants, contributing to a more modern and efficient regulatory system.