**BILL ANALYSIS**

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| Senate Research Center | S.B. 1947 |
| 86R13446 JSC-F | By: Watson |
|  | Health & Human Services |
|  | 3/22/2019 |
|  | As Filed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Federal law requires controlled drug distributors to submit information to the federal Drug Enforcement Administration (DEA) on a regular basis through the Automation of Reports and Consolidated Orders System (ARCOS). Wholesale drug distributors are further required to maintain a database of drug orders to help identify a suspicious order and track every unit of a controlled substance.

Currently, the same information that the wholesale drug distributors submit to the DEA ARCOS system is also required to be submitted to the Texas State Board of Pharmacy (TSBP). However, TSBP is not currently utilizing this data to track veterinary drug orders, a missing piece of the puzzle when it comes to detecting suspicious activity from veterinary facilities that might be abusing or diverting controlled substances.

This bill would require TSBP to make this wholesale drug distributor data available to the Texas State Board of Veterinary Medical Examiners (TSBVME) for the purpose of routine inspections and investigations of the controlled substance ordering and distribution practices of DEA‑registered veterinarians. This gives TSBVME an extra tool to help prevent and uncover potential drug diversion and abuse.

Additionally, the bill as filed would have required TSBP to consult with veterinarians to create and maintain internal policies regarding the dispensing of controlled substances, as well as establish certain protocols for interaction between TSBP and licensees when veterinarians are suspected of engaging in unsafe practices. The bill as filed would have also prohibited TSBP from taking action against a veterinarian for participating in valid scientific research or experimental treatments with regard to controlled substances.

As proposed, S.B. 1947 amends current law relating to monitoring the ordering and distribution of controlled substances by veterinarians.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 481.0766, Health and Safety Code, by adding Subsection (c), as follows:

(c) Requires the Texas State Board of Pharmacy (TSBP) to make the information reported under Subsection (a) (relating to requiring a wholesale distributor to report to TSBP certain information that is required to be reported to the federal Drug Administration's Automation of Reports and Consolidated Orders System with certain frequency and format) available to the Texas State Board of Veterinary Medical Examiners (TSBVME) for the purpose of routine inspection and investigations of the controlled substance ordering and distribution practices of veterinarians registered with the federal Drug Enforcement Administration.

SECTION 2. Amends Section 801.164, Occupations Code, as follows:

Sec. 801.164. RISK-BASED INSPECTION RELATED TO CONTROLLED SUBSTANCES PRACTICES. (a) Creates this subsection from existing text and makes no further changes.

(b) Authorizes TSBVME to use the information obtained from TSBP under Section 481.0766(c), Health and Safety Code, for routine inspections or investigations of the controlled substance ordering and distribution practices of license holders.

SECTION 3. Amends Subchapter D, Chapter 801, Occupations Code, by adding Section 801.165, as follows:

Sec. 801.165. MONITORING OF CONTROLLED SUBSTANCE ORDERING AND DISTRIBUTION PRACTICES AND PATTERNS. (a) Requires TSBVME to consult with veterinarians of all practice types to create and maintain internal policies to help investigators identify veterinary controlled substances ordering or distribution practices or patterns that may be potentially harmful, abnormal in veterinary medicine, or indicative of possible drug diversion or drug abuse.

(b) Authorizes TSBVME, if during an inspection or investigation TSBVME suspects that a veterinarian may be engaging in ordering or distributing practices or patterns that may be potentially harmful, abnormal, or indicative of possible drug diversion or abuse, to:

(1) notify the veterinarian to request an explanation;

(2) consider the practice type of the veterinarian or animal species to which the drug is being dispensed; and

(3) evaluate whether an order is of an unusual size or frequency.

(c) Authorizes TSBVME to open a complaint against a license holder if there is evidence that the veterinarian is engaging in ordering or distribution practices or exhibits patterns that suggest possible drug diversion or abuse.

(d) Prohibits TSBVME from taking action against a veterinarian under this section for participating in or conducting valid scientific research or because the treatment provided to a specific animal is an experimental treatment provided after other conventional treatments have failed.

SECTION 4. Provides that the change in law made by this Act applies to investigations and inspections that occur on or after the effective date of this Act, regardless of whether the investigation or inspection reveals evidence of misconduct occurring before that date.

SECTION 5. Effective date: September 1, 2019.