

HOUSE BILL NO. 1523

Introduced by

Representatives Svedjan, Boucher, Skarphol, Williams

Senator Triplett

1 A BILL for an Act to amend and reenact section 43-15-35 of the North Dakota Century Code,
2 relating to pharmacy ownership by hospitals.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 43-15-35 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **43-15-35. Requirements for permit to operate pharmacy - Exceptions.**

- 7 1. The board shall issue a permit to operate a pharmacy, or a renewal permit, upon
8 satisfactory proof of all of the following:
- 9 a. The pharmacy will be conducted in full compliance with existing laws and with
10 the rules and regulations established by the board.
 - 11 b. The equipment and facilities of the pharmacy are such that prescriptions can
12 be filled accurately and properly, and United States pharmacopeia and
13 national formulary preparations properly compounded and so that it may be
14 operated and maintained in a manner that will not endanger public health and
15 safety.
 - 16 c. The pharmacy is equipped with proper pharmaceutical and sanitary
17 appliances and kept in a clean, sanitary, and orderly manner.
 - 18 d. The management of the pharmacy is under the personal charge of a
19 pharmacist duly licensed under the laws of this state.
 - 20 e. The applicant for such permit is qualified to conduct the pharmacy, and is a
21 licensed pharmacist in good standing or is a partnership, each active member
22 of which is a licensed pharmacist in good standing; a corporation or an
23 association, the majority stock in which is owned by licensed pharmacists in
24 good standing; or a limited liability company, the majority membership

1 interests in which is owned by licensed pharmacists in good standing, actively
2 and regularly employed in and responsible for the management, supervision,
3 and operation of such pharmacy.

4 f. Suitable reference sources either in book or electronic data form, are
5 available in the pharmacy or online, which might include the United States
6 pharmacopeia and national formulary, the United States pharmacopeia
7 dispensing information, facts and comparisons, micro medex, the American
8 society of health-system pharmacists formulary, or other suitable references
9 pertinent to the practice carried on in the licensed pharmacy.

10 2. The provisions of subdivision e of subsection 1 do not apply to:

11 a. The holder of a permit on July 1, 1963, if otherwise qualified to conduct the
12 pharmacy, provided that any such permitholder that discontinues operations
13 under such permit or fails to renew such permit upon expiration is not exempt
14 from the provisions of subdivision e of subsection 1 as to the discontinued or
15 lapsed permit.

16 b. A hospital pharmacy furnishing service only to patients in that hospital.

17 c. The applicant for a permit to operate a pharmacy which is a hospital, if the
18 pharmacy for which the hospital seeks a permit to operate is a retail pharmacy
19 that is the sole provider of pharmacy services in the community and is a retail
20 pharmacy that was in existence before the hospital took over operations. A
21 hospital operating a pharmacy under this subdivision may operate the
22 pharmacy at any location in the community.

23 d. The applicant for a permit to operate a pharmacy which is the owner of a
24 postgraduate medical residency training program if the pharmacy is collocated
25 with and is run in direct conjunction with the postgraduate medical residency
26 training program. For purposes of this subdivision, the postgraduate medical
27 residency training program must be accredited by the accreditation council on
28 graduate medical education or other national accrediting organization.

29 e. The applicant for a permit to operate a retail pharmacy which is a hospital, an
30 integrated health system, or a wholly owned subsidiary or affiliate organization
31 of a hospital or integrated health system, if the pharmacy for which the permit

- 1 is sought is collocated with the hospital or any of the medical clinics owned,
- 2 operated, managed, or controlled by the hospital, integrated health system, or
- 3 wholly owned subsidiary or affiliate organization.