



Board of Physicians

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Damean W.E. Freas, D.O., Chair

2022 SESSION POSITION PAPER

BILL NO.: SB 305 – State Board of Physicians – Dispensing Permits
COMMITTEE: Education, Health, and Environmental Affairs
POSITION: Letter of Support

TITLE: State Board of Physicians – Dispensing Permits

BILL ANALYSIS: Transfers oversight of inspecting the offices of dispensing physicians from the Office of Controlled Substances Administration to the Board of Physicians.

POSITION & RATIONALE:

The Maryland Board of Physicians (the Board) is submitting this letter of support for Senate Bill (SB) 305 – State Board of Physicians – Dispensing Permits. SB 305 will move the authority for inspection of physicians who hold dispensing permits from the Office of Controlled Substances Administration (“OCSA”) to the Board. All of the requirements, standards and exemptions for dispensing physicians are remaining the same.

Physicians who wish to dispense directly from their offices must first obtain a dispensing permit from the Board. Under current law, after issuing these permits, the Board notifies OCSA to initiate an inspection. Pursuant to Health Occupations Article §12-102.1, OCSA is required to inspect each permit holder within six months of first receiving notification of a physician’s authorization to dispense, and at least one more time during the duration of the permit. Once the inspection is completed, the inspection report is returned to the Board. Disciplinary authority over dispensing physicians resides with the Board pursuant to Health Occupations Article §12-102(m). Dispensing permits have terms of five years, and the current fee assessed for these permits is \$1,050, of which \$1,000 goes to OCSA to cover the cost of the inspections and \$50 remains with the Board for the application fee.

The back and forth of the Board issuing permits, OCSA performing the inspections, and the Board processing the inspection reports and handling disciplinary proceedings creates inefficiencies and roadblocks that delay or prevent proper inspection of dispensing physicians. OCSA inspectors do not collect evidence for the Board during the inspection process, therefore when findings occur that might represent a violation of the Medical Practice Act, the Board must then send its own inspectors to re-inspect a facility and collect evidence. At a minimum this creates an unnecessary

delay in the investigative process. In some cases, it prevents the Board from pursuing disciplinary action outright.

By transferring authority for inspections from OCSA to the Board, many of these issues would be alleviated or eliminated outright. Board inspectors are duly trained in evidence collection and already have statutory authority to enter and inspect the place of business of any licensed physician. Conducting its own inspections of dispensing physicians would allow these inspections to be performed in a more timely manner and at a lower cost. In cases where violations were found, the Board would be able to immediately open an investigation and refer the case to a disciplinary panel for review. The overall result would be increased patient protection and a quicker, more cost-efficient process for inspections. The Board urges the Committee to submit a favorable report on SB 305.

For more information, please contact Matthew Dudzic, Health Policy Analyst, Maryland Board of Physicians, 410-764-5042.

Sincerely,

A handwritten signature in blue ink, appearing to read "Damean W. E. Freas".

Damean W. E. Freas, D.O.
Chair, Maryland Board of Physicians

The opinion of the Board expressed in this document does not necessarily reflect that of the Maryland Department of Health or the Administration.