

## 51 N.J.R. 218(a)

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### RULE ADOPTIONS

#### Reporter

51 N.J.R. 218(a)

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#### Agency

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LAW AND PUBLIC SAFETY > DIVISION OF CONSUMER AFFAIRS

#### Administrative Code Citation

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Adopted Amendment: N.J.A.C. 13:45H-1.1

#### Text

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##### Controlled Dangerous Substances

##### Registration Fees

Proposed: September 4, 2018, at 50 N.J.R. 1932(a).

Adopted: December 18, 2018, by Paul R. Rodriguez, Acting Director, Division of Consumer Affairs.

Filed: January 15, 2019, as R.2019 d.017, **without change**.

Authority: N.J.S.A. 24:21-9.

Effective Date: February 19, 2019.

Expiration Date: August 4, 2022.

##### Summary of Public Comments and Agency Responses:

The official comment period ended November 3, 2018. The Division of Consumer Affairs (Division) received comments from the following individuals:

1. Laura Phelan, Graduate Student, Lindsey Wilson College; and

2. Melinda R. Martinson, Esq., General Counsel, Medical Society of New Jersey.

1. COMMENT: One commenter expressed support for the proposed controlled dangerous substances (CDS) registration fees because it would increase the Prescription Monitoring Program's (PMP) ability to process search requests by prescribers, professional licensing boards, and law enforcement. The commenter correlated the last increase for CDS registration fees dating back to 1997 with the lack of coordination between the rise of prescription drug abuse since that time and the current burden of the Drug Control Unit. The commenter noted her understanding that the Drug Control Unit expects an increase in the expenses for technological system upgrades and expansion of the PMP's ability, as well as the State's ability, to interact with other states. The commenter supports the proposed increase in fees because the CDS registration fees support the Drug Control Unit, which is responsible for the Controlled Dangerous Substances Act (N.J.S.A. 24:21-1 et seq.). The commenter appreciates that the Division of Consumer Affairs has discovered this need and determined that the costs associated with the increase will be small when measured to the benefits of the Drug Control Unit's ability and the subsequent lives possibly saved.

RESPONSE: The Director thanks the commenter for her support.

2. COMMENT: One commenter objected to the proposed doubling of the controlled dangerous substance (CDS) registration and renewal fees as it pertains to physicians. The commenter stated that, although the State's CDS fee has not increased in 20 years, New Jersey is one of the only states in the nation that has levied a CDS registration and renewal fee on physicians. The commenter questioned whether doubling the fee is necessary or appropriate at this time, given that New Jersey physicians have already been actively funding the Division's CDS-related activities. The commenter noted that the proposed amendment to double fees is across all categories of registrants: manufacturers, distributors, and dispensers. The commenter contended that, according to information provided in the proposal, fees from manufacturers will yield only \$ 27,600 (69 manufacturers x \$ 400.00); fees from distributors will yield only \$ 13,000 (65 distributors x \$ 200.00); and fees from other registrants, including physicians, will generate the lion's share of funds; conservatively, fees from 20,000 physicians would raise \$ 800,000 (20,000 x \$ 40.00).

The commenter stated that she appreciates that the Drug Control Unit is experiencing an increased workload, including the need to supervise the destruction and disposal of CDS and the management of the Prescription Blank Program. The commenter, however, questioned whether doubling fees across the board was the best solution to raise funds. The commenter

stated that physicians in New Jersey face the highest practice costs and cost of living in the nation. The commenter believes that, based on the financial strength of manufacturers and distributors, it would be more equitable for them to shoulder more of the financial burden of monitoring CDS.

The commenter expressed support for upgrades to the Prescription Monitoring Program (PMP) to enhance interoperability, in particular with PMP programs in other states. The commenter also stated that she values the ability to monitor CDS drug dispensing to patients from pharmacies in other states. The commenter suggested that, given that the opioid crisis is national in scope, the Division continue to seek grant funding from the Federal government to further enhance New Jersey's PMP.

RESPONSE: The Director disagrees that the proposed fee increases are inequitable. Although as a group, the amended fees may appear to disproportionately impact dispensers and prescribers, the percentage fee increase for each category of registrants is the same. Moreover, the Director believes that the increase from \$ 20.00 to \$ 40.00 for an individual prescriber is relatively low and not overly burdensome. The Director also believes, that if the fee increases were inequitable, such inequity would not result in the Division lowering the fees for prescribers, but rather could result in the Division considering future adjustments to the fees to the other registrants. With respect to the commenter's suggestion about seeking grant funding, the Director thanks the commenter for her suggestion and notes that the Division continues to pursue appropriate funding options.

#### **Federal Standards Statement**

A Federal standards analysis is not required because the adopted amendments are not subject to any Federal standards or requirements.

#### **Regulations**

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**Full text** of the adoption follows:

##### **SUBCHAPTER 1. GENERAL PROVISIONS; REGISTRATION**

##### **13:45H-1.1 Registration fees**

- (a) Manufacturers of controlled dangerous substances shall pay an annual fee of \$ 400.00 at the time of application for registration or for renewal of registration.
- (b) Distributors and reverse distributors of controlled dangerous substances shall pay an annual fee of \$ 200.00 at the time of application for registration or for renewal of registration.

- (c) Dispensers of controlled dangerous substances or practitioners registered to conduct research with controlled dangerous substances shall pay an annual fee of \$ 40.00 at the time of application for registration or for renewal of registration.
- (d) Incorporated humane societies or licensed animal control facilities registered to purchase and administer sodium pentobarbital for the purpose of animal euthanasia shall pay an annual fee of \$ 40.00 for registration or renewal of registration as a Dispenser in the category of hospital/clinic.
- (e) - (g) (No change.)

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