



June 19, 2025

The Honorable Angelique Ashby
Chair, Senate Committee on Business, Professions & Economic Development
California State Senate
Sacramento, CA 95814

RE: ATA ACTION CONCERNS REGARDING AB 1503 AND PROPOSED REQUIREMENTS FOR NON-RESIDENT PHARMACIES

Dear Chair Ashby:

On behalf of ATA Action, I am writing to express our concerns with Sections 29 of Assembly Bill 1503. We are concerned that, if implemented, these proposed requirements could erect unnecessary barriers to patient care.

ATA Action, the American Telemedicine Association's affiliated trade association focused on advocacy, advances policy to ensure all individuals have permanent access to telehealth services across the care continuum. ATA Action supports the enactment of state and federal telehealth coverage and fair payment policies to secure telehealth access for all Americans, including those in rural and underserved communities. ATA Action recognizes that telehealth and virtual care have the potential to truly transform the health care delivery system – by improving patient outcomes, enhancing safety and effectiveness of care, addressing health disparities, and reducing costs – if only allowed to flourish.

Section 29 Proposes Unworkable Mandates for Pharmacies Serving Telehealth Patients

Section 29 of AB 1503 would mandate that *any pharmacy* that receives prescriptions from a telehealth platform notify the California Board of Pharmacy (“Board”) and disclose whether it has financial relationship with the platform, the ownership information of each telehealth platform, the location and contact information for each telehealth platform, and compliance with California's anti-kickback provisions. These onerous and impractical requirements will ultimately impose substantial and unique burdens on any telehealth entities that assist patients with prescription fulfillment, whether brick-mortar or mail-order pharmacies.

First, these obligations and notification requirements create substantial, if not infeasible, compliance challenges on pharmacies, given that pharmacies possess neither the authority to direct nor the capacity to influence prescribers' decisions regarding telehealth versus in-person care delivery. Additionally, prescriptions are transmitted to pharmacies through the same electronic systems regardless of whether the patient-prescriber interaction occurred in-person or via telehealth visit. Thus, pharmacies often will have no visibility into whether a telehealth

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platform prescriber facilitated a patient visit and where notification to the Board would thus be triggered. Second, even if pharmacies had a reliable means of determining whether a prescription occurred from a telehealth visit, the proposed mandate would require pharmacies to somehow track down each prescriber's affiliated telehealth platform, its ownership information, its location, and its contact info. Rather than disrupt patient continuity of care and take on this administrative burden, pharmacies might choose to forgo accepting prescriptions from telehealth entities and thereby risk delaying patient access to necessary medications without advancing patient safety.

Finally, we have substantial concern how the underlying premise of Section 29 suggests that prescriptions from a telehealth entity somehow warrant additional scrutiny. Clinically, a valid prescription is a valid prescription and the fact that one was issued via telemedicine makes it no less so. If the Board really intends to protect against steering or kickback violations, they should require *all* pharmacies to attest compliance with Section 650 and *all pharmacies* to gather the information requested in Section 29 from every provider entity with patients that the pharmacy serves. Instead, Section 29 singles out telehealth without justification. ATA Action requests the Committee remove Section 29 altogether, or alternatively, require the notification process to beyond those working with telehealth platforms.

Section 37: Burdensome New Requirements for Non-Resident Pharmacies

ATA Action's membership includes many telehealth providers who rely on or partner with mail-order pharmacy services to deliver high-quality treatment. Patients often choose to receive medical care in a telehealth setting for the same reasons they choose to receive medications via mail-order pharmacy; both care settings offer solutions for patients with limited mobility, transportation challenges, lack convenient or easy access to a pharmacy to fill their prescription or who are part of a vulnerable or stigmatized patient population. Mail-order pharmacy can be particularly impactful for patients seeking treatment for conditions that are often stigmatized, such as dermatological issues, substance abuse disorder, sexual health, depression, anxiety, and obesity. For these patients timely and discreet access to the medications our members provide is essential to ensuring they can comfortably and safely pursue the treatment they need.

ATA Action is concerned that Section 37 of AB1503 proposes several new requirements for non-resident mail-order pharmacies that could impose significant burdens without corresponding benefits for California patients. Specifically, Section 37 proposes additional mandates that would require the pharmacist-in-charge to be licensed in California, any pharmacist serving California patients to be licensed in California, and that non-resident pharmacies submit inspections by the California Board of Pharmacy and bear associated costs.¹

¹ See California Assembly Bill 1503, Section 37, 4112(k) ("A nonresident pharmacy licensed pursuant to this section shall be subject to inspection by the board . . . [and] the nonresident pharmacy shall deposit, when notified by the board, a reasonable amount, as determined by the board, necessary to cover the board's estimated reasonable costs of performing the inspection.").



It is unclear to ATA Action why California's current framework, which requires non-resident pharmacies to be licensed and allows non-resident pharmacists to practice in California if they hold an active license in good standing from another state, has been ineffective or poses risks to patients. ATA Action is concerned these new pharmacist licensure requirements in Section 37 of AB1503 create arbitrary geographical barriers and administrative hurdles that could negatively impact care delivery for California patients. Indeed, requiring that prescriptions be routed only to pharmacists specifically meeting California standards—even though those pharmacists are already licensed in the state where the pharmacist practices – could lead to processing and delivery delays of medications.

Further, given the geographic distance and volume of non-resident pharmacies serving California patients, the new inspection mandate will be operationally burdensome. Coordinating out-of-state travel, staffing inspections across multiple jurisdictions, and covering potentially substantial inspection fees creates an undue burden that may ultimately restrict patient access to essential medications. States frequently rely on inspection reports from home-state pharmacy boards, self-inspection assessments, and, where needed, the California Board of Pharmacy can refer any issue to the non-resident pharmacy and/or pharmacists Board of Pharmacy for review.

Instead of introducing new licensing and inspection procedures proposed in Section 37, ATA Action recommends removing these proposals from AB1503 and that the Board reinforce their current processes to address any concerns about enforcement or additional guardrails that are less resource intensive or operationally burdensome. Alternatively, we suggest exploring policies that ensure any pharmacists serving California patients are licensed and in good standing through a recognized national verification system such as NABP Verify and rely on inspection reports issued by the pharmacy board or regulatory authority of the state where the nonresident pharmacy is physically located.

Thank you for your support of telehealth. Please let us know if there is anything that we can do to assist you in your efforts to adopt practical telehealth policy in California. If you have any questions or would like to engage in additional discussions regarding the telehealth industry's perspective, please contact me at kzebley@ataaction.org.

Kind regards,

A handwritten signature in black ink, appearing to read "Kyle Zebley", is written over a light gray circular background.

Kyle Zebley
Executive Director
ATA Action