

**BEFORE THE
BOARD OF PHARMACY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

**DIGNITY HEALTH dba WOODLAND
HEALTHCARE PHARMACY
632 West Gibson
Woodland, CA 95695**

Pharmacy Permit No. PHY 45513

and

**WAYNE DALLAS
826 Lakeside Drive
Anderson, SC 29621**

Pharmacist License No. RPH 30680

Respondents.

Case No. 5512

OAH No. 2016060293

**STIPULATED SURRENDER OF
LICENSE AND ORDER AS TO
RESPONDENT DIGNITY HEALTH
ONLY**

DECISION AND ORDER

The attached Stipulated Surrender of License and Order is hereby adopted by the Board of Pharmacy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective at 5:00 p.m. on November 14, 2016.

It is so ORDERED on October 14, 2016.

BOARD OF PHARMACY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA



By

Amy Gutierrez, Pharm.D.
Board President

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Attorney General of California
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9 **BEFORE THE**
10 **BOARD OF PHARMACY**
DEPARTMENT OF CONSUMER AFFAIRS
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

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13 **DIGNITY HEALTH dba WOODLAND**
HEALTHCARE PHARMACY
14 632 West Gibson
Woodland, CA 95695

OAH No. 2016060293

15 Pharmacy Permit No. PHY 45513

STIPULATED SURRENDER OF
LICENSE AND ORDER AS TO
RESPONDENT DIGNITY HEALTH
ONLY

16 and

17 **WAYNE DALLAS**
826 Lakeside Drive
18 Anderson, SC 29621

19 Pharmacist License No. RPH 30680

20 Respondents.
21

22
23 IT IS HEREBY STIPULATED AND AGREED by and between Complainant and
24 Respondent Dignity Health in the above-entitled proceedings that the following matters are true:

25 **PREAMBLE**

26 1. Dignity Health is a corporation operating multiple pharmacies in the State of
27 California. It is the intent of the parties to this stipulated settlement to resolve allegations filed

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1 against Dignity Health as to its pharmacy located and operated at Woodland Healthcare
2 Pharmacy, 632 West Gibson Road, Woodland, CA 95695, which operated under Pharmacy
3 Permit No. PHY 45513.

4 **PARTIES**

5 2. Virginia Herold (Complainant) is the Executive Officer of the Board of Pharmacy.
6 She brought this action solely in her official capacity and is represented in this matter by Kamala
7 D. Harris, Attorney General of the State of California, by Stanton W. Lee, Deputy Attorney
8 General.

9 3. Dignity Health dba Woodland Healthcare Pharmacy ("Respondent") is represented in
10 this proceeding by attorney Allison Cova, corporate counsel for Respondent, whose address is:
11 185 Berry Street, Lobby 2, Ste. 300, San Francisco, CA 94107.

12 4. On or about March 15, 2002, the Board of Pharmacy issued Pharmacy Permit No.
13 PHY 45513 to Respondent. The Pharmacy Permit was in full force and effect at all times
14 relevant to the charges brought in Accusation No. 5512, and was canceled on or about January 30,
15 2016.

16 5. Pharmacy Permit No. PHY 45513, was utilized by Respondent in the operation of its
17 pharmacy located at Woodland Healthcare Pharmacy, 632 West Gibson Road, Woodland, CA
18 95695.

19 **JURISDICTION**

20 6. Accusation No. 5512 was filed before the Board of Pharmacy (Board), Department of
21 Consumer Affairs, and is currently pending against Respondent. The Accusation and all other
22 statutorily required documents were properly served on Respondent on May 6, 2016. Respondent
23 timely filed its Notice of Defense contesting the Accusation. A copy of Accusation No. 5512 is
24 attached as Exhibit A and incorporated by reference.

25 **ADVISEMENT AND WAIVERS**

26 7. Respondent has carefully read, fully discussed with counsel, and understands the
27 charges and allegations in Accusation No. 5512. Respondent has also carefully read, fully

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1 discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary
2 Order.

3 8. Respondent is fully aware of its legal rights in this matter, including the right to a
4 hearing on the charges and allegations in the Accusation; the right to be represented by counsel, at
5 its own expense; the right to confront and cross-examine the witnesses against them; the right to
6 present evidence and to testify on its own behalf; the right to the issuance of subpoenas to compel
7 the attendance of witnesses and the production of documents; the right to reconsideration and
8 court review of an adverse decision; and all other rights accorded by the California
9 Administrative Procedure Act and other applicable laws.

10 9. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
11 every right set forth above.

12 CULPABILITY

13 10. Respondent understands and agrees that the charges and allegations in Accusation
14 No. 5512, if proven at a hearing, constitute cause for imposing discipline upon its Pharmacy
15 Permit.

16 11. For the purpose of resolving the Accusation without the expense and uncertainty of
17 further proceedings, Respondent agrees that, at a hearing, Complainant could establish a factual
18 basis for the charges in the Accusation, and that Respondent hereby gives up its right to contest
19 those charges.

20 12. Respondent agrees that its Pharmacy Permit No. PHY 45513 is subject to discipline
21 and they agree to be bound by the Board's imposition of discipline as set forth in the Disciplinary
22 Order below.

23 CONTINGENCY

24 13. This stipulation shall be subject to approval by the Board of Pharmacy. Respondent
25 understands and agrees that counsel for Complainant and the staff of the Board of Pharmacy may
26 communicate directly with the Board regarding this stipulation and settlement, without notice to
27 or participation by Respondent or its counsel. By signing the stipulation, Respondent understands
28 and agrees that they may not withdraw its agreement or seek to rescind the stipulation prior to the

1 time the Board considers and acts upon it. If the Board fails to adopt this stipulation as its
2 Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or
3 effect, except for this paragraph, it shall be inadmissible in any legal action between the parties,
4 and the Board shall not be disqualified from further action by having considered this matter.

5 14. The parties understand and agree that Portable Document Format (PDF) and facsimile
6 copies of this Stipulated Settlement and Disciplinary Order, including PDF and facsimile
7 signatures thereto, shall have the same force and effect as the originals.

8 15. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an
9 integrated writing representing the complete, final, and exclusive embodiment of their agreement.
10 It supersedes any and all prior or contemporaneous agreements, understandings, discussions,
11 negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary
12 Order may not be altered, amended, modified, supplemented, or otherwise changed except by a
13 writing executed by an authorized representative of each of the parties.

14 16. In consideration of the foregoing admissions and stipulations, the parties agree that
15 the Board may, without further notice or formal proceeding, issue and enter the following Order:

16 **ORDER**

17 IT IS HEREBY ORDERED that Pharmacy Permit No. PHY 45513, issued to Respondent
18 Dignity Health dba Woodland Healthcare Pharmacy, is surrendered and accepted by the Board of
19 Pharmacy.

20 1. The surrender of Respondent's Pharmacy Permit No. PHY 45513, and the acceptance
21 of the surrendered license by the Board shall constitute the imposition of discipline against
22 Respondent and its pharmacy, Woodland Healthcare Pharmacy. This stipulation constitutes a
23 record of the discipline and shall become a part of Respondent's license history with the Board of
24 Pharmacy.

25 2. Respondent shall lose all rights and privileges as a pharmacy under permit number
26 PHY 45513 in California as of the effective date of the Board's Decision and Order.

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1 3. Respondent shall cause to be delivered to the Board its pocket license and, if one was
2 issued, its wall certificate for its pharmacy, Woodland Healthcare Pharmacy, on or before the
3 effective date of the Decision and Order.

4 4. If Respondent ever applies for licensure or petitions for reinstatement of license no.
5 PHY 45513, in the State of California, the Board shall treat it as a new application for licensure.
6 Respondent must comply with all the laws, regulations and procedures for licensure in effect at
7 the time the application or petition is filed, and all of the charges and allegations contained in
8 Accusation No. 5512 shall be deemed to be true, correct and admitted by Respondent when the
9 Board determines whether to grant or deny the application or petition. Respondent is required to
10 report this surrender as disciplinary action.

11 5. Respondent shall pay the agency its costs of investigation and enforcement in the
12 amount of \$7,319.73, prior to issuance of a new or reinstated license.

13 6. If Respondent should ever apply or reapply for a new license or certification, or
14 petition for reinstatement of a license, by any other health care licensing agency in the State of
15 California, all of the charges and allegations contained in Accusation, No. 5512 shall be deemed
16 to be true, correct, and admitted by Respondent for the purpose of any Statement of Issues or any
17 other proceeding seeking to deny or restrict licensure.

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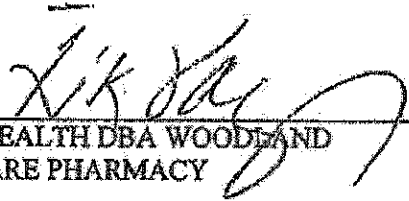
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ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, Allison Cova. I understand the stipulation and the effect it will have on my Pharmacy Permit. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Board of Pharmacy.


DATED: 8/16/2016 
DIGNITY HEALTH DBA WOODLAND
HEALTHCARE PHARMACY
Respondent

I have read and fully discussed with Respondent Dignity Health dba Woodland Healthcare Pharmacy the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED: 8/16/2016 
ALLISON COVA
Attorney for Respondent

ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the Board of Pharmacy.

Dated: 8/17/16 Respectfully submitted,
KAMALA D. HARRIS
Attorney General of California
KENT D. HARRIS
Supervising Deputy Attorney General

STANTON W. LEE
Deputy Attorney General
Attorneys for Complainant

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Exhibit A

Accusation No. 5512

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Attorneys for Complainant

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13 **HEALTHCARE PHARMACY**
14 632 West Gibson
Woodland, CA 95695

ACCUSATION

15 Pharmacy Permit No. PHY 45513

16 and

17 **WAYNE DALLAS**
18 826 Lakeside Drive
Anderson, SC 29621

19 Pharmacist License No. RPH 30680

20 Respondents.

21
22 Complainant alleges:

23 **PARTIES**

24 1. Virginia Herold (Complainant) brings this Accusation solely in her official capacity
25 as the Executive Officer of the Board of Pharmacy (Board), Department of Consumer Affairs.

26 2. On or about March 15, 2002, the Board of Pharmacy issued Pharmacy Permit
27 Number PHY 45513 to Catholic Healthcare West to do business as Woodland Healthcare
28 Pharmacy (Respondent Woodland). On or about February 13, 2012, Catholic Healthcare West

1 changed its name to Dignity Health. The Pharmacy Permit was in full force and effect at all times
2 relevant to the charges brought herein and will expire on March 1, 2016, unless renewed.

3 3. On or about November 23, 1976, the Board of Pharmacy issued Pharmacist License
4 Number RPH 30680 to Wayne Dallas (Respondent Dallas). Respondent Dallas was pharmacist-
5 in-charge of Woodland from on or about August 16, 2004 to March 25, 2014. The Pharmacist
6 License was in full force and effect at all times relevant to the charges brought herein and expired
7 on March 31, 2015.

8 JURISDICTION

9 4. This Accusation is brought before the Board under the authority of the following
10 laws:

11 CALIFORNIA BUSINESS AND PROFESSIONS CODE

12 5. Section 4081 of the Code states in pertinent part:

13 (a) All records of manufacture and of sale, acquisition, receipt, shipment,
14 or disposition of dangerous drugs or dangerous devices shall be at all times during
15 business hours open to inspection by authorized officers of the law, and shall be
16 preserved for at least three years from the date of making. A current inventory shall
17 be kept by every . . . pharmacy . . . holding a currently valid and unrevoked . . . permit
18 . . . who maintains a stock of dangerous drugs or dangerous devices.

17 (b) The owner, officer, and partner of a pharmacy . . . shall be jointly
18 responsible, with the pharmacist-in-charge, responsible manager, or designated
19 representative-in-charge, for maintaining the records and inventory described in this
20 section.

19 6. Section 4300 of the Code states in pertinent part:

20 (a) Every license issued may be suspended or revoked.

21 (b) The board shall discipline the holder of any license issued by the
22 board, whose default has been entered or whose case has been heard by the board and
23 found guilty, by any of the following methods:

23 (1) Suspending judgment.

24 (2) Placing him or her upon probation.

25 (3) Suspending his or her right to practice for a period not exceeding one
26 year.

27 (4) Revoking his or her license.

28 (5) Taking any other action in relation to disciplining him or her as the
board in its discretion may deem proper.

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7. Section 4300.1 of the Code states:

The expiration, cancellation, forfeiture, or suspension of a board-issued license by operation of law or by order or decision of the board or a court of law, the placement of a license on a retired status, or the voluntary surrender of a license by a licensee shall not deprive the board of jurisdiction to commence or proceed with any investigation of, or action or disciplinary proceeding against, the licensee or to render a decision suspending or revoking the license.

8. Section 4301 of the Code states in pertinent part:

The board shall take action against any holder of a license who is guilty of unprofessional conduct. . . Unprofessional conduct shall include, but is not limited to, any of the following:

- (a) Gross immorality.
- (b) Incompetence.
- (c) Gross negligence.

...

(j) The violation of any of the statutes of this state, or any other state, or of the United States regulating controlled substances and dangerous drugs.

...

(p) Actions or conduct that would have warranted denial of a license."

9. Section 4113 of the Code states in pertinent part:

(c) The pharmacist-in-charge shall be responsible for a pharmacy's compliance with all state and federal laws and regulations pertaining to the practice of pharmacy.

10. Section 4332 of the Code states:

Any person who fails, neglects, or refuses to maintain the records required by Section 4081 or who, when called upon by an authorized officer or a member of the board, fails, neglects, or refuses to produce or provide the records within a reasonable time, or who willfully produces or furnishes records that are false, is guilty of a misdemeanor.

HEALTH AND SAFETY CODE

11. Section 11007 of the Code states:

'Controlled substance,' unless otherwise specified, means a drug, substance, or immediate precursor which is listed in any schedule in Section 11054, 11055, 11056, 11057, or 11058.

1 12. The following drugs, audited during the inspection subject of this accusation, are
2 Scheduled II controlled substances under section 11055 of the Code:

- 3 (a) hydrocodone/acetaminophen¹ (an opioid based narcotic);
4 (b) "Opana," a brand of oxymorphone (an opioid based narcotic);
5 (c) hydromorphone (an opioid based narcotic);
6 (d) fentanyl (an opioid based narcotic);
7 (e) methylphenidate (a stimulant);
8 (f) methadone (an opioid based narcotic).

9 **CALIFORNIA CODE OF REGULATIONS**

10 13. Title 16, section 1707.2 states in pertinent part:

11 (a) A pharmacist shall provide oral consultation to his or her patient or the
12 patient's agent in all care settings:

13 (1) upon request; or

14 (2) whenever the pharmacist deems it warranted in the exercise of his or
her professional judgment.

15 (b)(1) In addition to the obligation to consult set forth in subsection (a), a
16 pharmacist shall provide oral consultation to his or her patient or the patient's agent in
any care setting in which the patient or agent is present:

17 (A) whenever the prescription drug has not previously been dispensed to a
18 patient; or

19 (B) whenever a prescription drug not previously dispensed to a patient in
the same dosage form, strength or with the same written directions, is dispensed by
20 the pharmacy.

21 14. Title 16, section 1714 states in pertinent part:

22 (b) Each pharmacy licensed by the board shall maintain its facilities,
space, fixtures, and equipment so that drugs are safely and properly prepared,
23 maintained, secured and distributed. The pharmacy shall be of sufficient size and
unobstructed area to accommodate the safe practice of pharmacy.

24 ...
25 (d) Each pharmacist while on duty shall be responsible for the security of
26 the prescription department, including provisions for effective control against theft or
diversion of dangerous drugs and devices, and records for such drugs and devices.

27 ¹ At the time of the audit, hydrocodone/acetaminophen was a Schedule III Controlled
28 Substance under Health and Safety Code section 11056(e)(4).

1 Possession of a key to the pharmacy where dangerous drugs and controlled substances
2 are stored shall be restricted to a pharmacist.

3 15. Title 16, section 1718 states in pertinent part:

4 'Current Inventory' as used in Sections 4081 and 4332 of the Business
5 and Professions Code shall be considered to include complete accountability for all
6 dangerous drugs handled by every licensee enumerated in Sections 4081 and 4332.

7 **CODE OF FEDERAL REGULATIONS**

8 16. Title 21, Code of Federal Regulations, section 1304.03, subdivision (a), states:

9 Every registrant, including collectors, shall maintain the records and
10 inventories and shall file the reports required by this part, except as exempted by this
11 section. Any registrant that is authorized to conduct other activities without being
12 registered to conduct those activities, pursuant to §§ 1301.22(b), 1307.11, 1307.13, or
13 part 1317 of this chapter, shall maintain the records and inventories and shall file the
14 reports required by this part for persons registered or authorized to conduct such
15 activities. This latter requirement should not be construed as requiring stocks of
16 controlled substances being used in various activities under one registration to be
17 stored separately, nor that separate records are required for each activity. The intent of
18 the Administration is to permit the registrant to keep one set of records which are
19 adapted by the registrant to account for controlled substances used in any activity.
20 Also, the Administration does not wish to require separate stocks of the same
21 substance to be purchased and stored for separate activities. Otherwise, there is no
22 advantage gained by permitting several activities under one registration. Thus, when a
23 researcher manufactures a controlled item, he must keep a record of the quantity
24 manufactured; when he distributes a quantity of the item, he must use and keep
25 invoices or order forms to document the transfer; when he imports a substance, he
26 keeps as part of his records the documentation required of an importer; and when
27 substances are used in chemical analysis, he need not keep a record of this because
28 such a record would not be required of him under a registration to do chemical
analysis. All of these records may be maintained in one consolidated record system.
Similarly, the researcher may store all of his controlled items in one place, and every
two years take inventory of all items on hand, regardless of whether the substances
were manufactured by him, imported by him, or purchased domestically by him, of
whether the substances will be administered to subjects, distributed to other
researchers, or destroyed during chemical analysis.

17. Title 21, Code of Federal Regulations, section 1304.11 states, in pertinent part:

(a) General requirements. Each inventory shall contain a complete and
accurate record of all controlled substances on hand on the date the inventory is taken,
and shall be maintained in written, typewritten, or printed form at the registered
location. An inventory taken by use of an oral recording device must be promptly
transcribed. Controlled substances shall be deemed to be "on hand" if they are in the
possession of or under the control of the registrant, including substances returned by a
customer, ordered by a customer but not yet invoiced, stored in a warehouse on behalf
of the registrant, and substances in the possession of employees of the registrant and
intended for distribution as complimentary samples. A separate inventory shall be
made for each registered location and each independent activity registered, except as
provided in paragraph (e)(4) of this section. In the event controlled substances in the
possession or under the control of the registrant are stored at a location for which

1 he/she is not registered, the substances shall be included in the inventory of the
2 registered location to which they are subject to control or to which the person
3 possessing the substance is responsible. The inventory may be taken either as of
4 opening of business or as of the close of business on the inventory date and it shall be
5 indicated on the inventory.

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8 (c) Biennial inventory date. After the initial inventory is taken, the
9 registrant shall take a new inventory of all stocks of controlled substances on hand at
10 least every two years. The biennial inventory may be taken on any date which is
11 within two years of the previous biennial inventory date . . .

12
13 18. Title 21, Code of Federal Regulations, section 1304.21 states, in pertinent part:

14 (a) Every registrant required to keep records pursuant to § 1304.03 shall
15 maintain, on a current basis, a complete and accurate record of each substance
16 manufactured, imported, received, sold, delivered, exported, or otherwise disposed of
17 by him/her, and each inner liner, sealed inner liner, and unused and returned mail-
18 back package, except that no registrant shall be required to maintain a perpetual
19 inventory.

20
21 (d) In recording dates of receipt, importation, distribution, exportation,
22 other transfers, or destruction, the date on which the controlled substances are actually
23 received, imported, distributed, exported, otherwise transferred, or destroyed shall be
24 used as the date of receipt, importation, distribution, exportation, transfer, or
25 destruction (e.g., invoices, packing slips, or DEA Form 41) . . .

26 19. Title 21, Code of Federal Regulations, section 1305.13, subdivision (e), states that
27 "[t]he purchaser must record on Copy 3 of the DEA Form 222 the number of commercial or bulk
28 containers furnished on each item and the dates on which the containers are received by the
purchaser."

29 COST RECOVERY

30 20. Code section 125.3 provides, in pertinent part, that a Board may request the
31 administrative law judge to direct a licentiate found to have committed a violation or violations of
32 the licensing act to pay a sum not to exceed the reasonable costs of the investigation and
33 enforcement of the case.

34 BACKGROUND

35 21. On or about April 4, 2014, the board received a letter from the Pharmacy Director of
36 Respondent Woodland indicating that during routine audits it was discovered the pharmacy was
37 missing 21,839 tablets of hydrocodone/acetaminophen 10mg tablets.
38

1 22. On or about April 7, 2014, L.M., Enforcement Analyst with the Board requested
2 additional documentation of the loss from Respondent Woodland. On or about May 5, 2014, the
3 Board received audit documentation, statements, and interview summaries from an attorney
4 representing Woodland.

5 23. On or about December 10, 2014, Board Inspectors J.H. and P.P.S. conducted an
6 inspection at Respondent Woodland. During the inspection, the Board Inspectors observed
7 Technician G.S. helping at least three patients with new prescriptions and technician G.S. did not
8 inform a pharmacist of the need for new prescription consultations.

9 24. Inspector J.H. spoke extensively with D.F., Pharmacy Director of Respondent
10 Woodland. D.F. advised that Respondent Woodland had terminated the previous Pharmacist in
11 Charge (PIC), Respondent Wayne Dallas. The new PIC at the time of the inspection was M.K.,
12 who had been PIC for approximately one month. D.F. advised that as a result of the missing
13 hydrocodone/acetaminophen, Respondent Woodland hired outside consultant B.D. and outside
14 company CHAN Healthcare.

15 25. On April 25, 2014, CHAN issued a report noting Respondent Dallas:

16 1. Had the ability to reject key controls and processes built into the inventory tracking
17 system;

18 2. Inadequately placed security cameras in the pharmacy and directed those security
19 camera feeds to his office;

20 3. Could manipulate the inventory tracking system by deleting National Drug Codes
21 from the inventory history;

22 4. Allowed staff and others to use his passwords and failed to require staff to not
23 share passwords;

24 5. Did not implement a pharmacy server back-up procedure; and

25 6. Allowed untraceable access to the controlled substance inventory.

26 26. The CHAN report identified six areas of concern needing correction:

27 1. Respondent Woodland failed to fully utilize the Pharmacy Inventory Management
28 System;

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- 2. Respondent Woodland failed to adequately segregate the duties of the employees;
- 3. Respondent Dallas was able to delete National Drug Codes, purchase, and dispensing history from the inventory tracking system;
- 4. Employee passwords were not secure;
- 5. Respondent Woodland's computer server did not have a back-up; and
- 6. Respondent Woodland's pharmacy and controlled substances access was not logged.

27. On June 23, 2014, CHAN conducted an unannounced audit at Respondent Woodland to test controlled substance diversion monitoring and reporting. During the audit, two issues were identified:

- 1. There was an inability to identify discrepancies because Respondent Woodland's inventory was not adjusted after the recently identified loss making it impossible to identify current discrepancies needing to be researched, resolved, and/or reported; and
- 2. The Controlled Substance Compliance Audit Checklist was incomplete.

28. On March 25, 2015, Inspector J.H. conducted a phone interview of Respondent Dallas.

29. On March 30, 2015, Inspector J.H. completed her audit of Respondent Woodland that covered May 21, 2012 to November 9, 2014. The audit revealed drug losses for 11 of the 18 controlled substances audited. The most significant loss was the hydrocodone/acetaminophen 10/325mg with 21,559 tablets missing followed by methadone 5mg with 2,502 tablets missing and methylphenidate 10mg with 430 tablets missing.

<u>Drug and Dosage</u>	<u>Shortage</u>	<u>Overage</u>
hydrocodone/acetaminophen 10/325mg	21,559 tablets	
Opana ER 20mg	185 tablets	
hydromorphone 2mg	166 tablets	
hydromorphone 4mg	83 tablets	
hydromorphone 8mg	488 tablets	
fentanyl 12mcg	11 patches	
fentanyl 75mcg	3 patches	
fentanyl 100mcg	2 patches	
methylphenidate 10mg	27 tablets	
methylphenidate 20mg	430 tablets	
methadone 5mg	2,502 tablets	
hydrocodone/acetaminophen 5/325mg		1,579 tablets
Opana ER 5mg		20 tablets
Opana ER 40mg		99 tablets
fentanyl 25mcg		35 patches
fentanyl 50mcg		6 patches
methylphenidate 5mg		3 tablets
methadone 10mg		1,424 tablets

30. One source of error was the beginning inventory conducted by Respondent Dallas who did not provide exact counts for each medication. Instead, counts were estimated with full bottles, half bottles, quarter bottles, and tenths of a bottle. The variance could be incorrect depending on how far off the estimation was at the beginning of the inventory.

FIRST CAUSE FOR DISCIPLINE

(Woodland Healthcare Pharmacy – Failure to Provide Consultation)

31. Respondent Woodland's pharmacy permit is subject to disciplinary action under California Code of Regulations, title 16, section 1707.2 in that Woodland failed to ensure patients with new prescriptions were provided with a pharmacist consult. The circumstances are as follows:

32. On or about December 10, 2014, during an inspection of Woodland, Technician G.S. failed to notify a pharmacist of three patients filling new prescriptions as described in Paragraph 23 above.

1 **FOURTH CAUSE FOR DISCIPLINE**

2 **(PIC Wayne Dallas – Failure to Maintain Adequate Operational**
3 **Standards and Security of Controlled Substances)**

4 37. Respondent Wayne Dallas's pharmacist license is subject to disciplinary action under
5 Business and Professions Code, section 4113 in that as PIC, Respondent Dallas was responsible
6 for the pharmacy's compliance with all state and federal laws and regulations pertaining to the
7 practice of pharmacy and Respondent Dallas failed to maintain adequate operational standards
8 and security of controlled substances. The circumstances are as follows:

9 38. Based on Respondent Woodland's own internal audit completed by CHAN and
10 Inspector J.H.'s audit from May 21, 2012 to November 9, 2014, an interview with Respondent
11 Dallas, and an inspection on 12/10/14, it was determined that Respondent Woodland and
12 Respondent Dallas did not have effective controls against theft or diversion of controlled
13 substances including employees sharing passcodes and computers, the ability to delete National
14 Drug Codes from the inventory system, multiple manual adjustments of inventory, and inaccurate
15 or incomplete biennial inventories as described in Paragraphs 21-25 above.

16 **FIFTH CAUSE FOR DISCIPLINE**

17 **(PIC Wayne Dallas – Failure to Maintain Current Inventory)**

18 39. Respondent Dallas's pharmacist license is subject to disciplinary action under
19 California Code of Regulations, title 16, section 1718, and Business and Professions Code section
20 4081, subsection (a), in that as PIC, Respondent Dallas failed to maintain a current inventory that
21 included complete accountability for all controlled substances and dangerous drugs handled by
22 every licensee. Respondent Dallas's pharmacist license is also subject to disciplinary action
23 under California Code of Regulations, title 16, section 1714, Business and Professions Code
24 section 4301, California Code of Regulations, title 21, sections 1304.03 and 1304.11, and Code of
25 Federal Regulations, title 21, sections 1304.03, 1304.11, and 1304.21, in that Respondent Dallas
26 failed to maintain adequate security and proper inventory records relating to controlled
27 substances. The circumstances are as follows:

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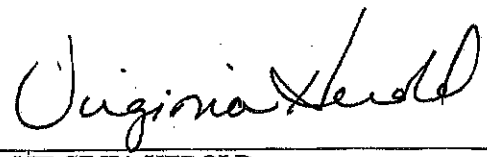
40. On March 30, 2015, Inspector J.H. completed her audit of Respondent Woodland that covered May 21, 2012 to November 9, 2014, where Respondent Dallas was the PIC at the time. Results of the audit revealed Respondent Woodland could not account for shortages in 11 of the 18 controlled substances audited during the inspection period as described in Paragraphs 21-25 above.

PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Board of Pharmacy issue a decision:

1. Revoking or suspending Pharmacy Permit Number PHY 45513, issued to Dignity Health dba Woodland Healthcare Pharmacy;
2. Revoking or suspending Original Pharmacist License Number RPH 30680, issued to Wayne Dallas;
3. Ordering Dignity Health dba Woodland Healthcare Pharmacy and Wayne Dallas to pay the Board of Pharmacy the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 125.3; and
4. Taking such other and further action as deemed necessary and proper.

DATED: 4/20/16



VIRGINIA HEROLD
Executive Officer
Board of Pharmacy
Department of Consumer Affairs
State of California
Complainant

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