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

In the Matter of the Accusation Against:

APOTHECARY OPTIONS, INC., dba APOTHECARY OPTIONS;
MATTHEW D. SCHULER, OWNER AND PRESIDENT;
STEVEN P. EDGAR, PHARMACIST-IN-CHARGE,
OWNER AND SECRETARY,
Pharmacy Permit No. PHY 45637; and

MATTHEW D. SCHULER, Pharmacist License No. RPH 42166; and

STEVEN P. EDGAR, Pharmacist License No. RPH 36563,

Respondents

Agency Case No. 6862

OAH No. 2020070265

#### **DECISION AND ORDER**

The attached Stipulated Settlement and Disciplinary Order for Public Reproval 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 July 14, 2021.

It is so ORDERED on June 14, 2021.

BOARD OF PHARMACY DEPARTMENT OF CONSUMER AFFAIRS STATE OF CALIFORNIA

By

Seung W. Oh, Pharm.D. Board President

1	ROB BONTA	
2	Attorney General of California DAVID E. BRICE	
3	Supervising Deputy Attorney General SUMMER D. HARO	
4	Deputy Attorney General State Bar No. 245482	
5	1300 I Street, Suite 125 P.O. Box 944255	
6	Sacramento, CA 94244-2550 Telephone: (916) 210-7510 Facsimile: (916) 327-8643	
7	E-mail: Summer.Haro@doj.ca.gov  Attorneys for Complainant	
8	7. Thorneys for Complantal	
9	BEFOR BOARD OF F	
10	DEPARTMENT OF CO	ONSUMER AFFAIRS
11	STATE OF C.	ALIFORNIA
12		
13	In the Matter of the Accusation Against:	Case No. 6862
14	APOTHECARY OPTIONS, INC. DBA APOTHECARY OPTIONS;	OAH No. 2020070265
15	MATTHEW D. SCHULER, OWNER AND PRESIDENT; STEVEN P. EDGAR, PHARMACIST-IN-	STIPULATED SETTLEMENT AND
16 17	CHARGE, OWNER AND SECRETARY 3006 Esplanade Suite I	DISCIPLINARY ORDER FOR PUBLIC REPROVAL AS TO STEVEN P. EDGAR ONLY
18	Chico, CA 95973	[Bus. & Prof. Code § 495]
19	Pharmacy Permit No. PHY 45637,	
20	MATTHEW D. SCHULER 1929 Manzanita Ave. Chico, CA 95926	
21	Pharmacist License No. RPH 42166,	
22	and	
23	STEVEN P. EDGAR	
24	14 Dahlia Way Chico, CA 95926	
25	Pharmacist License No. RPH 36563	
26	Respondents.	
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IT IS HEREBY STIPULATED AND AGREED by and between the parties to the aboveentitled proceedings that the following matters are true:

#### **PARTIES**

- 1. Anne Sodergren (Complainant) is the Executive Officer of the Board of Pharmacy (Board). She brought this action solely in her official capacity and is represented in this matter by Rob Bonta, Attorney General of the State of California, by Summer D. Haro, Deputy Attorney General.
- Respondent Steven P. Edgar (Respondent) is represented in this proceeding by attorney Gregory P. Matzen, whose address is: 2104 Big Sandy Court, Gold River, CA 95670-8399.

#### **JURISDICTION**

- 3. On or about January 2, 2002, the Board issued Pharmacist License Number RPH 36563 to Respondent. The Pharmacist License was in full force and effect at all times relevant to the charges brought in Accusation No. 6862 and will expire on December 31, 2022, unless renewed.
- 4. Accusation No. 6862 was filed before the Board and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on April 7, 2020. Respondent timely filed his Notice of Defense contesting the Accusation. A copy of Accusation No. 6862 is attached as Exhibit A and incorporated herein by reference.

#### **ADVISEMENT AND WAIVERS**

- 5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. 6862. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order for Public Reproval.
- 6. Respondent is fully aware of his legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to be represented by counsel at his own expense; the right to confront and cross-examine the witnesses against him; the right to

present evidence and to testify on his own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

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

#### **CULPABILITY**

- 8. Respondent admits the truth of each and every charge and allegation in Accusation No. 6862.
- 9. Respondent agrees that his Pharmacist License is subject to discipline and he agrees to be bound by the Disciplinary Order below.

#### **CONTINGENCY**

- 10. This stipulation shall be subject to approval by the Board of Pharmacy. Respondent understands and agrees that counsel for Complainant and the staff of the Board of Pharmacy may communicate directly with the Board regarding this stipulation and settlement, without notice to or participation by Respondent or his counsel. By signing the stipulation, Respondent understands and agrees that they may not withdraw his agreement or seek to rescind the stipulation prior to the time the Board considers and acts upon it. If the Board fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary Order for Public Reproval shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Board shall not be disqualified from further action by having considered this matter.
- 11. The parties understand and agree that Portable Document Format (PDF) and facsimile copies of this Stipulated Settlement and Disciplinary Order for Public Reproval, including PDF and facsimile signatures thereto, shall have the same force and effect as the originals.
- 12. This Stipulated Settlement and Disciplinary Order for Public Reproval is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements,

understandings, discussions, negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary Order for Public Reproval may not be altered, amended, modified, supplemented, or otherwise changed except by a writing executed by an authorized representative of each of the parties.

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

#### **DISCIPLINARY ORDER**

IT IS HEREBY ORDERED that Pharmacist License No. 36563 issued to Respondent Steven P. Edgar shall be publicly reproved by the Board of Pharmacy under Business and Professions Code section 495 in resolution of Accusation No. 6862, attached as Exhibit A, on the following terms and conditions:

#### 1. Remedial Education

Within sixty (60) days from the effective date of this decision, Respondent shall submit to the board or its designee, for prior approval, an appropriate program of remedial education related to medication errors, non-sterile compounding, and pharmacy laws and operations. The program of remedial education shall consist of at least the following: two (2) hours in medication error reduction strategies, four (4) hours in non-sterile compounding USP 795, and four (4) hours in pharmacy law and operations, which shall be completed within one (1) year from the effective date of this decision at Respondent's own expense. All remedial education shall be in addition to, and shall not be credited toward, continuing education (CE) courses used for license renewal purposes for pharmacists.

Failure to timely submit for approval or complete the approved remedial education shall be considered a cause for discipline.

Following the completion of each course, the board or its designee may require the respondent, at his own expense, to take an approved examination to test the respondent's knowledge of the course. If the respondent does not achieve a passing score on the examination that course shall not count towards satisfaction of this term and respondent shall be required to

take another course approved by the board in the same subject area.

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#### No Ownership or Management of Licensed Premises

Respondent shall not own, have any legal or beneficial interest in, nor serve as a manager, administrator, member, officer, director, trustee, associate, or partner of any business, firm, partnership, or corporation currently or hereinafter licensed by the board, for a period of three (3) years from the effective date of this decision. Respondent shall sell or transfer any legal or beneficial interest in any entity licensed by the board within ninety (90) days following the effective date of this decision and shall immediately thereafter provide written proof thereof to the board. Failure to timely divest any legal or beneficial interest(s) or provide documentation thereof shall be considered cause for discipline.

#### 3. **Cost Recovery**

No later than one (1) year from the effective date of the Decision, Respondent shall pay \$7,000 to the Board for its costs associated with the investigation and enforcement of this matter pursuant to Business and Professions Code Section 125.3. If Respondent fails to pay the Board costs as ordered, Respondent shall not be allowed to renew his Pharmacist License until Respondent pays costs in full. In addition, the Board may enforce this order for payment of its costs in any appropriate court, in addition to any other rights the Board may have.

#### 4. **Full Compliance**

As a resolution of the charges in Accusation No. 6862, this stipulated settlement is contingent upon Respondent's full compliance with all conditions of this Order. If Respondent fails to satisfy any of these conditions, such failure to comply constitutes cause for discipline, including outright revocation, of Respondent's Pharmacist License No. 36563.

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1	<u>ACCEPTANCE</u>		
2	I have carefully read the above Stipulated Settlement and Disciplinary Order for Public		
3	Reproval and have fully discussed it with my attorney, Gregory P. Matzen, Esq. I understand the		
4	stipulation and the effect it will have on my Pharmacist License. I enter into this Stipulated		
5	Settlement and Disciplinary Order for Public Reproval voluntarily, knowingly, and intelligently,		
6	and agree to be bound by the Decision and Order of the Board of Pharmacy.		
7			
8	DATED:		
9	STEVEN P. EDGAR Respondent		
10	I have read and fully discussed with Respondent Steven P. Edgar the terms and conditions		
11	and other matters contained in the above Stipulated Settlement and Disciplinary Order for Public		
12	Reproval. I approve its form and content.		
13	DATED:		
14	GREGORY P. MATZEN, ESQ. Attorney for Respondent		
15			
16	<b>ENDORSEMENT</b>		
17	The foregoing Stipulated Settlement and Disciplinary Order for Public Reproval is hereby		
18	respectfully submitted for consideration by the Board of Pharmacy of the Department of		
19	Consumer Affairs.		
20			
21	DATED: Respectfully submitted,		
22 23	ROB BONTA Attorney General of California DAVID E. BRICE		
24	Supervising Deputy Attorney General		
25			
26	SUMMER D. HARO Deputy Attorney General		
20   27	Attorneys for Complainant		
28	SA2019106122		
20			

#### **ACCEPTANCE**

I have carefully read the above Stipulated Settlement and Disciplinary Order for Public Reproval and have fully discussed it with my attorney, Gregory P. Matzen, Esq. I understand the stipulation and the effect it will have on my Pharmacist License. I enter into this Stipulated Settlement and Disciplinary Order for Public Reproval voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Board of Pharmacy.

DATED: 5321

STEVEN P. EDGAR

Respondent

I have read and fully discussed with Respondent Steven P. Edgar the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order for Public Reproval. I approve its form and content.

DATED: 5/1/2/

GREGORY P. MATZEN, ESQ. Attorney for Respondent

#### ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order for Public Reproval is hereby respectfully submitted for consideration by the Board of Pharmacy of the Department of Consumer Affairs.

DATED: May 10, 2021

Respectfully submitted,

ROB BONTA
Attorney General of California
DAVID E. BRICE
Supervising Deputy Attorney General

SUMMER D. HARO Deputy Attorney General Attorneys for Complainant

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#### **Exhibit A**

Accusation No. 6862

1	XAVIER BECERRA		
2	Attorney General of California DAVID E. BRICE		
3	Supervising Deputy Attorney General SUMMER D. HARO		
4	Deputy Attorney General State Bar No. 245482		
5	1300 I Street, Suite 125 P.O. Box 944255		
6	Sacramento, CA 94244-2550 Telephone: (916) 210-7510		
7	Facsimile: (916) 327-8643 E-mail: Summer.Haro@doj.ca.gov		
8	Attorneys for Complainant		
9	BEFORE THE		
10	BOARD OF PHARMACY DEPARTMENT OF CONSUMER AFFAIRS		
11	STATE OF C.	ALIFORNIA	
12			
13	In the Matter of the Accusation Against: APOTHECARY OPTIONS, INC. DBA	Case No. 6862	
14	APOTHECARY OPTIONS; MATTHEW D. SCHULER, OWNER AND		
15	PRESIDENT; STEVEN P. EDGAR, PHARMACIST-IN-	ACCUSATION	
16	CHARGE, OWNER AND SECRETARY 3006 Esplanade Suite I		
17	Chico, CA 95973  Pharmacy Permit No. PHY 45637,		
18	MATTHEW D. SCHULER		
19	1929 Manzanita Ave. Chico, CA 95926		
20	Pharmacist License No. RPH 42166,		
21 22	and		
23	STEVEN P. EDGAR		
24	14 Dahlia Way Chico, CA 95926		
25	Pharmacist License No. RPH 36563		
26	Respondents.		
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	(APOTHECARY OPTIONS, INC. DBA APOTHECAR'	Y OPTIONS, MATTHEW D. SCHULER, and STEVEN	

P. EDGAR) ACCUSATION

#### **PARTIES**

- Anne Sodergren ("Complainant") brings this Accusation solely in her official capacity as the Executive Officer of the Board of Pharmacy ("Board"), Department of Consumer Affairs.
- 2. On or about January 2, 2002, the Board issued Pharmacy Permit Number PHY 45637 to Apothecary Options, Inc. dba Apothecary Options ("Respondent Apothecary"). At all times relevant to the charges brought herein, Respondent Apothecary's owners and officers were Matthew D. Schuler as President ("Respondent Schuler"), and Steven P. Edgar as Secretary ("Respondent Edgar"). On or about January 1, 2003, Respondent Edgar became the pharmacist-in-charge. The Pharmacy Permit was in full force and effect at all times relevant to the charges brought herein. The Pharmacy Permit was canceled on February 26, 2020, due to a change of ownership.
- 3. On or about August 26, 1988, the Board issued Pharmacist License Number RPH 42166 to Respondent Schuler. The Pharmacist License was in full force and effect at all times relevant to the charges brought herein and will expire on May 31, 2020, unless renewed.
- 4. On or about August 20, 1981, the Board issued Pharmacist License Number RPH 36563 to Respondent Edgar. The Pharmacist License was in full force and effect at all times relevant to the charges brought herein and will expire on December 31, 2020, unless renewed.

#### **JURISDICTION**

- 5. This Accusation is brought before the Board under the authority of the following laws. All section references are to the Business and Professions Code ("Code") unless otherwise indicated.
  - 6. Code section 4300 states, in pertinent part:
    - (a) Every license issued may be suspended or revoked.
    - (b) The board shall discipline the holder of any license issued by the board, whose default has been entered or whose case has been heard by the board and found guilty, by any of the following methods:
      - (1) Suspending judgment.
      - (2) Placing him or her upon probation.

proceeding as required by Chapter 5 (commencing with Section 11500) of Part 1

of Division 3 of the Government Code. The authority to proceed as provided by

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2	13. Health and Safety Code section 11164 states, in pertinent part:
3	Except as provided in Section 11167, no person shall prescribe a controlled
4	substance, nor shall any person fill, compound, or dispense a prescription for a controlled substance, unless it complies with the requirements of this section.
5	
6	(b)(1) Notwithstanding paragraph (1) of subdivision (a) of Section 11162.1, any controlled substance classified in Schedule III, IV, or V may be
7	dispensed upon an oral or electronically transmitted prescription, which shall be produced in hard copy form and signed and dated by the pharmacist filling the
8	prescription or by any other person expressly authorized by provisions of the Business and Professions Code. Any person who transmits, maintains, or receives
9 10	any electronically transmitted prescription shall ensure the security, integrity, authority, and confidentiality of the prescription.
11	
12	14. Health and Safety Code section 111330 states:
13	Any drug or device is misbranded if its labeling is false or misleading in any
particular.	particular.
15	15. Health and Safety Code section 111335 states:
16	Any drug or device is misbranded if its labeling or packaging does not conform to the requirements of Chapter 4 (commencing with Section 110290).
17 18	16. Health and Safety Code section 111340 states:
19	Any drug or device is misbranded unless it bears a label containing all of the following information:
20	(a) The name and place of business of the manufacturer, packer, or distributor.
21	(b) An accurate statement of the quantity of the contents in terms of
22	weight, measure, or numerical count.
23	Reasonable variations from the requirements of subdivision (b) shall be permitted. Requirements for placement and prominence of the information and
24	exemptions as to small packages shall be established in accordance with regulations adopted pursuant to Section 110380.
<ul><li>25</li><li>26</li></ul>	17. Health and Safety Code section 111440 states:
27	It is unlawful for any person to manufacture, sell, deliver, hold, or offer for
28	sale any drug or device that is misbranded.

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2	Nothing in this regulation is intended to prohibit a pharmacist from	
3	exercising commonly-accepted pharmaceutical practice in the compounding or dispensing of a prescription.	
4	21. CCR section 1735.2 states, in pertinent part:	
5		
6	(l) Packages of ingredients, both active and inactive, that lack a supplier's expiration date are subject to the following limitations:	
7	(1) such ingredients cannot be used for any non-sterile compounded	
8	drug preparation more than three (3) years after the date of receipt by the pharmacy.	
10		
11	22. CCR section 1764 states, in pertinent part:	
12	No pharmacist shall exhibit, discuss, or reveal the contents of any	
13	prescription, the therapeutic effect thereof, the nature, extent, or degree of illness suffered by any patient or any medical information furnished by the prescriber	
14	with any person other than the patient or his or her authorized representative, the prescriber or other licensed practitioner then caring for the patient, another	
15	licensed pharmacist serving the patient, or a person duly authorized by law to receive such information.	
16	OUT OF STATE AUTHORITY	
17	23. Revised Code of Washington, section 18.64.011 states, in pertinent part:	
18	The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.	
19		
20	(5) "Commission" means the pharmacy quality assurance commission.	
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22	(25) "Pharmacist" means a person duly licensed by the commission to	
23	(25) "Pharmacist" means a person duly licensed by the commission to engage in the practice of pharmacy.	
24	(26) "Pharmacy" means every place properly licensed by the commission where the practice of pharmacy is conducted.	
25		
26	24. Revised Code of Washington, section 18.64.020 states:	
<ul><li>27</li><li>28</li></ul>	It shall hereafter be unlawful for any person to practice pharmacy or to institute or operate any pharmacy unless such person shall be a licensed pharmacist or shall place in charge of said pharmacy a licensed pharmacist:	
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1	lawful directions and requests for information from the regulatory or licensing agencies of each state in which the applicant is licensed as well as all requests for		
2	information made by the board pursuant to this Code section.		
3			
4	(g)(1) As a prerequisite to registering or renewing a registration with the board, a nonresident pharmacy conducting sterile or nonsterile		
5	compounding for practitioners to use in patient care in the practitioner's office shall submit a copy of the most recent and current inspection report resulting from an inspection conducted by the regulatory or licensing agency of the jurisdiction in		
6	which it is located that indicates compliance with the requirements of this chapter, including compliance with USP-NF standards for pharmacies performing sterile		
7	and nonsterile compounding. The inspection report required by this subsection shall not be required if the compounding within the facility is done pursuant to a		
8			
9	(A) No more than six months prior to the date of submission of an application for registration with the board; or		
11	(B) No more than two years prior to the date of submission of an application for renewal of a registration with the board.		
12	COST DECOVEDY		
13	COST RECOVERY		
14	29. Code section 125.3 provides, in pertinent part, that a Board may request the		
15	administrative law judge to direct a licentiate found to have committed a violation or violations of		
16	the licensing act to pay a sum not to exceed the reasonable costs of the investigation and		
17	enforcement of the case.		
18	<u>DRUG CLASSIFICATIONS</u>		
19	30. Liothyronine is a dangerous drug pursuant to Code section 4022. Liothyronine is		
20	used to treat hypothryroidism. "Cytomel" is a brand of Liothyronine.		
21	31. Estriol is a dangerous drug pursuant to Code section 4022. Estriol is used to treat		
22	vaginal complications.		
23	32. Ciprofloxacin is an antibiotic used to treat bacterial infections.		
24	33. Ketoconazole is a medication used to treat fungal infections.		
25	34. Clotrimazole is a medication used to treat to fungal infections.		
26	FACTUAL ALLEGATIONS		
27	35. On or about June 18, 2019, the Board received an e-mailed complaint from S.L. that		
28	alleged on or about June 14, 2019, Respondent Apothecary sent her a prescription that was not		

hers. On or about July 23, 2019, Board Inspector S.H. spoke with S.L. on the phone, and S.L. informed Inspector S.H. that Respondent Apothecary had mailed her a prescription for liothyronine – T3 5mcg that was not hers. S.L. further told Inspector S.H. that although the prescription label had her name on it, the prescriber's name was L.L., and S.L.'s doctor was E.H..

- 36. On or about August 8, 2019, Inspector S.H. and Board Inspector M.M. went to Respondent Apothecary to conduct an inspection and investigation. Inspector S.H. and Inspector M.M. were greeted and assisted by Respondent Edgar. Inspector S.H. and Inspector M.M. reviewed the following:
- (a) A copy of an electronic prescription dated June 14, 2019, that was transmitted by physician assistant L.L., for liothyronine 5mcg tablets, #60 with 1 refill, for patient R.A.. The prescription was assigned prescription number 84129. The backing of prescription number 84129 showed that Respondent Edgar dispensed that prescription to S.L., instead of R.A., on June 14, 2019, for #120 capsules;
- (b) A copy of an electronic prescription dated June 13, 2019, prescribed by Dr. E.H. for estriol 2mg/gm cream, for patient S.L. The prescription was assigned prescription number 84131. The backing of prescription number 84131 showed that Respondent Edgar dispensed that prescription to S.L. on June 14, 2019, for 30 gm;
- transmitted by physician assistant L.L., for liothyronine 5mcg tablets, #60 with 1 refill, for patient R.A., which had previously been assigned prescription number 84129. This second copy was assigned prescription number 84154 showed that Respondent Schuler dispensed this prescription to patient R.A. on June 17, 2019. There was no documentation of any quality assurance report regarding the medication error from prescription number 84129 having been erroneously dispensed to patient S.L. on June 14, 2019; and
- (d) Copies of United States Postal Service shipping documents, dated June 14, 2019, showing two packages were shipped from Respondent Apothecary to patient S.L. on June 14, 2019.

- 37. Based on his review of the documents and information provided by Respondent Edgar, Inspector S.H. determined that on or about June 14, 2019, Respondent Edgar and Respondent Apothecary incorrectly dispensed and shipped prescription number 84129 to patient S.L., when that prescription had been prescribed for patient R.A. Inspector S.H. also determined that when Respondent Schuler discovered that medication error, he did not document a quality assurance report.
- 38. Also at the August 8, 2019, inspection of Respondent Apothecary, Inspector S.H. and Inspector M.M. found compounding ingredients and compounding solutions, including ciprofloxacin, ketoconazole, and clotrimazole that were maintained as inventory beyond the labeled expiration dates. Inspector S.H. and Inspector M.M. gave Respondent Edgar notice that those expired ingredients and compounding solutions needed to be disposed of in a timely manner.
- 39. On or about September 30, 2019, Board Inspector M.I. went to Respondent Apothecary to conduct an inspection and follow-up on Inspector S.H. and Inspector M.M.'s findings from the August 8, 2019 inspection and investigation. Respondent Edgar assisted Inspector M.I. during the inspection. During the inspection Inspector M.I. found boxes of old prescription records and prescription logs, as well as a cardboard box filled with active, but expired, pharmaceutical ingredients. Inspector M.I. found that some of those ingredients did not have expiration dates listed, or dates of when the products were first opened. Inspector M.I. also found a file cabinet containing controlled substance powders used in compounding that were expired and no longer usable. Respondent Edgar subsequently e-mailed Inspector M.I. a list of additional expired medications that were in Respondent Apothecary at the time of Inspector M.I.'s inspection. Some of the expired ingredients found by Inspector M.I. were the same expired ingredients that Inspector S.H. and Inspector M.M. had instructed Respondent Edgar to dispose of on August 8, 2019.
- 40. Also on or about September 30, 2019, Inspector M.I. reviewed a sample of controlled substance prescriptions that were received by Respondent Apothecary via facsimile. Inspector M.I. asked Respondent Edgar to explain how faxed refill authorizations and new prescriptions for

controlled substances were processed. In response, Respondent Edgar explained that he would rewrite any refill authorizations or new prescriptions for controlled substances that were received by facsimile. Respondent Edgar further told Inspector M.I. that he did not know that he needed to call prescribers or do anything additional to verify the authenticity of controlled substance prescriptions other than rewriting the prescription. Inspector M.I. found approximately twelve (12) controlled substance prescriptions dispensed which were not properly verified as authentic by Respondent Edgar.

- 41. During the September 30, 2019, inspection, Respondent Edgar also told Inspector M.I. that some of the medications compounded at Respondent Apothecary were sent to out-of-state patients. Respondent Edgar further informed Inspector M.I. that he had dispensed to out-of-state patients, compounded medications for the following out-of-state prescribers: S.D. from Washington, K.C. from Washington, and W.T. from Georgia. Inspector M.I. subsequently investigated the license status of those prescribers and found the following:
- a. S.D. did not have a license with the Medical Board of California. As of October 22, 2019, S.D.'s license with the State of Washington Department of Health, Board of Osteopathic Medicine and Surgery, was subject to an enforcement action for unprofessional conduct, which had been filed in 2016;
- b. K.C. did not have a license with the Medical Board of California or California's Naturopathic Medicine Committee. K.C.'s Naturopathic Physician License in Washington was active and did not have any discipline listed on his license.
- c. W.T. did not have a license with the Medical Board of California. W.T.'s license with the Georgia Composite Medical Board was surrendered on or about October 30, 2017. W.T.'s license surrender was considered to be and had the same effect as a revocation of his license.
- 42. At the September 30, 2019, inspection, Respondent Edgar provided Inspector M.I. with prescription logs, which Respondent Edgar confirmed were an accurate representation of the medications dispensed by Respondent Apothecary. Inspector M.I. reviewed those prescription logs regarding the prescriptions dispensed by Respondent Edgar and Respondent Schular to out of

disclosure of prescriptions, in violation of California Code of Regulations, title 16, section 1764,

and Civil Code section 56.10, by and through Code section 4301 subdivision (o), in that on or about June 14, 2019, Respondent Apothecary's staff disclosed protected health information without authorization, when they sold prescription number 84129, prescribed for patient R.A., to the wrong patient, as set forth in detail above in paragraphs 35 to 37, and their subparts.

#### THIRD CAUSE FOR DISCIPLINE

#### (Failure to Conduct Quality Assurance Review – Respondent Apothecary)

45. Respondent Apothecary is subject to disciplinary action for failing to conduct a quality assurance review, in violation of California Code of Regulations, title 16, section 1711 subdivision (d), by and through Code section 4301 subdivision (o), in that on or about June 17, 2019, Respondent Apothecary's employee learned of a medication error regarding prescription number 84129, but failed to document a quality assurance report, as set forth in detail above in paragraphs 35 to 37, and their subparts.

#### **FOURTH CAUSE FOR DISCIPLINE**

#### (Compounding Limitations and Requirements – Respondent Apothecary)

46. Respondent Apothecary is subject to disciplinary action for failing to comply with compounding limitations and requirements in violation of Code section 1735.2 subdivision (*l*)(1), by and through Code section 4301 subdivision (o), in that Respondent Apothecary maintained as inventory outdated compounding ingredients and compounding solutions that were identified as not having an expiration date, beyond the labeled expiration dates, as set forth in detail above in paragraphs 36, and 38 to 39.

#### FIFTH CAUSE FOR DISCIPLINE

#### (Misbranded Drugs – Respondent Apothecary)

47. Respondent Apothecary is subject to disciplinary action for holding misbranded drugs, in violation of Health and Safety Code sections 111330, 111335, 111340, 111440, and Code section 4169 subdivision (a)(3), all by and through Code section 4301 subdivision (o), in that on or about September 30, 2019, Respondent Apothecary continued to store expired medications after Board Inspectors had instructed it to dispose of them, as set forth in detail above in paragraphs 36, and 38 to 39.

but failed to document a quality assurance report, as set forth in detail above in paragraphs 35 to 37, and their subparts.

#### **NINTH CAUSE FOR DISCIPLINE**

#### (Unprofessional Conduct – Respondent Schuler)

51. Respondent Schuler is subject to disciplinary action for unprofessional conduct, in violation of Code section 4301 subdivisions (j) and (o), the Revised Code of Washington sections 18.64.350(3), 18.64.370(1), and 18.64.390(1), by and through Code section 4301 subdivision (o), and the Official Code of Georgia Annotated sections 26-4-114.1(a), and 26-4-114.1(g)(1), by and through Code section 4301 subdivision (o), in that from September 30, 2018, to September 30, 2019, Respondent Schuler dispensed a total of 112 compounded medications to residents located in Washington, and a total of 2 compounded medications to residents located in Georgia, without obtaining licenses in those states, as set forth in detail above in paragraphs 40 to 42, and their subparts.

#### C. Respondent Edgar

52. Respondent Edgar has been designated the Pharmacist-In-Charge for Respondent Apothecary under Code section 4113, subdivision (a) since January 1, 2003. As Pharmacist-In-Charge for Respondent Apothecary, Respondent Edgar was responsible for Respondent Apothecary's compliance with all state and federal laws and regulations to the practice of pharmacy under Code section 4113 subdivision (c).

#### TENTH CAUSE FOR DISCIPLINE

#### (Variation from the Requirements of a Prescription – Respondent Edgar)

53. Respondent Edgar is subject to disciplinary action for dispensing drugs that varied from the requirements of a prescription, in violation of California Code of Regulations, title 16, section 1716, by and through Code section 4301 subdivision (o), in that on or about June 14, 2019, Respondent Edgar incorrectly dispensed prescription number 84129, prescribed for patient R.A., to the wrong patient, as set forth in detail above in paragraphs 35 to 37, and their subparts.

#### ELEVENTH CAUSE FOR DISCIPLINE

(Unauthorized Disclosure of Prescriptions - Respondent Edgar)

54. Respondent Edgar is subject to disciplinary action for the unauthorized disclosure of prescriptions, in violation of California Code of Regulations, title 16, section 1764, and Civil Code section 56.10, by and through Code section 4301 subdivision (o), in that on or about June 14, 2019, Respondent Edgar disclosed protected health information without authorization, when he incorrectly dispensed prescription number 84129, prescribed for patient R.A., to the wrong patient, as set forth in detail above in paragraphs 35 to 37, and their subparts.

#### TWELFTH CAUSE FOR DISCIPLINE

#### (Misbranded Drugs – Respondent Edgar)

55. Respondent Edgar is subject to disciplinary action for holding misbranded drugs, in violation of Health and Safety Code sections 111330, 111335, 111340, 111440, and Code section 4169 subdivision (a)(3), all by and through Code section 4301 subdivision (o), in that on or about September 30, 2019, Respondent Edgar continued to store expired medications after Board Inspectors had instructed him to dispose of them, as set forth in detail above in paragraphs 36, and 38 to 39.

#### THIRTEENTH CAUSE FOR DISCIPLINE

#### (Requirements for Prescriptions – Respondent Edgar)

56. Respondent Edgar is subject to disciplinary action for failing to verify the authenticity of controlled substance prescriptions sent electronically by facsimile, in violation of Health and Safety Code section 11164 subdivision (b)(1), by and through Code section 4301 subdivision (o), in that from June 2019, through August 2019, he did not verify controlled substance refill authorizations, as set forth in detail above in paragraphs 40 to 42, and their subparts.

#### **FOURTEENTH CAUSE FOR DISCIPLINE**

#### (Unprofessional Conduct – Respondent Edgar)

57. Respondent Edgar is subject to disciplinary action for unprofessional conduct, in violation of Code section 4301 subdivisions (j) and (o), the Revised Code of Washington sections 18.64.350(3), 18.64.370(1), and 18.64.390(1), by and through Code section 4301 subdivision (o), and the Official Code of Georgia Annotated sections 26-4-114.1(a), and 26-4-114.1(g)(1), by and through Code section 4301 subdivision (o), in that from September 30, 2018, to September 30,

2019, Respondent Edgar dispensed a total of 145 compounded medications to residents located in Washington, and a total of 8 compounded medications to residents located in Georgia, without obtaining licenses in those states, as set forth in detail above in paragraphs 40 to 42, and their subparts.

#### **DISCIPLINE CONSIDERATIONS**

- 58. To determine the degree of discipline, if any, to be imposed on Respondent Apothecary, Complainant alleges that on or about March 21, 2016, the Board issued Citation Number CI 2014 65280, against Respondent Apothecary for (a) failing to maintain written documentation demonstrating that pharmacy personnel have the skills and training required to properly and accurately perform their assigned responsibilities relating to compounding, in violation of CCR section 1735.7(a) and (b), and (b) for failing to perform annual reviews of its compounding policies and procedures, in violation of CCR section 1735.5(b). Respondent Apothecary was ordered to maintain written documentation sufficient to demonstrate that pharmacy personnel have the skills and training required to properly and accurately perform their assigned responsibilities relating to compounding. Respondent Apothecary was further ordered to have its Pharmacist-In-Charge review its policy and procedure manual on an annual basis, and to update it whenever changes in processes are implemented. That Citation is now final.
- 59. To determine the degree of discipline, if any, to be imposed on Respondent Edgar, Complainant alleges that on or about March 21, 2016, in a prior action, the Board issued Citation Number CI 2015 69540 against Respondent Edgar, as the Pharmacist-In-Charge at Respondent Apothecary, for (a) failing to maintain written documentation demonstrating that pharmacy personnel have the skills and training required to properly and accurately perform their assigned responsibilities relating to compounding, in violation of CCR section 1735.7(a) and (b), and (b) for failing to perform annual reviews of its compounding policies and procedures, in violation of CCR section 1735.5(b). Respondent Edgar was fined \$400.00 for these violation. Respondent Edgar was ordered to maintain written documentation sufficient to demonstrate that pharmacy personnel have the skills and training required to properly and accurately perform their assigned responsibilities relating to compounding. Respondent Apothecary was further ordered to have its

Pharmacist-In-Charge review its policy and procedure manual on an annual basis, and to update it whenever changes in processes are implemented. That Citation is now final.

#### **OTHER MATTERS**

- 60. Pursuant to Code section 4307, if discipline is imposed on Pharmacy Permit Number PHY 45637 issued to Apothecary Options Inc. dba Apothecary Options, while Respondent Schuler has been a manager, administrator, owner, member, officer, director, associate, or partner, and had knowledge of or knowingly participated in any conduct for which the licensee was disciplined, then Respondent Schuler shall be prohibited from serving as a manager, administrator, owner, member, officer, director, associate, or partner of a licensee for five years if Pharmacy Permit Number PHY 45637 is placed on probation or until Pharmacy Permit Number PHY 45637 is reinstated if it is revoked.
- PHY 45637 issued to Apothecary Options Inc. dba Apothecary Options, while Respondent Edgar has been a manager, administrator, owner, member, officer, director, associate, or partner, and had knowledge of or knowingly participated in any conduct for which the licensee was disciplined, then Respondent Edgar shall be prohibited from serving as a manager, administrator, owner, member, officer, director, associate, or partner of a licensee for five years if Pharmacy Permit Number PHY 45637 is placed on probation or until Pharmacy Permit Number PHY 45637 is reinstated if it is revoked.

#### **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:

- Revoking or suspending Pharmacy Permit Number PHY 45637, issued to Apothecary Options, Inc. dba Apothecary Options;
- Revoking or suspending Pharmacist License Number RPH 42166, issued to Matthew
   Schuler;
- 3. Revoking or suspending Pharmacist License Number RPH 36563, issued to Steven P. Edgar;