



September 15, 2026

Dr. Seung Oh, PharmD
President
California State Board of Pharmacy
2720 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833

Re: Proposed Amendments to 16 California Code of Regulations §1707.4; Related to Central Fill Pharmacies

Dear Dr. Oh:

The National Association of Chain Drug Stores (NACDS) appreciates the opportunity to provide additional feedback on the California State Board of Pharmacy (Board) second modified proposed amendments of California Code of Regulations (CCR), Title 16, Section 1707.4; Related to Central Fill Pharmacies made available on September 14, 2026, via the September 17, 2026, Board meeting agenda. NACDS reiterates its staunch opposition to the previously proposed amendment association with Subsection (c) [previously subsection (a)] which created the geographic requirement that central fill facilities be “located in California” and offers its support and gratitude for the second modified proposed amendments.

NACDS represents stand-alone drug stores, supermarkets, and mass merchants with pharmacies. Chains operate approximately 32,000 pharmacies, and NACDS’ member companies include regional chains, with a minimum of four stores, and national companies. As the most accessible healthcare destinations, and among the most trusted, pharmacies help patients use medicines correctly and safely, while offering innovative services that improve patient health and healthcare affordability. NACDS members also include supplier partners that help to meet Americans’ expectations by leveraging the total store for the total person.

NACDS previously respectfully requested that the Board strike the language in Subsection (c) that required central fill pharmacies to be located in the state of California:

*(c) A central fill pharmacy **located in California and** licensed by the Board may process a request for prescription medication received by another pharmacy within this state, provided: ...*

NACDS asserts that, as previously drafted, the Board would be *legally compelled* to strike the language in Subsection (c), as it would have resulted in a violation of the Commerce Clause found in Article I, Section 8, Clause 3 of the United States Constitution when it discriminates against central fill pharmacies located outside of California (out-of-state) in comparison to, and in favor of, central fill pharmacies located in California (in-state). It is well-established that the United States Constitution gives Congress the power “to

regulate Commerce with foreign Nations, and among the several States, and with Indian Tribes” (i.e. interstate commerce).

Courts utilize the dormant Commerce Clause analysis to evaluate whether a state law undermines Congress’ power by determining whether a state law discriminates against out-of-state actors or out-of-state competition or has the effect of favoring in-state economic actors.¹ Under the dormant Commerce Clause cases, a state law that discriminates against out-of-state goods or nonresident economic actors can be sustained only on a showing that it is narrowly tailored to “advanc[e] a legitimate local purpose.”² NACDS applauds the Board for recognizing that the previously drafted proposed amendment to Subsection (c) would have likely constituted a *per se* violation of the Commerce Clause.

NACDS again offers its sincere thanks and gratitude to the Board for the second modified proposed amendments of CCR, Title 16, Section 1707.4; Related to Central Fill Pharmacies made available on September 14, 2026, via the September 17, 2026, Board meeting agenda. The Boards second modified proposal, which strikes the geographic requirement that central fill facilities be “located in California” will allow for NACDS members to continue central fill operations that facilitate critical patient access to medications.

NACDS appreciates the Board’s consideration of both these, and NACDS’ previous comments, and again thanks the Board for making the September 14, 2026, second modified proposed amendments that reflect such consideration. Please do not hesitate to contact Sandra Guckian, NACDS Vice President, State Advocacy, at SGuckian@nacds.org if you have any questions or would like to discuss further.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven C. Anderson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Steven C. Anderson, FASAE, CAE, IOM
President and Chief Executive Officer

Cc: Anne Sodergren, Executive Officer
Members of the Board

¹ *Brown-Forman Distillers Corp. v. N.Y. State Liquor Auth.*, 476 U.S. 573, 585 (1986). A court will rule the state law unconstitutional unless the state can show that it has no other reasonable means of advancing a legitimate state or local interests.

² *Department of Revenue of Ky. v. Davis*, [553 U.S. 328](#), 338



September 15, 2026

Julie McFall
Board of Pharmacy
2720 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833

RE: Proposed Amendments to Title 16, CCR Section 1707.4 – SUPPORT

Submitted via electronic mail: Julie.McFall@dca.ca.gov

Dear Ms. McFall:

On behalf of the California Grocers Association (CGA), I am writing to express our strong support for the Board staff's recommendation regarding the proposed amendment to Title 16, CCR Section 1707.4. We commend the staff for their thoughtful reconsideration and for proposing modified text that removes the requirement for central fill pharmacies to be physically located within California.

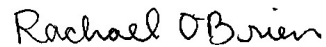
Adopting the staff's recommended text aligns California's regulatory framework with modern pharmacy operations while fully safeguarding patient health, safety, and regulatory accountability:

- **Robust Regulatory Oversight:** As staff rightly identified, recent statutory authority under AB 1503 (Berman, Ch. 196, Stats. 2025) and Business and Professions Code § 4112 provide the Board with comprehensive authority to license, inspect, and enforce California standards against nonresidential pharmacies. This statute ensures that patient protections remain uncompromised, regardless of a facility's physical address.
- **Preserving Timely Patient Access:** Central fill operations are utilized for predictable, maintenance medications rather than acute prescriptions. Through shared, real-time pharmacy management systems, originating retail pharmacies maintain full custody and visibility over every order. If a patient arrives earlier than expected or requires therapy immediately, the prescription will be instantly reassigned and filled on-site without delay.
- **Logistical Efficiency:** In practice, geographic state lines do not dictate transit times. A licensed nonresident central fill pharmacy in a neighboring state with established distribution infrastructure can often serve regional California retail

pharmacies more rapidly and reliably than a facility located on the other side of the state.

Modernizing Section 1707.4 as proposed by staff will relieve administrative and dispensing burdens on retail pharmacy teams, giving pharmacists more time to deliver direct clinical care, immunizations, and patient consultations. For these reasons, the California Grocers Association respectfully urges the Board to adopt the staff-recommended modified language at the September 17 meeting. Thank you for your thoughtful leadership and continued commitment to California patients.

Sincerely,

A handwritten signature in black ink that reads "Rachael O'Brien". The script is cursive and fluid, with the first name and last name clearly distinguishable.

Rachael O'Brien
Vice President, Government Relations
California Grocers Association