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# FRIEDEN FORBES

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January 24, 2023

# VIA EMAIL (ctillery@sb-kc.com)

Christopher C. Tillery Seigfreid Bingham 2323 Grand Blvd., Suite 1000 Kansas City, MO 64108

RE:

PostMeds, Inc. dba Truepill

Case No. 22-183

Dear Mr. Tillery:

I am Disciplinary Counsel for the Kansas Board of Pharmacy (KBOP) and, as such, your recent communications have been forwarded to my attention. Please direct future communications to my attention. Although the sought after review of the Summary Order in this matter was untimely and KBOP records indicate the document was provided to your client's address of record which results in presumed delivery, the KBOP has considered the information and entered the enclosed Amended Summary Order. The KBOP did receive notice of the Louisiana discipline by letter dated May 16, 2022, and this will confirm they do not intend to issue any further discipline on that issue.

Very truly yours,

Brenda L. Head

Frieden & Forbes, LLP

BLH:ajf Enclosure

cc:

Alexandra Blasi (by email)

## BEFORE THE KANSAS BOARD OF PHARMACY

In the Matter of	)	
	)	Case No. 22-183
PostMeds, Inc dba Truepill	)	
	)	
Registration No. 22-117859	)	

## AMENDED SUMMARY ORDER

NOW on this <u>20th</u> day of January, 2023, comes before the Kansas Board of Pharmacy (the "Board"), through its Executive Director, the matter of PostMeds, Inc dba Truepill ("Respondent").

Pursuant to the authority granted to the Board by the Kansas Pharmacy Act, K.S.A. 65-1625, et seq., and in accordance with the Kansas Administrative Procedure Act, K.S.A. 77-501, et seq., the Board's Executive Secretary enters this Amended Summary Order in the above-captioned matter. After reviewing the investigation materials and being otherwise duly advised in the premises, makes the following findings, conclusions and order:

## **FINDINGS OF FACT**

- 1. The Board has previously issued Respondent Registration No. 22-104228 which entitled Respondent to operate as a non-resident pharmacy in the State of Kansas.
- 2. On November 6, 2019, the ownership of Respondent's non-resident pharmacy changed.
- 3. On May 22, 2020, the Board received a renewal application for Respondent's Registration No. 22-104228, which was approved on June 3, 2020 with an expiration date of June 30, 2021. Respondent answered "No" to the question: "Has any license or registration, currently or previously held by the applicant or the PIC been surrendered to, denied, disciplined, censured, suspended, limited, placed on probation, or revoked by any state of federal government?"

Respondent certified the information submitted was true, correct, and complete to the best of Respondent's knowledge.

- 4. On June 1, 2021, the Board received a renewal application for Respondent's Registration No. 22-104228, which was approved on June 21, 2021 with an expiration date of June 30, 2022. Respondent answered "No" to the question: "Has any license or registration, currently or previously held by the applicant or the PIC been surrendered to, denied, disciplined, censured, suspended, limited, placed on probation, or revoked by any state of federal government?" Respondent certified the information submitted was true, correct, and complete to the best of Respondent's knowledge.
- 5. Due to staffing challenges, personnel turnover and administrative oversight resulting from its early, rapid growth and restructuring and the corresponding COVID-19 pandemic, Respondent mistakenly failed to report the 2019 ownership change and related disclosures to the Board in its May 22, 2020 and June 1, 2021 renewal applications.
- 6. On April 18, 2022, the Board received notification from Respondent of an ownership change and several past disciplinary actions not previously reported to the Board including: North Carolina Board of Pharmacy Consent Order of Discipline dated March 8, 2022; California State Board of Pharmacy Letter of Admonishment dated January 23, 2020; California State Board of Pharmacy Citation and Fine dated June 16, 2020; California State Board of Pharmacy Citation and Fine Order of Abatement dated August 25, 2021; Alabama State Board of Pharmacy Final Order dated October 25, 2021; California State Board of Pharmacy Citation and Fine dated January 24, 2019; and California State Board of Pharmacy Citation dated December 16, 2019.

- 7. On April 28, 2022, the Board received from Respondent a Form BA-22 Non-Resident Pharmacy Registration Application ("Respondent's Application"), notifying of the change in ownership effective November 6, 2019, and applying for a new non-resident pharmacy registration under the new ownership.
- 8. On May 20, 2022, the Board approved Respondent's Application and issued Respondent the new Non-Resident Pharmacy Registration No. of 22-117859 ("Respondent's Registration") under their new ownership.
- 9. Prior to receiving the ownership change application, registrant provided a letter notifying of the late ownership change, as well as unreported discipline. Ownership change application completed indicating discipline had occurred and providing details of discipline (5 occurrences).
- 10. In mitigation, Respondent states that it has invested in additional staff, engaged internal and external legal counsel and implemented training efforts to prevent any such reporting oversights in the future.

## **CONCLUSIONS OF LAW**

- 1. Pursuant to K.S.A. 65-1658, the Board may assess a civil fine not to exceed \$5,000, after notice and an opportunity to be heard, to any registrant for violation of the pharmacy act of the state of Kansas or any other rules or regulations of the state board of pharmacy.
- 2. Pursuant to K.S.A. 65-1627(f), the Board may take action against a registration on any ground that would authorize the board to take action against the registration of a pharmacy under K.S.A. 65-1627, and amendments thereto.
- 3. Pursuant to K.S.A. 65-1627(e)(1), the Board may take action against the registration of a pharmacy upon a finding that such pharmacy has been operated in such manner

that violations of the provisions of the pharmacy act of the state of Kansas or of the rules and regulations of the board have occurred in connection therewith.

- 4. Pursuant to K.S.A. 65-1627(e)(4), the Board may take action against the registration of a pharmacy upon a finding that the registrant has had a registration revoked, suspended or limited, has been censured or has had other disciplinary action taken, or an application for registration denied, by the proper registering authority of another state, territory, District of Columbia or other country.
- 5. Pursuant to K.S.A. 65-1657, no nonresident pharmacy shall ship, mail, or deliver, in any manner, prescription drugs to a patient in this state unless registered with the Board as a nonresident pharmacy.
  - 6. Pursuant to K.S.A. 65-1645(f), registrations shall not be transferable.
- 7. Pursuant to K.A.R. 68-2-9, each registrant shall notify the executive secretary of the Board in writing of any change in majority ownership of the operation for which the registration was issued within five days after the date the change in ownership becomes effective.
- 8. Pursuant to K.A.R. 68-2-23, each pharmacy owner shall notify the board in writing within 30 days of any denial, limitation, suspension, revocation, voluntary surrender, or other disciplinary action taken by the state of Kansas or another jurisdiction against the pharmacy or the pharmacy owner or any application, license, registration, or permit held by the pharmacy owner.
- 9. Respondent's registered facility changed ownership on November 6, 2019 but Respondent did not provide notification or file a new application with the Board until April 18 and 28, 2022, respectively.
- 10. Respondent's failure to submit the complete change of ownership to the Board until April 2022 is a violation pursuant to K.A.R. 68-2-9 and an unlawful transfer of the previous

registration to the new ownership. Respondent's actions are a violation pursuant to K.S.A. 65-1657 and K.S.A. 65-1627(e)(1), and a basis to take action against Respondent's Registration.

11. Respondent failed to notify the Board of the six disciplinary actions by North Carolina, California, and Alabama until April 18, 2022, nearly one to two years after they were effective, is a violation of K.A.R. 68-2-23 and a basis to take action against Respondent's Registration pursuant to K.S.A. 65-1627(e)(1) and (e)(4).

#### **ORDER**

Taking into account the mitigating and corrective actions of Respondent, the Board finds and concludes that Respondent's conduct, as described above, violates the Act and such conduct warrants the imposition of a fine pursuant to K.S.A. 65-1658, in the amount of \$3,500.00. Respondent has 30 days from the date of this order to pay the fine.

## **NOTICES**

The Respondent is hereby notified as follows:

- 1. The Respondent may request a hearing pursuant to the Kansas Administrative Procedure Act by filing a written request with the Kansas Board of Pharmacy, 800 SW Jackson, Suite 1414, Topeka, KS 66612-1231 within fifteen (15) days after service of this order.
- 2. If a hearing is not requested as described above, the Order shall become a final order of the Board, effective upon the expiration of the time to request a hearing.
- 3. Within fifteen (15) days after entry of a final agency order, either party may file a petition for reconsideration pursuant to K.S.A. 77-529.
- 4. Within the time limits established in K.S.A. 77-613, either party may seek judicial review of a final agency order, pursuant to said statute. The agency officer designated to receive service of a petition for judicial review is:

Alexandra Blasi Executive Secretary Kansas Board of Pharmacy 800 SW Jackson, Suite 1414 Topeka, KS 66612

IT IS SO ORDERED.

1/20/2023	alepBasis	
Date	Kansas Board of Pharmacy	

## CERTIFICATE OF SERVICE

I hereby certify that I did, on the \_\_\_\_\_\_\_ day of January, 2023, deposit in business mail a copy of the foregoing Amended Summary Order, which is then placed in the United States Mail, postage prepaid, properly addressed to the following:

PostMeds, Inc dba Truepill 3121 Diablo Ave Hayward, CA 94545

and via email to:

Christopher C. Tillery Seigfreid Bingham, P.C. <a href="mailto:ctillery@sb-kc.com">ctillery@sb-kc.com</a> Attorney for Respondent

Brenda L. Head

Disciplinary Counsel for the Kansas Board of Pharmacy