

## **SMALL BUSINESS IMPACT STATEMENT**

Prior to adopting a new section or amendment, Section 4-168a of the Connecticut General Statutes (C.G.S.) requires that each state agency consider the affect of such action on small businesses as defined in C.G.S. Section 4-168a. When such a regulatory action may have an adverse affect on small businesses, C.G.S. Section 4-168a directs the agency to consider regulatory requirements that will minimize the adverse impacts on small businesses if the addition of such requirements (1) will not interfere with the intended objectives of the regulatory action and (2) will allow the new section or amendment to remain consistent with public health, safety and welfare.

State Agency submitting proposed regulations: **Department of Consumer Protection**

Subject matter of Regulation: **The Security of Controlled Substances**

Date of Agency analysis: **August 27, 2010**

### **Check the appropriate box:**

- The regulatory action will not have an affect on small businesses.
- The regulatory action will have an affect on small businesses, but will not have an adverse affect on such small businesses.
- The regulatory action may have an adverse affect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially affected small business. Alternatives considered include the following:
  - (1) The establishment of less stringent compliance or reporting requirements for small businesses;
  - (2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
  - (3) The consolidation or simplification of compliance or reporting requirements for small businesses;
  - (4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
  - (5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.
- The regulatory action will have an adverse affect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.

The Department of Consumer Protection **notified** / (did not notify) the Department of Economic and Community Development of its intent to take the proposed action, and **completed** / (did not complete) the Agency Fiscal Estimate of Proposed Regulations.

**Explanation of Small Business Impact of Proposed Regulation:**

This proposed regulation may alter some business practices of certain pharmacies in Connecticut. The Department considered the alternatives listed in Conn. Gen. Stat. Section 4-168a. Pharmacy trade associations were specifically consulted in the drafting of these regulations.

Some additional costs for compliance are anticipated, since the proposed safety standards will require electronic security systems for safes and vaults containing controlled substances. Exemptions from this new provision are not consistent with the objective of protecting the supplies of controlled substances in Connecticut from theft and abuse. The Department considers this regulation to promote the public health and safety. The proposed regulatory action is expected to reduce the number of controlled substance thefts, and thereby could result in a savings to select pharmacies by reducing product losses and possibly reducing insurance premiums.

The Department expects that many pharmacy safes and vaults are already protected by electronic security systems, so additional costs are expected only for those pharmacy locations that need to add such a system. The cost to install a security system meeting the requirements of this regulation would be a one-time cost, but electronic remote monitoring, if necessary, would be an ongoing cost.