

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON JUDICIARY
Ash Kalra, Chair
AB 2141 (Patterson) – As Amended March 19, 2026

PROPOSED CONSENT

SUBJECT: PHARMACIES: LICENSE DISCIPLINE: STIPULATED SETTLEMENT AND DISCIPLINARY ORDER

KEY ISSUE: SHOULD THE CALIFORNIA STATE PHARMACY BOARD BE ALLOWED TO RESOLVE A POTENTIAL CAUSE FOR DISCIPLINE BY A LICENSEE THROUGH A STIPULATED SETTLEMENT AGREEMENT PRIOR TO THE FILING OF A FORMAL ACCUSATION?

SYNOPSIS

Under existing law, the California Board of Pharmacy (board) initiates formal disciplinary proceedings against a licensee by first filing an accusation under the adjudicative process set forth in Administrative Procedures Act (APA). While settlements are common, they typically occur only after the formal accusation has been filed. According to the author and sponsor, the requirement that the board initiate formal disciplinary proceedings in order to resolve a potential disciplinary action creates inefficiencies, especially in cases where violations have already been substantiated and both the board and licensee are willing to resolve the matter early without a formal accusation.

This bill allows the board to resolve a disciplinary matter through a stipulated settlement agreement without the need of first filing of a formal accusation. As such, the bill creates an exception to the adjudication provisions of the APA. Under the APA, in a proceeding to determine whether an occupational license should be revoked, suspended, limited, or conditioned, a settlement may not be made before issuance of the agency pleading, including an accusation by a licensing board. Where a violation has been substantiated and the board and licensee are willing to resolve the matter through a stipulated settlement, this bill allows them to do so, whether or not the board has filed a formal accusation. This bill was previously approved by the Committee on Business & Professions by unanimous vote.

SUMMARY: Authorizes the California State Board of Pharmacy (Board) to resolve a potential cause for discipline by a licensee through a stipulated settlement agreement prior to the filing of a formal accusation. Specifically, **this bill:**

- 1) Authorizes the board and a licensee to enter into a stipulated settlement and disciplinary order without and in advance of the filing of an accusation or other agency pleading.
- 2) Requires a pre-accusation settlement to meet the following conditions:
 - a) Enforcement staff or investigators for the board conducted an inspection or investigation as provided for in the Pharmacy Law and substantiated violations of law.

- b) Enforcement staff at the board provided the licensee with findings of the violations in writing, and a notice of possible eligibility for a stipulated settlement and disciplinary order.
 - c) The licensee, within 15 days of being provided with the findings of the violations, notified the board in writing of the licensee's willingness to waive the administrative adjudication provisions of the APA, including notice and hearing requirements, and to consider a stipulated settlement and disciplinary order as an alternative to action taken on the basis of a pleading.
 - d) The licensee submitted mitigation and rehabilitation information, as specified in the board's disciplinary guidelines.
- 3) Provides that a committee consisting of the board's executive officer, two members of the board, one public member, and one licensee member shall consider the mitigation and rehabilitation information and provides the committee with discretion to extend a stipulated settlement and disciplinary order offer to the licensee.
 - 4) Requires a stipulated settlement and disciplinary order, incorporating the findings of the violations, to be agreed to in writing between the committee and licensee within 60 calendar days of the date of the licensee's waiver of the APA and provides that the settlement is contingent upon approval by the board, except as specified.
 - 5) Requires the board to file the appropriate disciplinary pleading if the committee and the licensee fail to reach an agreement, as specified.

EXISTING LAW:

- 1) Establishes the Board of Pharmacy (board) within the Department of Consumer Affairs and authorizes the board to adopt rules and regulations as may be necessary for the protection of the public. (Business and Professions Code Section 4000 *et seq.*)
- 6) Provides that every license issued by the board may be suspended, revoked, denied, or subjected to other forms of discipline deemed proper by the board, and requires the board to issue citations, issue abatement orders, fines, and take other appropriate action against any licensee who is guilty of unprofessional conduct. (Business and Professions Code Sections 4300-4317.5.)
- 7) Establishes the administrative adjudication provisions of the Administrative Procedure Act. (Government Code Section 11400 *et seq.*)
- 8) Allows for an agency to formulate and issue a decision by settlement, pursuant to an agreement of the parties, without conducting an adjudicative proceeding, and provides that a settlement may be made before or after issuance of an agency pleading, except that in an adjudicative proceeding to determine whether an occupational license should be revoked, suspended, limited, or conditioned, a settlement may not be made before issuance of the agency pleading. (Government Code Section 11415.60.)

FISCAL EFFECT: As currently in print this bill is keyed fiscal.

COMMENTS: According to the author, this bill “remedies a situation that requires formal accusations to be filed against licensees. Instead, this measure will allow the Board of Pharmacy and licensees to enter into stipulated settlements and disciplinary orders before an accusation is filed. This improves efficiency, conserves state resources, and allows the Board to focus its efforts on matters that jeopardize public health and safety.”

Under existing law, the Board must initiate formal disciplinary proceedings by filing an accusation under an administrative process set forth in APA. While settlements are common, they typically occur only after the formal accusation has been filed. According to the author and sponsor, the requirement that the board initiate formal disciplinary proceedings in order to resolve a potential disciplinary action creates inefficiencies, especially in cases where violations have already been substantiated and both the board and licensee are willing to resolve the matter early without need of a formal accusation.

This bill allows the board to resolve a disciplinary matter through a stipulated settlement agreement without the need of first filing of a formal accusation. As such, the bill creates an exception to adjudication provisions of the APA. Under the APA, in a proceeding to determine whether an occupational license should be revoked, suspended, limited, or conditioned, a settlement may not be made before issuance of the agency pleading, including an accusation by a licensing board. Where a violation has been substantiated and the board and licensee are willing to resolve the matter through a stipulated settlement, this bill allows them to do so whether or not the board has filed a formal accusation.

ARGUMENTS IN SUPPORT: The Alliance for Pharmacy Compounding writes in support:

AB 2141 introduces a thoughtful and measured improvement to the enforcement framework by establishing an interim step before referral to the Attorney General. From a process standpoint, this is an important refinement. It creates an opportunity for earlier engagement between the Board and licensees, which can lead to clarification, corrective action, and resolution in appropriate cases without immediately escalating to formal litigation.

This type of approach is not new. Many states already incorporate some form of interim or informal resolution step within their enforcement processes, allowing regulators and licensees to address issues at an earlier stage when appropriate. These frameworks have demonstrated that early engagement can improve compliance outcomes while reserving formal enforcement actions for more serious or unresolved matters.

From a legal and administrative perspective, this approach aligns with principles of proportionality and efficiency in enforcement. Not every matter requires referral to the Attorney General, particularly those involving technical compliance issues or evolving standards. Providing a structured opportunity for resolution prior to referral can reduce unnecessary burden on state resources, improve timelines, and support more consistent outcomes.

The California Naturopathic Doctors Association writes in support:

AB 2141 provides an important opportunity to introduce a more structured and collaborative step in the enforcement process before cases are referred to the Attorney General’s Office. In practice, many enforcement matters, particularly those involving

technical or evolving areas of compliance, could benefit from an earlier opportunity for clarification, corrective action, or resolution.

REGISTERED SUPPORT / OPPOSITION:

Support

Alliance for Pharmacy Compounding
The California Naturopathic Doctors Association

Opposition

None on file

Analysis Prepared by: Tom Clark / JUD. / (916) 319-2334