

LFC Requestor: Kelly Klundt

2024 LEGISLATIVE SESSION
AGENCY BILL ANALYSIS

Section I: General

Chamber: Senate

Category: Bill

Number: 0034

Type: Introduced

Date (of THIS analysis): 1/19/2024

Sponsor(s): Senator Gerald Ortiz y Pino

Short Title: Expand Prescription Drug Donation Program

Reviewing Agency: Agency 665 - Department of Health

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Section II: Fiscal Impact

APPROPRIATION (dollars in thousands)

Appropriation Contained		Recurring or Nonrecurring	Fund Affected
FY 24	FY 25		
\$0	\$0	n/a	n/a

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 24	FY 25	FY 26		
\$0	\$0	\$0		

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY 24	FY 25	FY 26	3 Year Total Cost	Recurring or Non-recurring	Fund Affected
Total	\$128.198	\$128.198	\$128.198	\$384,594	Recurring	General

Physician	\$159.83/hr X 3 hrs/month	\$ 5,753.88
Nurse	\$57.19/hr x 3 hours/month	\$ 2,058.84
Pharmacist - if returned to warehouse	\$67.21/hr x 4 hours per month	\$ 11,828.96
Clerk	\$18.29/hour x 6 hours per month x 44 offices	\$ 57,942.72
BAGS	per year	\$ 200.00
LABELS	per year	\$ 342.00
SHIPPING	per year	\$ 47,520.00
STORAGE TOTES	1 for each of 44 Public Health Offices (PHOs)	\$ 2,552.00
		\$ 128,198.40

Section III: Relationship to other legislation

Duplicates: None

Conflicts with: None

Companion to: None

Relates to: None

Duplicates/Relates to an Appropriation in the General Appropriation Act: None

Section IV: Narrative

1. BILL SUMMARY

a) Synopsis

Senate Bill 34 (SB0034) proposes to amend verbiage in section 26-1-3.2 of NMSA 1978 to streamline the definitions for eligible recipients of donated drugs into a recipient category as opposed to a list of eligible entities. It will also expand the definitions for donors of prescription drugs. It defines the timing of donated drug distribution to the patient, certain aspects of receipt of donated drugs to fall on the recipient versus the donor and eliminates restrictions on the cost of redistributing donated drugs by an eligible recipient.

This bill will ease the language for drug donation legislation and could expand the number of donors.

Is this an amendment or substitution? Yes No

Is there an emergency clause? Yes No

b) Significant Issues

This bill could provide availability of prescription drugs to underinsured or uninsured folks who may not otherwise be able to purchase medications. Nearly 3 in 10 American adults who take prescription drugs say that they have skipped doses, cut pills in half, or not filled prescriptions due to cost according to President Biden in October of 2022. <https://www.whitehouse.gov/briefing-room/presidential-actions/2022/10/14/executive-order-on-lowering-prescription-drug-costs-for-americans/>

HB0023 from 2023 for a request for a Prescription Drug Affordability Board died.

Clients being serviced by NMDOH could use donated drugs; however, our current drug purchases are purchased as 340b products and are provided to patients even if they do not have the ability to pay.

Some medical and pharmacy students have requested this bill. <https://www.krqe.com/news/new-mexico/efforts-to-expand-new-mexicos-prescription-drug-donation-program-begin-in-roundhouse/>

As of September 2023, forty-four states have current legislation for drug repository programs, with twenty-eight having operational programs. <https://www.ncsl.org/health/state-prescription-drug-repository-programs>

NM Regulation and Licensing Department would also be affected as they oversee the licensing of eligible recipients.

2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?
 Yes No
- Is this proposal related to the NMDOH Strategic Plan? Yes No
 - Goal 1:** We expand equitable access to services for all New Mexicans
 - Goal 2:** We ensure safety in New Mexico healthcare environments
 - Goal 3:** We improve health status for all New Mexicans
 - Goal 4:** We support each other by promoting an environment of mutual respect, trust, open communication, and needed resources for staff to serve New Mexicans and to grow and reach their professional goals

3. FISCAL IMPLICATIONS

- If there is an appropriation, is it included in the Executive Budget Request?
 Yes No N/A
- If there is an appropriation, is it included in the LFC Budget Request?
 Yes No N/A
- Does this bill have a fiscal impact on NMDOH? Yes No

This bill would not impact revenues since limited fees are collected for services. However, it would take time from clinical and pharmacy staff for processing and redistributing donations and distributions, although these would need to be limited to the types of medications used within the scope of practice of the recipient. Regular staff would be pulled from their normal duties and the additional cost is estimated below. Supplies for repacking would be needed, along with an appropriately licensed clinician or pharmacist to relabel such products. The majority of PHD run offices do not have a clinician on staff, so the scope would be limited.

4. ADMINISTRATIVE IMPLICATIONS

Will this bill have an administrative impact on NMDOH? Yes No

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5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP

None

6. TECHNICAL ISSUES

Are there technical issues with the bill? Yes No

7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES)

- Will administrative rules need to be updated or new rules written? Yes No
- Have there been changes in federal/state/local laws and regulations that make this legislation necessary (or unnecessary)? Yes No
- Does this bill conflict with federal grant requirements or associated regulations?
 Yes No
- Are there any legal problems or conflicts with existing laws, regulations, policies, or programs? Yes No

The changes will need to be approved with the NM Board for Pharmacy for Drug Donations.

8. DISPARITIES ISSUES

This bill addresses those who cannot afford prescription drugs and are willing to utilize donated product. Others may not want to utilize drugs that have been donated.

Not all eligible entities are willing to participate. NM Board of Pharmacy currently documents 23 participating clinics and 16 participating practitioners, with many of the practitioners working out of the same locations. [Will this work \(rtsclients.com\)](http://rtsclients.com)

9. HEALTH IMPACT(S)

Enacting this bill could benefit those who cannot afford prescription medications and are willing to utilize the same medication from drugs that have been donated to an eligible recipient.

There is no mechanism to accurately ensure drug storage for donated medication has been implemented by the donor prior to being donated.

10. ALTERNATIVES

None

11. WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

If SB0034 is not enacted, then the current legislation for drug donations shall remain as it currently stands.

12. AMENDMENTS

None