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## FISCAL IMPACT REPORT

SPONSOR SPAC ORIGINAL DATE 01/19/11  
LAST UPDATED 02/18/11 HB \_\_\_\_\_  
SHORT TITLE Prescription Drug Donations SB 37/SPACS/aSFI#1  
ANALYST Hanika-Ortiz

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$2.5	\$2.5	\$5.0	Recurring	Pharmacy Board

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of SFI #1

The Senate Floor Amendment #1 removes the requirement that the signed form required of the donor include the name of the donor, presumably to protect the patient's privacy under HIPAA.

#### Synopsis of Substitute Bill

The Senate Public Affairs Committee Substitute for SB 37 (SB37/SPACS) adds a new section to the Drug Device and Cosmetic Act that requires the Board of Pharmacy (Board) to adopt rules to allow for the re-use of certain donated unadulterated prescription drugs by licensed clinics and health care facilities. Privately owned practices of a licensed practitioner or group of licensed practitioners would be exempt under the new section.

Licensed providers would be able to receive prescription drugs that were previously dispensed to their patients. Before distributing the donated drugs, a licensed provider would examine and certify that the drug has been properly stored and is suitable for redistribution. The patient-recipient of the donated prescription drug would accept all risk and receive their prescribed drug free of charge or at a reduced rate. Donors and participating providers would be released from liability or claim of injury including death.

### FISCAL IMPLICATIONS

The Board estimates costs associated with the development and implementation of the drug donation program could be absorbed in its operating budget dispersed from the Pharmacy Fund.

The Board further estimates the bill could result in 1 to 5 new investigations per year. Costs associated with investigations include the investigator's hourly wages/per diem if travel is required, and mileage. Investigative costs are under \$500 for most investigations. Maximum estimated cost for investigations would be  $5 \times \$500 = \$2500$  per year.

Certain state licensed facilities treat many individuals that have no payer source and provide some services for which there is no reimbursement. The ability to utilize medications at low or no cost could be of fiscal benefit to the facilities.

SB 37 allows the licensed clinic or health care facility to collect a handling fee up to \$20.00 from the recipient to cover costs associated with participation in the drug donation program.

### **SIGNIFICANT ISSUES**

The intent of the bill is to lower health care costs by reducing the waste of unused prescription drugs by licensed clinics and health care facilities that maintain pharmacies.

The bill relies on the donor to accurately attest to the proper storage of their unused prescription drug, even those requiring refrigeration. The bill includes a procedure to develop standards for inspection of donated drugs consistent with public health and safety standards.

The bill waives immunity from civil or criminal liability or professional disciplinary action for participating providers when acting in good faith.

The bill also waives liability for the failure of a manufacturer to provide consumer product information of the donated prescription drug.

### **PERFORMANCE IMPLICATIONS**

The bill does not change the law applicable to the prescribing of prescription drugs, the sale of those drugs, or the licensing of health care facilities or pharmacies.

### **ADMINISTRATIVE IMPLICATIONS**

The Board reports it currently licenses approximately 70 clinics which are authorized to receive and dispense prescription drugs to their patients. The number of licensed health care providers who would choose to participate in the prescription drug donation program is unknown. The Board further reports it would publish a listing of participating health care providers and clinics on its web site.

### **TECHNICAL ISSUES**

It is assumed that the Board when promulgating rules will require the consumer product information inserts to be part of the definition of an unadulterated prescription drug.

### **OTHER SUBSTANTIVE ISSUES**

The new section could be a great benefit to older persons and persons with disabilities with no or limited prescription drug coverage.

A prescription drug donation program may give practitioners some flexibility in providing

expensive medications to their patients.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

There will not be a re-use option for previously dispensed drugs to benefit patients with little or no prescription drug benefits.

AHO/bym:mew