

**LFC Requester:**

**Eric Chenier**

**AGENCY BILL ANALYSIS  
2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**Analysis.nmlegis.gov**

*{Analysis must be uploaded as a PDF}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

*Check all that apply:*

**Original**     **Amendment**      
**Correction**     **Substitute**   

**Date** 1-25-2025

**Bill No:** SB122

**Sponsor:** Elizabeth "Liz" Stefanics,  
Joanne J. Ferrary, Martin Hickey  
Expand Prescription Drug  
Donation Program

**Agency Name  
and Code**                      Regulation and Licensing 420  
**Number:** \_\_\_\_\_

**Person Writing**                      Kevin Graham

**Short  
Title:**

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	N/A	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
N/A	N/A	N/A	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

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

	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>		100		100	Nonrecurring	Pharmacy Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis: Senate Bill 122 (SB122)

Senate Bill 122 (SB122) expands the Prescription Drug Donation Program, §26-1-3.2 NMSA 1978, to allow greater participation in the donation and redistribution of unused prescription drugs. SB122 does so by redefining the following terms:

1. **Donors:** Previously, donors were individuals donating unused prescription drugs to a clinic or participating practitioner. Now, any person (including those from other states) can donate to "eligible recipients"—licensed individuals or facilities authorized to redistribute prescription drugs.
2. **Eligible Recipients:** Must register with the Board of Pharmacy to receive and distribute donated drugs. These include licensed health care facilities, licensed practitioners, and other licensed persons.
3. **Redistribution:** Donated drugs must be unexpired and suitable for the patient’s complete use as prescribed. The Board of Pharmacy oversees the rules for redistribution.
4. **Distribution Channels:** The expanded rule allows in-state and out-of-state pharmacies experienced in managing donated drugs to distribute them through physical or mail-order pharmacies.
5. **Handling Fees:** The handling fee for patients changes from a maximum of \$20 to "reasonable costs of participating in the program."

SB122 also requires the Board of Pharmacy to promulgate rules for donation of unused prescription drugs, to allow the newly defined eligible recipients to accept and redistribute donated prescriptions, and to ensure that donated prescription drugs are only redistributed to patients if the drugs will not expire prior to the patient’s ability to completely use the drugs, based on directions.

The effective date of the legislation is June 20, 2025.

**FISCAL IMPLICATIONS**

When preparing this analysis, the Regulation and Licensing Department (RLD) consulted the New Mexico Board of Pharmacy (BOP) through the board’s Executive Director in order to obtain input from the BOP regarding any impacts the enactment of SB122 would have on the operations of the BOP as well as any fiscal impact. The BOP expects a direct fiscal impact to accommodate the

substantial rulemaking process that would be necessitated by SB122 (multiple meetings to develop and draft proposed rule language, filing notices, conducting hearings, etc.) and funds for such costs are not included with the current projected budget for the BOP for FY26. Total additional expenditures for BOP operations in relation to these rulemaking activities would be expected to total twenty-five thousand dollars (\$25,000) in FY26. In addition to those costs, the BOP estimates an additional seventy-five thousand dollars (\$75,000) will be needed in FY26 for modifying the online licensing system to build new registration capabilities that would be required to implement SB122. Beyond the costs of initial implementation in FY26, the BOP believes there will be continued expenses associated with registration and enforcement under the Act.

## **SIGNIFICANT ISSUES**

The BOP wishes to call attention to the issue of defining eligible recipient as “a health care facility licensed by the health care authority pursuant to the Health Care Code.” The BOP feels this definition is problematic, as the Health Care Code definition of health facility includes facilities that are not licensed to receive and *distribute* prescription drugs (e.g. shelter care home).

Additionally, the requirement in SB122 to publish a current listing of eligible recipients given the expected frequency of required updates would be administratively burdensome. Consideration should be given to removing this requirement from SB122 in light of the fact that the online licensing system currently utilized for all licensing by the BOP allows searching by license or registration type. This search function would make the current listing available to the public while eliminating the burden of creating and maintaining a separate listing.

The BOP has also estimated that developing and implementing the numerous administrative rule provisions that would be necessitated by SB122, as well as the licensing database upgrades that would have to be made, would require many months to accomplish. Consideration should be given to delaying the effective date of the changes to this program to be July ,1 2026.

## **PERFORMANCE IMPLICATIONS**

Please see issues and comments provide in the “Significant Issues” section (above).

## **ADMINISTRATIVE IMPLICATIONS**

Please see issues and comments provide in the “Significant Issues” section (above).

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

## **TECHNICAL ISSUES**

Please see issues and comments provide in the “Significant Issues” section (above).

## **OTHER SUBSTANTIVE ISSUES**

The BOP believes an adjustment to the budget appropriation in 2025 House Bill 2 for the BOP’s budget would need to be made, or a special appropriation would need to be added to SB122, to provide the funding required for the BOP to carry out the functions required by SB122.

## **ALTERNATIVES**

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

## **AMENDMENTS**

Amendments requested by the BOP include:

1. Strike lines 22-23 on page 2. A health care facility licensed pursuant to 61-11-14 captures those facilities that are otherwise properly authorized to receive and distribute prescription drugs.
2. Line 1, page 6, change “publish” to make available to the public.
3. Specify that the BOP may conduct inspections of eligible recipients for compliance and enforcement of this Act and Board rules.
4. Specify a delayed implementation date of July 1, 2026, for SB122 to allow the BOP time to promulgate rules and implement required licensing database upgrades for enforcement of this Act.