F I S C A L I M P A C T R E P O R T

SPONSOR: Heaton DATE TYPED: 02/22/01 HB 502

SHORT TITLE: Amend NM Drug, Device & Cosmetic Act SB

ANALYST: Rael

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
No Fiscal Impact					

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to SB 678

SOURCES OF INFORMATION

Attorney General's Office (AGO)
Department of Health (DOH)

SUMMARY

Synopsis of Bill

The Amend NM Drug, Device and Cosmetic Act would enact a new section of the New Mexico Drug, Device and Cosmetic Act to prohibit discrimination against reimported drugs that are in compliance with federal law, specifically allowing the importation of certain drugs.

Significant Issues

Currently, drugs may be manufactured in the United States and then shipped to a foreign country for sale. When U.S. distributors attempt to purchase them from the foreign country for use in the U.S. (reimportation), the standards are often stricter for these drugs, causing the price of the drug to be higher for the U.S. consumer. This Bill prohibits the New Mexico Board of Pharmacy from requiring stricter standards for a reimported drug, thus reducing the cost of the medication to the N.M. consumer.

OTHER SUBSTANTIVE ISSUES

The intent of HB 502 would be to lower overall prescription costs to the consumer. The Department of Health reports that HB 502 has the potential to lower health insurance rates in New Mexico.

The Attorney General reports that there is similar federal legislation that has not been utilized,

because it requires the Drug Enforcement Agency to first adopt regulations. The DEA has not yet done so.

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