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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/2/09

SPONSOR Stewart LAST UPDATED \_\_\_\_\_ HB 243

SHORT TITLE Prescription Drug Reimportation SB \_\_\_\_\_

ANALYST Archuleta

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Retiree Health Care Authority (RHCA)  
 Regulations and Licensing Department (RLD)  
 Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

House Bill 243 amends the Retiree Health Care Act to include to the “I-SaveRx” program, an internet-based mail-order prescription drug reimportation program developed by the state of Illinois that allows residents of Illinois and other participating states to refill prescriptions for the most common brand-name prescription drugs used to treat chronic illness from pharmacies in Canada and the United Kingdom. This bill would allow RHCA to enter into an agreement with the state of Illinois to become a participating state in the “I-SaveRx” program. The agreement shall include all terms contained in the standard agreement promulgated by the state of Illinois for participation in the I-SaveRx program if there is no conflict with the Procurement Code or other pertinent section of New Mexico Law.

House Bill 243 includes a temporary provision requiring RHCA to investigate the feasibility of New Mexico’s participation in the I-SaveRx program and shall present a report on the results of its study to the interim legislative health and human services committee at its November 2009 meeting.

**SIGNIFICANT ISSUES**

RHCA supports the study of the inclusion of this benefit indicating the possibility of reducing prescription costs for retirees as well as ensuring the viability of the statutorily mandated Discount Prescription Drug Program.

According to RLD, the I-SaveRx program was initiated by the state of Illinois in order to provide its citizens access to lower cost pharmaceuticals. Initial participation in the plan was significant; however, when Medicare Part D was implemented on January 1, 2006, participation levels fell.

According to RLD, the New Mexico Board of Pharmacy does not have the authority to license or regulate foreign pharmacies. The Pharmacy Act: NMSA 61-11-1 et seq. only gives the Board the authority to license non-resident pharmacies residing in another state. The Drug Device and Cosmetic Act NMSA 26-1-16A(2) requires retailers of prescription drugs to be licensed with the Board of Pharmacy in order to ship into this state. Federal law prohibits the re-importation of prescription drugs into the U.S.A. although pursuant to their well known policy, persons are allowed to obtain prescription drugs for personal use in restricted quantities.

RLD's Pharmacy Board would not have any jurisdiction when investigating a complaint filed by a New Mexico resident against a foreign pharmacy or pharmacist for unprofessional conduct such as a misfiled prescription.

**TECHNICAL ISSUES**

Prescriptions written by New Mexico Practitioners are not necessarily valid in Canada or the United Kingdom.

**OTHER SUBSTANTIVE ISSUES**

According to Wisconsin officials, Wisconsin reported that between September 2004 and December 2004, 1,268 prescriptions were filled by Wisconsin residents by Canadian pharmacies. Between September 2008 and December 2008, only 32 prescriptions were filled for Wisconsin residents through the I-SaveRx program.

Wisconsin does not license or regulate the pharmacies in Canada. The state enters into contractual agreements with each participating pharmacy holding them to set standards.

DA/mt