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FISCAL IMPACT REPORT

SPONSOR <u>Ortiz y Pino</u>	LAST UPDATED _____
	ORIGINAL DATE <u>1/25/24</u>
SHORT TITLE <u>Expand Prescription Drug Donation Program</u>	BILL NUMBER <u>Senate Bill 34</u>
	ANALYST <u>Esquibel</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
DOH	\$128.2	\$128.2	\$128.2	\$384.6	Recurring	General Fund
Total	\$128.2	\$128.2	\$128.2	\$384.6	Recurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
 Aging and Long-Term Services Department (ALTSO)
 Department of Health (DOH)
 Health Care Authority Department (HCA)
 Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Senate Bill 34

Senate Bill 34 (SB34) would expand the prescription drug donation program by allowing individuals to donate unused prescription pharmaceuticals, excluding controlled substances, to a healthcare provider. The provider must be licensed to receive and redistribute donated prescription drugs to an individual with a medical need for the donated prescription medication.

The bill would expand the ability for more practitioners and facilities to participate in medication donation. SB34 would allow out-of-state donors to donate prescription drugs and protects manufacturers from liability with donated prescription drugs.

The bill changes the limit of \$20 a healthcare provider may charge for accepting, inspecting, and distributing the donated prescription medication to a “reasonable cost of participating in the collection of donated prescription drugs.”

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

The Department of Health indicates the provisions of the bill would require DOH's clinical and pharmacy staff to process and redistribute donations and distributions, pulling staff from their regular duties and requiring additional funding for staff and supplies at a cost of \$128.6 annually. Additionally, the majority of DOH's public health offices do not employ clinicians.

SIGNIFICANT ISSUES

New Mexico is one of 28 states with a prescription drug donation and reuse program. SB34 would broaden the scope of the program's eligible recipients, allowing more people to have access to medically necessary prescription drugs.

ADMINISTRATIVE IMPLICATIONS

The Regulation and Licensing Department would have an administrative impact because it oversees the licensing of eligible recipients.

TECHNICAL ISSUES

The Regulation and Licensing Department reports the Public Health Act definition of health facility includes childcare and other facilities that are not licensed to receive and distribute prescription drugs. The definition of an eligible recipient would need to be amended to clarify the facility is an entity that can distribute prescriptions drugs.

The Department of Health reports there is no mechanism to accurately ensure drug storage for donated medication has been implemented by the donor prior to being donated.

OTHER SUBSTANTIVE ISSUES

The Department of Health reports for clients it serves and provides with prescription drugs, the department uses the federal 340(b) drug program, which provides prescription drugs to patients regardless of ability to pay.

The Department of Health indicates as of September 2023, 44 states have current legislation for drug repository programs, and 28 states have operational programs. <https://www.ncsl.org/health/state-prescription-drug-repository-programs>

The Aging and Long-Term Services Department (ALTSD) reports its Prescription Drug Assistance (PDA) program researches financial assistance and relief for uninsured or underinsured older adults and people with disabilities. Aging and disabled New Mexicans face disproportionately greater costs of prescription medications. Senate Bill 34 may significantly impact many New Mexicans who are not able to afford medication costs and do not qualify for relief through pharmaceutical companies' patient assistance programs.

ALTERNATIVES

The ALTSD reports other states have implemented tax-deductible donations as an incentive to increase prescription drug donations.