



Senate Fiscal Agency  
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## BILL ANALYSIS



Telephone: (517) 373-5383  
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House Bill 5089 (Substitute H-2 as reported without amendment)

House Bill 5090 (Substitute H-1 as reported without amendment)

Sponsor: Representative Joel Johnson (H.B. 5089)

Representative Jim Ananich (H.B. 5090)

House Committee: Health Policy

Senate Committee: Health Policy

**CONTENT**

House Bill 5089 (H-2) would add Section 17775 to the Public Health Code to require the Michigan Board of Pharmacy to establish, implement, and administer a voluntary statewide prescription drug repository and distribution program through which unused or donated prescription drugs, other than controlled substances, could be transferred from a licensed health facility or manufacturer to a participating pharmacy or charitable clinic. The bill would do the following:

- Require the program to dispense unused or donated drugs to eligible participants, and to provide for the destruction and disposal of prescription drugs or other medications that were ineligible for dispensing.
- Provide that only drugs in their original sealed, tamper-evident, and unopened unit dose packaging could be accepted for dispensing.
- Prescribe additional criteria that participating pharmacies, health professionals, and charitable clinics would have to use in accepting drugs for use in the program.
- Prohibit the resale of prescription drugs accepted under the program.
- Allow a participating pharmacy or charitable clinic to charge eligible participants a handling fee, if established by rule, for dispensing drugs under the program.
- Provide immunity from criminal or civil liability for injury other than death, or loss to person or property, and from professional disciplinary action, for participating individuals and entities.
- Provide criminal and civil immunity for manufacturers of prescription drugs donated to the program.
- Require the Department of Licensing and Regulatory Affairs (LARA) to promulgate emergency rules within six months after the bill took effect to establish, implement, and administer the program, and then promulgate permanent rules as soon as practical.

The bill would define "eligible participant" as an individual who is a Michigan resident, and who is eligible to receive Medicaid or Medicare or has no health insurance and otherwise lacks reasonable means to purchase prescription drugs, as prescribed in rules promulgated under Section 17775.

House Bill 5090 (H-1) would add Section 17776 to the Code to require a pharmacy, health professional, or charitable clinic that participated in the unused prescription drug program to accept for destruction and disposal a prescription drug or other medication that was ineligible for distribution.

The bills are tie-barred. House Bill 5089 (H-2) provides that Sections 17775 and 17776 would be known and could be referred to as the "Program for Utilization of Unused Prescription Drugs".

Proposed MCL 333.17775 (H.B. 5089)  
Proposed MCL 333.17776 (H.B. 5090)

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bills would have an indeterminate fiscal impact on the State, and no impact on local government. The bills would introduce some new administrative costs for the Department of Licensing and Regulatory Affairs Bureau of Health Professions. The costs would primarily be borne by existing revenue of the Board of Pharmacy, which receives revenue from fees paid by pharmacists and pharmacies.

The bills would result in relatively minor one-time and ongoing costs. The bills would require LARA, with consultation from the Board of Pharmacy, to promulgate rules to establish and administer the unused prescription drug repository and distribution program. Rule promulgation is generally a one-time expense and costs a few thousand dollars, depending on the complexity of the rules.

The bills also would result in some ongoing, but likely relatively minor costs related to the establishment, implementation, and administration of the proposed program. It is unknown how much the program would cost, as this would depend largely on the scope of involvement that the Board of Pharmacy and LARA would have in the program.

To the extent that Medicaid recipients would participate in the program, the State could save an indeterminate amount. However, there is no requirement that Medicaid recipients participate in an unused prescription program, so participation by Medicaid recipients would be totally voluntary.

Date Completed: 9-14-12

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.