

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 601 (Delegate Hayes, *et al.*)
Health and Government Operations

Public Health - Opioids - Dispensing Requirement

This bill requires an opioid to be dispensed with a nontoxic composition that is designed to permanently and chemically sequester and deactivate the opioid and that can be used to dispose of any unused, unwanted, or expired portion of the opioid.

Fiscal Summary

State Effect: Medicaid expenditures (62% federal funds, 38% general funds) increase by an indeterminate amount beginning in FY 2019. Federal fund matching revenues increase correspondingly.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law/Background: Chapter 287 of 2006 established a prescription drug repository program regulated by the State Board of Pharmacy. Chapters 546 and 547 of 2011 expanded the scope of the program to allow the acceptance of prescription drugs and medical supplies returned to a pharmacy for proper disposal. Each pharmacy for which a pharmacy permit has been issued must dispose of returned prescription drugs or medical supplies in accordance with program policies.

Safe disposal of prescription drugs preserves patient safety, reduces abuse or unintended ingestion of prescription drugs, and limits the impact of unused medications on the environment. Many independent community pharmacies, including 34 in Maryland,

participate in DisposeMyMeds.org, a website that directs consumers to local medication disposal programs. Sharps Compliance, Inc. offers the TakeAway Environmental Return System for unused consumer prescription drugs in which returned drugs are mailed to the company, processed by law enforcement officials, and destroyed. Additionally, several jurisdictions have implemented drug take back programs that allow individuals to safely dispose of unwanted prescription medication. All Department of State Police barracks in Maryland serve as around-the-clock, drop-off locations for unused prescription medications.

In January 2018, Walmart announced that it would begin offering a drug disposal product to pharmacy customers for free in an effort to combat the nation's opioid epidemic. The product ("DisposeRx"), when mixed with the prescription drug to be disposed of and warm water, creates a solid substance that can be deposited safely in the trash without risking groundwater contamination. The manufacturer of the product also reports that opioids cannot be extracted from the resultant solid. Walmart stated that a packet of the product will automatically be provided for free to any customers filling new "Class II" opioid prescriptions at any of Walmart's pharmacies; the product will also be provided for free at Sam's Club pharmacies.

An October 2017 article in *The News & Observer* stated that DisposeRx costs \$1.50 per packet. The article also cited another similar product ("Deterra Drug Deactivation System"), which is a pouch that deactivates drugs by combining carbon with the drug molecules and water. The pouches are available in three sizes, and a three-pack costs between \$10 and \$20 from online retailers and is also sold at Walmart pharmacies.

State Fiscal Effect: Medicaid expenditures (62% federal funds, 38% general funds) increase by an indeterminate amount beginning in fiscal 2019 due to increased pharmacy expenditures to dispense opioids in accordance with the bill. Actual expenditures will depend on the number of opioid prescriptions dispensed and the cost of the nontoxic composition that must be provided with each prescription. In calendar 2016, 152,483 Medicaid enrollees had an opioid prescription, excluding individuals in hospice. Federal fund revenues increase correspondingly.

Small Business Effect: Any small businesses that manufacture and/or sell the bill's specified products benefit from a broader market; independent pharmacies may incur additional costs to stock and dispense such products.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of the Environment; Maryland Department of Health; *CNBC*; *The News & Observer*; Department of Legislative Services

Fiscal Note History: First Reader - February 9, 2018
mm/jc

Analysis by: Sasika Subramaniam

Direct Inquiries to:

(410) 946-5510

(301) 970-5510