

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1310 (Delegate Bhandari)
Health and Government Operations

Prescription Drug Repository Program - Out-of-State Pharmacies

This bill authorizes a pharmacy licensed in another state to participate in the Prescription Drug Repository Program. The bill defines "licensed pharmacy" as a pharmacy licensed by the Maryland Board of Pharmacy or a pharmacy licensed in another state and redefines "repository" to mean a licensed pharmacy that (1) does not have final disciplinary order issued against it by the board, or for an out-of-state licensed pharmacy, the applicable regulatory authority; (2) has voluntarily agreed to participate in the program; and (3) has been approved by the board to accept donated prescription drugs or medical supplies from a designated drop-off site, dispense the donated prescription drugs or medical supplies to needy individuals, or dispose of prescription drugs or medical supplies not accepted for dispensing to needy individuals.

Fiscal Summary

State Effect: Special fund expenditures for the board increase by \$112,600 in FY 2026 for two part-time (50%) employees to oversee out-of-state licensed pharmacies that seek to participate in the program. Future years reflect annualization and ongoing costs. Revenues are not affected.

Table with 6 columns: (in dollars), FY 2026, FY 2027, FY 2028, FY 2029, FY 2030. Rows include Revenues, SF Expenditure, and Net Effect.

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

## Analysis

**Current Law:** Chapter 287 of 2006 established the Prescription Drug Repository Program regulated by the Maryland Board of Pharmacy. The program accepts donated prescription drugs or medical supplies to be dispensed to needy patients in the State. However, prescription drugs can only be donated if they are in unopened, sealed, and tamper-evident unit dose packaging and have an expiration date at least 90 days from the date the drug is donated. Chapter 547 of 2011 expanded the purpose of the program to include 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 prescription drugs or medical supplies in accordance with program policies.

To participate, a pharmacy may not have any final disciplinary orders issued against it and must be approved by the board to accept donated drugs or medical supplies from a designated drop-off site, dispense the drugs or medical supplies to needy individuals, or dispose of prescription drugs or medical supplies not accepted for dispensing to needy individuals. A participating repository must:

- accept only donated drugs and medical supplies forwarded by designated drop-off sites;
- inspect all donated drugs and medical supplies;
- accept only those donated drugs and medical supplies that meet specified requirements;
- dispose of donated prescription drugs and medical supplies not accepted for dispensing to needy individuals in accordance with State and federal law;
- maintain a separate inventory of donated drugs and medical supplies;
- store donated drugs and medical supplies in a secure and exclusive location;
- maintain separate prescription files for patients receiving donated drugs and medical supplies; and
- obliterate any patient-specific information from the labels of any donated drugs and medical supplies.

Pharmacies participate in the program on a voluntary basis, and there is no fee to be approved as a repository. For matters related to donating, accepting, or dispensing drugs under the program, program participants that act in good faith are exempt from criminal prosecution or liability in tort or other civil action.

**State Expenditures:** The board does not have regulatory authority over pharmacies that it does not license (out-of-state pharmacies licensed by another state). To approve such pharmacies to participate in the program, the board advises that it would need to establish a registration process for out-of-state pharmacies licensed by another state in order for the

board to have some regulatory authority over them. The board would also need the ability to inspect the pharmacies as needed with respect to their participation in the repository program.

Thus, board special fund expenditures increase by \$112,640 in fiscal 2026, which accounts for the bill's October 1, 2025 effective date. This estimate reflects the cost of hiring one part-time (50%) licensing specialist to handle registration of any out-of-state pharmacies licensed in other states seeking to participate in the program and one part-time (50%) health occupations investigator to oversee the participation of out-of-state pharmacies in the program and conduct inspections as needed. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions (full-time equivalent)	1.0
Salaries and Fringe Benefits	\$98,731
Operating Expenses	<u>13,909</u>
<b>Total FY 2026 State Expenditures</b>	<b>\$112,640</b>

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses. The board advises that it will review the need to add or subtract staff after one year based on the participation of out-of-state pharmacies in the program.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Maryland Department of Health; Department of Legislative Services

**Fiscal Note History:** First Reader - March 5, 2025  
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