

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 1310

(Delegate Bhandari)

Health and Government Operations

Finance

Prescription Drug Repository Program - Revisions

This bill alters the Prescription Drug Repository Program, including by authorizing an entity located in another state to participate in the program, and expanding the purpose of the program to include accepting over-the-counter (OTC) drugs. The bill also (1) defines “eligible patient”; (2) expands and alters immunity provisions; (3) clarifies which drugs may be accepted for dispensing and which provisions apply to drop-off sites and repositories *located in the State*; (4) specifies requirements for a repository located in another state; (5) specifies that a person donating, transferring, or receiving drugs and medical supplies under the program (or facilitating their donation, transfer, or receipt) is not required to hold a wholesale distribution license; (6) permits transfers of donated drugs and supplies by entities located in another state; (7) alters the required contents of Maryland Board of Pharmacy regulations; (8) clarifies that the board must determine compliance for drop-off sites and repositories *located in the State*; and (9) makes conforming changes.

Fiscal Summary

State Effect: Board special fund expenditures increase by \$53,800 in FY 2026 for one full-time licensing specialist to register out-of-state entities that seek to participate in the program. Future years reflect annualization and ongoing costs. Revenues are not affected.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	53,800	61,300	64,100	67,000	69,800
Net Effect	(\$53,800)	(\$61,300)	(\$64,100)	(\$67,000)	(\$69,800)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary:

Definitions

For purposes of the program, “dispense” is defined as to provide (1) a prescription drug or medical supply in accordance with a prescription or (2) an OTC drug or medical supply.

The definition of “drop-off site” is altered to mean a pharmacy, other health care facility, *or other entity participating in a drug donation or repository program* and designated by the board that (1) has voluntarily agreed to accept donated prescription drugs, *OTC drugs*, or medical supplies; (2) *is located within the State or in another state*; and (3) does not have a final disciplinary order issued against it by a health occupations board.

“Eligible patient” is defined as an individual who, through self-attestation, is indigent, uninsured, underinsured, or enrolled in a public health benefits program.

The definition of “repository” is altered to mean a licensed pharmacy that (1) *if the licensed pharmacy is located in the State*, does not have a final disciplinary order issued against it by the board; (2) has voluntarily agreed to participate in the program; (3) *is located in the State or in another state*; and (4) has been approved by the board to accept from a designated drop-off site, dispense to eligible patients, or dispose of prescription drugs, *OTC drugs*, or medical supplies.

Dispensing

For the purpose of dispensing only, the bill specifies that the program may accept prescription *and OTC* drugs in their original unopened, sealed, and tamper-evident packaging, *including drugs that have been packaged by a manufacturer or repackaged by an entity authorized to repackage drugs in the State in which the entity is located*.

If a donated prescription or OTC drug is in high demand, the program may accept drugs with an expiration date that is less than 90 days from the date of donation. However, such drugs may not be dispensed if the expiration date occurs during the period for which the drug is prescribed.

Drop-off Sites

The bill specifies which provisions governing drop-off sites pertain to drop-off sites *located in the State*.

Consistent with approval by the board, an entity located in another state (1) may participate in the program as a drop-off site and (2) may accept donated prescription drugs, OTC drugs, and medical supplies from a person, unless otherwise prohibited by federal law or the laws of the state in which the entity is located.

Repositories

The bill clarifies which provisions governing a repository pertain to a repository *located in the State*. A repository *located in the State* must maintain *written or electronic* records of donated drugs and supplies and may charge a fee of up to \$10 for each *OTC drug* dispensed (in addition to each prescription drug or medical supply under current law). The requirement that a repository inform a patient that a delay may be entailed if a donated drug or supply is dispensed via mail is repealed.

A repository located in the State may transfer donated drugs or supplies to (1) another repository located in the State or (2) a drop-off site, repository, or other entity located in another state that participates in a drug donation or repository program in accordance with the laws of that state, only if there is no need for the donations for use by eligible patients in Maryland as determined by the transferring repository.

Consistent with approval by the board, an entity located in another state may participate in the program as a repository. Such an entity must dispense donated drugs and medical supplies to residents of the State only in accordance with (1) federal law; (2) laws of the state in which the entity is located pertaining to storage and distribution of drugs and medical supplies; and (3) State laws pertaining to nonresident pharmacies.

A repository located in another state operating primarily for the purpose of participating in the program may not be required to possess a comprehensive or minimum supply of drugs or medical supplies.

Transfers of Donated Drugs and Supplies by Entities Located in Another State

Unless otherwise prohibited by federal law or the laws of the state in which it is located, a drop-off site or repository located in another state may perform and receive (1) intracompany transfers of donated drugs and medical supplies and (2) transfers of donated drugs and supplies from drop-off sites, repositories, and other entities located in another state participating in a drug donation or repository program in accordance with the laws of the state in which the entity is located.

Program Eligibility

To be eligible to receive donated drugs or medical supplies from a repository *located in the State*, an individual must be a resident of the State and an eligible patient. To receive donated drugs or supplies from a repository located in another state, an individual must be an eligible patient.

Immunity

The bill expands the applicability of the program's current civil and criminal immunity provisions to include pharmacy technicians, staff employed by or volunteering for an entity participating in the program, and a person that donates OTC drugs. The bill specifies that the immunity provisions also apply to matters related to *transferring* drugs (including OTC drugs) and medical supplies under the program, or *facilitating the donation, acceptance, transfer, disposition of, or dispensing* of such drugs or medical supplies.

Compliance

The bill clarifies that, to determine compliance with program requirements, the board must inspect designated drop-off sites and repositories *located in the State* and inspect records of donated drugs and supplies maintained by *repositories located in the State*.

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 or other entities that it does not license (including out-of-state pharmacies licensed by another state). To approve such entities to participate in the program, the board advises that it would need to establish a registration process for entities located in another state in order for the board to have some regulatory authority over them. The board would also need the ability to inspect pharmacies located in another state that elect to participate as a repository in the program.

Thus, board special fund expenditures increase by \$53,844 in fiscal 2026, which accounts for the bill's October 1, 2025 effective date. This estimate reflects the cost of hiring one full-time licensing specialist to register any out-of-state entities that wish to participate in the program. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$46,475
Operating Expenses	<u>7,369</u>
Total FY 2026 State Expenditures	\$53,844

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

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

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