Joint Standing Committee on Health Coverage, Insurance and Financial Services Legislative Analyst: Colleen McCarthy Reid, Esq. May 25, 2021

LD 1584, An Act To Make Donated Medicines Available to Maine Patients at an Affordable Cost

SUMMARY:

This bill establishes the Medicine Donation and Redispensing Program operated by nonprofit entities contracted by the Department of Health and Human Services. The program collects donations of unused medicines from health care providers, health care facilities and other sources and redispenses the medicines to qualified low-income persons. The bill specifies that persons are eligible to receive medicine if they do have health insurance or is enrolled in a public assistance program or otherwise meets the criteria established by the department by rule.

Donated medicines must be in the medicine's original, unopened, sealed packaging or, if the outside packaging is opened or disturbed, the contents are one or more single-unit doses that are individually contained in unopened, tamper-evident packaging, except that orally administered cancer medicine may be in opened packaging. Controlled substances may not be donated. Donated medicines must be federal requirements for relating to risk and evaluation strategies and supply chain security.

The bill also provides a tax credit for tax years beginning January 1, 2022 for individuals making donations of medicines to the program.

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TESTIMONY: Written testimony can be found at this <u>link</u>

ISSUES FOR CONSIDERATION:

- 1. LD 1584 is similar to a bill considered by the HCIFS Committee in 129th Legislature, LD 1661, An Act To Create the Drug Donation and Redispensing Program. LD 1661 was voted OTP-A by HCIFS, enacted by the House and referred to the Special Appropriations Table at the end of the Frist Regular Session. It was carried over to the Second Session, but was not moved off of the Special Appropriations Table before termination of the 129th Legislature. LD 1661 proposed that DHHS would oversee and administer the program, while LD 1584 proposes that DHHS contract with a nonprofit organization to administer the program.
- 2. The Retail Association of Maine submitted written testimony expressing their concerns that pharmacies would not be able to meet the requirements in the bill related to supply chain security, particularly with regard to donations by individuals. They suggested the committee consider amending the bill to specify that donations may be made only by professionally-designated persons.
- 3. Maine Revenue Services submitted written testimony related to the tax credit provision. The testimony raised technical concerns with the language as drafted and also indicated the provision would necessitate administrative costs of approximately \$33,000 for computer programming changes and the potential for an additional position.

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FISCAL INFORMATION:

Not yet determined