

Virginia Department of Health 2002 Fiscal Impact Statement

1. Bill Number HB154

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Van Yahres, M.

3. Committee Health, Welfare and Institutions

4. Title Health; certain unused drugs provided to free clinics

5. Summary/Purpose: The bill amends § 32.1 - 127 of the Code relating to regulations that require nursing homes to provide to public health or community free clinics certain unused drugs that will not be used by the residents for whom the drugs were dispensed. In addition, the bill adds § 54.1 - 3307.3 to the Code requiring the Board of Pharmacy to establish procedures for the collection, handling and dispensing of those unused drugs, e.g., the identification of certain drugs, drugs shall be sealed in the original unopened tamper-evident packaging, and be unexpired or within the recommended shelf life of the drug. Nursing homes shall not be considered wholesale distributors as defined in § 54.1 - 3401 and shall not be required to obtain a license as required by Article 3 (§ 54.1 - 3435 et seq.) of Chapter 34 of Title 54.1 of the Code.

6. Fiscal impact estimates are minimal (see item 8)

7. Budget amendment necessary: No.

8. Fiscal implications: The bill would require the Virginia Department of Health to promulgate regulations requiring nursing facilities to store and dispense unused drugs to public health and community free clinics. In addition, the Board of Pharmacy would adopt regulations for the dispensing of such unused drugs by the public health or community free clinics. It is anticipated that the regulations could be promulgated as "non-discretionary" under § 2.2 - 4006.A.4.a of the Code allowing exemption to the Administrative Process Act if regulations are necessitated by changes in Virginia Statutory law. While the bill requires no new staff, there is a negligible cost (less than \$2,000 for each agency) of regulatory promulgation in staff time for development and processing of the proposed regulation, i.e., preparing and writing of required documentation, any notification and mailing to interested parties of the regulatory action, and seeking required approvals. Although this bill has a minimal fiscal impact for the affected agencies, the cumulative consequence of several bills being enacted into law could require a budget amendment.

9. Specific agency or political subdivisions affected:

Virginia Department of Health
Department of Health Professions
Department of Medical Assistance Services

10. Technical amendment necessary: No.

11. Other comments: Public health and community free clinics serve low-income and uninsured populations and would receive the unused drugs or medications. HB 30 includes continuing an annual appropriation through the Virginia Department of Health to the Virginia Primary Care Association (\$275,000 per year) and the Virginia Association of Free Clinics (\$1,084,000 per year) for the purchase of pharmaceuticals to help meet the needs of these populations.

Date: 1/11/02

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cc: Secretary of Health and Human Resources