

## **LEGISLATIVE DIGEST**

[Health Code - Surplus Medication Repository and Distribution Program]

### **Ordinance amending the Health Code to establish a Surplus Medication Repository and Distribution Program, to be overseen by the Department of Public Health.**

#### **Existing Law**

Division 116 of the California Health and Safety Code authorizes counties to establish a surplus medication repository and distribution program for the purpose of distributing surplus medications to low-income persons who need access to prescription medications. Currently, there is no local law establishing such a program in San Francisco.

#### **Amendments to Current Law**

The proposed ordinance would establish a surplus drug repository and distribution program (“Surplus Medication Program”), to be administered by the Department of Public Health (“DPH”). The Surplus Medication Program would allow approved “donor organizations” to donate unused medications to approved “participating organizations” so that they may be dispensed to low-income persons.

Organizations that would be eligible to donate prescription medications as part of the Surplus Medication Program include:

- Licensed acute care hospitals, acute psychiatric hospitals, skilled nursing facilities, immediate care facilities, correctional treatment centers, psychiatric health facilities, chemical recovery hospitals, and residential care facilities for the elderly;
- Licensed pharmacies whose primary or sole type of pharmacy practice is limited to skilled nursing, home health care, board and care, or mail order;
- Licensed drug wholesalers; and
- Drug manufacturers.

Organizations that would be eligible to participate in the Surplus Medication Program by receiving and dispensing medications include:

- City-owned or contracted pharmacies;
- Pharmacies that are owned and operated by a community clinic or free clinic; and
- Community clinics and free clinics.

In order to be eligible for donation as part of the Surplus Medication Program, a medication must be unexpired, unadulterated, unopened, and may not be a controlled substance. A medication also may not have been in the possession of a patient or any individual member of the public prior to donation.

Before the Surplus Medication Program may operate, the Director of Health must establish written procedures and protocols to ensure compliance with state and local law. The written guidelines must, at a minimum:

- Establish eligibility for medically indigent patients who may receive donated medications;
- Ensure that eligible patients will not be charged for any medications they receive under the program;
- Develop a formulary of medications that may be donated;
- Ensure the privacy of individuals for whom the medications were originally prescribed; and
- Address packaging, transporting, storing, and dispensing of medications in a way that conforms to the state Pharmacy Law.

The Surplus Medication Program would allow state-licensed surplus medication collection and distribution intermediaries to facilitate the donation of medications and the transfer of medications between participating entities.

### Background Information

Legal prescription medications are an integral part of health care and can help people live longer, healthier, and more productive lives. Notwithstanding programs that have improved access to health insurance and health care services, many San Franciscans still lack access to prescription medications. According to a report by the Kaiser Family Foundation, in 2016, 18% of uninsured non-elderly adults nationally did not obtain, or postponed obtaining, needed prescription medications due to cost.

Neighborhood health care centers play a significant role in San Francisco by providing care to patients who do not qualify for subsidized insurance, people who are between jobs and cannot afford to purchase health insurance, and recent immigrants who have not lived in the United States long enough to qualify for subsidized insurance programs.

Division 116 of the California Health and Safety Code authorizes counties to establish voluntary drug repository and distribution programs for distributing surplus medications to low-income people in need of prescription medications. In enacting Division 116, the Legislature intended that the health and safety of Californians be protected and promoted through such programs, while reducing unnecessary waste at licensed health and care facilities, by allowing those facilities to donate unused and unexpired medications.

A surplus medication collection and distribution intermediary is an entity that is licensed by the State to facilitate the donation of medications to or transfer of medications between participating entities in a voluntary drug repository and distribution program. Since 2015, a Bay Area company named Sirum has been licensed to serve this function, and has facilitated the transfer of enough prescriptions medications to allow 150,000 patients to receive medicine they need to be healthy, and has prevented at least 241,000 pounds of waste by eliminating the need to produce new medicines.

Santa Clara County, San Mateo County, and Sonoma County have established surplus medication collection and distribution programs that authorize county-owned pharmacies to dispense medications donated through those programs.

n:\legana\as2018\1800026\01293800.docx