

Bill as Introduced

HB 504-FN - AS INTRODUCED

2011 SESSION

11-0814

08/03

HOUSE BILL **504-FN**

AN ACT licensing reverse distributors of drugs and requiring manufacturers and wholesalers to report changes in ownership.

SPONSORS: Rep. Case, Rock 1; Rep. S. Keans, Straf 1

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill licenses reverse distributors of drugs and requires manufacturers and wholesalers to report changes in ownership.

This bill is a request of the board of pharmacy.

Explanation: Matter added to current law appears in **bold italics**.
 Matter removed from current law appears [~~in brackets and struckthrough.~~]
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eleven

AN ACT licensing reverse distributors of drugs and requiring manufacturers and wholesalers to report changes in ownership.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Paragraph; Definition; Reverse Distributor. Amend RSA 318:1 by inserting after
2 paragraph XXVIII the following new paragraph:

3 XXIX. "Reverse distributor" means a person or persons who facilitate the removal, disposal,
4 or destruction of prescription drugs to persons other than consumers.

5 2 Licensing of Manufacturers and Wholesalers; Reverse Distributors. Amend RSA 318:51-a, I to
6 read as follows:

7 I. No person shall manufacture legend drugs or controlled drugs as that term is defined in
8 RSA 318-B:1, VI and no person as a wholesaler [øæ], distributor, **or reverse distributor** shall supply
9 the same without first having obtained a license to do so from the board. Such license shall expire
10 annually on June 30. An application together with a reasonable fee as established by the board shall
11 be filed annually on or before July 1.

12 3 New Paragraph; Change of Ownership; Reporting. Amend RSA 318:51-a by inserting after
13 paragraph IV the following new paragraph:

14 V.(a) The manufacturer, wholesaler, distributor, or broker to which a license has been issued
15 shall, within 30 days of any change of information supplied in the original application, notify the
16 board.

17 (b) The notice required pursuant to subparagraph (a) shall contain:

18 (1) Current New Hampshire license number of the manufacturer, wholesaler,
19 distributor, or broker.

20 (2) Name of the manufacturer, wholesaler, distributor, or broker, old and new, if
21 applicable.

22 (3) Address of the manufacturer, wholesaler, distributor, or broker, old and new, if
23 applicable.

24 (4) Names, addresses, and titles of new corporate officers, partners, or owners.

25 (c) A new license shall be required for a change of ownership of an established
26 manufacturer, wholesaler, distributor, or broker to a successor business entity which results in a
27 change in the controlling interest in the manufacturer, wholesaler, distributor, or broker.

28 4 Effective Date. This act shall take effect 60 days after its passage.

LBAO
11-0814
01/19/11

HB 504-FN - FISCAL NOTE

AN ACT licensing reverse distributors of drugs and requiring manufacturers and wholesalers to report changes in ownership.

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill as it is awaiting information from the Department of Health and Human Services and the Pharmacy Board. When completed, the fiscal note will be forwarded to the House Clerk's Office.

HB 504 FISCAL NOTE

AN ACT licensing reverse distributors of drugs and requiring manufacturers and wholesalers to report changes in ownership.

FISCAL IMPACT:

The Board of Pharmacy states this bill will increase state general fund revenues by an indeterminable amount in FY 2011, and by \$11,000 in FY 2012 and each year thereafter. This bill will have no fiscal impact on county and local revenues, or state, county, and local expenditures.

METHODOLOGY:

The Board of Pharmacy states this bill requires licenses for reverse distributors of drugs and new owners of manufactures and wholesalers. The Board estimates approximately eight reverse distributors would be required to register with the Board as a result of this bill. Additionally, the Board estimates 36 manufacturers, wholesalers, distributors, or brokers change ownership annually. The Board states the cost for a single license is \$250, therefore state general fund revenue will increase by \$11,000 (8 reverse distributors + 36 manufacturers = 44 new licenses annually * \$250 per license).

This bill does not appropriate funds or create new positions. However, the Board estimates this bill will divert some Board resources from current functions to process the 44 new licenses. The Board states each new reverse distributor will need to be inspected, requiring roughly 1.5 hours for transportation and labor for one inspector (at Labor Grade 27). Additionally, each license will require 30 minutes of time for one clerk (at \$16 per hour) plus \$5 for paperwork such as postage fees, storage, and supplies. The Board states it will be able to absorb these costs with existing resources.

Amendments

Amendment to HB 504-FN

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT licensing reverse distributors of drugs and requiring manufacturers, wholesalers,
4 distributors, service distributors, and brokers to report changes in ownership.

5

6 Amend RSA 318:51-a, V as inserted by section 3 of the bill by replacing it with the following:

7

8 V.(a) The manufacturer, wholesaler, distributor, reverse distributor, or broker to which a
9 license has been issued shall, within 30 days of any change of information supplied in the original
10 application, notify the board.

11 (b) The notice required pursuant to subparagraph (a) shall contain:

12 (1) Current New Hampshire license number of the manufacturer, wholesaler,
13 distributor, reverse distributor, or broker.

14 (2) Name of the manufacturer, wholesaler, distributor, reverse distributor, or broker,
15 old and new, if applicable.

16 (3) Address of the manufacturer, wholesaler, distributor, reverse distributor, or
17 broker, old and new, if applicable.

18 (4) Names, addresses, and titles of new corporate officers, partners, or owners.

19 (c) A new license shall be required for a change of ownership of an established
20 manufacturer, wholesaler, distributor, reverse distributor, or broker to a successor business entity
21 which results in a change in the controlling interest in the manufacturer, wholesaler, distributor,
22 reverse distributor, or broker.

2011-0698h

AMENDED ANALYSIS

This bill licenses reverse distributors of drugs.

This bill also requires manufacturers, wholesalers, distributors, reverse distributors, and brokers to report changes in ownership.

Speakers

Hearing Minutes

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

PUBLIC HEARING ON HB 504-FN

BILL TITLE: licensing reverse distributors of drugs and requiring manufacturers and wholesalers to report changes in ownership.

DATE: 3-4-11

LOB ROOM: 302 **Time Public Hearing Called to Order:** 1230

Time Adjourned: 1240

(please circle if present)

Committee Members: Reps. Hunt, Coffey, Belanger, Flanders, Quandt, Headd, Nevins, Palfrey, Sullivan, Bergevin, Manuse, Mauro, McGuinness, Rice, Taylor, Meader, Gidge and Schlachman.

Bill Sponsors: Reps. Case & S. Keans

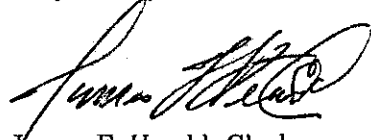
TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep. Frank Case, prime sponsor – Bill licenses reverses distribution of drugs and requires manufacturers and whole sales to report change of ownership. Purpose allows manufacturers to re-buy drugs if they are still unopened and they can be re-sold.

Jay Queenan, NH Board of Pharmacy – Supports bill. Sometimes drugs have residual value; some can be re-sold, some destroys. These reverse distribution are not licensed by the state unless they send product in. In the first place, we license distribution but not reverse distribution. There is not license offered by the state. We are already handling licensure of pharmaceuticals in the state; we need to add reverse distribution.

Respectfully Submitted:



James F. Headd, Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

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Bill Sponsors: Reps. Case & S. Keans

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep FRANK CASE Rock Dist #1

Sponsor of Bill — Bill Licenses Reverse
distributors of drugs of various manufacturers
and ~~wholesalers~~ wholesalers to report
changes of ownership — Purpose allows manufacturer
to Re-Buy Buy Drugs Buy if they are still
useable and they can be re-sold

H 2 - Jay Queenan - Nit Board of Pharmacy
Supports Bill — Some drugs have residual
value — some can be re-sold — some destroyed
These Reverse distributors are not licensed

PK 2 -

HB 504 FN

By The STATE - unless they send
product in in the first place
we license distributor - But not
reverse distributor -
There is no license offered by the
STATE.

We are already heavily licensee
of pharmaceuticals in the STATE - we need
to add reverse distributors.

Voting Sheets

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on HB 504-FN

BILL TITLE: licensing reverse distributors of drugs and requiring manufacturers and wholesalers to report changes in ownership.

DATE: 3-9-11

LOB ROOM: 302

Amendments:

Sponsor: Rep. HUnt	OLS Document #:	2011	0698h
Sponsor: Rep.	OLS Document #:		
Sponsor: Rep.	OLS Document #:		

Motions: OTP OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Sullivan

Seconded by Rep. Headd

Vote: 16-0 (Please attach record of roll call vote.)

Motions: OTP QTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Sullivan

Seconded by Rep. Headd

Vote: 16-0 (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: Consent or Regular (Circle One)

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Jim Headd, Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on HB 504-FN

BILL TITLE: licensing reverse distributors of drugs and requiring manufacturers and wholesalers to report changes in ownership.

DATE: 3-9-11

LOB ROOM: 302

Amendments:

Sponsor: Rep. ~~Sedd~~ Hunt OLS Document #: 0698h
Sponsor: Rep. OLS Document #:
Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. SULLIVAN
Seconded by Rep. HEADD
Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. SULLIVAN
Seconded by Rep. HEADD
Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: Consent or Regular (Circle One) 16-0

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,
Rep. Jim Headd, Clerk

COMMERCE AND CONSUMER AFFAIRS

Bill #: HB 504 Title: _____

PH Date: 1/1

Exec Session Date: 3/9/11

Motion: OT P

Amendment #: 06984

MEMBER	YEAS	NAYS
Hunt, John B, Chairman	/	
Coffey, Jennifer R, V Chairman	/	
Belanger, Ronald J	/	
Flanders, Donald H	/	
Quandt, Matt J	/	
Headd, James F	/	
Nevins, Chris F	/	
Palfrey, David J	/	
Sullivan, James M	/	
Bergevin, Jerry E	/	
Manuse, Andrew J	/	
Mauro, Donna C	/	
McGuinness, Sean M	/	
Rice, Frederick C	/	
Taylor, Kathleen N	/	
Meader, David R	/	
Gidge, Kenneth N	/	
Schlachman, Donna L	/	
	16-0	

TOTAL VOTE:
Printed: 1/4/2011

COMMERCE AND CONSUMER AFFAIRS

Bill #: HB 504 Title: _____

PH Date: ____/____/____

Exec Session Date: 3, 9, 11

Motion: OTY/A Amendment #: _____

MEMBER	YEAS	NAYS
Hunt, John B, Chairman	/	
Coffey, Jennifer R, V Chairman	✓	
Belanger, Ronald J	—	
Flanders, Donald H	✓	
Quandt, Matt J	✓	
Headd, James F	✓	
Nevins, Chris F	✓	
Palfrey, David J	✓	
Sullivan, James M	✓	
Bergevin, Jerry E	✓	
Manuse, Andrew J	✓	
Mauro, Donna C	✓	
McGuinness, Sean M	✓	
Rice, Frederick C	✓	
Taylor, Kathleen N	✓	
Meador, David R	✓	
Gidge, Kenneth N	✓	
Schlachman, Donna L	✓	
	16-0	

Committee Report

CONSENT CALENDAR

March 16, 2011

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Committee on COMMERCE AND CONSUMER
AFFAIRS to which was referred HB504-FN,**

**AN ACT licensing reverse distributors of drugs and
requiring manufacturers and wholesalers to report
changes in ownership. Having considered the same,
report the same with the following amendment, and the
recommendation that the bill OUGHT TO PASS WITH
AMENDMENT.**

Rep. James M Sullivan

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	COMMERCE AND CONSUMER AFFAIRS
Bill Number:	HB504-FN
Title:	licensing reverse distributors of drugs and requiring manufacturers and wholesalers to report changes in ownership.
Date:	March 9, 2011
Consent Calendar:	YES
Recommendation:	OUGHT TO PASS WITH AMENDMENT

STATEMENT OF INTENT

Within the drug industry, reverse distribution outlets allow a retail pharmacy to return expired, near-expired or damaged drug packages to many manufacturers using a single point of return. It will save the pharmacies time and cost in making returns as well as provide proper control of materials and records. There is a separate provision to tighten the requirements of reporting change of ownership of drug manufacturers, distributors, wholesalers, service distributors and brokers.

Vote 16-0.

Rep. James M Sullivan
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

COMMERCE AND CONSUMER AFFAIRS

HB504-FN, licensing reverse distributors of drugs and requiring manufacturers and wholesalers to report changes in ownership. **OUGHT TO PASS WITH AMENDMENT.**

Rep. James M Sullivan for **COMMERCE AND CONSUMER AFFAIRS**. Within the drug industry, reverse distribution outlets allow a retail pharmacy to return expired, near-expired or damaged drug packages to many manufacturers using a single point of return. It will save the pharmacies time and cost in making returns as well as provide proper control of materials and records. There is a separate provision to tighten the requirements of reporting change of ownership of drug manufacturers, distributors, wholesalers, service distributors and brokers. **Vote 16-0.**

Original: House Clerk
Cc: Committee Bill File

COMMITTEE REPORT

COMMITTEE: Commerce

BILL NUMBER: 14B 504

TITLE: Licensing reverse distribution^{ors} of drugs and

requiring change of ownership notice for various drug industry companies

DATE: 3/9/11 CONSENT CALENDAR: YES NO

OUGHT TO PASS

OUGHT TO PASS W/ AMENDMENT

INEXPEDIENT TO LEGISLATE

INTERIM STUDY (Available only 2nd year of biennium)

Amendment No.

2011-0698h

STATEMENT OF INTENT:

Within the drug industry, reverse distribution outlets allow a retail pharmacy to return expired, near-expired or damaged drug packages to ^{many} the manufacturer using a single point of return. It will save the pharmacies time and cost in making returns as well as provide proper control of materials and records. There is a separate provision to tighten the requirements of reporting change of ownership of drug manufacturers, distributors, wholesalers, service distributors and brokers.

COMMITTEE VOTE: 16-0

- Copy to Committee Bill File
- Use Another Report for Minority Report

RESPECTFULLY SUBMITTED,

Rep. 

For the Committee

HB 504
Rep. James M. Sullivan
RC
OTP/A
#0698

Within the drug industry, reverse distribution outlets allow a retail pharmacy to return expired, near-expired or damaged drug packages to many manufacturers using a single point of return. It will save the pharmacies time and cost in making returns as well as provide proper control of materials and records. There is a separate provision to tighten the requirements of reporting change of ownership of drug manufacturers, distributors, wholesalers, service distributors and brokers.