



Healthcare Distribution Management Association (HDMA)
Testimony Regarding House Bill 5333, An Act Concerning the Return of Outdated Drugs
Connecticut General Law Committee
March 11, 2014

Co-Chairman Doyle and Co-Chairman Baram as well as members of the committee, thank you for the opportunity to submit written comments on House Bill 5333. My name is Devin Boerm, Director of State Government Affairs with the Healthcare Distribution Management Association (HDMA).

HDMA is the national association representing primary healthcare distributors, the vital link between the nation's pharmaceutical manufacturers and healthcare providers. Each business day, HDMA member companies ensure that fifteen million prescription medicines and healthcare products are delivered safely and efficiently to more than 200,000 pharmacies, hospitals, long-term care facilities, clinics and others nationwide. Twelve of our members do business in the state of Connecticut, including one distribution center.

We are concerned that as currently written, HB 5333 would require wholesalers to issue full credit for the return of unused drugs. The process for returning such unused prescription drugs, with respect to reimbursement, is generally dictated by the product's manufacturer and subject to the manufacturer's requirements. Typically, wholesalers do not dictate the terms of returns of unused products. As such, the manufacturers' returns and credit procedures are widely varied and based upon individual contractual and business relationships.

Additionally, the inclusion of wholesalers in HB 5333 in regard to the returns process would potentially create conflicts with trading agreements and contracts already established by manufacturers for crediting drug products. To solve this concern we respectfully recommend the word "wholesaler" be removed from the credits language or base the credit and returns process upon the wholesaler and manufacturers current returns policy.

The state of North Carolina has had a very similar rule related to the return of expired drugs since 1991 (see Attachment A). We recommend this approach as it places the responsibility of providing credit for expired drugs with the manufacturer, not the wholesaler. To the best of our knowledge, this is an approach that is not opposed by the manufacturers or pharmacies in that state. In addition, the states of Mississippi and Indiana have followed a similar approach.

Again, I appreciate this opportunity to comment on HB 5333 and I welcome any questions you may have.

Attachment A: North Carolina Return of Outdated Drugs Rule

North Carolina

SECTION .2900 - PRODUCT SELECTION

21 NCAC 46 .2901 RETURN OF OUTDATED DRUGS

Adequate provisions for return of outdated drugs both full and partial containers as provided in G.S. 90-85.28(a)(5) means that drugs can be returned up to six months after the labeled expiration date for prompt full credit or replacement. A finding by the Board that a manufacturer does not meet this standard will cause that manufacturer's products to be ineligible for use in product selection.

*History Note: Authority G.S. 90-85.6; 90-85.28(a)(5);
Eff. October 1, 1991.*

Attachment B: Mississippi Return of Outdated Drugs Rule

**TITLE 73. PROFESSIONS AND VOCATIONS
CHAPTER 21. PHARMACISTS
MISSISSIPPI PHARMACY PRACTICE ACT**

Miss. Code Ann. § 73-21-129 (2012)

§ 73-21-129. Certain drug manufacturers required to make provision for return of outdated drugs from pharmacies; investigation and discipline of noncompliant manufacturers; exemption; definitions [Repealed effective July 1, 2016]

(1) Each manufacturer whose products are distributed within the State of Mississippi shall make adequate provision for the return of outdated drugs from pharmacies, both full and partial containers, excluding biological, infused or intravenously injected drugs and drugs that are inhaled during surgery, within six (6) months after the labeled expiration date, for prompt full credit or refund.

HISTORY: SOURCES: Laws, 2008, ch. 512, § 1; Laws, 2011, ch. 546, § 28, eff from and after passage (approved Apr. 26, 2011.)