



**House
Legislative
Analysis
Section**

Washington Square Building, Suite 1025
Lansing, Michigan 48909
Phone: 517/373-6466

ANNUAL INVENTORY OF RX DRUGS

RECEIVED

House Bill 4533 as enrolled
Second Analysis (7-15-88)

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Sponsor: Rep. Ken DeBeaussen
House Committee: Public Health
Senate Committee: Health Policy

Mich. State Dept. of Health

THE APPARENT PROBLEM:

The illegal diversion of prescription drugs (to be sold for profit to people to whom the drugs are not legally prescribed) is a nationwide problem. According to a report by the U.S. Comptroller General, more Americans have abused or misused prescription drugs than they have illegal drugs such as cocaine, hallucinogens, or heroin. Prescription drugs also have been identified more often in drug-related deaths and emergency medical situations than all illegal drugs combined.

According to the U.S. Drug Enforcement Agency (DEA), Michigan has been one of the leading states in the diversion and consumption of certain "schedule 2" prescription drugs. (Controlled substances are assigned to one of five "schedules," according to their medical usefulness and potential for addiction. Schedule 1 drugs, which include heroin and hallucinogens, are highly addictive and have no legally recognized medical uses, and so cannot legally be prescribed. Schedule 2 drugs, which includes amphetamine-type stimulants and certain narcotics, have recognized medical uses for which they may legally be prescribed, but they are considered to be the most highly addictive of the legally prescribable drugs.) For example, according to the DEA, by 1983 Michigan ranked first among the states in per capita purchases of Desoxyn (a form of "speed"), phenmetrazine (Preludin), Ritalin, and Dilaudid (a synthetic form of heroin). After two years of special enforcement and rule changes (which removed obesity as an indication for the prescription of amphetamines), the use of amphetamine-type prescription drugs decreased, but consumption of other schedule 2 drugs remains high.

In 1983, the governor established a state Prescription Abuse Data Synthesis committee (known as "PADS") to coordinate the efforts and resources of state and federal agencies, law enforcement officials, and state professional associations in order to analyze the problem of prescription drug abuse and to recommend solutions. With the cooperation of the Department of Licensing and Regulation, a number of the committee's recommendations were developed into proposed legislation.

THE CONTENT OF THE BILL:

The bill would amend the Public Health Code to require annual inventories, beginning May 1, 1989, of schedule 2 to 5 drugs. Those licensed to manufacture, distribute, prescribe, or dispense controlled substances would be required to inventory and report yearly to the state Board of Pharmacy all schedule 2 to 5 drugs in their possession at the time of the inventory. Reports would be submitted up to 30 days before or 60 days after May 1 of each year, and violators would be subject to a civil fine of up to \$25,000 in a circuit court proceeding. The bill would take effect September 1, 1988.

MCL 333.7321

BACKGROUND INFORMATION:

The bill is part of a package of legislation (Public Acts 9, 10, 28, 29, 60, and 61) addressing the problem of prescription drug abuse. Some of the acts deal with written prescriptions, while others address reporting requirements and restrictions on prescription drug licensees after criminal convictions.

- Public Act 9 (House Bill 4454) requires the quarterly reporting of certain prescription drugs sold to licensed practitioners and retail pharmacies.
- Public Act 10 (House Bill 4570) tightens restrictions on the sale of schedule 1 and 2 drugs.
- Public Act 28 (House Bill 4501) requires that the quantity of a drug ordered in a prescription be written out as well as specified by a number.
- Public Act 29 (House Bill 4500) imposes restrictions on the ability of those convicted of criminal offenses to work with (or to have a "direct financial interest" in the manufacture, distribution, prescription, or dispensation of) prescription drugs.
- Public Act 30 (House Bill 4512) mandates a minimum three-year revocation of the prescription drug license of any licensee convicted of a drug-related criminal offense.
- Public Act 60 (Senate Bill 75) created a state-sponsored multiple copy prescription program for schedule 2 drugs, while Public Act 61 (Senate Bill 76) raises controlled substance license fees by \$20 to pay for the program. (Except for a prohibition on controlled substance analogues in Public Act 60, the provisions of both Public Acts 60 and 61 will expire on September 30, 1993.)

FISCAL IMPLICATIONS:

According to the Senate Fiscal Agency, the bill will result in an indeterminate increase in administrative costs associated with processing the annual reports, but these costs will be offset by fines received as a result of violations of the bill. (1-13-88)

ARGUMENTS:

For:

According to U.S. Drug Enforcement Administration (DEA) data, in 1983 Michigan ranked number one among the states in per-capita consumption of commonly abused prescription drugs. For example, in 1983 Michigan led the nation in the distribution of stimulants such as Desoxyn, Preludin, and Ritalin, and narcotics such as codeine, Percodan, Demerol, and Dilaudid (a form of synthetic heroin).

By the second quarter of 1986 (the most recent date for which DEA information is available), and after amphetamine rule amendments were adopted by the state Boards of Medicine and of Osteopathic Medicine and Surgery, Michigan's ranking of per-capita prescription

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drug consumption dropped dramatically in several categories. However, consumption of other schedule 2 drugs remains high.

Illegal drug diversion by licensed practitioners is one major way in which prescription drug abuse is abetted. Although the number of licensed practitioners engaged in illegal prescription drug diversion is small (an estimated one to two percent of the 22,000 licensees), tightening prescription drug reporting requirements will make illegal diversion more difficult and costly for licensed practitioners and reduce this problem even further.