

By: McClendon

H.B. No. 1504

Substitute the following for H.B. No. 1504:

By: Hopson

C.S.H.B. No. 1504

A BILL TO BE ENTITLED

AN ACT

relating to the distribution of a prescription drug.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 431.401(5), Health and Safety Code, is amended to read as follows:

(5) "Normal distribution channel" means a chain of custody for a prescription drug, either directly or by drop shipment, from the manufacturer of the prescription drug, the manufacturer to the manufacturer's co-licensed product partner, the manufacturer to the manufacturer's third-party logistics provider, or the manufacturer to the manufacturer's exclusive distributor, to:

(A) a pharmacy to:

(i) a patient; or

(ii) another designated person authorized by law to dispense or administer the drug to a patient;

(B) an authorized distributor of record to:

(i) a pharmacy to a patient; or

(ii) another designated person authorized by law to dispense or administer the drug to a patient;

(C) an authorized distributor of record to a wholesale distributor licensed under this chapter to another designated person authorized by law to dispense or administer the drug to a patient;

1            (D) an authorized distributor of record to a  
2 pharmacy warehouse to the pharmacy warehouse's intracompany  
3 pharmacy;

4            (E) [~~(D)~~] a pharmacy warehouse to the pharmacy  
5 warehouse's intracompany pharmacy or another designated person  
6 authorized by law to dispense or administer the drug to a patient;

7            (F) [~~(E)~~] a person authorized by law to prescribe  
8 a prescription drug that by law may be administered only under the  
9 supervision of the prescriber; or

10           (G) [~~(F)~~] an authorized distributor of record to  
11 one other authorized distributor of record to a licensed  
12 practitioner for office use.

13        SECTION 2. Section 431.4031, Health and Safety Code, is  
14 amended to read as follows:

15        Sec. 431.4031. EXEMPTION FROM CERTAIN PROVISIONS FOR  
16 CERTAIN WHOLESALE DISTRIBUTORS. (a) A wholesale distributor that  
17 distributes prescription drugs that are medical gases or a  
18 wholesale distributor that is a manufacturer or a third-party  
19 logistics provider on behalf of a manufacturer is exempt from  
20 Sections 431.404(a)(5) and (6), (b), and (c), 431.4045(2), 431.405,  
21 431.407, and 431.408.

22        (b) A state agency or a political subdivision of this state  
23 that distributes prescription drugs using federal or state funding  
24 to nonprofit health care facilities or local mental health or  
25 mental retardation authorities for distribution to a pharmacy,  
26 practitioner, or patient is exempt from Sections 431.405(b),  
27 431.407, 431.408, 431.412, and 431.413.

1           SECTION 3. As soon as practicable after the effective date  
2 of this Act, the executive commissioner of the Health and Human  
3 Services Commission shall adopt, modify, or repeal rules as  
4 necessary to implement the changes in law made by this Act.

5           SECTION 4. This Act takes effect immediately if it receives  
6 a vote of two-thirds of all the members elected to each house, as  
7 provided by Section 39, Article III, Texas Constitution. If this  
8 Act does not receive the vote necessary for immediate effect, this  
9 Act takes effect September 1, 2009.