Amend Amendment No. 13 by Y. Davis to **CSHB 2510** (house committee report) by striking page 1, line 4 through page 2, line 21, and substituting the following:

ARTICLE ____ . UNUSED DRUGS TRANSFER STUDY

SECTION ____.001. (a) As soon as practicable after the effective date of this Act, the Department of State Health Services shall conduct a study to determine the feasibility of establishing a program under which:

(1) a hospital, a nursing facility, or another health facility may transfer to the department, or an entity designated by the department, for no payment, unused drugs that the hospital, nursing facility, or health facility received reimbursement for the cost of under Medicaid; and

(2) the department, or the entity designated by the department, distributes to public hospitals the unused drugs transferred to the department or entity under Subdivision (1) of this subsection.

(b) In conducting the study under Subsection (a) of this section, the Department of State Health Services shall consider the rules the executive commissioner of the Health and Human Services Commission may need to adopt to implement the program described in Subsection (a) of this section, including rules that provide for:

(1) the types of unused drugs that may be transferred to the department or an entity designated by the department;

(2) the procedures for transferring unused drugs to the department or the entity designated by the department;

(3) the procedures for allocating and distributing the unused drugs to public hospitals; and

(4) the qualifications for an entity to be designated by the department to receive and distribute unused drugs under the program, including demonstrated expertise in handling, storing, and assessing prescription and nonprescription drugs and coordinating with the state's public hospital system.

(c) Not later than September 1, 2016, the Department of State Health Services shall submit to the legislature a report containing the findings of the study conducted under Subsection (a) of this section.

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